ORDINANCE NO. _____-23

AN ORDINANCE AMENDING SECTION 167.07, OF THE PAINESVILLE CODE OF 1998 RELATING TO THE CLASSIFICATION AND COMPENSATION PLAN, AND DECLARING AN EMERGENCY

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF PAINESVILLE, LAKE COUNTY, OHIO:

SECTION 1. That Section 167.07 is hereby amended to read as follows:

SECTION 167.07 CLASSIFIED POSITIONS

CLASS TITLE	CLASS GRADE
CLERICAL, FISCAL AND ADMINISTRATION 40 HOUR WEEK	
CLERICAL SALARY	
CLERK TYPIST	3
SWITCHBOARD OPERATOR	6
SECRETARY I	6
SECRETARY II	8
ADMINISTRATIVE SECRETARY	9
ADMINISTRATIVE SECRETARY – MANAGER	12
ADMINISTRATIVE SECRETARY - COURT	12
FIRE DEPARTMENT ADMINISTRATIVE ASSISTANT	6
COMMUNICATIONS COORDINATOR	10
FISCAL AND DATA PROCESSING SALARY	
PARKING CASHIER	5
PARKING ENFORCEMENT CASHIER	6
FISCAL CLERK I	6
FISCAL CLERK II	9
FISCAL CLERK III	11
FISCAL CLERK III – HUMAN RESOURCES	11
FISCAL CLERK II – HUMAN RESOURCES	9
FISCAL CLERK I – HUMAN RESOURCES	6
FISCAL CLERK II – UTILITY OFFICE	9
DATA PROCESSING CLERK I	6
DATA PROCESSING CLERK II	9
FISCAL CLERK/COMPUTER COORDINATOR	11
COLLECTIONS SUPERVISOR	13
UTILITY OFFICE SUPERVISOR	13
FINANCE/GRANT ANALYST	14
STORES CLERK/BUILDING AND GROUND WORKER	8
ADMINISTRATIVE ANALYST	11
PROJECT COORDINATOR	13
UTILITIES OFFICE MANAGER	16
FINANCE ANALYST II	12
COLLECTIONS ANAYLYST	11
ADMINISTRATION	
DEPARTMENT/DIVISION HEADS AND SENIOR SUPERVISORS SALARY	
WATER TREATMENT PLANT SUPERVISOR	19
ASSISTANT WATER POLLUTION CONTROL SUPERINTENDENT	19
DIRECTOR OF PLANNING	20
ECONOMIC DEVELOPMENT DIRECTOR	23
HUMAN RESOURCES DIRECTOR	23
ELECTRIC GENERATION SUPERVISOR	21
ELECTRIC DISTRIBUTION SUPERVISOR	21
COMMUNITY DEVELOPMENT DIRECTOR/CITY PLANNER	22
WATER SUPERINTENDENT	27
RECREATION AND PUBLIC LAND DIRECTOR	23
FIRE CHIEF	23
DIRECTOR OF FINANCE	26
WATER POLLUTION CONTROL SUPERINTENDENT	23
CHIEF OF POLICE	25
ELECTRIC SUPERINTENDENT	25

THE CITY OF PAINESVILLE, OHIO
CLASSIFICATION AND COMPENSATION PLAN, CHAPTER 167

	CLASS TITLE	CLASS GRADE
	CITY ENGINEER	23
	PUBLIC SERVICE DIRECTOR	23
	ASSISTANT CITY MANAGER	27
	PUBLIC SAFETY, COURT, CODE ENFORCEMENT AND ENGINEERING	
	POLICE SALARY (40 HOUR WEEK)	
	PARKING CONTROL OFFICER	7
	POLICE RECORDS CLERK I	8
	POLICE RECORDS CLERK II	9
	POLICE DISPATCHER	8
	COMMUNITY SERVICE OFFICER	11
	SCHOOL RESOURCE OFFICER	15
	POLICE OFFICE SUPERVISOR	10
*	POLICE OFFICER	17
*	POLICE SERGEANT	18
*	POLICE LIEUTENANT	20
	FIRE SALARY (48 HOUR WEEK)	
*	FIREFIGHTER/EMT	17
*	FIRE LIEUTENANT	18
*	FIRE CAPTAIN	20
	EXECUTIVE CAPTAIN (40 HOURS A WEEK)	20
*	CIVIL SERVICE POSITIONS	
	MUNICIPAL COURT SALARY (WORK WEEK DETERMINED BY COURT)	
	PROBATION OFFICER I	11
	PROBATION OFFICER II	12
	CHIEF PROBATION OFFICER	16
	ECONOMIC DEVELOPMENT AND COMMUNITY DEVELOPMENT	
	ECONOMIC DEVELOPMENT ADMINISTRATIVE ASSISTANT(PART-TIME)	6
	ENGINEERING SALARY (40 HOUR WEEK)	
	CONSTRUCTION ENGINEER/ENGINEERING TECHNICIAN	15
	PLANNER	16
	GIS COORDINATOR	16
	SENIOR ENGINEER	18
	CODE ENFORCEMENT SALARY (40 HOUR WEEK)	
	HOUSING INSPECTOR	11
	BUILDING INSPECTOR	16
	BUILDING OFFICIAL	18
	FIRE INSPECTOR	11
	LABOR, LABOR SUPERVISION AND TRADES (40 HOURS WEEK)	
	GENERAL LABOR AND EQUIPMENT OPERATION HOURLY	
	CUSTODIAN I	5
	CUSTODIAN II	8
	PUBLIC WORKS GUARD	7
	MAINTENANCE WORKER I	7
	MAINTENANCE WORKER II	9
	PARKING AND TRAFFIC TECHNICIAN	9
	HEAVY EQUIPMENT OPERATOR	11
	AUTOMOTIVE SERVICE WORKER	9
	UTILITY SERVICE/MAINTENANCE WORKER	10
	MAINTENANCE CREW LEADER	10

THE CITY OF PAINESVILLE, OHIO
CLASSIFICATION AND COMPENSATION PLAN, CHAPTER 167

CLASS TITLE	CLASS GRADE
GENERAL TRADES HOURLY	
SIGN FABRICATOR	11
AUTOMOTIVE MAINTENANCE MECHANIC	13
AUTOMOTIVE MAINTENANCE WORKER	9
LABOR AND TRADES SUPERVISION SALARY	
MAINTENANCE SUPERVISOR I	12
MAINTENANCE SUPERVISOR II	16
PARK AND CEMETERY SUPERVISOR	16
PUBLIC WORKS SUPERVISOR	18
RECREATION SALARY	
RECREATION COORDINATOR	11
RECREATION SUPERVISOR	13
RECREATION SUPERVISOR/SENIOR CENTER MANAGER	13
PUBLIC UTILITIES (40 HOUR WEEK)	
GENERAL PUBLIC UTILITY SALARY	
METER READER HELPER	7
METER READER	8
METER MAINTENANCE WORKER	8
UTILITIES SERVICE WORKER	10
WATER AND WATER POLLUTION CONTROL SALARY	
ASSISTANT LABORATORY TECHNICIAN	11
LABORATORY TECHNICIAN II	14
LABORATORY TECHNICIAN II/ADMINISTRATIVE ASSISTANT	14
LABORATORY/TECHNICAL SERVICES SUPERVISOR	16
PRETREATMENT COORDINATOR	15
WATER ENGINEERING TECHNICIAN	13
ASSISTANT WATER ENGINEERING TECHNICIAN	11
WATER TREATMENT PLANT OPERATOR II	14
WATER POLLUTION CONTROL PLANT OPERATOR II	14
WATER POLLUTION CONTROL PLANT OPERATIONS SUPERVISOR	16
WATER TREATMENT PLANT CHIEF OPERATOR	15
TREATMENT PLANT MAINTENANCE SUPERVISOR	16
WATER DISTRIBUTION SUPERVISOR	18
WATER AND WATER POLLUTION CONTROL HOURLY	
TREATMENT PLANT MECHANIC I	10
TREATMENT PLANT MECHANIC II	13
SENIOR MAINTENANCE MECHANIC	14
TREATMENT PLANT MECHANIC/ELECTRICIAN	14
LABORATORY TECHNICIAN I	10
LABORATORY TECHNICIAN I/ADMINISTRATIVE SECRETARY	11
WATER METER REPAIR WORKER	11
WATER TREATMENT PLANT OPERATOR I	10
WATER OPERATIONS/MAINTENANCE TECHNICIAN	11
WATER POLLUTION CONTROL PLANT OPERATOR I	10
WATER TREATMENT PLANT OPERATIONS/MAINTENANCE TECHNICIAN	11
ELECTRICAL SALARY	
ELECTRIC DISTRIBUTION FIELD SUPERVISOR	16
ASSISTANT ELECTRIC DISTRIBUTION SUPERVISOR	18
OPERATING ENGINEER	16
ASSISTANT SENIOR ENGINEER	17
SENIOR ENGINEER - OPERATIONS	18
SENIOR ENGINEER - MAINTENANCE	18
SENIOR ENGINEER – SCADA/IT	18

THE CITY OF PAINESVILLE, OHIO
CLASSIFICATION AND COMPENSATION PLAN, CHAPTER 167

CLASS TITLE	CLASS GRADE
ELECTRIC HOURLY	
BUILDING CUSTODIAN II	12E
ELECTRIC GROUND WORKER	15E
MAINTENANCE WORKER II (ELECTRIC ASHWORKER/WATER TENDER)	14E
ASSISTANT TREE TRIMMER	18E
TREE TRIMMER	20E
ELECTRIC METER REPAIR WORKER	18E
APPRENTICE ELECTRIC DISTRIBUTION WORKER	17E
ELECTRIC DISTRIBUTION WORKER II	19E
ELECTRIC DISTRIBUTION WORKER I	22E
UTILITY WORKER	21E
HEAVY EQUIPMENT OPERATOR (ELECTRIC YARD WORKER)	18E
ELECTRICIAN	20E
STATIONARY ENGINEER	20E
ELECTRIC PLANT MECHANIC	18E
ELECTRIC PLANT MECHANIC/WELDER	19E
ELECTRIC PLANT MECHANIC/WELDER II	21E
MAINTENANCE ELECTRICIAN	18E
UTILITIES TECHNICIAN	21E
METER/INVENTORY TECHNICIAN	20E
SCADA MAINTENANCE TECHNICIAN	**20E**

E = ELECTRIC HOURLY

SECTION II. That this Ordinance is passed as an emergency measure for the protection and preservation of the peace, health, safety and general welfare of the inhabitants of the City of Painesville, the emergency being the immediate necessity to amend the Classification and Compensation Plan for the affected employees, and therefore, this Ordinance shall be effective immediately.

PASSED:

EFFECTIVE:

_____
Christine Shoop
President of Council

ATTEST:

_____
Samantha Danielson
Clerk of Council

RESOLUTION NO. _____-23

A RESOLUTION AUTHORIZING AND DIRECTING THE CITY MANAGER TO ADVERTISE FOR BIDS AND ENTER INTO A CONTRACT, INCLUDING ANY AND ALL ENSUING CHANGE ORDERS, WITH THE LOWEST AND BEST BIDDER FOR THE 2023 ASPHALT RESURFACING OF VARIOUS ROADS PROJECT, AND DECLARING AN EMERGENCY.

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF PAINESVILLE, LAKE COUNTY, OHIO:

SECTION I. That the City Manager is hereby authorized and directed to advertise for bids and enter into a contract, including any and all ensuing change orders, with the lowest and best bidder for the 2023 Asphalt Resurfacing of Various Roads project, in accordance with specifications on file in the office of the City Manager, for the Engineering Department.

SECTION II. That this Resolution is passed as an emergency measure for the protection and preservation of the peace, health, safety and general welfare of the inhabitants of the City of Painesville, the emergency being the immediate necessity to repave various streets within the City in order to improve safety and decrease the costs of maintenance and repair along with associated labor costs and, therefore, this Resolution shall become effective immediately upon its passage.

PASSED:

EFFECTIVE:

_____
Christine Shoop
President of Council

ATTEST:

_____
Samantha Danielson
Clerk of Council

RESOLUTION NO. _____-23

A RESOLUTION AUTHORIZING AND DIRECTING THE CITY MANAGER TO ADVERTISE FOR BIDS AND ENTER INTO A CONTRACT, INCLUDING ANY AND ALL ENSUING CHANGE ORDERS, WITH THE LOWEST AND BEST BIDDER FOR THE REHABILITATION OF SANITARY AND STORM SEWERS ON LIBERTY STREET, AND DECLARING AN EMERGENCY.

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF PAINESVILLE, LAKE COUNTY, OHIO:

SECTION I. That the City Manager is hereby authorized and directed to advertise for bids and enter into a contract, including any and all ensuing change orders, with the lowest and best bidder for the Rehabilitation of Sanitary and Storm Sewers on Liberty Street, in accordance with specifications on file in the office of the City Manager, for the Engineering Department.

SECTION II. That this Resolution is passed as an emergency measure for the protection and preservation of the peace, health, safety and general welfare of the inhabitants of the City of Painesville, the emergency being the immediate necessity to repave various streets within the City in order to improve safety and decrease the costs of maintenance and repair along with associated labor costs and, therefore, this Resolution shall become effective immediately upon its passage.

