

COMPENSATION AGREEMENT

This Compensation Agreement (this "Agreement"), is made and entered into on this 19th day of November, 2022, by and between the CITY OF CLEVELAND HEIGHTS, OHIO (the "City"), a municipal corporation organized and existing under the laws of the State of Ohio, and the BOARD OF EDUCATION OF THE CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT (the "School District"), a city school district organized and existing under the laws of the State of Ohio and joined by F & C DEVELOPMENT, INC., an Indiana Corporation ("FCD") as to Section 2(D)(2) herein (on behalf of the Project Improvement owners).

WITNESSETH:

WHEREAS, the City owns certain real property, and may acquire additional real property generally known as the "Cedar-Lee-Meadowbrook Property" (collectively herein, the "CLM Property" or "Property"), including a parcel located on the east side of Lee Road between Meadowbrook and Tullamore Roads and additional real property (12 – 16 existing parcels) located to the east of Lee Road between Tullamore and Cedar Roads (including a portion of Cedarbrook Road previously vacated by the City), as more particularly depicted and/or identified in Exhibit A attached hereto; and

WHEREAS, pursuant to (i) a development agreement relating to the CLM Property with FCD (the "Development Agreement") and (ii) one or more Ordinances to be introduced in Cleveland Heights City Council (collectively, with any amendments, the "TIF Ordinance"), the City proposes to:

- establish a tax increment financing area with respect to the CLM Property,
- exempt from real property taxation certain improvements (herein "TIF Improvements") to the CLM Property pursuant to Section 5709.41 of the Ohio Revised Code (together with related statutory provisions, the "TIF Statute"),
- lease the CLM Property (exclusive of the municipal public parking garage located thereon and constructed pursuant to a prior plan for the redevelopment of the CLM Property) to an entity created and controlled by FCD (together with any sublessee of all or substantially all of the CLM Property, "Leasehold Owner") for development of the Project Improvements (defined below),
- require the Leasehold Owner to make Service Payments In Lieu of Taxes in an amount equal to the amount of real property taxes that would have been payable if the TIF Improvements had not been exempted from taxation under the TIF Ordinance (those payments in lieu of taxes, together with any related penalties, interest and rollback payments, are collectively referred to herein as "PILOTs" or "Service Payments"), and
- require such PILOTs to be used to pay debt service on revenue bonds expected to be issued by the City (or another governmental authority designated by the City), any related credit enhancement or administrative costs, and any other financing costs payable therefrom, and any renewals or refundings thereof (collectively, the

"TIF Debt"), which may be issued or entered into to pay a portion of the cost of acquisition and construction of the Project Improvements; and

WHEREAS, by the TIF Ordinance, the City intends to exempt the TIF Improvements to all or a portion of the parcels included in the CLM Property (those parcels, collectively, are referred to herein as the "TIF Area"), with the parcels comprising the real property within the TIF Area, as improved, referred to hereinafter as the "Parcels" or "TIF Parcels"; and

WHEREAS, the City has provided information to the School District with respect to a proposed mixed-use development of the TIF Parcels which will include construction of one or more four-to-five-story buildings, including approximately 200 - 225 market-rate apartments, approximately 5,000 to 9,000 square feet of first floor commercial, retail and restaurant space, public gathering and green spaces, and any necessary infrastructure improvements (all of the foregoing being referred to herein collectively as the "Project Improvements"); and

WHEREAS, the City and the School District will derive substantial and significant benefits from the Project Improvements; and

WHEREAS, the City, in the TIF Ordinance, intends to declare the Project Improvements (other than those Project Improvements to be used for residential purposes as such term is used in the TIF Statute) to be in furtherance of urban redevelopment and for a "public purpose", to declare the TIF Improvements (the "improvements" under and as defined in the TIF Statute) to the TIF Parcels resulting from those Project Improvements to be a "public purpose" under the TIF Statute, and to exempt 100% of those TIF Improvements from real property taxation for a period not to exceed thirty (30) years in accordance with the TIF Statute; and

