

**CITY OF GREEN
MUNICIPAL ECONOMIC DEVELOPMENT GRANT AGREEMENT**

This Grant Agreement (“Grant Agreement”) is made and entered into by and between the City of Green, Ohio, a chartered political subdivision of the State of Ohio, with its administrative offices located at 1755 Town Park Blvd., PO Box 278, Green, Ohio 44232-0278 (“City”), Today’s Classroom, an Ohio corporation whose Ohio office is located at 5771 Mayfair Road, North Canton (“Company”). The City and the Company are collectively referred to herein as the (“Parties”).

WITNESSETH:

WHEREAS, the City has encouraged the development of existing vacant industrial and office real property where occupancy results in new employment opportunities for the City; and

WHEREAS, the Company is in the education equipment sales industry and formerly operated from its Canton, Ohio headquarters at 6551 Middlebranch Avenue NE, Canton, Ohio 44721 (collectively, the “Prior Site”); and

WHEREAS, the Company has purchased and relocated its headquarters and show room operations within the City to 5771 Mayfair Road, North Canton, Ohio 44232 (“Project Site”) and has made a request of the City for assistance through the form of an economic development grant; and

WHEREAS, the Mayor has investigated the request of the Company and has recommended City Council’s approval of this Grant Agreement because the Company is qualified by financial responsibility and business experience to create and preserve employment opportunities and improve the economic climate of the City; and

WHEREAS, the City desires to provide the Company with an incentive consistent with the purposes of Section 13 of Article VIII of the Ohio Constitution to create or preserve jobs and employment opportunities and to improve the economic welfare of the people of the State of Ohio and the City; and

WHEREAS, City Council has enacted Resolution 2025-R___ authorizing the execution of this Grant Agreement to provide an economic development grant to The Company based on The Company’s income taxes withheld on wages earned at the Project Site as more fully defined hereinafter.

NOW, THEREFORE, in consideration of the mutual covenants contained in this Grant Agreement and the benefit to be derived by the Parties from the execution of this Grant Agreement, the Parties agree as follows:

Section I: Definitions.

- A. “Confidential Information” means income tax withholding forms or reports, tax returns and other substantiating evidence used pursuant to Section 718.13 of the Revised Code.

B. “Date of Initial Operations” means the date stated in the Grant Agreement in which the Company’s facility and equipment is in a condition sufficient to allow for the commencement of Company activities at the Project Site.

C. “Related Member” means a person that with respect to the taxpayer during all or any portion of the taxable year is a Related Entity, is a component member as defined in Section 1563(b) of the Internal Revenue Code, or is a person to or from whom there is attribution of stock ownership in accordance with Section 1563(e) of the Internal Revenue Code.

D. “Related Entity” means one of the following:

i) An individual stockholder or a member of the stockholders family enumerated in Section 318 of the Internal Revenue Code, if the stockholder and the members of the stockholder’s family own, directly, indirectly, beneficially, or constructively, in the aggregate, at least fifty (50) percent of the value of the taxpayers’ outstanding stock;

ii) A stockholder or a stockholder’s partnership, estate, trust, or corporation, if the stockholder and the stockholder’s partnerships, estates, trusts, and corporations own directly, indirectly, beneficially, or constructively, in the aggregate, at least fifty (50) percent of the value of the taxpayers’ outstanding stock;

iii) A corporation or a party related to the corporation in a manner that would require an attribution of stock from the corporation to the party or from the party to the corporation, if the taxpayer owns, directly, indirectly, beneficially, or constructively, at least fifty (50) percent of the value of the corporation’s outstanding stock.

E. “Full-Time Permanent Employee” means an individual who is employed by the Company for at least thirty-five hours (35) hours a week.

F. “Remote Employee” means an employee performing their job from a location other than the Project Site operated by the employer.

G. “Hybrid Employee” means an employee who performs their job from the Project Site as well as another location not operated by the employer.

H. “Retained Employees” means the employees employed by the Company within the City of Green as of the commencement of the Grant Term and transferred to the Project Site.