PASSED:

EFFECTIVE:

_____
Christine Shoop
President of Council

ATTEST:

_____
Samantha Danielson
Clerk of Council

RESOLUTION NO. _____-23

A RESOLUTION AUTHORIZING AND DIRECTING THE CITY MANAGER TO ADVERTISE FOR BIDS AND ENTER INTO A CONTRACT, INCLUDING ANY AND ALL ENSUING CHANGE ORDERS, WITH THE LOWEST AND BEST BIDDER FOR THE RECONSTRUCTION OF REED AVENUE PROJECT, AND DECLARING AN EMERGENCY.

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF PAINESVILLE, LAKE COUNTY, OHIO:

SECTION I. That the City Manager is hereby authorized and directed to advertise for bids and enter into a contract, including any and all ensuing change orders, with the lowest and best bidder for the Reconstruction of Reed Avenue project, in accordance with specifications on file in the office of the City Manager, for the Engineering Department.

SECTION II. That this Resolution is passed as an emergency measure for the protection and preservation of the peace, health, safety and general welfare of the inhabitants of the City of Painesville, the emergency being the immediate necessity to repave various streets within the City in order to improve safety and decrease the costs of maintenance and repair along with associated labor costs and, therefore, this Resolution shall become effective immediately upon its passage.

PASSED:

EFFECTIVE:

_____
Christine Shoop
President of Council

ATTEST:

_____
Samantha Danielson
Clerk of Council

RESOLUTION NO. _____-23

A RESOLUTION AUTHORIZING AND DIRECTING THE CITY MANAGER TO ADVERTISE FOR BIDS AND ENTER INTO A CONTRACT, INCLUDING ANY AND ALL ENSUING CHANGE ORDERS, WITH THE LOWEST AND BEST BIDDER FOR THE SIDEWALK REPLACEMENT AT 475 RAILROAD STREET, AND DECLARING AN EMERGENCY.

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF PAINESVILLE, LAKE COUNTY, OHIO:

SECTION I. That the City Manager is hereby authorized and directed to advertise for bids and enter into a contract, including any and all ensuing change orders, with the lowest and best bidder for the Sidewalk Replacement at 475 Railroad Street project, in accordance with specifications on file in the office of the City Manager, for the Engineering Department.

SECTION II. That this Resolution is passed as an emergency measure for the protection and preservation of the peace, health, safety and general welfare of the inhabitants of the City of Painesville, the emergency being the immediate necessity to repave various streets within the City in order to improve safety and decrease the costs of maintenance and repair along with associated labor costs and, therefore, this Resolution shall become effective immediately upon its passage.

PASSED:

EFFECTIVE:

_____
Christine Shoop
President of Council

ATTEST:

_____
Samantha Danielson
Clerk of Council

RESOLUTION NO. _____-23

A RESOLUTION AUTHORIZING AND DIRECTING THE CITY MANAGER TO ADVERTISE FOR BIDS AND ENTER INTO A CONTRACT, INCLUDING ANY AND ALL ENSUING CHANGE ORDERS, WITH THE LOWEST AND BEST BIDDER FOR THE STREETSCAPE IMPROVEMENTS PROJECT, AND DECLARING AN EMERGENCY.

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF PAINESVILLE, LAKE COUNTY, OHIO:

SECTION I. That the City Manager is hereby authorized and directed to advertise for bids and enter into a contract, including any and all ensuing change orders, with the lowest and best bidder for the Streetscape Improvements project, in accordance with specifications on file in the office of the City Manager, for the Engineering Department.

SECTION II. That this Resolution is passed as an emergency measure for the protection and preservation of the peace, health, safety and general welfare of the inhabitants of the City of Painesville, the emergency being the immediate necessity to repave various streets within the City in order to improve safety and decrease the costs of maintenance and repair along with associated labor costs and, therefore, this Resolution shall become effective immediately upon its passage.

PASSED:

EFFECTIVE:

_____
Christine Shoop
President of Council

ATTEST:

_____
Samantha Danielson
Clerk of Council

RESOLUTION NO. _____-23

RESOLUTION AUTHORIZING AND DIRECTING THE CITY MANAGER TO APPLY FOR AND ACCEPT FUNDING FROM THE FEMA S.A.F.E.R. GRANT, FOR THE PURPOSE OF HIRING ADDITIONAL FIRE PERSONNEL, AND DECLARING AN EMERGENCY.

WHEREAS, the Federal Emergency Management Agency administers financial assistance to address staffing needs for Fire Departments through the Staffing for Adequate Fire and Emergency Response (S.A.F.E.R) Grant; and

WHEREAS, the Federal Emergency Management Agency is accepting applications for the FY'2022 S.A.F.E.R. Grant Program from February 13, 2023 until March 17, 2023; and

WHEREAS, funding through the FY'2022 S.A.F.E.R. Grant Program will enable the City of Painesville to continue improve the community and address the needs of Firefighter/Paramedic staffing within the Fire Department; and

WHEREAS, the S.A.F.E.R Grant will enable the Painesville Fire Department to hire six (6) additional Firefighter/Paramedics to bolster the staff of the Fire Department, so that we can provide a safer and improved emergency response to the residents of the City of Painesville.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF PAINESVILLE, LAKE COUNTY, OHIO:

SECTION I. The City Council authorizes and directs the City Manager to execute and file an application with the Federal Emergency Management Agency and to provide all information and necessary documentation required to become eligible for possible funding assistance through the FY'2022 S.A.F.E.R Grant Program.

SECTION II. That the City Council hereby authorizes the City Manager to accept the FY'2022 S.A.F.E.R Grant funding awarded by the Federal Emergency Management Agency to the City of Painesville, Ohio.

SECTION III. That this Resolution is hereby declared to be an emergency measure necessary for the protection and preservation of the peace, health, safety, and general welfare of the inhabitants of the City of Painesville, and for the further need to submit the application by the March 17, 2023 deadline; and therefore this Resolution shall be effective immediately upon its passage.

PASSED:

EFFECTIVE:

_____
Christine Shoop
President of Council

ATTEST:

_____
Samantha Danielson
Clerk of Council

RESOLUTION NO. ____-23

A RESOLUTION AUTHORIZING AND DIRECTING THE CITY MANAGER TO APPLY FOR AND TO ACCEPT FUNDING THROUGH THE STATE OF OHIO'S SAFE ROUTES TO SCHOOL INFRASTRUCTURE PROGRAM TO INSTALL A SIDEWALK ALONG ELM STREET, AND DECLARING AN EMERGENCY.

WHEREAS, the State of Ohio's Safe Routes to School Infrastructure Program administers financial assistance for infrastructure projects that promote safe accessible routes for students to bike and to walk to school; and

WHEREAS, the Safe Routes to School Infrastructure Program is accepting applications until March 3, 2023; and

WHEREAS, the City of Painesville wishes to submit an application for funding in order to authorize the City Manager's Office to make application for $310,000 to install a sidewalk along Elm Street, from Lighthouse Pointe Drive to North State Street; and

WHEREAS, the City of Painesville was granted an assistance grant to prepare a School Travel Plan, which is required in order to be eligible for the Safe Routes to School Infrastructure program;

WHEREAS, the School Travel Plan, created through a stakeholder team of community leaders and data and insight from residents, highlighted this sidewalk project as a priority.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF PAINESVILLE, LAKE COUNTY OHIO, THAT:

SECTION I: That the City Council hereby authorizes and ratifies the City Manager's application to ODOT for the State of Ohio's Safe Routes to School Infrastructure Program to install a sidewalk along Elm Street, from Lighthouse Pointe Drive to North State Street, and to provide all information and necessary documentation required to become eligible for possible funding assistance.

SECTION II: That, if awarded, the City Council hereby authorizes the City Manager to accept the State of Ohio's Safe Routes to School Infrastructure Program funding awarded by the State of Ohio.

SECTION III: That this Resolution is hereby declared to be an emergency measure for the immediate preservation of the public peace, health, and/or safety and for the welfare of the citizens of the City of Painesville and for further reason that it is necessary that this measure becomes effective immediately in order to submit the application by the deadline; and, therefore, this Resolution shall be in full force and effect immediately upon passage by the City Council.

PASSED:

EFFECTIVE:

_____
Christine Shoop
President of Council

ATTEST:

_____
Samantha Danielson
Clerk of Council

RESOLUTION NO. _____-23

RESOLUTION AUTHORIZING AND DIRECTING THE CITY MANAGER TO ENTER INTO A LEASE AGREEMENT WITH GRAND ROCK CO., INC., FOR THE PURPOSE OF BUSINESS RETENTION AND EXPANSION, AND DECLARING AN EMERGENCY.

WHEREAS, the City of Painesville (the "City") desires to enter into a lease agreement with Grand Rock Co., Inc. ("Grand Rock") for the purpose of leasing industrial space in the building owned by the City and located at 348 Chester Street ("Property") for the temporary storage of goods and materials; and,

WHEREAS, the floor area of the building proposed to be leased is currently vacant and unused while being evaluated for future potential use; and,

WHEREAS, Grand Rock is seeking temporary space to lease for storage in order to accommodate the addition of equipment necessary to expand its business processes, and to allow time needed to plan for a future expansion of its facility which is expected to result in job creation; and,

WHEREAS, the City is supportive of Grand Rock's business development and desires to retain Grand Rock in the City of Painesville and to assist with Grand Rock's expansion in order to retain and create jobs in the City of Painesville; and

WHEREAS, the City desires to temporarily lease the Property to Grand Rock in accordance with the terms of this lease agreement;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF PAINESVILLE, LAKE COUNTY, OHIO:

SECTION I: The City Council hereby authorizes and directs the City Manager to execute a lease agreement with Grand Rock for the purpose of leasing Property to support business retention and expansion in the City of Painesville, and to execute any and all documents, in substantially similar form with Exhibit A attached hereto, necessary to execute the lease agreement.

SECTION II: That the formal actions of this Council concerning the passage of this Resolution were adopted in an open meeting, and all deliberations of this Council, or any Committees, which resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements, including Section 121.22, of the Ohio Revised Code.

SECTION III: That this Resolution is declared to be an emergency measure necessary for the immediate protection and preservation of the public peace, health, safety, and general welfare of the inhabitants of the City of Painesville and for the further need to accommodate the immediate relocation of materials necessary for Grand Rock to expand its business processes; and therefore, this Resolution shall be effective immediately upon its passage.

PASSED:

EFFECTIVE:

_____
Christine Shoop
President of Council

ATTEST:

_____
Samantha Danielson
Clerk of Council

EXHIBIT A

LEASE AGREEMENT

between

CITY OF PAINESVILLE,
an Ohio Political Subdivision

"Landlord"

and

GRAND ROCK CO., INC.
"Tenant"

Dated as of: _____, 2023

LEASE AGREEMENT

This LEASE AGREEMENT (this "Lease"), made as of the ____ day of _____, 2023 ("the Effective Date"), is by and between CITY OF PAINESVILLE, an Ohio political subdivision ("Landlord") and GRAND ROCK CO., INC. ("Tenant"). Landlord and Tenant are hereinafter referred to collectively as the "Parties."

RECITALS

WHEREAS, Landlord is the owner of certain improved real property located in Painesville, Ohio, identified as the "Property" in Section 1(e) below, and more particularly described on Exhibit A attached hereto;

WHEREAS, Tenant is currently in need of temporary storage space to accommodate additional equipment at its current location due to expansion of its existing business;

WHEREAS, Tenant desires to lease, maintain, and improve the Property pursuant to this Lease; and

WHEREAS, Landlord is supportive of Tenant's business expansion and desires to lease the Property to Tenant in accordance with the terms of this Lease; and

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this Lease, the Parties covenant and agree as follows:

AGREEMENT

1. **BASIC LEASE PROVISIONS AND DEFINITIONS.**

The following capitalized terms whenever used in this Lease shall have the meanings set forth in this Section 1:

(a) Landlord: City of Painesville, an Ohio Political Subdivision

(b) Tenant: Grand Rock Co., Inc.

(c) Landlord's Mailing Address:

City of Painesville
Attn: City Manager
7 Richmond Street
Painesville, Ohio 44077

(d) Tenant's Mailing Address:

Grand Rock Co., Inc.
Attn: Jerry Arth, President

395 Fountain Avenue
Painesville, Ohio 44077

(e) Property: Approximately 7,000 ground square feet of building space in Painesville, Ohio 44077, and consisting of certain property located within the following Permanent Parcel Number(s):

15-D-014-0-00-022-0

(the "Property"), and more particularly described on Exhibit A attached hereto and as depicted on the site map attached hereto as Exhibit B.

(f) Initial Term: The period commencing on the Rent Commencement Date, March 15, 2023, and ending eight (8) months later on November 15, 2023. Tenant may terminate this Lease early with thirty (30) days advance written notice for that time period that the Lease is in effect.