WHEREAS, on [REDACTED], 2022, the Board of Education of the School District adopted a resolution (the "School District Resolution") approving this Agreement and the exemption of the TIF Improvements under the TIF Ordinance (the "TIF Exemption") and waiving any other or further rights to notice of the TIF Exemption and, except as provided in this Agreement, compensation in respect of the TIF Exemption or the approval thereof; and

WHEREAS, to facilitate the construction of the Project Improvements and to compensate the School District for a portion of the revenue that the School District would have received had the Project Improvements been made and the TIF Improvements not been exempted from taxation, the City and the School District have determined to enter into this Agreement on the terms hereinafter provided;

NOW, THEREFORE, in consideration of the premises and covenants contained herein, and to induce the City and FCD to proceed with the proposed development of the CLM Property and the Leasehold Owner to proceed with the construction of the Project Improvements, the parties hereto agree as follows:

Section 1. Definitions. As used in this Agreement, the following terms shall have the meanings set forth below:

“Additional School District Millage” means, for any Exemption Year, any Total School District Millage in excess of the Base School District Millage.

“Base Value” means the assessed value (35% of market value under current law) of the Parcels to the extent that such value is not subject to the TIF Exemption and therefore remains subject to real property taxation during the period of the TIF Exemption, as determined by the Cuyahoga County Fiscal Officer consistent with the TIF Ordinance.

“Base School District Millage” means for any Exemption Year, the lesser of Total School District Millage and 99.444261 mills.

“Exempted Value” means the assessed value (35% of market value under current law) of the Parcels within the TIF Area in excess of the Base Value thereof, which is to be exempted from real estate taxation under the TIF Ordinance and the TIF Statute.

“Exemption Year” means, for any Parcel, any calendar/tax year in which TIF Improvements would be taxable but for the exemption from taxation pursuant to the TIF Ordinance.

“Excess PILOTs” means, for any year, an amount equal to the positive difference, if any, between (i) the aggregate amount of PILOTs attributable to the Exempted Value for an Exemption Year, less the amount of such PILOTs attributable to the Additional School District Millage, and (ii) the Projected PILOTs Threshold.

“Projected PILOTs” means the projected PILOTs based on the projected market value of the TIF Improvements, according to pro forma projections presented to both the City and the School District prior to the issuance of the TIF Debt.

“Projected PILOTs Threshold” means, for purposes of determining School Payments under Section 2(A) hereof, the initial Projected PILOTs based upon the Projected Valuation of the TIF Parcels and the applicable effective millage (for all overlapping subdivisions) for tax year 2021. The Projected PILOTs Threshold, based on available information as of May 4, 2022, is estimated to be \$1,252,706.

“Projected Valuation” means, for the Parcels within the TIF Area, the aggregate valuation of all of the TIF Parcels, as estimated and projected in the market value projections utilized for the Projected PILOTs, as described in Section 2(C) hereof.

“Total School District Millage” means, for any given Tax Year, the School District’s effective real property tax rate for Commercial Property applicable to the Parcels in that Tax Year, as determined for that Tax Year under the laws of the State of Ohio (currently pursuant to Ohio Revised Code Section 319.301).

Section 2. City Payments to School District. Unless otherwise agreed to in writing by the City and the School District, with respect to TIF Improvements within the TIF Area, for each tax collection year following an Exemption Year for such TIF Improvements, the City agrees to pay to the School District, from the PILOTs, if any, the

payments determined under subsection (A) of this Section 2 (referred to herein as the "School Payments"):

(A) School Payments. The School Payments shall include the amounts calculated under the following clauses for each tax collection year following an Exemption Year:

- (1) For any Exemption Year, an annual payment equal to 33.883459% of the tax revenue that the School District would have received with respect to that Exemption Year on the Exempted Value but for the TIF Exemption, based on the Base School District Millage (the "Basic School Payments").
- (2) For any Exemption Year in which there are Excess PILOTs, an annual payment equal to 50.00% of the Excess PILOTs (the "Excess PILOT School Payments").
- (3) In addition to the Basic School Payments and Additional School Payments required by subsections (A)(1) and (A)(2) hereof, an annual payment equal to 100% of the tax revenue that the School District would have received with respect to that Exemption Year on the Exempted Value but for the TIF Exemption, based on the Additional School District Millage (the "Additional School Millage Payments", and together with the Basic School Payments and the Excess PILOT School Payments, the "School Payments").

