



ATTACHMENT "A"

INCENTIVE GRANT AGREEMENT

This agreement is entered into this _____ day of _____, 2004, by and between the CITY OF MASON, OHIO, an Ohio municipal corporation (hereinafter referred to as "City"), and The GREAT LAKES COMPANY (hereinafter referred to as "GREAT LAKES"), presently located at 122 West Washington Avenue, Madison, Wisconsin 53703.

WHEREAS, GREAT LAKES intends to construct an approximately 356-Room Resort Lodge and approximately 50,000 square foot business conference center in Mason, Ohio (the "Project"), and in connection therewith shall make good faith efforts to create jobs at the Project; and

WHEREAS, the City proposes to grant an abatement of real estate property taxes on the improvements which will constitute a part of the Project for a period of 10 years; and

WHEREAS, pursuant to its authority under Ohio Constitution, Article VIII, Section 13, grants municipalities the authority to give financial assistance to private industry in order to create new employment within this state; and

WHEREAS, pursuant to that authority, the City proposes to expend an annual amount, equivalent to the revenue generated from a two percent (2%) bed tax of the City's three percent (3%) bed tax generated by the Great Lakes Company Lodge Resort and Conference Center to be constructed in the City of Mason for a period of ten (10) years as an incentive for the Great Lakes Company, Great Wolf Lodge to locate its development in the City, make necessary public improvements relating to the construction of the facility, and create jobs; and

WHEREAS, the Council of the City of Mason believes that providing financial assistance to the Great Lakes Company Great Wolf Lodge Resort and Conference Center, will have a significant direct economic impact within the Mason area of nearly \$4 million annually, will further identify Mason as a tourist and business destination location, and will have a direct return on investment as a revenue generator back to the entire Mason community benefiting the people of the City of Mason by increasing opportunities for employment and strengthening the economic welfare of the City; and

WHEREAS, in connection with the above consideration on the part of GREAT LAKES and the CITY, the parties wish to enter into an Incentive Grant Agreement which will set forth the responsibilities and agreements of GREAT LAKES and the CITY; and

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the parties hereto mutually agree that:

1. The CITY currently has a three percent (3%) Transient Occupancy Tax (bed tax) and has agreed to provide a financial incentive reimbursement of two-thirds of this three (3%)

percent bed tax (but in no event less than the revenue generated by a two percent bed tax) generated solely by the Great Lakes Company Lodge Resort and Conference Center to be constructed in the City of Mason for a period of ten (10) years. Upon completion and successful opening of the Project, GREAT LAKES shall register the hotel with the tax commissioner and immediately begin the collection of the Transient Tax pursuant to City Ordinance 36-1978. The City shall, upon receipt of the first Transient Tax remittance from GREAT LAKES begin the count of the ten (10) year incentive term. The City Finance Department will, upon receipt and verification of said tax remittance, make a reimbursement of two-thirds of three percent (3%) within 45 days.

2. GREAT LAKES will, after the completion of the Project, create approximately 250 jobs at the Project within the first three months of opening and an additional employ of an average of 375 part- and full-time jobs once fully staffed and will make a good-faith commercially reasonable effort to create additional jobs at the Project.
3. At the request of the City, GREAT LAKES shall provide the City any and all third party audit reports necessary to ensure compliance with the foregoing Sections 1 and 2 of this agreement.
4. The CITY has a keen interest in marketing Mason as a destination for business travel and corporate conference activity and wishes to promote Mason as a serious business environment to visitors of the region. GREAT LAKES will provide opportunities for the CITY to market the Mason community and business assets through the lodge and conference center. GREAT LAKES will display a Mason message designated by the CITY, daily during a high viewing time on the Lodge TV communication system. GREAT LAKES will allow the CITY to market the Mason business destination via brochures in the conference center and in all rooms, suites and condo units.
5. GREAT LAKES will make the conference center available for CITY use for a reasonable number of days for bona fide events sponsored by Mason, related to operations of Mason and not in the nature of a for-profit public entertainment event; provided any such use (a) shall be scheduled in a manner which will minimize interference with the Conference Center and (b) shall require GREAT LAKES prior written consent, which consent shall not be unreasonably withheld.
6. In an effort to help the CITY market itself nationally and internationally GREAT LAKES will make every effort to promote whenever possible in radio, television and print advertising, its location in the City of Mason, as opposed to Cincinnati.
7. GREAT LAKES will, as a requirement of the CITY granting the incentive during the ten-years that this Agreement is in place, make an annual payment to the Mason Community Improvement Corporation ("CIC") in the amount of Ten Thousand and No/100 Dollars (\$10,000.00) for the purpose of marketing the City of Mason for economic development. Ten annual payments shall be made to the CIC beginning not less than three months after the opening date, and subsequently on or before January 15th of each remaining year of this Agreement, provided that the City is not in default hereunder this agreement. The

CITY represents to GREAT LAKES that such payments paid by GREAT LAKES will not be used to provide economic incentives to projects under circumstances, which may be contrary to GREAT LAKE'S interests.