(g) Permitted Use: During the Term, Tenant and Tenant's agents, employees, and contractors (together, "Tenant's Parties"), shall have the right to use the Property for storage of goods and materials necessary for Tenant's business processes. Parking of vehicles on the site shall be limited to times during loading and unloading of deliveries of goods and materials. Tenant shall not authorize any vehicles exercising Tenant's parking rights to be parked, except in accordance with this Section. It is Tenant's duty to inform Tenant's Parties of the access and parking rules and regulations and to ensure that all rules and regulations set forth in this Lease are followed.

(h) Right to Construct Improvements: Tenant shall have the right, but not the obligation, to make improvements to the Property ("Improvements"). Any Improvements made by Tenant must receive prior written approval from Landlord. Tenant shall return the property to the Landlord at the end of the term of the lease in the same or better condition as prior to Tenant's occupancy. Any damage caused to the Property by Tenant's Improvements shall be repaired to Landlord's satisfaction upon return of the Property to Landlord.

(i) Base Rent: The monthly base rent will be $2,500 and it shall be payable in advance beginning on March 15, 2023 and then continuing on the 15th day of the month for the next seven (7) consecutive months.

(j) Modified Gross Lease: Except as expressly otherwise provided herein, this Lease is intended to be, and shall be construed as a modified gross lease. Notwithstanding anything to the contrary, Landlord shall be solely responsible for and shall pay any and all costs, liabilities, taxes, obligations, and charges whatsoever which shall arise or be incurred, or shall become due, during, or in respect of the Term, in respect of or in connection with the Property or the ownership, leasing, operation, or management of the Property. Notwithstanding the foregoing or anything else herein to the contrary, Landlord shall be responsible for payment of current utilities that currently service the property (including gas and electric service supplied to and/or for the Property). Tenant understands and agrees that water and sewer service are currently disconnected and will not be provided by Landlord to the property. Tenant further understands and agrees that

heat will be kept to a minimum temperature by Landlord. Tenant shall be responsible for certain maintenance and/or repair of and to the Property (see Section 9 for additional details).

(k) Rent shall be mailed to Landlord's Address, as provided in Section 1(c).

(l) There were no real estate brokers and/or agents involved in this transaction.

(m) Rent Commencement Date: The term shall commence on March 15, 2023.

2. **TERM.**

The Initial Term of this Lease shall commence on the Rent Commencement Date and shall terminate as stated in Section 1(f). The phrase "Term" as used in this Lease shall mean the Initial Term and the Renewal Term(s), if exercised.

3. **DELIVERY OF PROPERTY; TENANT'S WORK.**

(a) Tenant shall have access to the Property on and as of the Effective Date (the "Delivery Date").

(b) From and after the Delivery Date, Tenant shall observe and perform all of the terms, covenants, conditions, and obligations set forth in this Lease.

(c) At all times during the Term of this Lease (including all Renewal Terms properly exercised by Tenant), title to the Property shall be vested solely in Landlord.

(d) Beginning on the Effective Date, Tenant shall have the right, but not the obligation, to make certain Improvements to the Property at Tenant's sole cost as stated in Section 1(h).

4. **SECURITY DEPOSIT.**

Upon commencement of this Lease, Tenant shall deliver to Landlord the sum of Three Thousand Dollars ($3,000.00) as security for the payment of rent and other charges required by this Lease and to secure the performance by Tenant of all the other terms, conditions, covenants and provisions of this Lease. Said security is to be retained by Landlord through the term of this Lease and any extension thereof. At the end of the term of this Lease, or if this Lease should be extended, provided that Tenant has paid all of the rent and other charges due to Landlord pursuant to this Lease and has otherwise performed this Lease, then Landlord will return to Tenant the said security without interest.

5. **BASE RENT.**

Commencing on the Rent Commencement Date, Tenant covenants to pay Base Rent and all other Rent (as defined below) to Landlord, without notice or demand, and without deduction or offset. Base Rent shall be payable on the Rent Commencement Date and then on the 15th day of each month, in advance. All payments of Base Rent and all other Rent owed to Landlord under

this Lease shall be paid to Landlord at the Rent Mailing Address as set forth in Section 1(c), or to Landlord at such other address as Landlord may from time to time designate in writing.

6. **TAXES.**

Landlord shall pay all Real Estate Taxes payable on the Property during the Term as and when the same are due and payable and prior to delinquency. The term "Real Estate Taxes" shall mean all taxes and assessments (special or otherwise) levied or assessed directly or indirectly against the Property and shall include any expenses and/or attorney's fees incurred by Landlord in contesting the validity or amount of any such taxes or assessments or in seeking a rebate of taxes or assessments.

7. **INSURANCE.**

(a) Tenant's Liability Insurance. Tenant shall at all times during the Term keep in force a policy of commercial general liability insurance with a Two Million Five-Hundred Thousand Dollars ($2,500,000) combined single limit on an occurrence basis, which may be through an endorsement on a blanket liability insurance policy. Tenant's liability insurance shall (i) name Landlord (and if Landlord requests, any mortgagee) as an additional insured against any and all damages and liability on account of or arising out of injuries to or the death of persons in the Property, or for property damage, arising out of or relating to Tenant's use or occupancy of the Property, and (ii) include contractual liability insurance recognizing the liability assumed by Tenant under this Lease, contain a cross-liability endorsement, and shall be with an insurer which is rated at least A- and in a financial size category of at least X in Best's Insurance Reports, or equivalent. The insurance to be maintained by Tenant hereunder may be procured in any combination of primary, umbrella, and/or excess coverage (as long as the umbrella, and/or excess policies are at least as broad as the primary policies). Tenant shall deliver to Landlord the most current versions of an ACORD 28 Certificate and ACORD 25 Certificate of Liability Insurance in connection with such liability policy within 90 days after the Delivery Date.

(b) Landlord's Casualty Insurance. Landlord shall at all times during the Term maintain a "special form" policy of fire and casualty insurance, insuring the Improvements comprised within the Property. Such insurance shall be in an amount not less than the full replacement cost of the Improvements. The insurer shall be licensed to conduct business in Ohio, and be rated at least A- and X in Best's Insurance Reports, or equivalent. Such insurance shall also benefit Tenant as its interests may appear. Landlord shall not carry any insurance concurrent in coverage and contributing in the event of loss with any insurance required to be furnished by Tenant hereunder if the effect of such separate insurance would be to reduce the protection or the payment to be made under Tenant's insurance.

(c) Landlord's Insurance. Landlord shall keep in force a policy or policies of commercial general liability insurance with a Two Million Five Hundred Thousand Dollar ($2,500,000) minimum combined single limit on an occurrence basis, which may be through an endorsement on a blanket liability insurance policy.

(d) Indemnification.

(i) Tenant will indemnify, defend, and hold harmless Landlord and Landlord's Agents from and against any and all costs, expenses, claims, suits, causes of action, liabilities, losses, fines, penalties, charges, judgments, injuries, and damages, including, without limitation, reasonable attorneys' fees and costs ("Claims") resulting from, related to, and/or arising out of: (x) any violation or claim of violation of law or regulation by Tenant (but not to the extent such violation is a result of an action or omission of Landlord) on the Property; and/or (z) the use or occupancy of the Property by Tenant or any person claiming by, through, and/or under Tenant, unless resulting from the negligent and/or intentional act and/or omission of Landlord or any of Landlord's Agents.

(ii) The term "Agents" of any Party means the employees, agents, officers, directors, licensees, contractors, subcontractors, and/or representatives of such Party acting on behalf of such Party. The provisions of this Section 7 shall survive the expiration or earlier termination of this Lease.

8. **USE.**

Tenant shall comply with all federal, state, and municipal laws, ordinances, and regulations relating to the Property and the business conducted on the Property. Tenant shall not use, or permit to be used, the Property for any illegal purpose. Tenant shall comply with all environmental laws relating to Tenant's business and use and occupancy of the Property.

9. **MAINTENANCE AND REPAIRS.**

During the term of the Lease, Landlord shall maintain the Property in the same condition as the Property was on the Commencement Date. Tenant shall have the Property cleared of any debris left on the Property as a result of Tenant's activities.

10. **UTILITIES.**

Landlord shall pay for the same public utility services that are currently rendered or furnished to the Property during the Term hereof, including, but not limited to, gas (to provide minimal heat during cold temperatures) and electric service, together with all real estate taxes when the same become due and payable.

11. **IMPROVEMENTS.**

As stated in Section 1(h), Tenant may, at Tenant's sole cost and expenses, make certain Improvements to the Property to improve the quality of the parking, wayfinding, and signage from time to time. All Improvements shall be performed in a good and workmanlike manner, in accordance with all applicable legal requirements, with the express prior written consent of Landlord, and any damage to Property as a result of said Improvements must be repaired to Landlord's satisfaction upon return of Property to Landlord. Tenant shall indemnify and save harmless Landlord from and against all mechanic's liens or claims by reason of repairs or Improvements which may be made by Tenant to the Property.

12. **DAMAGE BY FIRE OR OTHER CASUALTY.**

(a) No Restoration Obligation. If the Improvements shall be Substantially Damaged (as defined below) by any casualty, Tenant may (but shall not be obligated to) elect to reconstruct the Improvements on the Property as Tenant may deem necessary or convenient in connection with its use and occupancy of the Property pursuant to this Lease (a "Restoration"). If Tenant elects not to perform a Restoration after the Improvements are Substantially Damaged, Tenant shall be entitled to all casualty insurance proceeds from Tenant's own insurance. For purposes of this Section, the term "Substantially Damaged" shall mean a casualty resulting either in (i) more than ten percent (10%) of the ground area of the Improvements being damaged or destroyed, or (ii) the time to restore the damage or destruction (as reasonably estimated by Tenant) is greater than sixty (60) days. Tenant shall be entitled to Tenant's proceeds of insurance and right of recovery against the insurer(s) on any of Tenant's policy(ies) covering any casualty. In the event of any casualty caused by Tenant in which the Improvements are not Substantially Damaged, Tenant shall promptly repair, restore, and/or reconstruct the Property and such other improvements.

(b) Rent Abatement. In the event the Property is damaged to the extent that it is not reasonably suitable for the normal conduct of Tenant's business as carried on prior to said damage, Tenant may elect to discontinue operations utilizing the Property until completion of the Restoration. Notwithstanding such damage or destruction, or Tenant's election to discontinue operations at the Property, Tenant's obligations under the Lease shall abate until the Restoration is completed, and the Lease Term shall be extended for the rental abatement period.

13. **DEFAULT.**

(a) In the event that Tenant shall be in default in the performance of any of the terms, covenants, conditions, and/or provisions herein contained after Landlord has given Tenant thirty (30) days prior written notice of such non-performance (or such additional reasonable time as Tenant may require if cure is not practicable within such thirty (30) day period and Tenant has commenced the cure and is diligently continuing to complete the cure not to exceed ninety (90) days), Tenant shall be deemed to be in default under the terms of this Lease (each such event, an "Event of Default") and Landlord may, in addition to all other remedies available at law or in equity, exercise the remedies set forth in Section 15 hereof.

(b) In the event Landlord has failed to receive the payment of any installment of Rent within thirty (30) days after the date such installment first became due and payable, Tenant shall be deemed to be in default under the terms of this Lease, and Landlord may, exercise the remedies set forth in Section 15 hereof.

14. **LANDLORD'S REMEDIES.**

(a) Upon the occurrence and during the pendency of any Event of Default, Landlord may provide written notice of default to Tenant. If Tenant does not cure any such default within the time periods specified in Section 14 hereof, including such additional time, if any, as Tenant

may require pursuant to Section 14 (a) after having received such written notice of default from Landlord, then Landlord may do any one or more of the following:

(i) Without terminating Tenant's obligation to pay Rent, terminate this Lease and the tenancy created hereby by giving Notice to Tenant, which termination shall be effective as of the date of such Notice or any later date therein specified by Landlord, and, without further Notice, Landlord shall have the right to repossess the Property, by summary proceedings or otherwise, and remove Tenant and all other persons and property from the Property. After such termination, Landlord shall be entitled to recover all loss and damage Landlord may suffer by reason of such termination, including without limitation, the following (without duplication by any element of damages):

(1) accrued Rent to the effective date of termination together with late charges and interest thereon at the rate of 10% per annum (the "Default Rate") from the date owed through the date paid; plus

(2) the cost of recovering the Property, including without limitation, attorneys' fees; plus

(3) all costs of enforcing this Lease; plus

(4) any other costs or amounts necessary to compensate Landlord for all damages caused by Tenant's default;

or

(ii) Elect, without terminating this Lease, to enter upon the Property and take absolute possession of the same, and remove Tenant and any other person or entity who may be occupying the Property, and remove any and all of their property from the Property.

In the event of an Event of Default that is not cured, Landlord shall not be deemed to have terminated this Lease (or the Term thereof) unless Landlord delivers a Notice to Tenant that expressly terminates this Lease.

(b) In the event of an Event of Default failure by Tenant to cure, and termination of this Lease, Landlord may re-let the Property or any part of the Property, for such term and on such terms and conditions as Landlord, in Landlord's sole discretion, may determine.