See Exhibit B for examples.

(B) Timing of Payments. The City shall cause all School Payments for any Exemption Year to be paid within thirty-five (35) days after the end of the applicable tax collection year to the extent that PILOTs are received by the City from the Treasurer of Cuyahoga County, Ohio (the "Treasurer") and available for such School Payments. Such School Payments shall be made to the School District by (or on behalf of) the City solely from the PILOTs it receives from the Treasurer. The City may provide that such School Payments be paid directly by the Treasurer, or by a corporate bond trustee or lender engaged in connection with the issuance of the TIF Debt, to the School District. Owing to the subordination of School Payments pursuant to Section 2(D) hereof, the City generally expects that all School Payments for any Exemption Year will, except in unusual circumstances, most likely be paid in a lump sum to the School District on or about February 1 following the end of the applicable tax collection year.

(C) Bond Issuance Test. Unless the School District consents as hereinafter described, no TIF Debt shall be issued by the City, the Cleveland-Cuyahoga County Port Authority or any such other governmental authority as may be designated by the City unless, at the time of authorization of the TIF Debt, the Projected PILOTs, which shall assume no growth in value, will result in a debt service coverage ratio of not less than 1.25:1 for all of the TIF Debt (except to the extent any TIF Debt payments are irrevocably funded at the time of issuance), including principal and interest, the replenishment of any required reserve funds and any administrative expenses of the City (or any other such

governmental authority as may be designated by the City) with respect to the TIF Debt, including but not limited to the fees of the City, the issuer of the TIF Debt and any trustee for the TIF Debt (collectively, "Debt Service") (the "Minimum DSCR Requirement"). If the School District consents in writing, TIF Debt may be issued by the City, the Cleveland-Cuyahoga County Port Authority or any other such governmental authority as may be designated by the City even if the Minimum DSCR Requirement is not satisfied. Such consent by the School District is in the sole and absolute discretion of the School District. It is the intention of the parties hereto that there will always be sufficient PILOTs during any given calendar year to pay both the Debt Service described in Section 2(D)(1)(a) below and all School Payments as required by this Agreement.

(D) Subordination of School Payments; Minimum Service Payment; Deficiencies.

(1) The School District acknowledges and agrees that the right of the School District to receive School Payments is subordinate to the payment of the Debt Service on the TIF Debt and that the PILOTs will be applied in the following order:

- (a) First, to pay Debt Service on the TIF Debt.
- (b) Second, to pay to the School District the School Payments currently due under Section 2(A) hereof.
- (c) Third, for all other uses as authorized by law and as may be agreed upon by the City and the Developer.

(2) In consideration of the foregoing agreement of the School District to subordinate the School Payments to Debt Service, the City agrees that, in connection with any TIF Debt, the owners of the Project Improvements on the Parcels within the TIF Area (initially, the Leasehold Owner) will be required to pay so-called minimum service payments in an amount not less than the amount of PILOTs that would be payable had the market value of the Parcels in the TIF Area been equal to the Projected Valuation; provided that the payment of Minimum Service Payments by the owners of the Project Improvements on the Parcels within the TIF Area will not entitle the School District to School Payments in amounts greater than the amounts calculated as set forth in Section 2(A) hereof. Pursuant to Section 2(C) hereof, prior to the issuance of TIF Debt, the City shall notify, or cause to be notified, the School Board as to the Projected Valuation, the Projected PILOTs and the Projected PILOTs Threshold.

(3) In the event that the amounts paid to the School District for any tax collection year are not sufficient to pay the School Payments due for such year in accordance with this Agreement, any such School Payments not paid when due shall become a deficiency hereunder (each, a "Deficiency"). Notwithstanding anything to the contrary in this Agreement, in the event that one or more Deficiencies shall exist, in any tax collection year following an Exemption Year in which there are any Excess PILOTs, the Excess PILOTs not needed to pay School Payments under Section 2(A)(2) above shall be used first to pay any Deficiencies due to the School District under this Section 2(D)(3).

