

COMMUNITY REINVESTMENT AREA AGREEMENT

This Agreement (the "Agreement") is made and entered into on _____, 2026, by and between the City of Gahanna, Ohio ("Gahanna"), an Ohio Municipal Corporation, with offices located at 200 S. Hamilton Road, Gahanna, OH 43230 and **DEFENBAUGH FLEX, LLC** ("Company"), with its facility to be located on Franklin County Auditor parcel numbers 025-014174-00 on **Defenbaugh Court** (Gahanna and Company are together referred to herein as the "Parties").

WITNESSETH:

WHEREAS, Gahanna City Council created Community Reinvestment Area #1 via Resolution 3-84, and subsequently amended it via Resolution No. 14-84, 28-92, 24-96, SR-0006-2000, SR-0002-2001, SR-0003-2001, SR-0003-2003, SR-0005-2004, and SR-0005-2005 designated the area as Community Reinvestment Area #1 pursuant to Chapters 3735.65 to 3735.70 of the Ohio Revised Code; and

WHEREAS, Gahanna has encouraged the development and improvement of real property and the acquisition of personal property located in the area designated as Community Reinvestment Area #1; and

WHEREAS, the Company is desirous of constructing a new approximately 35,000 square foot industrial/office "flex" facility, hereinafter referred to as the "Project", within the boundaries of the aforementioned Community Reinvestment Area, provided that the appropriate development incentives are available to support the economic viability of said Project; and

WHEREAS, Gahanna having the appropriate authority for the stated incentives is desirous of providing the Company with such incentives available for the development of the Project in said Community Reinvestment Area under Chapter 3735 of the Ohio Revised Code; and

WHEREAS, the Company has submitted a proposed incentive application, herein attached as **Exhibit A**, to Gahanna (said application hereinafter referred to as the "Application"); and

WHEREAS, the Director of Economic Development for Gahanna has investigated the Application of the Company and has recommended the same to Gahanna City Council on the basis that the Company is qualified by financial responsibility and business experience to create and preserve employment opportunities in said Community Reinvestment Area and improve the economic climate of Gahanna; and

WHEREAS, all required notices to school districts pursuant to Section 5709.83 of the Ohio Revised Code have been waived in accordance with the Compensation Agreement dated June 2, 2000, (the "Compensation Agreement") by and between Gahanna and the Gahanna-Jefferson Public School District (the "School District"); and

WHEREAS, the Company has remitted the required municipal application fee of \$250.00 made payable to the City of Gahanna: and

WHEREAS, pursuant to Section 3735.67(A) of the Ohio Revised Code, the parties hereto desire to set forth their agreement with respect to matters hereinafter contained.

NOW, THEREFORE, in consideration of the mutual covenants hereinafter contained and the benefit to be derived by the parties from the execution hereof, the parties herein agree as follows:

1. **THE PROJECT** Upon issuance of the necessary entitlements and approvals, the Company shall cause improvements to be made on the real property owned by Company (Parcel: 025-014174-00) located on Defenbaugh Court, Gahanna, OH, hereinafter referred to as the "Project Site", which is estimated to be not less than \$4,905,886.

The Project shall be constructed in substantial accordance with a development plan that has been approved by the Gahanna Planning Commission as part of Application Number [_____], as may be amended in the future.

It is estimated that the Project will begin construction on approximately October 1, 2026, and will be completed on approximately August 31, 2027, subject to force majeure.

2. **EMPLOYMENT AND PAYROLL.** The Company shall create and maintain 18 new Jobs in Gahanna with a minimum of \$990,000 payroll, within two (2) years after completion of construction, as evidenced by receipt of a Certificate of Occupancy, at the Project Site in accordance with the hiring and payroll schedule attached as **Exhibit B**. For purposes of this Agreement, a "Job" is a full-time employee, employed on-site for at least thirty-five (35) hours per week, or who renders any other standard of service generally accepted by custom or specified by contract as a full-time employment. The foregoing determination of new Jobs and minimum payroll shall be calculated based upon the aggregate total Jobs and payroll of the Company together with all tenants at the Project Site.
3. **LOCAL SUPPORT.** Company shall contribute to the Community Improvement Corporation of Gahanna one thousand dollars (\$1,000.00) per year, on or before March 31st of each year this Agreement is in effect, to support economic development in Gahanna. The parties agree that noncompliance with this section is a material breach of the Agreement.
4. **REAL PROPERTY TAX EXEMPTION.** Company states that an abatement is necessary to maintain market affordability for tenant leases. In pursuit of this and the forementioned capital investment, job creation and payroll goals, Gahanna hereby grants the Company a tax exemption for only the real property improvements made to the Project Site pursuant to Section 3735.67 of the Ohio Revised Code and shall be in the following amounts:

Tax Exemption Amount: **75%**
Term of Tax Abatement: **10 years**

The exemption will have no impact upon the existing tax valuations of the property as they appear on the 2026 tax year information provided by Franklin County, OH. The exemption on improvements commences the first year for which the real property would first be taxable if the improvements were not exempted from taxation and shall not extend beyond ten years or **December 31, 2039**, whichever date occurs sooner.