(c) No Election of Remedies. Pursuit of any of the foregoing remedies shall not preclude pursuit of any other remedies provided in this Lease or any other remedies provided by law, nor shall pursuit of any remedy herein provided constitute a forfeiture or waiver of any Rent due to Landlord hereunder or of any damage accruing to Landlord by reason of the violation of any of the terms, provisions, and/or covenants herein contained. Forbearance by Landlord to enforce one or more of the remedies herein provided upon the occurrence of a Tenant Event of Default shall not be deemed or construed to constitute a waiver of such Event of Default.

(d) Late Charges and Interest. Any Rent not paid when due shall bear interest beginning thirty (30) days after the due date at the Default Rate, or until payment is received by Landlord. In addition, Tenant shall pay Landlord a late charge equal to ten percent (10%) of the amount thirty (30) days overdue to compensate Landlord for the extra costs Landlord will incur as a result of such late payment. The Parties agree that (1) it would be impractical and extremely difficult to fix the actual damage that Landlord will suffer on account of Tenant's late payment, (2) such interest and late charges represent a fair and reasonable estimate of the detriment that Landlord will suffer by reason of late payment by Tenant, and (3) the payment of interest and late charges are distinct and separate in that the payment of interest is to compensate Landlord for the use of Landlord's money by Tenant, while the payment of late charge is to compensate Landlord for Landlord's processing, administrative, and other costs incurred by Landlord as a result of Tenant's delinquent payments. Acceptance of such late charges and interest payments shall not be deemed consent by Landlord to late payments, nor a waiver of Landlord's right to insist upon timely payments at any time, nor a waiver of any remedies to which Landlord is entitled as a result of the late payment of Rent.

(e) Landlord's Cure of Tenant Defaults. If Tenant fails to perform any non-monetary obligation under this Lease for thirty (30) days after Notice thereof by Landlord, then Landlord shall have the right (but not the duty), to perform such obligation on behalf and for the account of Tenant. In such event, Tenant shall reimburse Landlord upon demand, as Additional Rent, for all expenses incurred by Landlord in performing any such obligation. Landlord's performance of Tenant's obligations hereunder shall not be deemed a waiver or release of Tenant therefrom, or a waiver of any remedies to which Landlord is entitled to as a result of Tenant's failure to perform.

(f) Other Matters. No re-entry or repossession, repairs, changes, alterations, additions, reletting, or any other action or omission by Landlord shall be construed as an election by Landlord to terminate this Lease or Tenant's right to possession, or to accept a surrender of the Property, nor shall the same operate to release the Tenant in whole or in part from any of Tenant's obligations hereunder, unless express written notice of such intention is sent by Landlord to Tenant. Landlord may bring suit for amounts owed by Tenant hereunder or any portions thereof, as the same accrue or after the same have accrued, and no suit or recovery of any portion due hereunder shall be deemed a waiver of Landlord's right to collect all amounts to which Landlord is entitled hereunder, nor shall the same serve as any defense to any subsequent suit brought for any amount not theretofore reduced to judgment. Landlord shall be under no obligation to observe or perform any provision of this Lease on its part to be observed or performed which accrues after the date of any Event of Default by Tenant.

(g) Mitigation of Damages. If Landlord terminates this Lease or Tenant's right to possession, Landlord shall have the obligation to mitigate damages to the extent required by applicable law. If Landlord is required by applicable law to mitigate damages under this Lease, then Landlord shall be required only to use commercially reasonable efforts to mitigate.

15. **SIGNAGE.**

Subject to applicable governmental permitting requirements, Tenant shall have the right but not the obligation (i) to install, maintain, and replace at Tenant's expense Tenant's signage for

access and wayfinding, including but not limited to the days and times that parking is permitted by Tenant and others lawfully authorized by Tenant to park on the Property. All of Tenant's signs and other displays shall be of professional quality. Tenant agrees to maintain all signs it installs in good condition and repair. Any such signage must be approved by Landlord, which approval shall not be unreasonably withheld.

16. ESTOPPEL CERTIFICATE.

Within twenty (20) days after receipt of a request therefore, each Party agrees to deliver to the other a duly executed and acknowledged instrument certifying to such Party's best knowledge (i) whether this Lease is in full force and effect (and if not, why); (ii) as to the existence of any default; (iii) whether there are any defenses, counterclaims, and/or offsets to such default; (iv) whether there has been any modification or amendment to this Lease; and (v) as to such other matters relating to this Lease as may be reasonably requested. Any such certificate may be relied upon by the recipient and by any other person to whom it has been exhibited or delivered, and the contents of the certificate shall be biding upon the Party giving such certificate.

17. FORCE MAJEURE.

In the event either Party hereto shall be delayed or hindered in, or prevented from, the performance of any act required hereunder by reason of hurricane, tornado (or comparable weather conditions of unusual security), strikes, lock-outs, labor troubles, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war, pandemics and mandated government shutdown of Tenant's business not caused by Tenant or other reason of a like nature not the fault of the Party delayed in performing work or doing acts required under the terms of this Lease (in any case, "Force Majeure"), then performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay.

18. LANDLORD'S LIABILITY.

No individual associated with Landlord or any entity that is a successor and/or assign of Landlord, shall have any personal liability to Tenant, or to any person claiming under or through Tenant, for any amount or in any capacity. Such exculpation of liability shall be absolute and without exception whatsoever. Nothing in this Section, however, shall bar Tenant from seeking and enforcing any equitable remedy of Tenant against Landlord, but any such equitable remedy that can be cured by the expenditure of money may be enforced against Landlord. Furthermore, it is understood and agreed that in each and every instance in which Landlord's approval or consent is required under this Lease, Landlord shall not be liable for damages (whether direct, consequential, or otherwise) by reason of its failure to grant such approval or consent (unless Landlord is found to have acted in bad faith or in contravention of the terms of this Lease), and Tenant's sole remedy shall be an action for injunctive relief and/or specific performance.

19. NOTICES.

Any notice, request, demand, approval, and/or consent given or required to be given under this Lease shall be in writing and shall be deemed to have been given if and when (i) delivered by hand, or (ii) delivered by overnight express delivery by a nationally-recognized commercial

courier service, and in any event addressed to Landlord at Landlord's Mailing Address or addressed to Tenant at Tenant's Mailing Address ("Notice"). Either Party may at any time change its address for Notice purposes by sending a notice to the other Party advising of the new address.

20. QUIET ENJOYMENT.

Provided that Tenant has performed all of its obligations under this Lease, Landlord covenants that Tenant shall have and enjoy quiet and peaceable possession of the Property during the Term free of let or hindrance by Landlord, subject to the provisions of this Lease.

21. NO WAIVERS.

The failure of Landlord to insist, in any one or more instances, upon strict performance by Tenant of any covenant of this Lease shall not be construed as a waiver or relinquishment for the future of such covenant, but the same shall continue and remain in full force and effect. The receipt by Landlord of Rent with knowledge of the breach or any covenant hereof shall not be deemed a waiver of such breach, and no waiver by Landlord of any provision hereof shall be deemed to have been agreed upon unless expressed in writing signed by the Parties.

22. SUCCESSORS AND ASSIGNS.

This Lease and all terms, covenants, conditions, and provisions herein contained shall be binding upon and shall inure to the benefit of the Parties and their respective personal representatives, heirs, successors, and (if and when assigned in accordance with the provisions hereof) assigns.

23. TERMINATION/HOLDOVER.

On expiration or sooner termination of the Term, Tenant shall surrender to Landlord the Property and all Tenant's improvements in good, clean, orderly, and undamaged condition, except for ordinary wear and tear.

If Tenant fails to surrender the Property on the date that the Term of this Lease expires or terminates, Tenant's continued occupancy shall be deemed to be a tenancy-at-will (and not a tenancy from month-to-month or from year-to-year) cancelable by either upon one (1) month prior written notice to the other, and such tenancy shall be subject to all of the provisions of this Lease.

24. MECHANIC'S LIENS.

Tenant agrees that it will, at all times during the term of this Lease, take any and all steps necessary to prevent the filing of mechanic's liens against the Property by reason of Tenant's or Tenant's Agent's acts or obligations. If any mechanic's or other liens, or order for the payment of money, shall be filed against the Property, or any structure or improvements on the parcels that are a part of the Property, by reason of Tenant's acts or obligations, Tenant shall cause the same to be canceled or discharged of record within ten (10) days after Tenant's receipt of notice of such filing, by bond or otherwise, at the expense of Tenant, and Tenant shall also defend on behalf of Landlord, at Tenant's sole cost and expense, any action, suit, and/or proceeding which may be brought thereon for the enforcement of such lien, liens, and/or orders, and shall pay any damage and save

harmless Landlord from any claim, attorneys' fees, and/or damage therefrom. In the event Tenant fails to remove such lien, liens, or orders within thirty (30) days after their filing, Landlord may have said lien, liens, and/or orders removed, and Tenant agrees to reimburse any amount paid by Landlord to remove said lien, liens, or order within ten (10) days after notice of filing, including reasonable attorneys' fees.

25. **MISCELLANEOUS PROVISIONS.**

(a) Entire Agreement; Modification. This Lease represents the final understanding and agreement between Landlord and Tenant and incorporates all negotiations between the Parties. This Lease cannot be modified except by writing signed by the Party against whom the modification is to be enforced.

(b) Interpretation. The captions and headings in this Lease are for the purposes of reference only and shall not limit or define the meaning of the provisions of this Lease. References to any specific gender shall be deemed to include the other gender or neuter, as applicable, references to "expiration" shall include "termination" and vice-versa, and references to the singular shall include the plural and vice-versa, all as the context may require. This Lease shall not be construed more strictly against one Party than the other, it being recognized that both Landlord and Tenant have contributed substantially and materially to the preparation of this Lease.

(c) Waiver of Jury Trial. Landlord and Tenant hereby mutually waive any and all rights which either Party may have to request a jury trial in any proceeding at law or in equity in any court of competent jurisdiction.

(d) Choice of Law. This Lease shall be governed by Ohio law, and any dispute under this Lease will be decided by either the Painesville Municipal Court or the Lake County Common Pleas Court depending on the jurisdictional amount of the controversy.

(e) Short Form Lease. Tenant agrees not to record this Lease. However, upon the request of either Party, the other Party shall join in the execution of a "Memorandum of Lease" for the purposes of recordation, including such terms of this Lease (other than economic terms) as are typically included in such document. Either Party may record such "Memorandum of Lease" at its own expense.

(f) Submission of Lease. This Lease does not constitute an offer to lease, and Landlord shall not be bound by this Lease until it is executed and unconditionally delivered by both Parties.

(g) Tenant Authority. Tenant's execution and delivery of this Lease and its performance of its obligations hereunder have been duly authorized by all requisite organizational action on behalf of Tenant. Each person signing this Lease on behalf of Tenant has been duly authorized to do so by appropriate organizational action on behalf of Tenant.

(h) Counterparts. This Lease may be executed in separate counterparts, each of which shall be an original, but all of which shall constitute but one and the same instrument.

(i) Severability. The invalidity or unenforceability of any provision of this Lease in any particular respect shall not affect the validity and enforceability of any other provision of this Lease or of the same provision in any other respect.

26. ENCUMBRANCE OF LEASEHOLD INTEREST.

Notwithstanding anything to the contrary set forth in this Lease, Tenant may, without Landlord's consent, encumber its leasehold estate in the Property (the "Leasehold Estate"), together with all of the Improvements, pursuant to a mortgage or other customary instruments necessary or desirable to facilitate any lawful financing of the Improvements or any future structures or other improvements (which instruments are referred to collectively in this Lease as the "Leasehold Financing Documents"), including, but not limited to, financing the cost of the construction of such Improvements, permanent financing sufficient in amount to replace or refinance such construction financing and financing to replace or refinance such permanent financing, regardless of amount. Any such mortgage shall only encumber Tenant's leasehold interest in the Property and shall be automatically terminated upon expiration and/or termination of Tenant's leasehold interest in the Property.

[***signatures on following page***]

IN WITNESS WHEREOF, the Parties hereto have executed this Lease Agreement the day and year first above written.

LANDLORD: CITY OF PAINESVILLE, an Ohio Political Subdivision	**TENANT:** GRAND ROCK CO., INC.
By: _____	By: _____
Print Name: _____	Print Name: _____
Title: _____	Its: _____

STATE OF OHIO :
: SS:
COUNTY OF _____ :

This is an acknowledgment clause. No oath or affirmation was administered to the signer.

The foregoing instrument was acknowledged before me this ____ day of_____, 2023 by_____, as _____of City of Painesville, an Ohio Political Subdivision, as Landlord of the Property.

No oath or affirmation was administered to the signer with regard to this notarial act.

_____

[SEAL] Notary Public

My Commission Expires: _____

STATE OF OHIO :
: SS:
COUNTY OF _____ :

This is an acknowledgment clause. No oath or affirmation was administered to the signer.

The foregoing instrument was acknowledged before me this ____ day of_____, 2023, by_____, as _____of Grand Rock Co., Inc., as Tenant of the Property.

No oath or affirmation was administered to the signer with regard to this notarial act.