(beginning with the oldest then-remaining Deficiency) and then, after payment of all such Deficiency amounts, the remainder shall be applied according to Section 2(D)(1) hereof.

(E) Income Tax Sharing. The City shall cause fifty percent (50%) of documented new income tax revenue of the City attributable to "new employees" (as defined in Section 5709.82, Revised Code) employed in the original construction of the Project Improvements to be paid to the School District as additional compensation for foregone real property tax revenues ("Income Tax Sharing Payment"). The City and the School District shall establish a mutually acceptable procedure for payment of the Income Tax Sharing Payment following execution of this Agreement.

(F) Termination of Agreement. After the Director of Finance has determined that (a) all of the payments and reimbursements described in the TIF Ordinance, including those then due and those coming due in the future, have been made or provided for, (b) the TIF Debt has been paid in full or otherwise discharged, and (c) all of the School Payments and Income Tax Sharing Payments then due under this Section 2 have been made or provided for, then the exemption from taxation pursuant to the TIF Ordinance and the PILOTs shall end, and this Agreement shall terminate.

Section 3. Review of Records. The School District may from time to time, with reasonable advance notice, review the records of the City relating to the receipt of PILOTs and income tax revenue subject to the Income Tax Sharing Payments. The City and School District shall work together and communicate as to the calculation of the payments required under Section 2, including exchanging information as to the valuation of the Parcels and applicable effective tax rates for all School District levies. Further, the City shall, upon request of the School District in writing, notify the School District as to the receipt of PILOTs and whether such PILOTs are sufficient to pay both the TIF Debt Service described in Section 2(D)(1)(a) and all School Payments as required by this Agreement.

Section 4. Reconciliation. The City and School District shall annually meet to review, calculate and reconcile payments to the School District and City.

Section 5. School District Consents and Waivers. In consideration of the compensation to be provided to it under this Agreement, the School District hereby:

(A) approves each TIF Exemption that may be granted under the TIF Ordinance as to all Parcels within the TIF Area for the number of years, commencing in the year or years specified, and for the percentage or percentages specified in the TIF Ordinance (collectively, the "TIF Exemptions");

(B) waives any notice or other requirements set forth in Sections 5709.41, 5709.82, 5709.83 and 5715.27, Revised Code, with respect to the TIF Exemptions;

(C) waives any School District rights pursuant to Section 5715.27, Revised Code; and

(D) waives any defects or irregularities relating to the TIF Exemptions of the TIF Improvements, and agrees not to challenge, directly or indirectly, the validity of the TIF Exemption of any TIF Improvement.

Section 6. Application of Ohio Revised Code Section 5709.82. The School District acknowledges and agrees that this Agreement provides for the only compensation to be received by the School District from the City in connection with real property tax exemptions granted pursuant to the TIF Ordinance, that there will be no income tax sharing in connection with those exemptions, other than as described in Section 2(E) of this Agreement, and that the compensation provided for herein is in lieu of any other compensation that may be provided for in Section 5709.82, Revised Code.

Section 7. Amendment. This Agreement may be amended or modified by the parties only in writing, signed by both parties to the Agreement.

Section 8. Entire Agreement. This Agreement is executed pursuant to Sections 5709.41, 5709.82, 5709.83 and 5715.27(D) of the Ohio Revised Code, and sets forth the entire agreement and understanding between the parties as to the subject matter hereof, including without limitation all forms of compensation to be paid by the City to the School District pursuant to those sections, and merges and supersedes all prior discussions, agreements, and undertakings of every kind and nature between the parties with respect to the subject matter of this Agreement. It is understood by the parties hereto that if all or a portion of the Parcels are ever deemed to be exempt from real property taxes under any other section of the Revised Code, and if as a result, the City does not receive any PILOTs, the City's payment to the School District will terminate.