I. “New Employee” means a Full-Time Permanent Employee new to the City of Green, Ohio, New Employee does not include:

1. Any employee of the Company who was previously employed in this state by a Related Member of the Company and whose employment was shifted to the Company;

2. An employee of the Company who is employed in a position that was relocated to the Project Site from other operations in this state or from operations of a Related Member of the Company in this state and the position was not refilled; or

3. A child, grandchild, parent or spouse (other than a spouse who is legally separated from the individual) of any individual who is an employee of the Company and who has a direct or indirect ownership interest of at least five (5) percent in the profits, capital or value of the Company. Such ownership interest shall be determined in accordance with Section 1563 of the Internal Revenue Code and the regulations prescribed.

4. An individual who backfills a position that was in existence on February 1, 2025.

J. "Tax Year" means the calendar year for which taxes are charged.

K. "Collection Year" means the calendar year in which taxes are collected.

L. "Grant Term" means three Tax Year period for which a municipal economic development grant is received by the Company.

M. "Municipal Income Tax" means an annual tax that is imposed by the City on income at the current rate as defined in Chapter 880 of City's Codified Ordinances.

N. "New Payroll" means the additional Project Site employee payroll in excess of the Retained Payroll paid by the Company.

O. "New Payroll Withholding Tax" means the total amount of Municipal Income Tax withheld by the Company from the New Payroll during the applicable Tax Year.

P. "Reconciliation of City of Green Income Tax Withheld from Wages Form" means the form submitted by the Company showing the amount of payroll taxes withheld and paid during the applicable Tax Year to the City.

Q. "Retained Payroll" means the annual payroll for the Company's Retained Employees based at the Prior Sites immediately prior to the commencement of the Grant Term.

R. "Retained Payroll Withholding Tax" means the total amount of Municipal Income Tax withheld by the Company from the Retained Payroll during the applicable Tax Year.

S. "Grant Payment" means the payment made by the City to the Company from non-tax revenues as determined by the City based on a percentage of City of Green Annual Municipal Income Tax Withholding Receipts derived from job creation and retention from the Company as laid out in Section III below.

T. "Non-Tax Revenues" as used in this Grant Agreement means all monies of the City, which are not monies raised by taxation, to the extent available for the purpose of making the Grant Payment required, including, but not limited to the following:

- i) Grants from the United States of America and the State;
- ii) Payments in lieu of taxes now or hereafter authorized by State statute to the extent pledged to pay debt charges on City indebtedness;
- iii) Fines and forfeitures which are deposited in the City's General Fund;

- iv) Fees deposited in the City's General Fund for services provided and from properly imposed licenses and permits;
- v) Investment earnings on the City's General Fund;
- vi) Investment earnings on other funds of the City that are granted to the City's General Fund;
- vii) Proceeds from the sale of assets which are deposited in the City's General Fund;
- viii) Gifts and donations; and
- ix) All rental payments which are deposited in the City's General Fund.

Section II: Company's Determinations.

The Company will establish headquarters in Green, Ohio as of February 1, 2025.

The Company has relocated its educational furniture retail operation and showroom from the Prior Site to the Project Site. The relocation shall include purchasing and remodeling the Project Site.

Section III: Job Retention and Creation Requirements.

A. New Job Creation

The Company is committed to, within a three (3) year period beginning February 1, 2025, create at least fourteen (14) New Employees who will be based at the Project Site with an anticipated annual payroll of \$620,000.

B. Retained Jobs

The company is committed to retaining zero (0) number of employees through the duration of the grant agreement. There are currently zero (0) jobs at the Project Site. All job creation as a result of this agreement is considered "New Job Creation" in the City of Green.

C. Eligible Employees

Employees must be based at the project site in the City of Green. Employees working remotely are not eligible for the Municipal Economic Development Program. Employees working a hybrid model are only eligible while working at the project site. Employers are required to keep sufficient record of hybrid employees' hours while working at the Project Site.

Section IV: Grant Percentage & Term.