_____

[SEAL] Notary Public

My Commission Expires: _____

EXHIBIT A

Legal Description
(from Deed recorded 12/21/2022)

TRACT VI:

Parcel A: (Pr of 15D-14-22)

Situated in the City of Painesville, County of Lake and State of Ohio, and known as being part of Lot 95 of the Phelps Heirs Survey in said City and is bounded and described as follows:

Beginning at an iron pipe stake in the west line of land conveyed to Louis J. and Bernice Parcell by deed recorded in Volume 234, Page 180, Lake County Records of Deeds and at the southeast corner of land conveyed to James H. and Cynthia Condon by deed recorded in Volume 261, Page 400, Lake County Records of Deeds; thence along the west line of said Parcell's land and along the west line of land now or formerly owned by Joan Tomasik (said line also being the westerly line of the H.P. Sanford Survey in said City) South 26 degrees 46'30" East a distance of 48.94 feet to an iron pipe stake at an angle in the westerly line of said Sanford Survey; thence continuing along the westerly line of said Sanford Survey South 37 degrees 32'30" East a distance of 24.87 feet; thence by a line which bears South 64 degrees 08'10" West a distance of 171.63 feet to the easterly line of Owego Street; thence along said line of Owego Street North 26 degrees 17' West a distance of 75.00 feet to a drill hole cut in the concrete walk at the southwest corner of land conveyed to James H. and Cynthia Condon as aforesaid; thence along the southerly line of said Condons' land North 64 degrees 43'20" East a distance of 166.38 feet to the place of beginning and containing 0.285 of a acre of land as surveyed and described by Fullerton and Kerr, Registered Engineers and Surveyors, be the same more or less.

Parcel B: (Pr of 15D-14-22)

Situated in the City of Painesville, County of Lake and State of Ohio, and known as being part of Lot 95 of the Phelps Heirs Survey in said City and is bounded and described as follows:

Beginning in the Easterly line of Owego Street at a point which is South 26 degrees 17' East a distance of 75.00 feet, measured along said street line, from a drill hole cut in the concrete walk at the southwest corner of land conveyed to James H. and Cynthia Condon by deed recorded in Volume 261, Page 400 Lake County Records of Deeds; thence by a line which bears North 64 degrees 08'10" East a distance of 171.63 feet to the westerly line of land conveyed to Joan Tomasik by deed recorded in Volume 214, Page 304 Lake County Records of Deeds, said last description point being North 37 degrees 32'30" West a distance of 94.00 feet measured along the westerly line of said Tomasik's land and the southeasterly extension thereof from an iron pipe stake in the northwesterly right of way line of New York Central Railroad; thence along the westerly line of said Tomasik's land and along the westerly line of land of the New York Central Railroad Company, South 37 degrees 32'30" East a distance of 54.00 feet, thence by a line

which bears South 61 degrees 53’50” West a distance of 182.26 feet to the easterly line of Owego Street; thence along said Street line North 26 degrees 17’ West a distance of 60.00 feet to the place of beginning, and containing 0.231 of an acre of land as calculated and described by Fullerton and Kerr, Registered Engineers and Surveyors, be the same more or less.

Parcel C: (Pr of 15D-14-22)

Situated in the City of Painesville, County of Lake and State of Ohio, and known as being part of Lot 95 of the Phelps Heirs Survey in said City and is bounded and described as follows:

Beginning in the Easterly line of Owego Street at a point which is South 26 degrees 17’ East a distance of 135.00 feet measured along said street line, from a drill hole cut in the concrete walk at the southwest corner of land conveyed to James H. and Cynthia Condon by a deed recorded in Volume 261, Page 400 Lake County Records of Deeds; thence by a line which bears North 61 degrees 53’50” East a distance of 182.26 feet to the westerly line of land of the New York Central Railroad Company; thence along the Westerly line of said Railroad Company’s land South 37 degrees 32’30” East a distance of 40.00 feet to an iron pipe stake in the northwesterly right of way line of the New York Central Railroad; thence along said right of way line South 53 degrees 08’ West (at 192.71 feet passing through a post on line) a distance of 193.26 feet to the easterly line of Owego Street, thence along said easterly line of Owego Street North 26 degrees 17’ West a distance of 68.95 feet to the place of beginning and containing 0.232 of an acre of land as surveyed and described by Fullerton and Kerr, Registered Engineers and Surveyors, be the same more or less.

EXHIBIT B

Lake County GIS

Property lines are graphic representations and are **NOT** survey accurate.

Lake County GIS Dept. / Lake County Tax Map Dept., 105 Main Street, Painesville, OH

1 inch = 94 feet

Creation Date: February 17, 2023

RESOLUTION NO. _____-23

RESOLUTION STRONGLY URGING THE OHIO GOVERNOR AND MEMBERS OF THE OHIO GENERAL ASSEMBLY TO RESTORE THE LOCAL GOVERNMENT FUND TO PRE-RECESSION LEVELS, AND DECLARING AN EMERGENCY

WHEREAS, the Local Government Fund was reduced in 2011 by 50% during Gov. Kasich's Administration from 3.68% of General Revenue Funds to its current level of 1.66% of General Revenue Funds; and

WHEREAS, past Ohio General Assemblies have repeatedly decreased funding and revenue sharing in recent years in addition to significantly reducing the Local Government Fund, including eliminating the Estate Tax and phasing out the Tangible Personal Property Tax; and

WHEREAS, these reductions have resulted in a loss of revenue of over $1.2 million that went to fund the General Fund for the City of Painesville; and

WHEREAS, this sudden revenue loss has made it increasingly difficult to provide basic services, rebuild infrastructure, and bolster public safety services; and

WHEREAS, when municipalities experience success in fostering safe communities, building sound infrastructure, and increasing economic development, the State of Ohio reaps the benefits as well; and

WHEREAS, a reinvestment in the Local Government Fund would aid the state in its goal of lowering taxes on the individual by enabling municipalities to decrease the local tax burden.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL, CITY OF PAINESVILLE, LAKE COUNTY, OHIO THAT:

SECTION I. The City Council hereby authorizes and directs the City Manager to send a letter and this Resolution to the Governor and our representatives in the Ohio General Assembly encouraging them to restore the Local Government Fund to pre-recession levels, ensuring that local communities are able to provide crucial services and improvements in infrastructure and public safety.

SECTION II. This Council does hereby declare its opposition to any further cuts to the Local Government Fund or the future diversion of revenues from the Local Government Fund.

SECTION III. That all formal actions of this Council concerning the passage of this Resolution were adopted in an open meeting, and that all deliberations of this Council, or any of its Committees, which resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

SECTION IV. That this Resolution is hereby declared to be and is passed as an emergency measure, the emergency being the need to inform the Ohio Governor and the Members of the Local Government Fund to Restore the Local Government Fund to Pre-Recession Levels; and therefore, said Resolution is necessary for the immediate preservation of the public peace, health, safety and welfare of the inhabitants of the City of Painesville.

PASSED:

EFFECTIVE:

_____
Christine Shoop
Clerk of Council

_____
Samantha Danielson
Clerk of Council

RESOLUTION NO. _____-23

RESOLUTION AUTHORIZING AND DIRECTING THE CITY MANAGER TO ENTER INTO AND EXECUTE A REAL ESTATE PURCHASE OPTION AGREEMENT WITH THE BOARD OF DIRECTORS OF THE LAKE COUNTY PORT AUTHORITY FOR A CERTAIN PARCEL OF LAND LOCATED IN THE CITY OF PAINESVILLE, AND DECLARING AN EMERGENCY.

WHEREAS, the Board of County Commissioners of the County of Lake, Ohio created the Lake Development Authority (the LDA) pursuant to Sections 4582.21 through 4582.59 of the Ohio Revised Code (the "Port Act") to carry out the "authorized purposes" of the Port Act, including among others, activities that enhance, foster, aid, provide or promote economic development; and

WHEREAS, the City of Painesville ("Painesville") owns Permanent Parcel No. 15-A-012-0-00-012-0; and

WHEREAS, the LDA and Painesville (collectively the "Parties") desire to enter into a Real Estate Purchase Option Agreement, hereinafter referred to as "the Agreement", for the certain property described therein; and

WHEREAS, attached hereto as Exhibit A is a draft of the proposed agreement in substantially similar form as that which will be executed by the Parties; and

WHEREAS, the initial option period shall be for thirty (30) days after the Execution Date; and

WHEREAS, the purchase price of the parcel shall be One Dollar ($1.00) to be paid by Painesville.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF PAINESVILLE, COUNTY OF LAKE, OHIO, AS FOLLOWS:

SECTION I. This City Council of the City of Painesville hereby approves the form of the Real Estate Purchase Option Agreement in substantially similar form as that attached hereto as Exhibit A. The City Council hereby further authorizes and directs the City Manager to execute and deliver the Real Estate Purchase Option Agreement attached hereto as Exhibit A and to take any and all necessary action relative thereto.

SECTION II. This City Council finds and determines that all the formal actions of this Council and any of its committees concerning and relating to the adoption of this Resolution were taken, and that all deliberations of the Council and any of its committees that resulted in such formal action were held, in meetings open to the public in compliance with the law.

SECTION III. All prior legislation, resolutions, and/or motions, or any parts thereof, which are consistent with this Resolution is/are hereby repealed as to the inconsistent parts thereof.

SECTION IV. That this Resolution is passed as an emergency measure for the protection and preservation of the peace, health, safety and general welfare of the inhabitants of the City of Painesville, the emergency being the immediate necessity to transfer the property to the Lake County Port Authority and back to the City in a timely manner to promote economic development; and therefore, this Resolution shall become effective immediately upon its passage.

PASSED:

EFFECTIVE:

_____
Christine Shoop
President of Council

ATTEST:

_____
Samantha Danielson
Clerk of Council

REAL ESTATE PURCHASE OPTION AGREEMENT

THIS REAL ESTATE PURCHASE OPTION AGREEMENT (the "Agreement") is made this ___ day of _____, 2023 (the "Execution Date") by and between the **CITY OF PAINESVILLE** ("Painesville"), **LAKE DEVELOPMENT AUTHORITY** ("LDA") a port authority and body corporate and politic organized under the laws of the State of Ohio, and the **CITY OF PAINESVILLE**, ("Purchaser") (City, LDA, and Purchaser are sometimes referred to herein individually as a "Party" and collectively as the "Parties").

In consideration of One Dollar ($1.00) paid by Purchaser to the Title Company (hereinafter defined) to be held in escrow, as defined herein (the "Option Payment") and other good and valuable consideration, the receipt of which is acknowledged, the parties hereto agree as follows:

1. GRANT OF OPTION. Painesville hereby grants to the LDA and the LDA in turn grants to Purchaser, on the terms and conditions set forth in this Agreement, the exclusive option (the "Option") to purchase that certain parcel of land and all improvements thereupon located in the City of Painesville, Lake County Ohio, bearing Permanent Parcel No. 15-A-012-0-00-012-0, (the "Property"). A graphical depiction of the Property is attached hereto as Exhibit "A". Sale of the Property from Painesville to LDA and then to Purchaser will include all appurtenant rights, privileges and easements incident thereto. Notwithstanding Exhibit "A", the exact measured boundaries of the Property will be determined by the parties in connection with any survey, should one be desired, but to the extent required by law, shall be subject to the approval of Painesville officials. This Option shall be executed by: a) Purchaser notifying LDA of its desire to trigger the Option; b) upon receipt of Purchaser's notice triggering the Option then LDA shall, as soon as practicable, notify Painesville of its trigger of the Option; and c) Painesville shall acknowledge its receipt and acceptance of the triggered Option providing notice of same to both LDA and Purchaser as soon as practicable.

2. OPTION PERIOD. The Option shall be exercised by LDA and Purchaser, if at all, within thirty (30) days after the Execution Date (the "Initial Option Period"). Purchaser shall have the right to extend the Initial Option Period for one (1) successive additional period of thirty (30) days (the "Extended Option Period") (the Initial Option Period and the Extended Option Period shall be collectively referred to as the "Option Period") by giving LDA and Painesville written notice before the expiration of the Initial Option Period. Following the Option Period, if any, the parties hereto may mutually agree to extend the term hereof for whatever duration they may all mutually agree. If Purchaser fails to exercise its Option during the Option Period, the Option shall terminate on the last day of the Option Period, and shall be of no further force and effect unless extended as provided for hereinabove. If Purchaser does not exercise the Option, Title Company shall refund the Option Payment to Purchaser.

3. PURCHASE PRICE AND PAYMENT. The purchase price that Purchaser shall pay LDA and that LDA shall pay Painesville for the Property shall be One Dollar and NO/100 ($1.00) (the "Purchase Price") payable at closing. This Agreement contemplates a simultaneous closing of the purchase with the Title Company of the Property by LDA from Painesville and by Purchaser from LDA with LDA taking title to the Property but, along with Painesville, not being

responsible for any expenses to close. LDA shall not be responsible for any payment to either party nor to the Title Company.

