



12650 Detroit Avenue • Lakewood, Ohio 44107 • (216) 529-6630 • (216) 529-5936 FAX

ECONOMIC DEVELOPMENT GRANT AGREEMENT

Between
The City of Lakewood
And
University Tees, Inc.

THIS GRANT AGREEMENT (the "Agreement") is entered into as of April 12, 2017 by and between the CITY OF LAKEWOOD (the "City" or "Grantor"), an Ohio municipal corporation, and **University Tees, Inc.** a for profit corporation located at 13000 Athens Avenue #210 (or "Grantee") duly organized and validly existing under the laws of the State of Ohio, by and through its duly authorized representative.

WITNESSETH:

- A. WHEREAS, the Borrower has requested an economic development grant (the "Grant") to assist with the purchase and installation of building materials and infrastructure to make permanent building repairs and renovations to the building and site at 13000 Athens Avenue, PPN 315-21-002 (the "Project Site");
- B. WHEREAS, the City has determined that the project is an economic development project as explained in the City of Lakewood Financial Policies and Guidelines adopted by Lakewood City Council;
- C. WHEREAS, University Tees, Inc. has requested assistance in order to complete a financial package to assist with the rehabilitation of the building, including the purchase and installation of building materials and infrastructure to make permanent repairs and renovations to the Project Site; and
- D. WHEREAS, The city's funding will be used for improvements to the building and the site, recognizing this as an opportunity to help protect the property by

securing the future of an anchor tenant, and providing long term stability of one of Lakewood's thriving employment centers; and

- E. WHEREAS, the City desires to make the Grant to University Tees, Inc. so that the Grantee can carry out its plans, subject to the terms and conditions of this Agreement as set forth below; and
- F. WHEREAS, City Council adopted Resolution 8923-17 on March 20, 2017, approving the grant as described below attached hereto as Exhibit A.

NOW, THEREFORE, in consideration of the mutual promises and covenants stated below and other good and valuable consideration, receipt and sufficiency of which are hereby acknowledged, the City and University Tees, Inc. agree as follows:

ARTICLE I – PROJECT

Section 1.01 Grant Project

Grantee shall undertake, or cause to be undertaken, the activities described in the Grantee's proposal application (collectively referred to as the "Project"), as more fully described in Exhibit B to this Agreement.

The Project shall consist of the purchase and installation of building materials and infrastructure to make permanent building repairs and renovations to the building and site at 13000 Athens Avenue, PPN 315-21-002. The total rehabilitation cost of the Project shall be approximately **\$400,000**

Section 1.02 Sources and Uses of Funds for the Project

The total rehabilitation cost of the project is approximately **\$400,000** and shall be financed from the following sources:

- (1) The Grant from City to Grantee which shall be in an amount not to exceed (\$100,000) in accordance with Article II and the other provisions of this Grant Agreement (the "Funds" or "Grant Funds").
- (2) Borrower equity in the amount of \$300,000

The Grant shall be contingent upon the Borrower's procuring either a contract from a reputable lender and/or showing documented evidence of the equity necessary to complete the work as outlined in Exhibit B. Borrower shall not employ financing sources other than those identified above unless Borrower receives the prior written approval of the City.

Use of City Grant Funds

The Grant from the City to the Borrower ("Grant Funds") shall be in an amount not to exceed One Hundred Thousand Dollars (\$100,000.00) in accordance with Article II and the other provisions of this Grant Agreement. Such Grant Funds shall be used for:

The purchase and installation of building materials and infrastructure to make permanent building repairs and renovations to the building and site at 13000 Athens Avenue. A more fully described scope of work is included as Exhibit B.

Section 1.03 Timetable for Project Activities

Grantee shall perform the Project in accordance with the following overall schedule:

Activity	Commencement Date	Completion Date
Purchase and installation of building materials and infrastructure per scope of work	February 1, 2017	July 31, 2021

Recognizing the incremental nature of this project, Grantee shall be allowed to submit invoices for qualifying expenses up to once a year. Twenty five percent (25%) of qualifying expenses will be rebated per submission, up to \$100,000 as long as job creation goals are met.

Section 1.04 Guarantee of Completion

Grantee unconditionally and irrevocably guarantees timely completion of the Project in accordance with Section 1.03 of this Grant Agreement. To accomplish complete and timely execution of the Project, Grantee shall make payment for any cost overruns. This guarantee shall not hinder the City in any way from requiring other individuals or entities not party to this Agreement, including but not limited to tenants, contractors and subcontractors, to make similar guarantees in connection with the Project.

Upon the City's request, the Grantee shall provide the City a completion guaranty with respect to said obligation in the form of a performance bond, letter of credit or, if the City shall so require, a completion guaranty personally executed by the Grantee.

Successful completion of the Project is defined as substantially completing all work listed in Article I of this Agreement, reasonably within the time lines listed in Section 1.03 of this Grant Agreement, and with a total cost of at least the amount listed as Total Project Costs in Section 1.01 of this Grant Agreement.

