

FIRST AMENDMENT TO TAX INCENTIVE AGREEMENT

WHEREAS, The City of Mason, Ohio (the "City"), the Mason City School District, Warren County, Ohio (the "School District"), and J.W. Harris Co., Inc., (the "Company") entered into a Tax Incentive Agreement (the "Agreement"), dated August 4, 1998, in order to provide compensation to the School District in connection with a Tax Incentive real property tax exemption granted by the City for the benefit of the Company; and

WHEREAS, The Agreement required that the Company pay the TIF Compensation, as defined in the Agreement, to the School District; and

WHEREAS, the obligations issued to finance the public infrastructure improvements directly benefiting the Company will be paid off as soon as possible after the execution of this Amendment, however, the City has identified additional public improvements which are necessary as a result of the development and the tax increment real property tax exemption will continue as permitted pursuant to Ordinance No. 98-65 and Ohio Revised Code Section 5709.40; and

WHEREAS, the parties have determined that it will be in the best interest of the parties to continue said real property tax exemption and to transfer the obligation to make the TIF Compensation payments to the City;

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

SECTION 1. The City shall pay off the outstanding balance of the \$600,000 City of Mason Tax Increment Financing Revenue Bonds, Series 1999 (J.W. Harris Development, Ltd. Project), dated January 1, 1999, (\$490,000) no later than June 1, 2013.

SECTION 2. The Company shall pay the School District unpaid TIF Compensation for the tax years 2006-2009 in the amount of \$85,185.49. Such amount shall be paid simultaneously with the execution of this Amendment, unless paid prior to the execution of this Amendment.

SECTION 3. The Company shall pay the School District unpaid compensation for the Enterprise Zone real property tax exemption, which was granted to the J.W. Harris property, in the amount of \$110,926.56. Such amount shall be paid simultaneously with the execution of this Amendment, unless paid prior to the execution of this Amendment.

SECTION 4. Upon payment of the amounts set forth in Sections 2 and 3 herein, the Company shall have no further obligations under the Agreement and shall no longer be responsible for any further payments to the School District relating either to the Agreement, this Amendment, or the Enterprise Zone property tax exemption.

SECTION 5. Upon payment of the amounts set forth in Sections 2 and 3 by the Company, the City shall be responsible for the TIF Compensation payments commencing with tax year 2010 and thereafter. The TIF Compensation for tax year 2010 is \$60,404.18 and for tax

year 2011 is \$62,830.63. Said TIF Compensation for tax years 2010 and 2011 shall be paid by the City to the School District no later than June 30, 2013.

SECTION 6. Commencing with tax year 2013 TIF Compensation shall be equal to one hundred percent (100%) of the amount of real property taxes the School District would have received from the property if there were no exemption pursuant to Section 5709.40 of the Ohio Revised Code less any effect of the School Foundation Payments.

SECTION 7. Section 1(b) of the Agreement which reads as follows:

(b) 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 City's authorization of the TIF Exemption, J.W. Harris agrees to pay to the School District an amount equal to eighty percent (80%) of the difference between: (i) the additional amount of property tax payments derived from the Exempted Property that the School District would have received from the Exempted Property but for the TIF Exemption; and (ii) an amount equal to the amount which the School District's State Foundation Payments would have been reduced had the Exempted Property not been granted the TIF Exemption (the "TIF Compensation"), as determined by the Treasurer of the School District (the "Treasurer") and certified to the City and J.W. Harris.

Is hereby Amended to read as follows:

(b) 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 City's authorization of the TIF Exemption through and including tax year 2009, J.W. Harris agrees to pay to the School District an amount equal to eighty percent (80%) of the difference between: (i) the additional amount of property tax payments derived from the Exempted Property that the School District would have received from the Exempted Property but for the TIF Exemption; and (ii) an amount equal to the amount which the School District's State Foundation Payments would have been reduced had the Exempted Property not been granted the TIF Exemption (the "TIF Compensation"), as determined by the Treasurer of the School District (the "Treasurer") and certified to the City and J.W. Harris.

Commencing with tax year 2010 through and including tax year 2012, the City agrees to pay to the School District an amount equal to eighty percent (80%) of the difference between: (i) the additional amount of property tax payments derived from the Exempted Property that the School District would have received from the Exempted Property but for the TIF Exemption; and (ii) an amount equal to the amount which the School District's State Foundation Payments would have been reduced had the Exempted Property not been granted the TIF Exemption (the "TIF Compensation"), as determined by the Treasurer and certified to the City.

Commencing with tax year 2013, the City agrees to pay to the School District an amount equal to one hundred percent (100%) of the difference between: (i) the additional amount of property tax payments derived from the Exempted Property that the School District would have received from the Exempted Property but for the TIF Exemption; and (ii) an amount equal to the amount which the School District's State Foundation Payments would have been reduced had the Exempted Property not been granted the TIF Exemption (the "TIF Compensation"), as determined by the Treasurer and certified to the City.

SECTION 8. All other provisions of the Tax Incentive Agreement are hereby amended commencing with tax year 2010 such that references to "J.W. Harris" shall be amended to be references to "the City", wherever necessary to enable the City to become the responsible party with respect to the payment of the TIF Compensation. All other provisions of the Tax Incentive Agreement not specifically amended herein shall remain in effect and enforceable by the parties thereto.

SECTION 9. This Amendment 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 Amendment.

IN WITNESS WHEREOF, the City, the School District and the Company have each caused this Amendment to be executed in their respective names by their duly authorized officers, all as of _____, 2012.

CITY OF MASON

By: _____

Name: _____

Title: _____

MASON CITY SCHOOL DISTRICT

By: _____

Name: _____

Title: _____

J.W. HARRIS CO., INC.

By: _____

Name: _____

Title: _____