4. SURVEY. Prior to the closing and if so desired, Purchaser shall, at its sole cost, obtain a survey and metes and bounds description of the Property prepared by a surveyor of Purchaser's choice (the "Survey"). The Survey shall, at Purchaser's option, be prepared in accordance with the equivalent of the minimum detail and classification requirements for ALTA/ACSM land title surveys, as adopted in 2016 by ALTA/ACSM. The Survey shall be dated as of a date not more than three (3) months prior to the Closing Date, and certified to Purchaser, Purchaser's lender or funders (if any), LDA, Painesville, and the Title Company. The legal description prepared from the Survey shall be used in the Deeds (hereinafter defined) transferring the Property, provided that the description is approved by all appropriate governmental authorities and by the Title Company.

If the Survey shows conditions objectionable to Purchaser, then Purchaser shall notify LDA and LDA shall notify Painesville of its objection to any such matter(s) (the "Survey Objections"). Painesville may, but shall have no obligation to, remedy or remove the Survey Objections. However, if Painesville fails or is unable to remove any such Survey Objections prior to the Closing Date, then Purchaser's sole remedy shall be either to: a) terminate this Option Agreement, in which event the Option Payment shall be refunded to Purchaser at which time the Parties shall be released from all further obligations under this Agreement (except that Purchaser's obligations under Paragraph 7 shall survive); or, b) waive the objections and accept such title as Painesville is able to convey to LDA and LDA to Purchaser, without abatement of the Purchase Price.

5. DEED. At the Closing, Painesville shall execute and deliver a transferable, recordable general warranty deed conveying the Property to LDA with a good and marketable title to the Property in fee simple, free from all defects, liens, easements, restrictions, covenants, encroachments, and any other encumbrances, except the following (the "Permitted Encumbrances"): a) real estate taxes and assessments not yet due and payable (if any); b) existing public highways and utility easements as may be approved by Purchaser pursuant to Section 6; c) covenants, restrictions and easements of record; and (d) zoning and building laws, codes, and ordinances. The Permitted Encumbrances also shall include any matters waived or deemed waived by Purchaser pursuant to Section 6. LDA shall then execute a transferable, recordable Quitclaim Deed (collectively, the "Deeds") conveying the Property to Purchaser.

6. TITLE. Upon execution of this Agreement, Purchaser shall, with the written consent of Painesville and, if necessary, LDA, order an examination of the title to the Property and commitment for an owner's policy of title insurance on the Property (the "Commitment") issued by Lake County Attorneys Title Company, 41 E. Erie St., Painesville, Ohio 44077 (the "Title Company") and dated not more than sixty (60) days after the Execution Date, pursuant to which the Title Company shall commit to issue an ALTA (2006) owner's policy of title insurance insuring Purchaser's title to the Property in the full amount of the Purchase Price with endorsements for access, boundary survey, and other endorsements as Purchaser may reasonably request. If the Commitment shows that Painesville does not have marketable, fee simple title to the Property, or that there are any defects, liens, easements, restrictions, covenants, encroachments or any other encumbrances, other than those exceptions described in Section 5, then Purchaser

shall notify Painesville of its objection to any such matter(s) (collectively the "Title Objections"). With respect to Title Objections, Painesville may, but shall have no obligation to, remedy or remove the Title Objections. However, if Painesville fails or is unable to remove any such Title Objections prior to the expiration of this Option, or, if this Option is exercised, prior to the Closing Date, then Purchaser's sole remedy shall be either to: a) terminate this Option Agreement, whether or not the Option has been exercised, in which event the Option Payment shall be refunded to Purchaser at which time the parties shall be released from all further obligations under this Agreement (except that Purchaser's obligations under Paragraph 7 shall survive) or, b) waive the objections and accept such title as Painesville is able to convey, without abatement of the Purchase Price. If the Option Agreement terminates, for whatever reason, without closing, then Purchaser shall be responsible for any and all costs incurred with LDA and the Title Company pursuant to this Agreement.

At the Closing, Painesville shall furnish LDA, Purchaser and the Title Company with an owner's affidavit as to mechanics' and materialmen's liens, persons in possession of the Property, and similar title matters required by the Title Company as a condition of its deletion of the standard printed General Exceptions from the title policy. Such affidavit shall be in form and substance reasonably acceptable to Painesville and permissible pursuant to all applicable laws, statutes, ordinances, rules and regulations.

7. RIGHT OF ENTRY. At all times either: a) prior to the expiration of this Option or b) subsequent to the exercise of the Option but prior to the Closing, Purchaser, its agents, employees, contractors, and representatives, shall have the right, at reasonable times and with prior written notice to Painesville, to enter upon the Property for the purposes of conducting soil tests, engineering studies, land planning, and other testing and exploration work necessary or appropriate to formulate plans and determine the suitability of the Property for Purchaser's use of the Property, provided (i) Purchaser has delivered to Painesville written request of such entry at least forty-eight (48) hours in advance of such entry and (ii) Painesville has approved of the time of such entry and the manner and purpose of such entry, which approval shall not be unreasonably withheld, conditioned or delayed. Painesville shall be permitted to be present during any entry of the Property. Purchaser shall defend, indemnify and save harmless Painesville and LDA from any and all claims, losses, damages and expenses arising from the entry onto the Property by Purchaser, its agents, employees, contractors and representatives. Purchaser agrees to return or restore the Property to substantially its original state within a reasonable time after the tests are conducted, not to exceed thirty (30) days after completion of the tests. If Purchaser does not exercise this Option, then, upon Painesville's request, Purchaser shall provide to Painesville, without cost, a copy of all inspection reports, studies, and similar information obtained by Purchaser with respect to the Property.

8. TAXES. The Parties agree and acknowledge that the Property is currently exempt from real estate tax and Painesville shall take all commercially reasonable steps to maintain the real estate tax exempt status of the Property through Closing. If the real estate tax exempt status is lost as a direct result of Painesville's failure to maintain such tax-exempt status, then any such taxes that are imposed on the Property after the date hereof that are due and payable for periods prior to Closing shall be paid by Painesville and those after Closing shall be paid by Purchaser. In no event shall Painesville be responsible for any real estate taxes imposed on the Property that are

due and payable for periods after Closing. In no event shall the LDA be responsible for any taxes that are due and payable for any periods of time at all, including but not limited to, prior to or after closing.

9. PAINESVILLE/LDA ASSISTANCE. From time to time, at the request of Purchaser, whether before, at, or after the Closing of the conveyance of the Property to Purchaser, and without further consideration, Painesville shall execute and deliver, and/or join with Purchaser in executing and delivering, such applications for licenses, variances, zoning changes, approvals, permits and consents from governmental bodies, utility companies, financial institutions and other entities and shall supply such information, arrange such meetings, and execute such forms and take such action as Purchaser may reasonably request in order to proceed with and fully implement Purchaser's use of the Property or to effectuate the transactions contemplated by this Agreement; provided, however, that neither Painesville nor LDA shall be required to incur any expenses in connection with these matters. Neither Painesville nor LDA shall file any objection to or oppose Purchaser's intended use of the Property.

10. CONDITION OF THE PROPERTY.

a) "As-Is" Condition. PURCHASER HEREBY EXPRESSLY ACKNOWLEDGES AND AGREES THAT IT WILL HAVE, AS OF THE CLOSING DATE, THOROUGHLY INSPECTED AND EXAMINED THE STATUS OF TITLE TO THE PROPERTY AND THE PHYSICAL CONDITION OF THE PROPERTY TO THE EXTENT DEEMED NECESSARY BY IT IN ORDER TO ENABLE IT TO EVALUATE THE PURCHASE OF THE PROPERTY. PURCHASER HEREBY FURTHER ACKNOWLEDGES AND AGREES THAT, EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES SET FORTH IN THIS AGREEMENT, PAINESVILLE'S IMPROVEMENTS, AND THE OTHER DELIVERY OBLIGATIONS REQUIRED BY PAINESVILLE UNDER THIS AGREEMENT, THAT PURCHASER IS RELYING SOLELY UPON THE INSPECTION, EXAMINATION, AND EVALUATION OF THE PHYSICAL CONDITION OF THE PROPERTY BY IT AND THAT IT IS PURCHASING, AND AT CLOSING WILL ACCEPT, THE PROPERTY ON AN "AS IS," "WHERE IS" AND "WITH ALL FAULTS" BASIS, WITHOUT REPRESENTATIONS, WARRANTIES AND/OR COVENANTS, EXPRESS OR IMPLIED, OF ANY KIND OR NATURE AND SUBJECT TO ALL EASEMENTS, RESTRICTIONS, AND OTHER MATTERS OF RECORD. PURCHASER ACKNOWLEDGES THAT EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, PAINESVILLE AND LDA HAVE MADE NO AGREEMENT TO ALTER, REPAIR OR IMPROVE THE PROPERTY. FURTHER, PAINESVILLE AND PURCHASER AGREE TO DEFEND, INDEMNIFY AND HOLD HARMLESS LDA FOR ANY AND ALL MATTERS RELATED TO THE PROPERTY AND WILL NOT LOOK TO THE LDA FOR ANY CLAIMS OR PAYMENT OF ANY KIND.

b) Reliance on Information. Except as specifically set forth in this Agreement, Purchaser acknowledges and agrees that it has not, and shall not, rely upon any

statement and/or information from whomsoever made or given, including, but not limited to, any broker, attorney, agent, employee or other person representing or purporting to represent Painesville or the LDA, directly or indirectly, verbally or in writing, and Painesville and LDA are not and shall not be liable or bound by any such statement and/or information.

c) Disclaimer of Representations. Except as specifically set forth in this Agreement, Painesville and LDA specifically disclaim any representation, warranty or guaranty with respect to the Property, express or implied, including, but not limited to, any representation or warranty as to the Property's condition, fitness for a particular purpose, environmental condition, quality, freedom from defects or contamination, whether or not detectable by inspection, compliance with zoning or other legal requirements or as to the availability or existence of any utility or other governmental or private services or as to the amount of taxes assessed to the Property.

11. CONTINGENCIES. Purchaser's consummation of its purchase of the Property and thus LDA's consummation of the purchase of the Property is specifically contingent upon Purchaser satisfactorily obtaining any consents or approvals, in its sole discretion, on or before the expiration of the Option Period.

12. CLOSING DATE AND CONDITIONS. The closing for the delivery of the Deeds and other instruments contemplated by this Agreement and payment of the balance of the Purchase Price in accordance with the provisions of Paragraph 3 ("Closing") shall be not more than two (2) days following the expiration of the Option Period (the "Closing Date"). The Closing shall be held at the Title Company. Purchaser shall pay all of the closing costs associated with this transaction and all fees generated by LDA to include, but not be limited to, its attorney's fees. Painesville and Purchaser shall bear their own attorneys' fees and other costs of the transaction.

13. CLOSING CONDITIONS. The Closing is subject to satisfaction of the following conditions precedent: a) obtaining consents and approvals detailed in Section 11 hereinabove to Purchaser's sole satisfaction; b) Painesville's and LDA's delivery of such documents or instruments, in form and substance reasonably satisfactory to Purchaser; c) Painesville's and LDA's delivery to the Title Company of a "non-foreign affidavit" or like documents as required under Section 1445 of the Internal Revenue Code and the regulations promulgated hereunder; d) Painesville's and LDA's delivery of any other instruments reasonably required by Title Company or Purchaser as a condition of closing this transaction, including, but not limited to, evidence of authority of the person signing documents on behalf of Painesville and LDA, a settlement statement, affidavits, or indemnity agreements to the Title Company against liens and parties in possession, and tax transfer statements.

14. POSSESSION. Painesville shall deliver exclusive possession of the Property to LDA and Purchaser on the Closing Date.

15. DEFAULT; NON-EXERCISE OF OPTION.

a) Should Painesville or LDA default in the performance of any of its obligations set

forth in this Agreement, then, whether or not this Option is exercised, Purchaser may terminate this Agreement. If Purchaser elects to terminate this Agreement due to Painesville's or LDA's default, Purchaser shall receive the Option Payment and neither Painesville nor LDA shall have any further liability whatsoever to Purchaser. Purchaser shall still remain responsible for any and all LDA costs and fees, including attorney's fees.

b) Purchaser shall have the right to retain the Option Payment if Purchaser fails to exercise the Option prior to the expiration of the Option Period provided in Paragraph 2. In the event that Purchaser exercises the Option, but following exercise, Purchaser fails to close the purchase by the Closing Date (unless the failure is caused by Painesville's or LDA's default or breach of their obligations hereunder), then this Agreement shall terminate and Painesville shall retain the Option Payment as full and complete compensation for Painesville's granting of the Option to LDA and LDA to Purchaser. Upon termination, the parties shall be released from all further liabilities and obligations under this Agreement except for Purchaser's obligations under Paragraph 7. Receipt of the Option Payment shall be Painesville's sole and exclusive remedy in the event of Purchaser's default after exercise of the Option, and, except for any liabilities of Purchaser under Paragraph 7, Painesville waives all other claims, rights, and remedies, either at law or in equity, against Purchaser and LDA. In the event of termination, regardless of cause, Purchaser shall fully and completely reimburse LDA for its costs, attorneys fees and any and all expenses related to this Agreement.