Section 9. Notices. All payments, certificates and notices which are required to or may be given pursuant to the provisions of this Agreement shall be sent by the United States ordinary mail, postage prepaid, and shall be deemed to have been given or delivered when so mailed to the following addresses:

If to the City: City of Cleveland Heights
40 Severance Circle
Cleveland Heights, OH 44118
Attention: Director of Finance
Copy: Director of Law

If to the School District: Board of Education of the
Cleveland Heights-University Heights
City School District
2155 Miramar Boulevard
University Heights, OH 44118
Attention: Scott Gainer, CFO/Treasurer

With a copy to: David Seed, Esq.
Brindza, McIntyre & Seed LLP
1111 Superior Avenue, Suite 1025

Cleveland, OH 44114

Any party may change its address for receiving notices and reports by giving written notice of such change to the other parties.

Section 10. Change in Development.

(A) The City shall notify the School District if the Project Improvements to be constructed change substantially after the date of this Agreement, and if requested by the City or the School District, those parties agree to meet to discuss the implications of any such change.

(B) The City shall request the School District to reaffirm, amend or enter into a new Compensation Agreement in the event of (i) a deviation by FCD from the Final Development Plan (as defined in the Development Agreement) concerning the Project Improvements in any material fashion, (ii) the replacement or substitution of FCD (other than a related entity) as the Leasehold Owner and Developer, or (iii) the failure to approve the TIF Ordinance for the herein described Project Improvements on or prior to December 31, 2023. The purpose of this provision is to protect the intent of the parties in that the School District's approval of the TIF Exemption and this Agreement is based on the current description of the Project Improvements on the Property, including the intended developer and timing of those Project Improvements, as presented to the School District. The obligations of the City under this Section 10(B) shall terminate definitively upon the issuance of TIF Debt.

Section 11. Severability of Provisions. The invalidity of any provision of this Agreement shall not affect the other provisions of this Agreement, and this Agreement shall be construed in all respects as if any invalid portions were omitted.

Section 12. Counterparts. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and any party to this Agreement may execute this Agreement by signing any such counterpart.

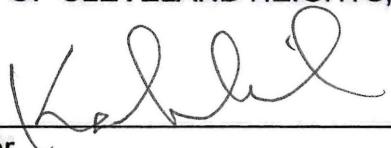
Section 13. Extent of Covenants; Binding Effect; No Personal Liability. All covenants, stipulations, obligations and agreements of the parties contained in this Agreement shall be effective to the extent authorized and permitted by applicable law. Each provision of the Agreement is binding upon the officer(s) or other person(s) and any body or bodies as may from time to time have the authority under law to take the actions as may be necessary to perform all or any part of the duty required by a given provision of this Agreement. Each duty of the City and its bodies, officers and employees, undertaken pursuant to the Agreement, is established as a duty with the City and of each such officer, employee or body having authority to perform that duty, specifically enjoined by law resulting from an office, trust or station within the meaning of Section 2731.01, Revised Code, providing for enforcement by writ of mandamus. No such covenant, stipulation, obligation or agreement shall be deemed a covenant, stipulation, obligation

or agreement of any present or future member, officer, agent, or employee of any of the parties in their individual capacity.

Section 14. No Other Real Property Tax Exemptions. The City shall not authorize a real property tax exemption for the CLM Property identified in Exhibit A other than the TIF Exemption, including as provided in Ohio law under Sections 3735.65 to 3735.70, 5709.40 and 5709.62, Revised Code, without the prior consent of the School District.

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CITY OF CLEVELAND HEIGHTS, OHIO

By: 
Mayor

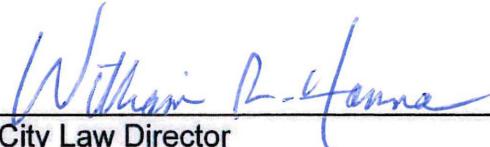
CLEVELAND HEIGHTS-UNIVERSITY
HEIGHTS CITY SCHOOL DISTRICT
BOARD OF EDUCATION

By: 
President

By: 
Superintendent

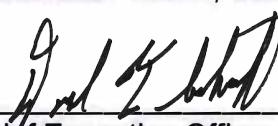
By: 
Treasurer

Approved as to Form and Correctness:

By: 
City Law Director

Joined as to Section 2(D)(2) herein, on
behalf of the Project Improvement
owners)

F & C DEVELOPMENT, INC.