During the Grant Term, the City shall pay to the Company, as a grant payment from Non-Tax Revenues (the "Grant Payment"), a sum equal to Fifty Percent (50%) of the New & Retained Payroll Withholding Taxes paid, less any requested employee income tax refunds. There is no cap on the Grant Payment, and should the company hire more than these estimates the company will be compensated at the same terms.

The Grant Payment shall be paid for Tax Years 2025-2027; payments being made in Calendar Years 2026-2028. The Grant Term shall begin in Tax Year 2025 (January 1, 2025) and terminate at the end of Tax Year 2028 (December 31, 2028) so long as the Company, during the Grant Term, retains and achieves the requirements set forth above in Section III.

The following chart illustrates the terms and percentage amounts and is for illustrative purposes only:

Grant Year	Tax Year	Grant Payment Year	Anticipated Employment Level	Anticipated Payroll Investment	Municipal Income Tax Rate	Payroll Withholding Taxes Due by Company	Grant Payment Percentage	Annual Grant Payment to Company
1	2025	2026	14	\$620,000	2%	\$12,400	50%	\$6,200
2	2026	2027	14	\$620,000	2%	\$12,400	50%	\$6,200
3	2027	2028	14	\$620,000	2%	\$12,400	50%	\$6,200
								\$18,600

Section V: Grant Payment.

The Grant Payment shall be paid to the Company once the Company's Annual Report, Reconciliation of City of Green Income Tax Withheld from Wages and any supporting documentation reasonably requested by the City of Green from the Company has been reviewed and approved. The Company's Annual Report will be considered tentative and subject to audit by the City of Green Finance Department. Any obligation of the City created by or arising out of this Grant Agreement shall not be a general debt on its part nor give rise to any pecuniary liability of the City, but shall be payable solely from a revenue source as determined by the City. The Grant Payment(s) due shall be made by check payable to the Company and addressed to the Company's President or otherwise noted designee.

Payments will be made to the Company no later than November 1st of each calendar year.

Date of Initial Operations at the Project Site shall be approximately February 1st, 2025.

Section VI: Company's Operation.

The Company shall continue to maintain operations at the Project Site for three calendar years following the Grant Term ("Continuation Period").

Section VII: Effect of Failure to Maintain Operations.

During the Continuation Period and for one year following the Continuation Period (the "Reporting Period"), the Company shall annually provide the City with a written certification that the Company has maintained operations at the Project Site by continuing to do business at the Project Site. If the Company fails to maintain operations at the Project Site through the end of the Continuation Period, the Company may be required to payback, at the City's sole, absolute discretion, in whole or in part, any grant monies received. In determining the portion of any Grant to be repaid, the City shall consider the effect of market conditions on the Company's project and will reduce any repayment proportionally with the approximate impact of an economic or industry downturn.

Section VIII: Reporting.

A. Annual Reports

The Company shall be required to provide Annual Reports to the City, substantially in the form attached hereto as Exhibit A, which shall include any information reasonably required by the City to evaluate the Company's compliance with this Grant Agreement.

The Annual Report shall specify, at a minimum, the number of New Employees, the New Employee Payroll, the average wages of the New Employees, the New Payroll Withholding Taxes withheld, the Retained Payroll Withholding Taxes withheld, and any other information the City reasonably deems appropriate to perform its duties. The Company's Annual Report to the City shall be certified as accurate and complete as evidenced by the original signature of an authorized officer of the Company. Annual Reports are due to the City of Green Planning Department, no later than March 1 of each calendar year.

Each year the Company shall provide to the City a copy of their Reconciliation of City of Green Income Tax Withheld from Wages Form showing the amount of payroll taxes withheld and paid during the applicable Tax Year to the City.

In the event that the City reasonably determines the Company has submitted an Annual Report containing erroneous data or data not supported by the records established and maintained under this Grant Agreement, the City may, after providing written notice, require the Company to resubmit corrected Annual Reports for the Tax Year(s) in which such Annual Report(s) were filed.