16. NOTICES. This Option shall be exercised, if at all, by giving written notice of exercise prior to the expiration of the Option Period(s) as provided in Paragraph 2. The notice of exercise and any notice or other writing required or permitted to be given to a party under this Agreement shall be deemed given when delivered to that party's address as set forth below or when mailed by certified United States mail, postage prepaid, return receipt requested, or sent by email with a hard copy to follow, or when deposited with a nationally recognized overnight courier service, addressed as follows:

Painesville: City of Painesville
Attn: Douglas L. Lewis
7 Richmond St.
Painesville, Ohio 44077
Email: dlewis@painesville.com
Tel: 440.392.5903

with a Copy to: James Lyons, Esq.
240 E. Main St.
Painesville, Ohio 44077
Email: jasmlyons@outlook.com
Tel: 440.357.5000
Fax: 440.357.5511

If to LDA: Lake Development Authority
Attn: David Anderson, Executive Director
105 Main St., Suite B501
Painesville, Ohio 44077
Email: danderson@ldauthority.org
Tel: 440.350.5343

with a copy to: Brandon D. R. Dynes, Esq.
Thrasher, Dinsmore & Dolan, LPA
100 7th Avenue, Suite 150
Chardon, Ohio 44024
Email: BDynes@tddlaw.com
Tel: (440) 285-2242
Fax: (440) 285-9423

If to Purchaser: City of Painesville
City of Painesville
Attn: Douglas L. Lewis
7 Richmond St.
Painesville, Ohio 44077
Email: dlewis@painesville.com
Tel: 440.392.5903

with a copy to: James Lyons, Esq.
240 E. Main St.
Painesville, Ohio 44077
Email: jasmlyons@outlook.com
Tel: 440.357.5000
Fax: 440.357.5511

17. BROKERAGE. Each party represents to the other that there is no broker or other person who may be entitled to a commission or similar fee in connection with this transaction.

18. CASUALTY; CONDEMNATION. Painesville shall continue to hold liability insurance on the Property prior to Closing with coverages and amounts deemed appropriate by Painesville. In the event that: a) during the Option Period specified in Paragraph 2 or b) after the exercise of the Option but before the Closing, the Property or any material portion of the Property shall be damaged or destroyed by fire, or taken or condemned by any governmental authority or other entity having the power of eminent domain, or Painesville shall receive a notice of a proposed taking or condemnation, Painesville shall immediately notify Purchaser in writing. Purchaser may then terminate this Agreement by giving written notice to Painesville and LDA, in which event the Option Payment shall be refunded to Purchaser and the parties shall be released from all further obligations (except for any liabilities of Purchaser under Paragraphs 7 and 15).

19. INDEMNIFICATION. To the extent permitted by law, Painesville and Purchaser shall indemnify, defend, and hold the LDA harmless from and against any and all claims, actions, suits, demands, assessments, or judgments asserted, and any and all losses, liabilities, damages, costs, and expenses (including, without limitation, attorney fees, accounting fees, and investigation costs to the extent permitted by law) alleged or incurred arising out of this transaction, the Property, or relating to any operations, acts, or omissions of the indemnifying party or any of its employees, agents, and invitees in the exercise of the indemnifying party's rights or the performance or observance of the indemnifying party's obligations under this Agreement.

20. MISCELLANEOUS.

a) This Agreement constitutes the entire agreement between Painesville, LDA, and Purchaser and no change in this Agreement may be made except by an agreement in writing signed by the party against whom enforcement of any change is sought.

b) This Agreement shall be binding upon and inure to the benefit of Painesville, the LDA, and Purchaser and their respective successors and assigns. No party shall assign this Agreement without the express written consent of all other parties.

c) This Agreement shall be construed without reference to the headings and titles of the various sections and paragraphs, which are inserted for convenience of reference only.

d) The covenants, agreements, representations, warranties and obligations of the parties in this Agreement shall survive the closing for a period of six (6) months.

e) Time is of the essence of this Agreement.

f) Whenever used in this Agreement, the singular shall be deemed to include the plural, and vice versa, and the use of any gender shall be deemed to include all others. This Agreement may be executed in separate counterparts, each of which, when executed and delivered, is deemed to be an original, and, both of which, taken together, are deemed to be one and the same document.

g) This Agreement shall be governed by the laws of the State of Ohio. Venue for legal action initiated pursuant to this Agreement may only be commenced in the Court of Common Pleas of Lake County, Ohio.

[This space left intentionally blank]
[Signature pages to follow]

IN WITNESS WHEREOF the Parties hereto have executed this Agreement as of the date first indicated above.

CITY OF PAINESVILLE:

By: _____
Mr. Douglas L. Lewis, City Manager

STATE OF OHIO)
) SS:
COUNTY OF LAKE)

BEFORE ME, a Notary Public in and for said County and State, personally appeared the City of Painesville by Doug Lewis, its City Manager, who acknowledged that he did sign the foregoing instrument for and on behalf of said City of Painesville, being thereunto duly authorized, and that the same is his free act and deed in such capacity on behalf of said City of Painesville. This is an acknowledgment clause. No oath or affirmation was administered to the signer.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal this ____ day of _____, 20___.

_____
Notary Public

LAKE DEVELOPMENT AUTHORITY:

By: _____
David Anderson, Executive Director

STATE OF OHIO)
) SS:
COUNTY OF LAKE)

BEFORE ME, a Notary Public in and for said County and State, personally appeared Lake Economic Development Authority by David Anderson, its Executive Director, who acknowledged that he did sign the foregoing instrument for and on behalf of said Lake Development Authority, being thereunto duly authorized, and that the same is his free act and deed in such capacity on behalf of said entity. This is an acknowledgment clause. No oath or affirmation was administered to the signer.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal this ____ day of _____, 20___.

_____
Notary Public

PURCHASER:

City of Painesville

By: _____
Douglas L. Lewis, City Manager

STATE OF OHIO)
) SS:
COUNTY OF LAKE)

BEFORE ME, a Notary Public in and for said County and State, personally appeared City of Painesville, by Douglas L. Lewis, its City Manager, who acknowledged that he/she did sign the foregoing instrument for and on behalf of the City of Painesville, being thereunto duly authorized, and that the same is his/her free act and deed individually and in such capacity on behalf of said entity. This is an acknowledgment clause. No oath or affirmation was administered to the signer.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal this ____ day of _____, 20___.

_____
Notary Public

This Instrument Prepared By:
Brandon Dynes, Esq.
Thrasher, Dinsmore & Dolan, LPA
100 7th Avenue, Suite 150
Chardon, Ohio 44024

EXHIBIT "A"
Depiction of the Property

LEGAL DESCRIPTION
OF
PARCEL "A"
LATIMORE STREET LANDS
PARCEL NO. 15-A-007-0-00-008-0
PARCEL NO. 15-A-012-0-00-011-0
PARCEL NO. 15-A-012-0-00-012-0
CITY OF PAINESVILLE, OHIO

Situated in the City of Painesville, County of Lake and State of Ohio and known as being part of Sublot Nos. 8 and 9 in the William P. Lattimore & Others Survey as shown by the plat recorded in Volume G, Page 17 of Lake County Deed Records, and of part of the Original Painesville Tract No. 2 and 3, Township 11, Range 8 and further bounded and described as follows:

Beginning at a 1" iron pin found in a monument box at the centerline intersection of Mill Street (40 feet wide) and East Main Street (dedicated Volume 5, Page 43 Lake County Map Records) (width varies);

Thence North 24°31'16" East along the centerline of Mill Street, 15.96 feet to the northerly right of way of East Main Street;

Thence North 61°02'12" West along said northerly right for way of East Main Street, 124.18 feet to an angle point in said right of way;

Thence South 85°41'41" West continuing along the northerly right for way of East Main Street, 47.48 feet to a 3/4" iron pipe found at the southwesterly most corner of land conveyed to City of Painesville (Parcel No. 15-A-012-0-00-002-0) by the deed recorded in Instrument No. 2017R006093 of Lake County Deed Records and being the **Principal Place of Beginning** of the premises herein described;

Thence South 85°41'41" West continuing along the northerly right for way of East Main Street, 64.59 feet to a 5/8" iron pin set at and angle point in said right of way;

Thence South 72°23'51" West continuing along the northerly right for way of East Main Street, 111.82 feet to a 5/8" iron pin set at the southeasterly corner of land

conveyed to Eddons Groups LP (Parcel No. 15-A-012-0-00-005-0) by the deed recorded in Instrument No. 2000R42040 of Lake County Deed Records;

Thence North 28°53'41" West along the easterly line of lands so conveyed to Eddons Groups LP (Parcel No. 15-A-012-0-00-005-0) and the easterly line of land conveyed to Eddons Groups LP (Parcel No. 15-A-012-0-00-010-0) by the deed recorded in Instrument No. 2000R42040 of Lake County Deed Records, 187.92 feet to a 1/2" iron pin found (1.09 feet north, 0.92 feet west);

Thence North 18°17'55" West along the easterly line of lands so conveyed to Eddons Groups LP, 121.99 feet to a 5/8" iron pin found on the southerly line of land conveyed to Consolidated Investment Corp. (Parcel No. 15-A-007-0-00-001-0) by the deed recorded in Volume 426, Page 122 of the Lake County Deed Records;

Thence North 62°49'32" East along the southerly line of land so conveyed to Consolidated Investment Corp. (Parcel No. 15-A-007-0-00-001-0), 30.45 feet to a 5/8" iron pin found (0.20 feet south, 0.00 feet east);

Thence North 19°44'25" West along the easterly line of land so conveyed to Consolidated Investment Corp. (Parcel No. 15-A-007-0-00-001-0), 23.72 feet to a 1" iron pin found;

Thence South 62°11'33" West along the northerly line of land so conveyed to Consolidated Investment Corp., 50.00 feet to a 2" iron pipe found (0.26 feet south, 0.18 feet west) at the southeasterly corner of land conveyed 270 Main St. Inc. (Parcel No. 15-A-007-0-00-006-0) by the deed recorded in Volume 288, Page 1007 of Lake County Deed Records;

Thence North 18°25'48" West along the easterly line of land so conveyed to 270 Main St. Inc., (Parcel No. 15-A-007-0-00-006-0) 143.03 feet to a 2" iron pipe found on the southerly right of way of Latimore Street (40 feet wide);

Thence North 62°38'36" East along the southerly right of way of Latimore Street, passing through a 1/2" iron pin found at 154.39 feet, 177.31 feet to a 1/2" iron pin found on the westerly line of land conveyed to the City of Painesville (Parcel No. 15-A-011-0-00-003-0) by the deed recorded in Torrens Volume 6, Page 55 of Lake County Deed Records;

Thence South 22°30'43" East along lands so conveyed to the City of Painesville (Parcel No. 15-A-007-0-00-006-0) and previously mentioned land so conveyed to the City of Painesville (Parcel No. 15-A-012-0-00-002-0), 250.86 to a p.k. nail found on concrete;

Thence South 28°53'08" East continuing along lands so conveyed to the City of Painesville (Parcel No. 15-A-012-0-00-002-0), 157.44 to a 5/8" iron pin set;

Thence South 21°48'19" East continuing along lands so conveyed to the City of Painesville(Parcel No. 15-A-012-0-00-002-0), 110.03 feet to the northerly right of way of East Main Street and to the **Principal Place of Beginning** and containing 1.9945 acres of land, as surveyed and described by Peter John Gauriloff, P.S. No. 8646 of The Riverstone Company in August 2022, subject to all legal highways, restrictions, reservations and easements of record.

Deeds of Reference:
Parcel No. 15-A-007-0-00-008-0
Parcel No. 15-A-012-0-00-011-0
Parcel No. 15-A-012-0-00-012-0
Land conveyed to the City of Painesville by deed dated July 29, 2013 and recorded in Instrument No. 2013R022954 of Lake County Records.

Basis of Bearing:
The centerline of Latimore Street as North 62°38'36" East is an assumed bearing and is used to indicate angles only.

Intent Statement:
The intent of this description is to combine Parcel No. 15-A-007-0-00-008-0, 15-A-012-0-00-011-0, and 15-A-012-0-00-012-0 into one contiguous parcel.

Pete Gauriloff

August 16, 2022

Peter J. Gauriloff P.S. No. 8646 Date

Legal Description Approved for Transfer
Lake County Engineer – Tax Map Dept.
By: Christopher Bernard **Date:** 08/23/2022

RESOLUTION NO. _____-23

A RESOLUTION AUTHORIZING THE CITY MANAGER TO SIGN THE WARRANTY DEED TO TRANSFER THE PROPERTY AT 257 EAST MAIN STREET TO GRAND RIVER WALK, LLC PURSUANT TO THE TERMS OF THE DEVELOPMENT AGREEMENT THAT WAS ENTERED INTO BETWEEN THE CITY AND GRAND RIVER WALK LLC ON JULY 1, 2022, AND DECLARING AN EMERGENCY

WHEREAS, the City and Grand River Walk LLC on July 1, 2022 signed a Development Agreement for the City owned property located at 257 E. Main Street. Council approved the terms and conditions of this Development Agreement by way of Resolution No. 38-22; and

WHEREAS, the terms of the Development Agreement required the Developer to provide a Proforma and 30-year tax analysis pertaining to the Project to the City's third party independent financial consultant for review; and

WHEREAS, the City Council finds that the third-party financial consultant review occurred and that the City Manager has consulted with the third party independent financial consultant and based on the consultation and report of the third party independent financial consultant which is attached hereto as Exhibit A, the City Manager and Council agree that this project can move forward and the City should issue its deed to the Developer; and

WHEREAS, the Developer has submitted the following time frames for the Project and those time frames are shown in Exhibit B; and

WHEREAS, the City and the Developer have mutually agreed that the Project is feasible and Council agrees that this Project is feasible; and

WHEREAS, the Developer in the Development Agreement was required to commit itself by way of a written agreement to build the approved Project and a copy of that written agreement is attached as Exhibit C; and

WHEREAS, the Developer in the Development Agreement was also required to prove to the City that it has obtained financing for this Project. The Developer has provided documentation on their proposed method of financing to the Independent Third Party Independent Financial Consultant who has identified the level of risk to the City associated with the financing of this project; and

WHEREAS, the Development Agreement requires a property reversion clause in order for Council to approve the transfer of the Property and the Warranty Deed from the City to the Developer shall contain the following Reversionary Clause.