The Company shall pay such real and tangible personal property taxes as are not exempted under this Agreement and are charged against such property, including assessed values captured during the construction period, and shall file all tax reports and returns as required by law. If the Company fails to pay such taxes or file such returns and reports, all incentives granted under this Agreement are rescinded beginning with the year for which such taxes are charged or such reports or returns are required to be filed and thereafter.

5. **PROGRAM COMPLIANCE.** The Company shall provide to the proper Tax Incentive Review Council (the "TIRC") any non-confidential information reasonably required by the Tax Incentive Review Council and annual reports to Gahanna to evaluate the Company's compliance with this Agreement, including returns filed pursuant to Section 5711.02 of the Ohio Revised Code. Company agrees to include in any lease or other use agreement for the Project a requirement that each tenant or other user provide any of the information reasonably required by the TIRC to evaluate compliance with this Agreement. Such information includes, but is not limited to, returns or annual reports filed under R.C Section 5711.02 or 5727.08, certification evidencing the number of jobs created, jobs retained, new payroll, or retained payroll, and personal property information. Company further agrees to provide any information reasonably required by the TIRC to evaluate compliance with this Agreement. Company shall require including all tenants at the Project site to file Annual Municipal Net Profit Returns with Gahanna for the length of the incentive term.

The minimum annual income tax withholding revenues set forth in **Exhibit B** shall hereinafter be referred to as the "**Revenue Threshold.**" If there are disagreements among the Parties regarding the employees and payroll credited to the Revenue Threshold for the Project Site, the Parties shall (i) meet and confer with one another, and (ii) work together cooperatively to resolve their differences, provided, however, the Company acknowledges that only jobs and payroll reported by Company and the tenants of the Project Site to Gahanna and verified by Gahanna's income tax administrator will be counted when determining whether the Revenue Threshold has been achieved.

The Company shall be responsible for providing to Gahanna or causing to be provided to Gahanna all tenant employee payroll and withholding information necessary to demonstrate achievement of the Revenue Threshold. If the Company (together with the tenants of the Project Site) fails to maintain or cause to be maintained the Revenue Threshold, the Company shall make a payment in lieu of taxes to Gahanna in the amount equal to the difference between the Revenue Threshold and the actual income tax withholding revenue generated at the Project Site. However, the foregoing payment in lieu of taxes shall apply only for years where the Revenue Threshold has not been satisfied. For years where the Revenue Threshold has been satisfied no payments in lieu of taxes shall be due. The Revenue Threshold set forth in this Section is established on the assumption that the City income tax rate is two- and one-half percent (2.5%). If such rate is increased or decreased at any time before or after the commencement of the exemption period, the Revenue Threshold shall be proportionately increased or decreased. Any payments in lieu of taxes shall be due by March 31st of the year following the year in which the Revenue Threshold is not satisfied. Notwithstanding anything in this Agreement to the contrary, any failure of the Company to achieve the Revenue

Threshold in any given year shall not be considered a failure of the Company to fulfill its obligations under this Agreement provided that Company pays the payment in lieu of taxes described in this Section prior to delinquency.

Should the Company, and/or operating business tenants at the Project Site, file the Annual Municipal Net Profit Returns through the Ohio Business Gateway or through some other means directed by the Ohio Tax Commissioner pursuant to Ohio Regulation 5703-41-1, rather than directly with Gahanna, the Company will forfeit eligibility to receive the property tax abatement incentive benefit for that Reporting Year if the City and the proper Tax Incentive Review Council (at its next regularly scheduled meeting) determine that said filing resulted in the inability to properly and timely verify the Project's compliance with the job and payroll withholding requirements of this Agreement, the Company will forfeit eligibility to receive the property tax abatement incentive benefit for that Reporting Year if the City and the proper Tax Incentive Review Council (at its next regularly scheduled meeting) determine that said filing resulted in the inability to properly and timely verify the Project's compliance with the job and payroll withholding requirements of this Agreement and for the avoidance of doubt, if the property tax abatement incentive is forfeited pursuant to this Section then Company shall have no obligation to make any payment in lieu of taxes described in this Section above.