By: 
Chief Executive Officer

FISCAL OFFICER'S CERTIFICATE

The undersigned, [Acting/Interim] Director of Finance of the City of Cleveland Heights under the foregoing Agreement, certifies hereby that any moneys required to meet the obligations of the City during the year 2022 under the foregoing Agreement have been appropriated lawfully for that purpose, and are in the Treasury of the City or in the process of collection to the credit of an appropriate fund, free from any previous encumbrances. This Certificate is given in compliance with Sections 5705.41 and 5705.44, Ohio Revised Code.

Dated: 12-8-22, 2022



[Acting/Interim] Director of Finance
City of Cleveland Heights, Ohio

FISCAL OFFICER'S CERTIFICATE

The undersigned, CFO/Treasurer of the Cleveland Heights-University Heights City School District under the foregoing Agreement, certifies hereby that the moneys required to meet any obligations of the School District during the year 2022 under the foregoing Agreement have been appropriated lawfully for that purpose, and are in the Treasury of the District or in the process of collection to the credit of an appropriate fund, free from any previous encumbrances. This Certificate is given in compliance with Sections 5705.41 and 5705.44, Ohio Revised Code.

Dated: November 19, 2022



Treasurer, Board of Education,
Cleveland Heights-University Heights
City School District, Ohio

EXHIBIT A
TIF AREA PARCELS
(Identified by Parcel Number)

Parcel Number 687-06-009
Parcel Number 687-06-010
Parcel Number 687-06-011
Parcel Number 687-06-012
Parcel Number 687-06-013
Parcel Number 687-06-088
Parcel Number 687-06-089
Parcel Number 687-06-090
Parcel Number 687-06-091
Parcel Number 687-06-092
Parcel Number 687-06-093
Parcel Number 687-06-094
Parcel Number 687-06-095
Parcel Number 687-06-096
Parcel Number 687-08-001

EXHIBIT B

Example 1 (Overall Millage same – actual Exempted Value higher)

Assumptions:

Projected Incremental Valuation = \$25,438,163 (May 2022)

Projected PILOT Threshold = \$1,252,706.15 (based on 140.700428 effective mills)

Exempted Value = \$30,000,000 or \$10,500,000 Assessed Value

Total School District Millage = 99.444261 effective mills (9.9444261%)

Total Overlapping Millage = 140.700428 effective mills (14.0700428%)

Estimated School Payments:

Section 2(A)(1)

Base School District Millage = 99.444261 effective mills

Basic School Payments = \$353,799.13 (\$10,500,000 x 9.9444261% x 33.883459%)

Section 2(A)(3)

Additional School District Millage = Zero (99.444261 – 99.444261) mills

Additional School Millage Payments = \$0.00

Section 2(A)(2)

Total PILOTs = \$1,477,354.49 (\$10,500,000 x 14.0700428%)

Excess PILOTs = \$226,648.34 (\$1,477,354.49 - \$0.00 - \$1,252,706.15)

Excess PILOT School Payments = \$113,324.17 (\$226,648.34 x 50%)

Annual School Payments = \$466,123.30 (\$353,799.13 + \$0.00 + \$113,324.17)

Example 2 (Same as Example 1 except with reduced School District Millage)

Assumptions:

Projected Incremental Valuation = \$25,438,163 (May 2022)

Projected PILOT Threshold = \$1,252,706.15 (based on 140.700428 effective mills)

Exempted Value = \$30,000,000 or \$10,500,000 Assessed Value

Total School District Millage = 88.000000 effective mills (8.8%)

Total Overlapping Millage = 130.000000 effective mills (13.0%)

Estimated School Payments:

Section 2(A)(1)

Base School District Millage = 88.000000 effective mills

Basic School Payments = \$313,083.16 (\$10,500,000 x 8.8% x 33.883459%)

Section 2(A)(3)

Additional School District Millage = Zero mills

Additional School Millage Payments = \$0.00

Section 2(A)(2)