If completion of the Project is delayed at any time by an act or neglect of the City or by labor disputes, fire, unusual delay in deliveries, unavoidable casualties, or other causes beyond Grantee's control, the time for completion of the Project shall be extended by mutual agreement in writing between the Grantee and the City.

Section 1.05 Job Requirements, Documentation and Reporting Requirements

Total Job Retention Requirements

Upon completion of expansion work and staff hiring, Grantee will submit invoices for qualifying expenses and Certified Payroll statements for new employees. Grantee will be eligible for up to \$25,000 rebate for every four (4) permanent, full-time equivalent (FTE) jobs added to the Baseline Employment at the Project Site.

Pre-Grant Documentation Requirements

Prior to initial grant payment, Grantee shall complete and submit:

- (1) "Baseline Employment Summary," shall be submitted to the City, indicating its number of full-time equivalent payroll positions and employees prior to executing this Agreement to establish a "benchmark" from which to measure and verify total employee FTE jobs at the time of this agreement. This may be originated by the Grantee and provided to the City. A copy of Grantee's Certified Payroll for the period immediately prior to executing this Agreement must accompany the Baseline Employment Summary;

ARTICLE II - THE GRANT

Section 2.01 The Grant and Rebate Structure

AMOUNT OF FINANCING: Rebates up to 25% of total eligible costs, not to exceed a maximum of \$100,000.

ELIGIBLE USE OF PROCEEDS: Permanent building repairs/renovations and interior improvements to bring the space into compliance with building code. Eligible improvements shall include structural repairs/renovations, electrical, plumbing, and HVAC work.

OTHER CRITERIA:

- Demonstrated ability to complete project.
- Grantee must complete all improvements within five (5) years of approval.
- Grantee may submit invoices for eligible improvements and certified payroll up to once a year. Rebate will be issued based on project costs and job creation since the last rebate issuance.
- All property taxes must be paid up to date at the time of each rebate application.
- Project space must be inspected by the City prior to each rebate

issuance.

Section 2.02 Disbursement of Grant Funds

A. Requirements for Disbursement:

- (i) The grant funds shall not be disbursed until Grantee has submitted to the City, and had accepted by the City, any certificates, documents and instruments required by this Grant Agreement or Documents in forms satisfactory to the City and its attorneys; and
- (ii) The grant funds shall not be disbursed until Borrower has submitted to City, and had accepted by the City, evidence of payment or an invoice for materials or services in connection with the Project.

B. City to Disburse Funds to Borrower:

Upon receipt of the above information required in Section 2.03(A)(i)(ii), and any other requirement set forth by this Agreement, the City shall disburse Grant Funds to the Grantee for eligible costs, as listed in Section 1.02.

C. Disbursement Checks:

The Rebate disbursement check shall be mailed to the following address until otherwise specified by the Borrower:

Nick Dadas
University Tees, Inc.
13000 Athens Avenue #210
Lakewood, Ohio 44107

ARTICLE III - REPRESENTATIONS AND WARRANTIES

Borrower represents and warrants to the City as of the Execution Date and throughout the term of this Agreement each of the requirements set forth in Section 3.01 to Section 3.11.

Section 3.01 Organization

Grantee is a for profit corporation, duly organized, validly existing, and in good standing under the laws of Ohio and has power to carry on its business as it is presently being conducted, to enter into and observe the provisions of the Grant Documents.

Section 3.02 Authorization

Grantee's act of entering into and performing under this Agreement has been duly authorized by all necessary company action and will not violate any law, rule, regulation, order, writ, judgment, decree, determination or award presently in effect and having applicability to Grantee or any provision of Grantee's articles of incorporation or bylaws or result in a breach of, or constitute a default under, any indenture, bank loan, credit agreement, or any other agreement or instrument to which Grantee is a party or by which it or its property may be bound or affected.

Section 3.03 Enforceability

When this Agreement is executed by both Grantee and the City, certified by the City's Director of Finance and approved by the City's Director of Law, and when the Grant Documents are executed and delivered by Grantee for value, each such instrument shall constitute the legal, valid, and binding obligation of the parties thereto in accordance with its terms.

Section 3.04 Litigation

There are no legal actions, suits, or proceedings pending, or, to the knowledge of Grantee, threatened against Grantee before any court or arbitrator, or administrative agency, which, if determined adversely to Grantee, would have an adverse effect on the financial condition or business of Grantee which have not been disclosed to the City.

Section 3.05 Governmental Consents

No authorization, consent, or approval, or any formal exception of any governmental body, regulatory authorities (federal, state, or local) or mortgagor, creditor, or third party is or was necessary to the valid execution and delivery by Grantee of the Grant Documents.

Section 3.06 Absence of Default

Grantee is not in default of any obligation, covenant, or condition contained in any bond, debenture, note, or other evidence of indebtedness or any mortgage or collateral instrument securing the same.