B. Continuation Reports

No later than March 1 of each calendar year following a Continuation Period year, the Company shall submit to the City written notice that includes, but is not limited to, the total number of Retained and New Employee levels, Retained and New Employee annual payroll levels, Retained and New Employee average wage rates, and any other information demonstrating that the Company is substantially maintaining (as defined in Rule 122:7-1-01(W)) operations at the Project Site. The Continuation Report shall be itemized by Retained Employees and New Employees and shall be certified as accurate and complete as evidenced by the original signature of any authorized officer of the Company. The Continuation Period will be for three consecutive years following the last grant payment year and will begin January 1, 2028 and conclude December 31, 2030; with reports being submitted in years 2029, 2030, and 2031.

Section IX: Non-Compliance and Termination.

In the event that the Company fails to achieve and/or maintain the minimum amounts required during the Grant Term, or if the Company materially fails to fulfill any other material obligation under this Grant Agreement, the City shall give written notice of such failure(s) to the Company. The notice shall provide the Company with a thirty (30) day period to cure any and all defaults under this Grant Agreement.

Upon expiration of the thirty (30) day notice period, if the Company is still in violation of any provision of this Grant Agreement, the City may unilaterally and prospectively reduce the percentage and term of the Grant or the City may immediately terminate the Grant Agreement in its entirety. If the Company fails to maintain operations during the Grant Term or the Continuation Period, the City may also require the Company to refund any or all Grant Payments received under this Grant Agreement in accordance with Section VII above.

Section X: Amendments or Modifications.

Either party may at any time during the Term of this Grant Agreement request amendments or modifications, but such changes or amendments shall not be effective until executed by the Parties. Requests for amendment(s) or modification(s) to this Grant Agreement shall be in writing and

shall specify the requested change(s) and the justification of such change(s). The Parties shall review the request for modification(s) in terms of legislation, regulations, and goals relating to the Project. Should the Parties consent to modification(s) of the Grant Agreement, an amendment shall be created, approved, and executed in the same manner as the original Grant Agreement. Such amendment(s) shall not be effective until a written amendment is signed by all Parties.

Section XI: Records, Access and Maintenance.

The Company is required to establish and maintain all relevant supporting documentation used in the generation of this Grant Agreement and its reporting requirements for at least three (3) years beyond the Grant Term. The Company shall make available for examination all of its records with respect to matters covered by this Grant Agreement and shall permit the City to audit, examine, and make excerpts or transcripts from such records. The Company shall maintain and organize its records in such form so that, in case of a review of its records or an audit, it is able to verify and document the information it provides in its Annual and Continuation Reports pursuant to this Grant Agreement. The Company shall make available, during normal business hours upon ten (10) days written notice, Company records for review and verification by the City.

The Parties further agree that records required by the City with respect to any questioned costs, audit disallowances, litigation, or dispute between the City and the Company shall be maintained for the time needed for the resolution of the question and that in the event of early termination of this Grant Agreement, or if for any other reason the City shall require a review of the records related to the project, the Company shall, at its own cost and expense, segregate all such records related to the project from its other records of operation.

Section XII: Audits and Inspections.

Final determination of the number of New Employees created, New Payroll Withholding Taxes and Retained Payroll Withholding Taxes received, and findings as to all other matters pertaining to compliance with this Grant Agreement shall be made by the City. The Company authorizes the City, including, but not limited to, the Mayor, Finance Department, Law Department and/or Planning Department to review and inspect its City of Green Income Tax Division records as necessary in accordance with the terms of this Grant Agreement.

Section XIII: Forbearance Not a Waiver.

No act of forbearance or failure to insist on the prompt performance by the Company of its obligations under this Grant Agreement, either express or implied, shall be construed as a waiver by the City of any of its rights under this Grant Agreement.

Section XIV: Equal Employment Opportunity.

The Company will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, ancestry, veteran status, disability or age. The Company will incorporate the requirements of this Section in all of its respective employment applications, hiring practices, and contracts.

Section XV: Conflict of Interest.