Company shall pay an annual monitoring fee to Gahanna equal 1% of the value of the abatement, with a minimum of \$500 and a maximum of \$2,500. The fee shall be paid by the Company to the City once per year, on or after July 1st of each year this Agreement is in effect, within thirty (30) days of receipt of an invoice from Gahanna. This fee shall be deposited in a special fund created for such purpose and shall be used exclusively for the purpose of complying with R.C. Section 3735.672 and by the Council created under R.C. Section 5709.85 exclusively for the purposes of performing the duties prescribed under that Section.

6. **COOPERATION OF THE CITY.** Gahanna shall perform such acts as are reasonably necessary or appropriate to effect, claim, reserve, and maintain exemptions from taxation granted under this Agreement including, without limitation, joining in the execution of all documentation and providing any necessary certificates required in connection with such exemptions.
7. **REVOCATION OF CRA.** If for any reason the Community Reinvestment Area designation expires or is revoked by Gahanna, entitlements (including the taxation exemption) granted under this Agreement shall continue for the number of years specified under this Agreement, unless the Company materially fails to fulfill its obligations under this Agreement beyond all applicable notice and cure periods and Gahanna terminates or modifies the exemptions from taxation granted under this Agreement.
8. **TERMINATION OR MODIFICATION UPON DEFAULT.** If the Company materially fails to fulfill its obligations under this Agreement and such failure continues for thirty (30) days following written notice of such failure, or if Gahanna determines that the certification as to the delinquent taxes set forth in Section 9 of this Agreement below is fraudulent,

Gahanna may terminate or modify the exemptions from taxation granted under this Agreement and may require the repayment of the amount of taxes that would have been payable had the property not been exempted from taxation under this Agreement.

9. The Company hereby certifies that at the time this Agreement is executed, the Company does not owe any delinquent real or tangible personal property taxes to any taxing authority of the State of Ohio and does not owe delinquent taxes for which the Company is liable under Chapter 5733, 5735, 5739, 5741, 5743, 5747 or 5753 of the Ohio Revised Code, or, if such delinquent taxes are owed, the Company is currently paying the delinquent taxes pursuant to an undertaking enforceable by the State of Ohio or an agent or instrumentality thereof, has filed a petition in bankruptcy under 11 U.S.C.A. 101, et seq., or such a petition has been filed against the Company. For the purposes of the certification, delinquent taxes are taxes that remain unpaid on the latest day prescribed for payment without penalty under the chapter of the Revised Code governing payment of those taxes.
10. **APPROVAL BY THE CITY.** Company and Gahanna acknowledge that this Agreement must be approved by formal actions of the legislative authority of Gahanna as a condition for this Agreement to take effect.
11. **AGREEMENT REGARDING USE OF INFORMATION FOR FINANCIAL ASSISTANCE.** Company and Gahanna acknowledge that they have previously entered into an Agreement Regarding Use of Information for Financial Assistance on ____ day of _____, 2026, waiving any and all rights Company may have under Ohio Revised Code Section 9.66(D).
12. **NO FALSE STATEMENTS.** The Company affirmatively covenants that it has made no false statements to the State or Gahanna in the process of obtaining approval for Community Reinvestment Area incentives. If any representative of the Company has knowingly made a false statement to the State or Gahanna to obtain Community Reinvestment Area incentives, the Company shall be required immediately to return all benefits received under this Agreement pursuant to Ohio Revised Code Section 9.66(C)(2) and shall be ineligible for any future economic development assistance from Gahanna, any state agency or a political subdivision pursuant to Ohio Revised Code Section 9.66(C)(1). Any person who provides a false statement to secure economic development assistance may be guilty of falsification, a misdemeanor of the first degree, pursuant to Ohio Revised Code Section 2921.13(D)(1), which is punishable by a fine of not more than \$1,000 and/or a term of imprisonment of not more than six months.
13. **REVOCATIONS OF EXEMPTIONS.** Exemptions from taxation granted under this Agreement shall be revoked if it is determined that the Company, any successor to that person, or any related member (as those terms are defined in Division (E) of Section 3735.671 of the Ohio Revised Code) has violated the prohibition against entering into this Agreement under Division (E) of Section 3735.671 or Section 5709.62 or 5709.63 of the Ohio Revised Code prior to the time prescribed by that division or either of those sections.

14. **TRANSFER AND/OR ASSIGNMENT.** Except as provided below, this Agreement and the benefits and obligations thereof are not transferable without the express legislative approval of Gahanna.