Section 3.07 Tax Returns and Payments

Grantee has filed all required tax returns and has paid or made provision for the payment of all taxes which have or may become due pursuant to said returns or pursuant to any assessments levied against Borrower or its personal or real property by any federal, state, or local taxing agency. The Internal Revenue Service, or any other federal, state, or local taxing agency, has not asserted any tax liability against Grantee for taxes materially in excess of those already provided for, and Grantee knows of no basis for any such deficiency assessment.

Section 3.08 No Adverse Change

Since the date of application for assistance, there has been no material and adverse change in the financial condition, organization, operation, business prospects, fixed assets, or personnel of Grantee.

Section 3.09 Material Fact

No representation or warranty contained or made in this Agreement, and no certificate, schedule, or other document furnished or to be furnished in connection with this Agreement contains or will contain a misstatement of material fact or omits or will omit to state a material fact required to be stated herein or therein.

Section 3.10 Prohibition of Conflict of Interest

No individual who is an employee, officer, agent, consultant of the City, an elected public official, member of the City Council or appointed City public official, who exercises or has exercised any functions or responsibilities with respect to any activities that are connected with this Project or who is in a position to participate in a decision-making process or to gain inside information with regard to the Project, may obtain a personal or financial interest or benefit from the Project.

Nothing in this section shall prevent an individual connected with the Project from acting on a board which acts only in an advisory capacity, if that individual's connection to the Project is made known to the advisory body so that the advisory body may take action to address any conflict, including committee assignment, voting privileges, or attendance at meetings involving issues which may affect the Project.

Also, the aforementioned individuals shall not have an interest in any contract, subcontract, or agreement with respect thereto, or in the proceeds thereunder, either for themselves or those with whom they have family or business ties. The above restrictions shall apply to all activities comprising the Project, and shall cover any such interest or benefit during or at any time after, such person's tenure and for one year thereafter.

Section 3.11 Full Understanding and Voluntary Acceptance

Grantee represents that Grantee has had reasonable opportunity in the negotiation of this Agreement. Therefore, in any construction of this Agreement, the Agreement shall not be construed against any party on the basis that the party was the drafter.

In entering this Agreement, Grantee represents that it relied upon the advice of its attorneys who are attorneys of their own choice and that the terms of this Agreement and attached Exhibits and documents have been completely read and explained to Grantee by

Grantee's attorneys, and that the terms are fully understood and voluntarily accepted by Grantee. Grantee represents that the City afforded Grantee the opportunity to completely read and ask questions of the City concerning the terms of this Agreement and attached Exhibits and documents and that Grantee fully understands and voluntarily accepts those terms.

ARTICLE IV - CONDITIONS OF GRANT

The obligation of the City to make the Grant shall be subject to the fulfillment to the City's satisfaction on the Execution Date of each of the following requirements set forth in Section 4.01 through Section 4.04.

Section 4.01 Execution and Delivery of Grant Documents

Grantee shall execute and deliver to the City the Grant Documents each in a form and substance satisfactory to the City and its attorneys.

Section 4.02 Governmental Approval

Grantee shall secure all approvals, permits, and consents of governmental bodies having jurisdiction with respect to any Project activities.

Section 4.03 Approval of Others

Grantee shall secure all necessary approvals and consents required with respect to this transaction by any mortgagor, creditor, or other party having any financial interest in Grantee or Grantee's property.

Section 4.04 No Event of Default and Representations and Warranties

There shall exist as of the Closing Date no event or condition, which constitutes an Event of Default as hereinafter defined in Article VII, or which, after notice or lapse of time or both, would constitute such an Event of Default and no such event shall occur as a result of such borrowing.

ARTICLE V - AFFIRMATIVE COVENANTS

Grantee shall comply with the following covenants set forth in this article from the Execution Date until the end of the Project or until the rebate cap of \$100,000 is reached, unless the City otherwise consents in writing.

Section 5.01 Payment of Other Indebtedness

Borrower shall pay punctually the principal and interest and any other amounts due on any other indebtedness now or hereafter owing by Grantee to the City or any other lender.

Section 5.02 Maintain and Insure Property

During the term of this Agreement, Grantee shall maintain insurance policies and submit copies of same to City, providing general liability coverage, property coverage (fire and extended coverage hazard or special form insurance policy), builders risk coverage (if applicable), workers' compensation insurance, and such other insurance reasonably required by the City and its attorneys in amount sufficient to avoid any significant out-of-pocket payment by borrower in the event of a reasonably insurable loss (except a reasonable deductible). The aforementioned insurance shall be issued by companies reasonably satisfactory to the City with language specifically indicating that the City is an "additional insured" as appropriate to the type of coverage.

Section 5.03 Payment of Taxes

Grantee shall duly pay and discharge all applicable taxes, assessments, and governmental charges levied upon it or against its properties prior to the date on which penalties would attach thereto, except that Grantee shall not be required to pay any such tax, assessment or governmental charge which is being contested by Grantee in good faith and by appropriate and timely proceedings, provided that Grantee provides prior written notice to the City of the contest and proceedings.