8. GREAT LAKES shall submit to the City, at the City's request (but not more frequently than once per month), summary reports relating to the progress of the Project. Subject to force majeure conditions beyond its control, GREAT LAKES shall use reasonable commercial efforts to cause the Project to be completed, and the final narrative report submitted to the City, not later than December 31, 2006 or as extended by GREAT LAKES or their Contractor with written notification to the City within thirty (30) days, provided that this Agreement shall terminate upon the actual completion of the Project by GREAT LAKES and the City's fulfillment of its obligations under Section 1 above.
9. GREAT LAKES hereby agrees that the City is not responsible for, and that GREAT LAKES will defend and hold the City, its officials, agents, employees, and successors harmless from, liability resulting from the willful misconduct or negligence of GREAT LAKES or its employees or contractors in the construction or use of the Project (except to the extent that such liability results from the willful misconduct or negligence of the City, its officials, agents, employees, or successors).
10. GREAT LAKES will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, handicap, or age. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection of training, including apprenticeship. GREAT LAKES will, in all solicitations or advertisements specifically concerning said public improvements and for employees placed by or on behalf of GREAT LAKES, state that all qualified applicants will receive consideration for employment without regard to race, religion, color, sex, national origin, handicap, or age. GREAT LAKES will incorporate the foregoing requirements of this paragraph in all of its contracts for any work prescribed herein specifically related to the public improvements outlined in Attachment A of this document (other than subcontracts for standard commercial supplies or raw materials), and will require all of its subcontractors for any part of such work to incorporate such requirements in all subcontracts for such work.
11. Neither this Agreement nor any rights, duties, or obligations described herein shall be assigned by either GREAT LAKES or the City without the prior expressed written consent of the other party. In the event that it is necessary for GREAT LAKES to assign its rights, duties, or obligations due to the subsequent creation of a separate Limited Liability Corporation (LLC) or due to GREAT LAKES becoming a publicly traded company on the New York Stock Exchange (NYSE), the City shall not unreasonably withhold its consent to such an assignment.
12. Any reporting or communication under this Agreement by either party to the other shall be given or delivered by registered or certified mail, postage pre-paid, return receipt requested, or delivered personally, to:

a. In the case of the City, to: Scot F. Lahrmer
City Manager
City of Mason
202 West Main Street
Mason, OH 45040

b. In the case of GREAT LAKES:

13. The City may immediately terminate or suspend this Agreement IF GREAT LAKES fails to perform any requirements of this Agreement, or if GREAT LAKES is in violation of any specific provision of this Agreement, which failure continues for a period of thirty (30) days after written notice thereof from the City. GREAT LAKES may immediately terminate or suspend this Agreement if the City fails to perform any requirements of this Agreement, or if the City is in violation of any specific provision of this Agreement, which failure continues for a period of thirty (30) days after written notice thereof from GREAT LAKES.
14. This agreement shall be construed, interpreted, and the rights of the parties determined in accordance with the laws of the State of Ohio.
- 14.5 A determination that any part of this Agreement is invalid shall not invalidate or impair the force of effect of any other part thereof, except to the extent that such other part is wholly dependent for its operation on the part so declared invalid.
- 15.6 This Agreement supersedes any and all other agreements, either oral or in writing, between the parties hereto and with respect to the subject matter hereof, and may not be modified except by an agreement in writing signed by each of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by officials thereunto duly authorized as of the date and year first written above.

CITY OF MASON, OHIO

BY: _____
Scot F. Lahrmer
City Manager

GREAT LAKES COMPANY

BY: _____

PROJECT DESCRIPTION

GREAT LAKES COMPANY, GREAT WOLF LODGE RESORT AND CONFERENCE CENTER

Mason, Ohio

This project represents over 450,000 square foot lodge resort and corporate (business) conference center facility, situated on 38 acres. The Great Lakes developments are the largest log-sided structures in the country and consist of four-stories of north wood's themed family accommodations.

The City's commitment of public funds via the 10-year reimbursement of collected transient tax (bed tax) revenue will primarily facilitate the investment of over 10 million dollars in the construction of a state-of-the-art 50,000 square foot corporate conference center on the resort property. The conference center will accommodate approximately 1,200 people and includes 14 - 900 square foot breakout rooms; two boardrooms, a 1,200 square foot ballroom, and a business center as well as other amenities. It is estimated that the construction of this facility will create significant jobs in the community and significant generate revenue to the City, the County, the Kings Local School District and the State of Ohio. The Resort is estimated to generate bed tax revenue of up to approximately \$600,000 per year. The City will continue to receive one third of the three percent (3%) for the agreed upon term, an estimated value of up to \$200,000.00. GREAT LAKES will receive two-thirds of the three percent (3%) for the agreed upon term, an estimated value of up to \$400,000.00.