In the event of, merger (whether that party is the surviving or disappearing entity), consolidation, dissolution, operation of law, or by any single transaction or series of related transactions resulting in the transfer of more than fifty percent (50%) of the membership interests in the Company to a person or entity that is not an Affiliate of the Company as of the Effective Date, transfer or assignment of: (1) any discretion granted under this Agreement, (2) any right to satisfy a condition under this agreement, (3) any remedy under this agreement, or (4) any obligation imposed under this agreement, are permissible with the express, written administrative approval of Gahanna, which approval shall not be unreasonably withheld or delayed upon submission of a **Request to Transfer Abatement Letter**, attached as Exhibit C.

Except as described above, in the event of transfer or assignment in interest by Company to a successor in interest (“New Applicant”), the New Applicant shall submit Request to Transfer Abatement Letter and an **Application for Community Investment**, attached as **Exhibit D**. If the New Applicant meets all the standards and verifications as Company did in Exhibit A as evidenced by the **Application Evaluation**, attached as **Exhibit E**, then transfer of abatement may be administratively approved and shall not be unreasonably withheld or delayed.

Any purported transfer in violation of this section will be void. Any attempt to transfer or assign this Agreement, without submitting a “**Request to Transfer Abatement**” letter, included as **Exhibit C**, and receiving written approval from Gahanna, is a material violation of this Agreement.

15. **NOTICES.** Except as otherwise specifically set forth in the Agreement, notices, demands, requests, consents or approvals given, required or permitted to be given shall be in writing and shall be deemed sufficiently given if hand-delivered or sent by recognized, overnight delivery service or by the United States Postal Service, postage prepaid with proof of delivery service, addressed to the other Party at these addresses:

As to City of Gahanna:

City of Gahanna
c/o Economic Development Department
Attn: Housing Officer
200 S. Hamilton Rd.
Gahanna, OH 43230

As to Company:

Defenbaugh Flex LLC

Notice shall be deemed received upon delivery, unless sent by USPS, in which event such notice shall be deemed to have been received when the delivery receipt is signed or refused. Either Party may designate any further or different addresses to which subsequent notices,

certificates, requests or other communications shall be sent by giving notice to the other Party as provided in this paragraph.

16. **COUNTERPARTS.** This Agreement may be executed in one or more counterparts, each of which constitutes an original agreement and all of which constitute one and the same original agreement. This Agreement and any document relating to it may be executed and transmitted to any other Party by facsimile or other electronic imaging method, which shall be deemed to be, and utilized in all respects as, an original, wet-inked, manually executed document. This agreement shall become effective only when counterparts have been signed by each of the Parties and delivered to the other Party; it being understood and agreed that all Parties need not sign the same counterparts.
17. **SEVERABILITY.** If any provision of this Agreement is held to be illegal, invalid or unenforceable, said provision is fully severable. This Agreement will be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of this Agreement and the remaining provisions of this Agreement will remain in full force and effect and will not be affected by the illegal, invalid or unenforceable provision or by its severance from this Agreement.
18. **TERMINATION.** This Agreement shall be in full force and effect until December 31 of the last tax year in which exemptions can be claimed pursuant to Section 6 of this Agreement, after which this Agreement and the obligations of all parties hereto shall terminate.

IN WITNESS WHEREOF, the City of Gahanna, Ohio by Jeffrey Gottke, Housing Officer, and pursuant to all relevant state and City legislation, and Ordinance No. _____-2026, has caused this instrument to be executed this _____ day of _____, 2026 and Defenbaugh Flex LLC, by its duly authorized signor, has caused this instrument to be executed on this _____ day of _____, 2026.

DEFENBAUGH FLEX LLC,

City of Gahanna, Ohio

By: Defenbaugh Flex LLC,
General Partner

By: _____
Laurie Jadwin, Mayor

By: _____
Name:

Approved as to form:

Priya Tamilarasan, City Attorney

EXHIBIT A
CRA APPLICATION

EXHIBIT B

JOB CREATION & PAYROLL SCHEDULE

YEAR	GUARANTEED JOBS	GUARANTEED PAYROLL
1	0	\$0
2	9	\$495,000
3	18	\$990,000
4	18	\$1,019,700
5	18	\$1,050,291
6	18	\$1,081,799
7	18	\$1,114,252
8	18	\$1,147,679
9	18	\$1,182,109
10	18	\$1,217,572

EXHIBIT C

REQUEST AND TRANSFER OF ABATEMENT

EXHIBIT D

APPLICATION FOR COMMUNITY INVESTMENT

EXHIBIT E
APPLICATION EVALUATION