Section 5.04 Maintain Existence

Borrower agrees to maintain its existence within the City of Lakewood, Ohio in full force and effect and to carry on its business at 13000 Athens Avenue in a manner intended to be profitable for the term of the Project (Five [5] years). Grantee may merge, consolidate, or otherwise reorganize only upon written permission from the City, which permission shall not be unreasonably withheld.

Section 5.05 Information

During the term of this Agreement, Grantee shall:

- (1) Keep and maintain records, books of account and other documents relating directly to all matters covered by this Agreement, including its receipt and disbursement of Grant funds, in which complete entries will be made reflecting all of its business and financial transactions, such entries to be made in accordance with generally accepted accounting principles consistently applied.

Section 5.06 Disclosure of Documents

All of the records, information, data, reports, etc., prepared or assembled by the Grantee under this Agreement are confidential and the Grantee does covenant and agree that those items shall not be made available to any individual or organization, other than an agency of the United States Government, without the prior written approval of the City.

Applicable federal, state, and local laws shall govern disclosure of documents, which are in the possession of the City.

Section 5.07 Inspection

Grantee shall permit any duly authorized representative of the City, or any other appropriate governmental official, at all reasonable hours, upon reasonable notice, and as often as reasonably requested, to have the right to (1) inspect Borrower's books of account (and to make copies of and/or extracts therefrom); or (2) discuss with agents and employees of Grantee: Grantee's affairs, employment and contracting goals, finances, accounts and compliance with the terms of this Agreement.

Grantee shall provide statements, records, data and the City free access and entry to any portion of Grantee's premises for the purposes of such inspections and discussions until the terms of this Agreement have been complied with and fulfilled.

Section 5.08 Notice of Default

Within ten (10) days of any event, which constitutes an Event of Default, as defined in Article VI, or as defined under any of the Grant Documents, Grantee shall provide written notice to the City of the event. If an event occurs which would, with notice or lapse of time, constitute an Event of Default; Grantee shall likewise give notice to the City within ten (10) days of the discovery of that event.

Section 5.09 Indemnification

Grantee shall be fully responsible and shall indemnify and hold harmless the City, its officials, employees and agents against all liability, claims, demands, losses, damages, delays and costs arising from any act or omission by, or negligence of Grantee and its officers, agents, or employees or its contractor or subcontractor or the officers, agents or employees of the contractor or subcontractor while engaged in the performance of this Agreement.

Also, no member, official, or employee of the City or of its agents or contractors shall be personally liable to Grantee in the event of any default or breach of the Agreement by the City.

ARTICLE VI – EVENTS OF DEFAULT

The disbursement of Grant funds will end, without any other notice or demand of any kind of presentment or protest, if any one of the following events occurs (an “Event of Default”) whether it is voluntary or involuntary or, without limitation, occurring or brought about by operation of law or pursuant to or in compliance with any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body.

Section 6.01 Default and Cure

- (1) **Default Under Note** -- If Grantee shall fail to comply with its obligations under this Agreement.
- (2) **Payment Default Under Other Indebtedness** -- If default shall exist in the payment when due of any installment of principal or interest on any of Grantee’s other indebtedness and if such default shall remain unremedied for thirty (30) days whether such other indebtedness is in existence at the Execution Date or incurred after such date;
- (3) **Incorrect Representations or Warranties** -- If any representation or warranty contained in or made in connection with the execution and delivery of this Agreement or in any certificate furnished pursuant hereto shall prove to have been incorrect or untrue in any material respect when made;
- (4) **Default in Covenants** -- If Grantee defaults in the performance of any other term, covenant, or agreement contained in the Grant Documents and such default shall continue unremedied for thirty (30) days after the earlier of either: (1) the default becoming known to an executive officer of Grantee; or (2) written notice thereof was given to Grantee by City;
- (5) **Voluntary Insolvency** -- If Grantee becomes insolvent, ceases to pay its debts as they mature, voluntarily files a petition seeking reorganization of, or the appointment of a receiver, trustee, or liquidator, for itself or a substantial portion of its assets, with the purpose of effecting a plan or other arrangements with creditors, is adjudicated bankrupt, or makes a voluntary assignment for the benefit of creditors;
- (6) **Involuntary Insolvency** -- If an involuntary petition is filed against Grantee under any bankruptcy, insolvency, or similar law seeking the reorganization of, or the appointment of any receiver, trustee, or liquidator, for Grantee or a substantial part of its assets, or a writ or warrant of attachment or similar process is issued against a substantial part of Grantee’s assets, and such petition is not dismissed, or such writ or warrant is not released or bonded, within thirty (30) days after the filing or levy; and

- (7) **Judgments** -- If final judgment is entered against Grantee for the payment of money and such judgment is not fully covered by liability insurance and is in excess of Ten Thousand Dollars (\$10,000.00) and is not discharged or appealed with execution of said judgment stayed pending appeal, or, if such judgment be affirmed on appeal and not discharged within thirty (30) days.