Total PILOTs = \$1,365,000.00 (\$10,500,000 x 13.0%)

Excess PILOTs = \$112,293.85 (\$1,365,000.00 - \$0.00 - \$1,252,706.15)

Excess PILOT School Payments = \$56,146.93 (\$112,293.85 x 50%)

Annual School Payments = \$369,230.09 (\$313,083.16 + \$0.00 + \$56,146.93)

Example 3 (Lower Valuations with reduced School District Millage)

Assumptions:

Projected Incremental Valuation = \$24,000,000 (\$8,400,000 Assessed Value)

Projected PILOT Threshold = \$1,181,883.60 (based on 140.700428 effective mills)

Exempted Value = \$25,000,000 or \$8,750,000 Assessed Value

Total School District Millage = 88.000000 effective mills (8.8%)

Total Overlapping Millage = 130.000000 effective mills (13.0%)

Estimated School Payments:

Section 2(A)(1)

Base School District Millage = 88.000000 effective mills

Basic School Payments = \$260,902.63 (\$8,750,000 x 8.8% x 33.883459%)

Section 2(A)(3)

Additional School District Millage = Zero mills

Additional School Millage Payments = \$0.00

Section 2(A)(2)

Total PILOTs = \$1,137,000.00 (\$8,750,000 x 13.0%)

Excess PILOTs = \$0.00 (\$1,137,000.00 - \$0.00 - \$1,181,883.60)

Excess PILOT School Payments = \$0.00

Annual School Payments = \$260,902.63 (\$260,902.63 + \$0.00 + \$0.00)

Example 4 (Same as Example 1 except with Additional School District Millage)

Assumptions:

Projected Incremental Valuation = \$25,438,163 (May 2022)

Projected PILOT Threshold = \$1,252,706.15 (based on 140.700428 effective mills)

Exempted Value = \$30,000,000 or \$10,500,000 Assessed Value

Total School District Millage = 110.000000 effective mills (11%)

Total Overlapping Millage = 150.000000 effective mills (15.0%)

Estimated School Payments:

Section 2(A)(1)

Base School District Millage = 99.444261 effective mills

Basic School Payments = \$353,793.26 (\$10,500,000 x 9.944261% x 33.883459%)

Section 2(A)(3)

Additional School District Millage = 10.555739 mills

Additional School Millage Payments = \$110,835.26 (\$10,500,000 x 1.0555739% x 100%)

Section 2(A)(2)

Total PILOTs = \$1,575,000.00 (\$10,500,000 x 15.0%)

Excess PILOTs = \$211,458.59 (\$1,575,000.00 - \$110,835.26 - \$1,252,706.15)

Excess PILOT School Payments = \$105,729.30 (\$211,458.59 x 50%)

Annual School Payments = \$570,357.82 (\$353,793.26 + \$110,835.26 + \$105,729.30)

Example 5 (Increased Valuations with Additional School District Millage)

Assumptions:

Projected Incremental Valuation = \$34,000,000 (\$11,900,000 Assessed Value)

Projected PILOT Threshold = \$1,674,335.09 (based on 140.700428 effective mills)

Exempted Value = \$35,000,000 or \$12,250,000 Assessed Value

Total School District Millage = 110.000000 effective mills (11%)

Total Overlapping Millage = 150.000000 effective mills (15.0%)

Estimated School Payments:

Section 2(A)(1)

Base School District Millage = 99.444261 effective mills

Basic School Payments = \$412,765.65 (\$12,250,000 x 9.9444261% x 33.883459%)

Section 2(A)(3)

Additional School District Millage = 10.555739 mills

Additional School Millage Payments = \$129,307.80 (\$12,250,000 x 1.0555739% x 100%)

Section 2(A)(2)

Total PILOTs = \$1,837,500 (\$12,250,000 x 15.0%)

Excess PILOTs = \$33,857.11 (\$1,837,500.00 - \$129,307.80 - \$1,674,335.09)

Excess PILOT School Payments = \$16,928.56 (\$33,857.11 X 50%)

Annual School Payments = \$559,002.01 (\$412,765.65 + \$129,307.80+ \$16,928.56)