No personnel of the Company, any subcontractor of the Company, or public official, who exercises any functions or responsibilities in connection with the review or approval of the Grant Agreement shall, voluntarily or involuntarily, acquire any personal interest, direct or indirect, which is

incompatible or in conflict with the discharge or fulfillment of their functions or responsibilities with respect to this Grant Agreement. Any such person who, prior to or after the execution of this Grant Agreement, acquires any personal interest, involuntarily or voluntarily, in the Company shall immediately disclose their interest to the City and the Company in writing. Thereafter, such person shall not participate in any action affecting this Grant Agreement unless the Parties determine that, in light of the personal interest disclosed, their participation in any such action would not be contrary to the public interest.

Section XVI: Governing Law.

This Grant Agreement shall be governed by the laws of the City of Green, Summit County, and State of Ohio as to all matters, including but not limited to matters of validity, construction, effect, and performance, without giving effect to any choice or conflict of law provisions or rules that would cause the application of the laws of any other jurisdiction.

Section XVII: Payroll Withholding.

The Company accepts full responsibility for payments of all unemployment compensation, insurance premiums, worker's compensation premiums, all income tax deductions, social security deductions, and any and all other taxes or payroll deductions required for all employees engaged by the Company. In the event of a dispute arising out of this Grant Agreement, the Parties agree to continue in good faith to discuss and attempt to resolve the issues of the dispute through negotiation.

Section XVIII: Outstanding Liabilities.

The Company acknowledges that it is required to file business tax for the City of Green and has engaged a qualified professional services firm to help it prepare and file the returns.

Section XIX: Falsification of Information.

The Company affirmatively covenants that it, any parent corporation of the Company, and any other Related Entity or Member has made no false statements to the City in the process of obtaining this Grant. If the Company, any parent corporation of the Company, or other Related Entity or Member has knowingly made a false statement to the City to obtain this Grant, the Company shall be required to return all benefits immediately pursuant to Ohio Revised Code Section 9.66(C)(2) and shall be ineligible for any future economic development assistance from the State, any state agency, the City of Green 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 2921.13(E)(1), which is punishable by a fine of not more than \$1,000.00 and/or a term of imprisonment of not more than one hundred eighty (180) days.

Section XX: Confidentiality.

The Parties agree:

- A. Not to disclose Confidential Information of the other party or its agents to third parties (third parties do not include the Parties' agents or representatives);
- B. Not to use the Confidential Information except for enforcement of or in furtherance of the purposes of this Grant Agreement; and

C. The Confidential Information of a party is and shall remain the property of the disclosing party.

However, Confidential Information shall not preclude the City from releasing any information as required by law, so long as the City has provided notice to the Company and an opportunity for the Company to seek a protective order or other remedy to restrict release of the Confidential Information.

Section XXI: Forum and Venue.

The Company agrees that all claims or proceeding may be heard and determined in any court of competent subject matter jurisdiction in Summit County, Ohio and the Company irrevocably waives any objection it may now or hereafter have as to the venue of any such action or proceeding brought in such court or that such court is an inconvenient forum.

Section XXII: Indemnification.

Except as otherwise specifically provided herein and except in cases in which the City is found to be negligent, to have engaged in willful misconduct or engaged in unlawful or criminal activity, the Company agrees to indemnify the City and hold it harmless from any and all claims of third parties caused by or resulting from the Company's performance of the obligations or activities in the furtherance of the project. In connection therewith, notwithstanding any other provision in this Grant Agreement, the Company will not be required to indemnify the City for any settlements reached with respect to a third-party claim unless the Company has provided its prior written consent for such settlement.

Section XXIII: Entire Grant Agreement.

This Grant Agreement, its exhibits, and any documents referred to herein sets forth the complete understanding of the Parties and merges and supersedes any and all other discussions, grant agreements, representations, and understandings, either oral or written, between the Parties with respect to the subject matter of this Grant Agreement.

Section XXIV: Notices.