Section 6.02 Remedies

If the Grantee defaults and fails to cure as set forth in Article VI of this Agreement, then the City shall have the right to exercise concurrently or successively any one or more of the following rights and remedies:

- I. Wholly or partially terminate this Grant Agreement and the rights given to the Grantee in it;
- II. Temporarily or permanently withhold or reduce Grant funds not yet paid to the Grantee;
- III. Disallow all or part of the cost of a noncompliant activity;
- IV. Wholly or partially suspend the Agreement;
- V. Exercise any and all additional rights the City may have in law or equity.

Termination pursuant to clause (I) above shall be effective five (5) days after the date the City has given written notice to the Grantee of such termination. If City chooses any of the other remedies outlined, that remedy is effective immediately upon default of any of the obligations pursuant to this Agreement.

ARTICLE VII- MISCELLANEOUS

Section 7.01 Waivers

The City's failure or delay in exercising any right, power, or remedy hereunder shall not operate as a waiver thereof. The City's single or partial exercise of any such right, power or remedy shall not preclude any other or further exercise thereof of the exercise of any other right, power or remedy hereunder.

No modification or waiver of any provision of the Grant Documents, or any consent to any departure by Grantee therefrom, shall in any event be effective or established by a court, custom, or course of dealing unless the same is in writing and executed by Grantee and the City. Such waiver of consent shall be effective only for the specific purpose for which it was given or

limited to the particular breach so waived. Notice to or demand on Grantee in one instance shall not entitle Grantee to any other further notice or demand in other circumstance.

Section 7.02 Agreement Amendments

Grantee and the City hereby expressly reserve all rights to amend or to consent to, or waive, departure from any provisions of the Grant Documents; provided, however, that the Grantee must receive the prior written approval of the City and that all such amendments shall be in writing and executed by Grantee and the City.

Section 7.03 Notices and Communications

All notices, consents, requests, demands and other communications required hereunder shall be in writing and shall be deemed to have been duly given to a party hereto if mailed as follows:

If to the City, by certified mail, prepaid, at:

City of Lakewood
Department of Planning & Development
12650 Detroit Avenue
Lakewood, Ohio 44107
Attn. Bryce Sylvester, Director

With a copy to:

City of Lakewood
Department of Law
12650 Detroit Avenue
Lakewood, Ohio 44107
Attn. Law Director

If to the Borrower:

University Tees, Inc.
13000 Athens Avenue #210
Lakewood, Ohio 44107
Attn: Nick Dadas

Section 7.04 Survival of Representations and Warranties

All agreements, representations, and warranties made by Grantee and City in connection with the Grant or the Grant Documents shall survive the delivery of the Grant Documents and shall continue in full force and effect so long as the Project is ongoing.

Section 7.05 Successors and Assignments

This Agreement shall be binding upon and shall inure to the benefit of Grantee and the City. When used herein, the terms "Grantee" and "City" shall include any successors and permitted assignees or any entity designated by either party to carry out the obligations of the party regarding the Project.

Section 7.06 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Section 7.07 Prohibition Against Assigns

Grantee shall remain primarily liable for all obligations, terms, conditions and covenants stated herein. Grantee shall not assign, delegate, or transfer any or all of its rights or obligations under the Grant Documents without obtaining the prior written approval of the City, which permission shall not be unreasonably withheld; provided, however, that if the City approves such assignment or transfer, then Grantee and/or the permitted assignees shall be bound by the terms and conditions of the Agreement.

Section 7.08 Compliance with Federal, State and Local Laws and Regulations

Grantee and its subsidiaries, if any, shall comply with all applicable federal laws and regulations thereunder, executive orders and circulars, governing the receipt, expenditure, and use of the Funds.

Grantee agrees that in carrying out the Project, it, or its contractor, shall comply with all applicable housing, building, and public health codes and any laws, ordinances, regulations, administrative rulings, and policies of the City pertaining to the Project.

Section 7.09 Severability

In the event that any provisions of the Grant Documents or the application thereof is declared null and void, invalid, or illegal, or is held for any reason to be unenforceable by a court of competent jurisdiction, the remainder of each of the Grant Documents shall remain in full force and effect and shall not be in any way affected, impaired, or invalidated by those provisions. All covenants, conditions, and agreements contained in the Grant Documents are deemed and agreed to be separate.

Section 7.10 Choice of Law

This Grant Agreement shall be deemed to have been executed and delivered within the State of Ohio, and the rights and obligations of the parties shall be construed and enforced in

accordance with, and governed by, the laws of the State of Ohio without regard to principles of conflicts of laws.

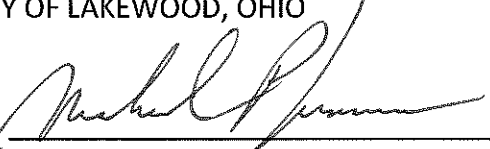
Section 7.11 Term of Agreement

This Grant Agreement shall remain in full force and effect until the satisfaction or cancellation of the Project.


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IN WITNESS WHEREOF, after due authorization, the parties have each caused this Grant Agreement to be duly executed as of the date written above.

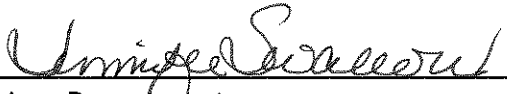
CITY OF LAKEWOOD, OHIO

By: 
Michael P. Summers, Mayor
12650 Detroit Avenue
Lakewood, Ohio 44107

Nick Dadas, Co-Founder
University Tees, Inc.

By: 
Nick Dadas, Co-Founder
13000 Athens Avenue #210
Lakewood, Ohio 44107

Approved as to Legal Form:

By: 
Law Department

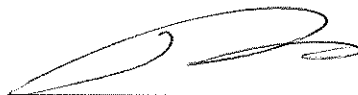
STATE OF OHIO)
) SS:
COUNTY OF CUYAHOGA)

On this 12th day of April, 2017, BEFORE ME, Johanna Schwarz a Notary Public duly authorized in and for said County and State aforesaid to take acknowledgments, personally appeared Michael P. Summers, to me known to be Mayor of the CITY OF LAKEWOOD, an Ohio municipal corporation, who acknowledged that he did sign the foregoing instrument and that the same is his free act and deed and the free act and deed of said CITY OF LAKEWOOD.

IN WITNESS WHEREOF, I have hereunto set my hand and affix my official seal at Lakewood, Ohio, this 12th day of April, 2017.



JOHANNA SCHWARZ
Notary Public, State of Ohio
Cuyahoga County
My Commission Expires
February 24, 2020



Notary Public


STATE OF OHIO)
) SS:
COUNTY OF CUYAHOGA)

On this 12th day of April, 2017, BEFORE ME, Johanna Schwarz a Notary Public duly authorized in and for said County and State, personally appeared Nick Dadas, Co-Founder of University Tees, Inc., who acknowledged that he did sign the foregoing instrument and that the same is his free act and deed and the free act and deed of University Tees, Inc.

IN WITNESS WHEREOF, I have hereunto set my hand and affix my official seal at Lakewood, Ohio, this 12th day of April, 2017.



JOHANNA SCHWARZ
Notary Public, State of Ohio
Cuyahoga County
My Commission Expires
February 24, 2020



Notary Public

Exhibit A

2. **RESOLUTION NO. 8923-17** A RESOLUTION to take effect immediately provided it receives the affirmative vote of at least five (5) members of Council, or otherwise to take effect and be in force after the earliest period allowed by law, authorizing the Mayor or his designee to enter into an agreement with University Tees, inc. for an economic development grant, issued in the form of annual rebates, for a total amount not to exceed one hundred thousand dollars (\$100,000). (REFERRED TO THE COMMITTEE OF THE WHOLE 3/6/17)
(Pg. 6)

Director Sylvester provided a summary of the brief changes that were made to the original version of the agreement that came from suggestions made by Councilmembers at Committee of the Whole. He stated that tour information and a list of all the businesses at the Omni Building will be forthcoming.

Jeff Frederico, Director of Finance – University Tees

Mr. Frederico introduced himself and University Tees COO Anthony ... He explained the mission behind University Tees and his five years' experience working at the company. He remarked on the company's rapid growth from 12 full-time employees in 2012 to 68 full-time employees now. He remarked on the need for additional space to accommodate employees and the work the company has already undertaken toward this goal. He expressed the company's commitment to Lakewood.

Councilmember Marx expressed excitement about University Tees and expressed interest in a tour.

Councilmember Bullock remarked that the Planning Department was right on to recommend University Tees for this grant since it matches well with the City's goals.

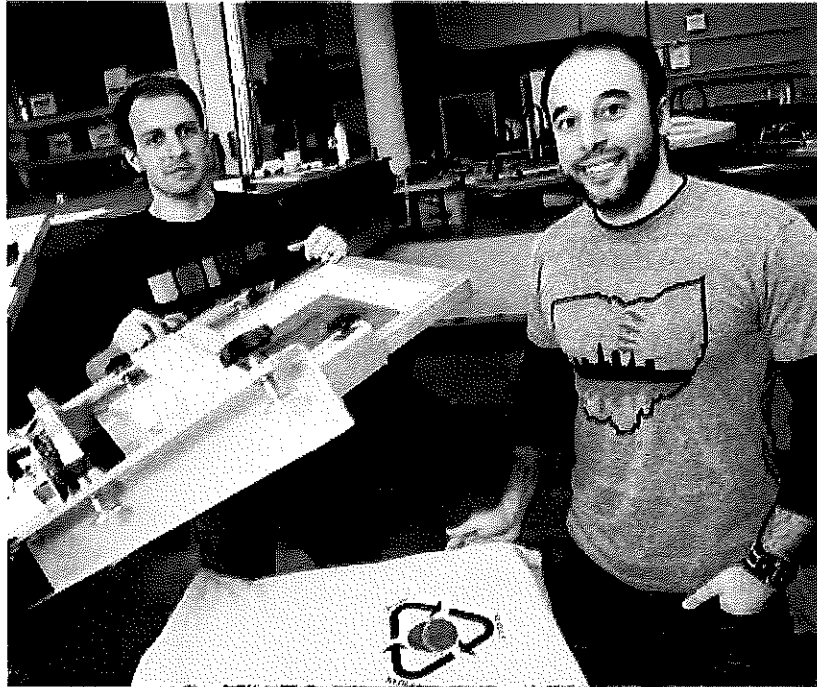
Councilmember O'Malley stated that he is pleased to know that university Tees will be staying at the Screw Factory. He congratulated them on their success.