All notices, consents, demands, requests, and other communications, which may be or are required to be given hereunder, shall be in writing and shall be deemed duly given if personally delivered, sent by facsimile with confirmation, regular United States mail, private carrier, or sent by United States mail, registered or certified, return receipt requested, postage prepaid, to the addresses set forth in this Section or to such other address as the Parties may designate in writing.

If to the City of Green:

City of Green

Attention: Rocco P. Yeargin, Mayor

P0 Box 278

1755 Town Park Blvd.

Green, Ohio 44232-0278

Phone: (330) 896-6602

E-mail: RYeargin@cityofgreen.org

With a copy to:

City of Green Planning Department
Attention: Heather Russell, Economic Development Administrator
PO Box 278
1755 Town Park Blvd.
Green, Ohio 44232-0287
Phone: (330) 896-6614
E-mail: hrussell@cityofgreen.org

If to Company: Today's Classroom
Attention: Rick Griffith
Location: 5771 Mayfair Road, North Canton, Ohio 44720
Phone: (330) 433-9030
E-mail: rick@todaysclassroom.com

Attention: Ali Griffith
Location: 5771 Mayfair Road, North Canton, Ohio 44720
Phone: (330) 433-9030
E-mail: ali@todaysclassroom.com

Section XXV: Assignment.

This Grant Agreement nor any rights, duties, or obligations described shall be assigned or transferred by the Company without the express, legislative approval of the City. Such consent shall not be unreasonably withheld. The City acknowledges that it would be unreasonable to withhold consent in the event of a proposed transfer or assignment to any parent, subsidiary or affiliate of the Company or to any third party so long as with respect to all or any of such proposed transfers or assignments, the proposed transferee or assignee adequately and sufficiently demonstrates to the City, to the City's reasonable satisfaction, its financial ability, business experience and intentions to continue its operations at the Project Site in a manner similar to that of the Company in all pertinent respects and the proposed transferee and assignee acknowledges and consents in writing to the assignment of this Grant Agreement.

Section XXVI: Successor in Interest.

Where the City has consented in writing to an assignment as described in Section XXV, each and all of the terms and conditions of this Grant Agreement shall extend, bind, and inure to the benefit of not only the Company, but to its successors and assigns.

Section XXVII: Severability.

Provisions of this Grant Agreement shall be interpreted in a manner as to be effective and valid under applicable law, but if any provision(s) of this Grant Agreement are held to be prohibited by or invalid under applicable law, the provision(s) shall be ineffective only to the extent of the prohibition or invalidity, without invalidating the remaining provisions of this Grant Agreement.

Section XXVIII: Counterparts.

This Grant Agreement may be signed in any number of counterparts, each of which constitute an original, but all of which constitute one Grant Agreement.

Section XIX: Pronouns.

The use of any gender pronoun shall be deemed to include all the other genders, and the use of any singular noun or verb shall be deemed to include the plural, and vice versa, whenever the context so requires.

Section XXX: Headings.

Section headings contained in this Grant Agreement are inserted for convenience only and shall not be deemed to be a part of this Grant Agreement.

IN WITNESS WHEREOF, the Parties have caused this instrument to be executed and effective as of the date signed by the Mayor of the City of Green.

Company

By: _____

Printed Name: _____

Title: _____

Date: _____

City of Green

By: _____

Printed Name: Rocco Yeargin

Title: Mayor

Date: _____

Approved as to form:

Lisa Carey Dean, Director of Law

Example of MEDG Annual Report for each employee:

1. Employee Number
2. Employee First Name
3. Employee Middle Name
4. Employee Last Name
5. Employee Suffix
6. Home Address, City, State, Zip
7. Job Title
8. Annual City of Green Taxable Wages (Box5 of W-2)
9. City of Green Income Tax Withheld
10. Average Weekly Hours Worked
11. Initial Hire Date
12. Employment State Date in Green
13. Employment Termination Date in Green
14. Location of Current Employment (City)
15. Type of Position; In Office, Hybrid or Remote
16. If transferred from another location in Ohio
 - a. If yes, was it refilled
17. Is this individual related to Ownership