Motion by Mr. O'Leary, seconded by Mr. Anderson, to adopt Resolution 8923-17.
Motion adopted. All members voting yea.

3. **ORDINANCE NO. 17-17** – AN ORDINANCE to expand Chapter 1159, Planned Development, of the Zoning Code to permit planned developments in any zoning district and allow any use so long as that use is sensitive to the former permitted use and adjacent uses. (Read & REFERRED TO

EXHIBIT B

University Tees
Economic Development Grant
Project Summary
February 2017



University Tees

Omni Building – 13000 Athens Ave.

Project Overview

Project Site: 13000 Athens Avenue

University Tees is an anchor tenant of the Omni Building (Screw Factory). They currently occupy 12,375 ft² of office space and 25,125 ft² of production space in the facility.

Partner: University Tees

Project Scope: Building improvements to expand office space by approximately 12,000 ft² including but not limited to adding walls, electrical and HVAC upgrades, and to bring the property into compliance with the building and zoning codes.

Timeline: Project is scheduled to begin in March 2017. Completion of the build-out is anticipated in June 2022.

Contact Name: Nick Dadas, Co-Founder

Project Financials

**Total Rehabilitation
Project Cost:** \$400,000

Public Financing: **Approximately 25% of completed project value**

- Proposed rebate program, City contribution capped at \$100,000.
- Once-a-year submission of qualifying expenses, annual payroll, and closed building permits
- Rebate of 25% of qualifying expenses issued if job growth goals are met
- 4 additional full time equivalent jobs created per \$25,000 rebate

Private Financing: **Approximately 75% of completed project value**

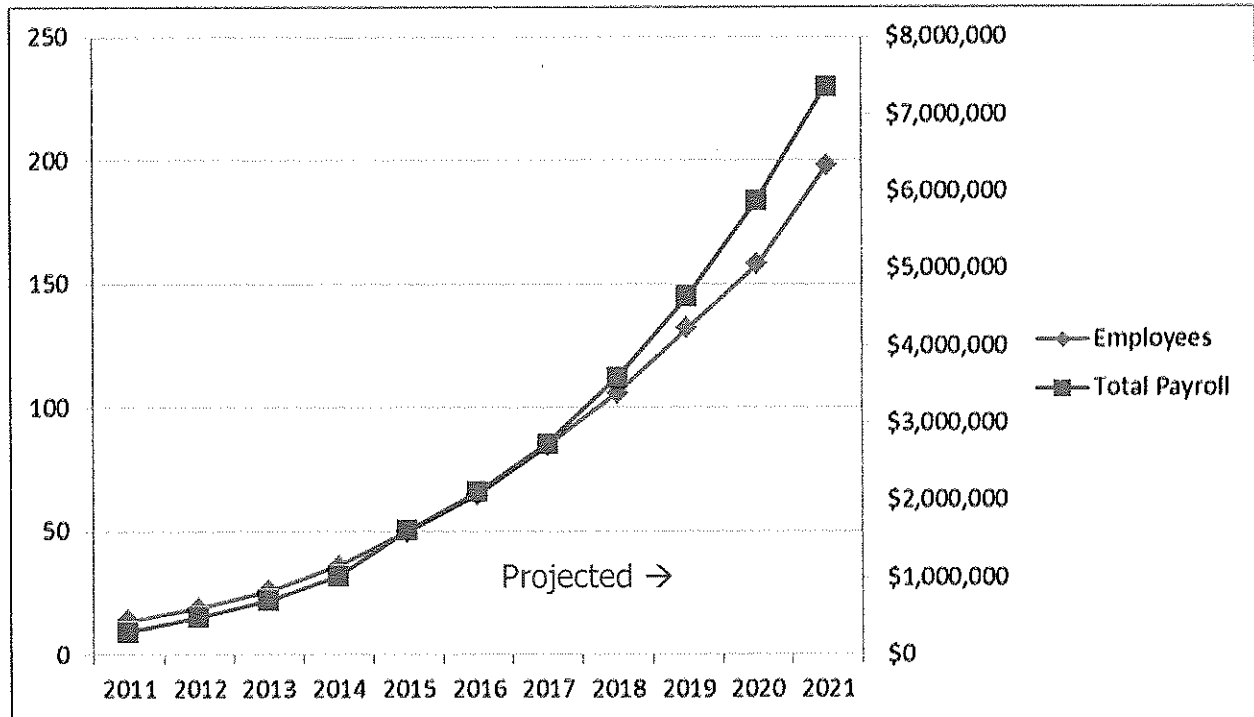
- University Tees will utilize existing capital improvement funds totaling \$300,000.

Rationale for City Assistance

University Tees intends to lease additional space within the Omni (Screw Factory) Building at 13000 Athens Avenue with the intent of expanding its headquarters. The firm currently employs 65 people at the Lakewood location (65 Administration, with an annual estimated payroll of \$2.1 million.

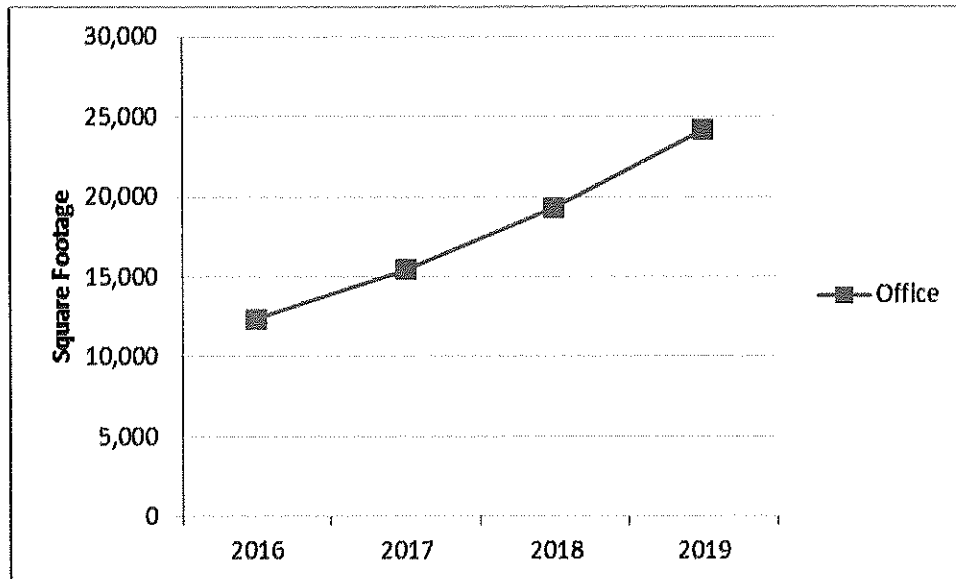
Currently, 65 University Tees employees are office/administration employees with a total payroll of \$2.1 million. University Tees is planning for future growth and intends to double their total office space by 2021, while expanding the office workforce to 190. The 2017 expansion is the first step in a multi-year growth plan.

The city’s financial assistance is strictly for long term building and site improvements and is tied to job creation and retention. University Tees is an innovative employer which has attracted a young and diverse workforce to Lakewood. They are an anchor employer in the Birdtown Neighborhood and Lakewood. In 2015, University Tees and its subsidiary 717 Inc. combined to be the 21st largest income tax contributor in the City with over \$52,000 of income tax withholdings. Assisting the growth-in-place of this anchor employer is an effective strategy to directly impact the further long term stability of the neighborhood and Lakewood as a whole. Additionally, by providing financial assistance to make building upgrades, the additional portions of the property become viable as an office use, which is considered one of the highest and best uses for this property.



Project Description:

University Tees has outgrown their current headquarters space within the Omni (Screw Factory) building. They anticipate doubling their total square footage within the Omni Building over the next five years.



University Tees has requested an Economic Development Grant totaling \$100,000 to make permanent building and site improvements to facilitate expansion. Qualifying expenses would include but are not limited to:

- Adding walls
- Structural upgrades
- Windows
- Electrical upgrades
- Lighting
- HVAC upgrades
- Other permanent improvements to bring the property into compliance with the building and zoning codes

University Tees will submit invoices and proof of payment for approved upgrades annually. 25% of approved costs will be released by the City as a forgivable grant at each annual submission. City contributions will be capped at \$100,000 over the course of the project.

In the short term, University Tees have identified approximately 5,700 ft² adjacent to their current office space which could be upgraded to fit their needs. Build-out of this space is anticipated to begin in March 2017 and be completed by June 2017.

City Protections:

- Developer must secure commitments for private financing prior to issuance of Economic Development funds.
- Rebates are releasable over five years as long as University Tees, meets the job retention requirements.
- University Tees will sign a completion guarantee.
- Permanent improvements represent an investment in the Omni Building, one of Lakewood's most diverse and dynamic employment centers, regardless of the tenant.

EXHIBIT C

Insert Scope of Work