THE TRANSFER OF THIS PROPERTY IS SUBJECT TO THE FOLLOWING REVERSIONARY CLAUSE AND THE FOLLOWING TERMS AND CONDITIONS, RESTRICTIONS AND CONDITIONS, NAMELY:

If the Grantee does not commence construction on the Project within twelve (12) months after the later of (i) the City's approval of the rezoning, development plan and conditional use permit, or (ii) the transfer of the Property from the City to the Developer, then the Property shall revert to the City and be transferred back to the City ownership, at no cost to the City and without reimbursement for any expenses incurred by either party and without any liens or encumbrances on the Property. The Grantee shall have the right to request extensions from the City Planning Commission as set forth in the Unified Development Code Section 111.08 (g) as permitted to commence construction of the Project if adverse conditions arise pertaining to economic, market, pandemic, supply chain, financing and/or weather, force majeure or other acts of God, war or terrorism that would reasonably cause delay in commencement of construction of the Project.

"Commencement of Construction" is defined as the Grantee / Developer having received a zoning permit from the City of Painesville for the construction of the Project, a

building permit from Lake County for the construction of the Project and finally the Grantee – Developer having spent over one million dollars in physical site improvement work at the Project site, including but not limited to foundation work, excavating, and/or extension of utility lines.

In the event that the Grantee does not meet these terms and conditions, the Property shall revert to the City of Painesville, and the Grantee, its successors and assigns, shall have no further rights or interest in the property and the City shall have the right to re-enter and take possession of the Property.

That if, at any time, the Grantee, its successors and assigns, fails to comply with the terms and conditions of this deed, the Property shall revert to the City of Painesville, and the Grantee, its successors and assigns, shall have no further rights or interest in the property. In the event that the Grantee fails to comply with the terms and conditions of this Deed and if the Grantee does not provide the City with a Deed that conveys back to the City the title to this Property, the City may then file an Affidavit of Facts with the Lake County Recorder's Office that declares the Grantee has failed to comply with the terms and conditions of this Deed and this Affidavit of Facts shall then confirm that the Property is now owned by the Grantee, the City of Painesville. The City if it deems it necessary shall also have the right to file against the Grantee, its successor and assigns a specific performance action or an injunction or a quiet title action to confirm the City's title in the Property and/or to reacquire title to the Property.

WHEREAS, a copy of the Deed to the Developer is attached hereto as Exhibit D; and

WHEREAS, once the Developer meets the conditions in the reversionary clause, then the Property is then owned by the Developer free and clear of any City requirements, except the Deed restrictions, zoning requirements, the other development requirements in the Development Agreement and other City Ordinances; and

WHEREAS, Council and the City Administration have conducted their due diligence on this Project and Council is of the opinion that the Project should go forward and the City should transfer its Deed to the Developer as is provided for in the Development Agreement with the Reversionary Clause that is set forth above.

NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF PAINESVILLE, COUNTY OF LAKE AND STATE OF OHIO, AS FOLLOWS:

SECTION 1. That the City Manager of the City of Painesville is hereby authorized and directed to sign the Deed to the Developer that is attached as Exhibit D.

SECTION 2. That the City as an impacted City is exempted from bidding requirements for the transfer or real property.

SECTION 3. That all formal actions of this Council concerning the passage of this Resolution were adopted in an open meeting, and that all deliberations of this Council, or any of its Committees, which resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

SECTION 4. That this Resolution is hereby declared to be and is passed as an emergency measure, the emergency being the need to transfer this Property to the Developer by March 24, 2023 so that the Developer is in compliance with the TMUD Grant that is one of the cornerstones of the Developer's financing arrangements for this Project. Said Resolution is necessary for the immediate preservation of the public peace, health, safety and welfare of the inhabitants of the City of Painesville.

PASSED:

EFFECTIVE:

_____
Christine Shoop
President of Council

ATTEST:

_____
Samantha Danielson
Clerk of Council

DiPerna Advisors
232 N. 3rd Street, Suite 202
Columbus, Ohio 43215
www.dipernafinancial.com

EXHIBIT A

CONFIDENTIAL

Summary Review of Marous Development Group
Grand River Walk Project
City of Painesville, Ohio

February 20, 2023

OVERVIEW

DiPerna & Company LLC ("DiPerna") has been engaged by the City of Painesville (the "City") to provide project review services in relation to the proposed Grand River Walk, a 5-story, 120 unit project with 17k SF of ground floor retail and 2078 covered and uncovered parking spaces to be located at 257 East Main Street Development (the "Project") being developed by Marous Development Group (the "Developer"). The City is proposing to sell the Developer three parcels of real property outlined in the 257 East Main Street Development Agreement, dated July 1, 2022. DiPerna provided the following services:

- Collect diligence information related to the project, specifically to review the sources of funds identified by the Developer for the acquisition and construction of the Project;
- Conduct due diligence calls with the Developer to gain a detailed understanding of the timeline for financial closing(s);
- Review confidential information that is critical to the closing requirements of the Project construction loans (or additional sources of funds) and execute NDAs as necessary;
- Coordinate due diligence calls with the Developer, adding in City staff as needed; and,
- Provide a written summary of reviewed documents and due diligence to the City.

PROJECT SOURCES AND USES OF FUNDS

SOURCES		
Financing GAP	$	-
State Brownfield Grant (City)	$	613,113
State OZ Tax Credit Equity	$	352,000
TMUD	$	2,224,200
Tax Increment Financing (TIF)	$	-
Developer Land Contribution	$	1,800,000
Cash Equity	$	4,046,500
Senior Debt	$	18,330,000
Total Sources	**$**	**27,365,813**

USES		
Total Land	$	1,800,000
Total Hard Construction Costs	$	20,799,800
Total Soft Costs	$	4,766,013
Total Uses	**$**	**27,365,813**

The above Project source and uses of funds was provided by the Developer as of the date of this summary. DiPerna reviewed the proposed sources of funds and can report the following status':

- State Brownfield – approximately $200k has been spent to-date and Developer is working with the City on the balance outlined above for additional site cleanup.
- State Opportunity Zone Tax Credit Equity – Project is located within an Opportunity Zone. The Developer reports that they are not seeking "outside" funding for this amount, thus the amount listed above will be from related Developer entities to maximize the return allowable by the OZ program. No risk of outside investors.
- Transformational Mixed-Use Development Tax Credit ("TMUD") – the Project has been awarded TMUD credit by the Ohio Department of Development. The Developer will need to solicit and sell these credits and they are deployed into the Project as equity. The credits can be spent before other sources of funds and Project must begin within one year of the award (March 2024) or risk losing the credits.
- Developer Land Contribution – combination of parcels proposed to-be-sold by City and acquired "KeyBanc Building". The KeyBanc Building is controlled by the Developer via a purchase agreement.
- Cash Equity – plug amount and required equity by Developer. The Project LLC is owned by the principal of Marous, Adelbert Marous Jr. "Chip". The proforma contemplates a debt service coverage ratio of ~1.4x at stabilization, of which, all excess cash flow would be available to equity investors.
- Senior Debt – Construction loan for the Project. The Developer has a letter of intent from Erie Bank, dated June 30, 2022, that proposes a $18,330,000 construction loan or maximum 75% loan to value/loan to cost.

SUMMARY & RISK EVALUATION

DiPerna has evaluated due diligence information (outlined herein) and held multiple underwriting calls with the Developer and their representatives. The Project is not without risk but is mitigated based on details available and current as of the date of this summary. DiPerna has identified the following main risks with a sale of the City land in March of 2023 with a proposed financial close in Q3 2023 and evaluated mitigating factors:

- Material Cost – the Developer has reported that they do not plan to begin purchasing materials for the Project until approximately Q3, 2023. Until then they will be spending approximately $1 – 2MM of the $27MM total Project cost on sitework, engineering, and architecture. The basis for the Project budget is based on quotes from the Developer construction team reflective of their recent projects with built-in inflation for concrete, steel, and glass costs (materials that they expect to be more expensive when it is time to order). The hard cost budget is $173k per unit, which is reportedly consistent with their M Lofts and Riverwalk III projects in Willoughby, projects that are direct comparables with the proposed Project. Additionally, the Developer has a 5% hard cost contingency in their budget.

- Financing – Unless the Developer is able to secure financing as outlined in the sources and

uses, they will not have the funds necessary to construction the Project as described. The Developer has provided all approvals and letters of award and intent available at this time, but there is an inherent underwriting risk and interest rate risk associated with closing a construction loan, solicitating tax credits, and securing equity. This is mitigated by the equity being funded solely from Chip Marous and the LOI from Erie Bank, outlining the structure that is reflective in the Developer's proforma. The proforma contemplates retail revenue and rents at $1.75 psf, reflective of the market comparables. There is no way to mitigate appraisal risk and interest rate risk until the appraisal is ordered and construction is closed, which the Developer will not do until they begin ordering construction materials in Q3 2023.

Overall, Marous Development Group is an experienced developer that is familiar with this type of project construction and the Northeast Ohio market. The City should consider further evaluating the timeline articulated by the Developer and contemplate ongoing reporting information leading up to a construction loan close, at which time, the risks outlined above are greatly diminished and construction completion and performance risks are squarely with the Developer and monitored closely by the construction lender. This ongoing surveillance will allow City and staff to determine if the Developer is fulfilling its obligation or if certain clauses in the Development Agreement or deed are triggered.

DUE DILIGENCE INFORMATION REVEIEWED BY DIPERNA

1) Project Construction Schedule.
2) Purchase and Sale Agreement between Developer and EDDONS GROUP LP.
3) City and Developer Development Agreement.
4) Project Sources and Uses.
5) Project 10-year Pro Forma.
6) Erie Bank Construction Loan Letter of Intent.
7) Presentation to School District.

Grand River Walk Painesville, Ohio

Timeline Schedule

Description of Activity		Start	Finish	Financing, Pre-Development & Design Phase, Construction Phase and Leasing & Occupancy Phase																		
				Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sept 23-Nov 23	Dec-23-July-24	Aug 24-Oct 24	Nov-24	Dec-24	Jan-25
Financing																						
	TMUD Award	Jul-22	Dec-22	x	x	x	x	x	x													
	Construction Financing and Additional Funding (Port Authority, Etc.)	Jan-23	Jul-23							x	x	x	x	x	x	x						
City Approvals (Conditional Use Permit)																						
	Planning Commission for Conditional Use Permit	Apr-23	May-23										x	x								
Design Development / Construction Documents																						
	Refine Consultants & Architects Scope of Work for Design Development	Jul-22	Aug-22	x	x																	
	Complete Design Development Documents	Dec-22	Mar-23						x	x	x	x										
	Approve Design For Detailed Construction Documents	Apr-23	Apr-23										x									
	Complete Construction Documents	Apr-23	Jun-23										x	x	x							
	Approve Construction Documents For Obtaining Building Permits	Jun-23	Jan-23												x							
	Review by Authorities and Obtain Building Permits	Jul-23	Aug-23													x	x					
Construction																						
	Advertise and Receive Construction Bids	Jun-23	Aug-23												x	x	x					
	Review and Award Construction Contracts	Mar-23	Apr-23												x	x	x					
	Site Grading & Infrastructure for Grand River Walk	Mar-23	May-23															x				
	Residential, Retail & Rest. Bldg & Site Const. - GRW (Assume 16 Months)	Sep-23	Jan-25															x	x	x	x	x	x
	Obtain Final Inspections - Grand River Walk	Aug-24	Aug-24																			x	x
Leasing & Occupancy																						
	Advertise and Execute Leases for Residential Units	Oct-23	Oct-24																	x	x	x	x
	Obtain Certificates of Occupancy	Oct-23	Oct-24																		x	x	x
	Building Occupancy by Residents & Tenants	Oct-23	Oct-24																		x	x	x

MAROUS
DEVELOPMENT
GROUP

February 28, 2023

Doug Lewis
Painesville City Hall
7 Richmond Street
Painesville, Ohio 44077

RE: Development Agreement and Sale of Property/Deed Transfer

Dear Mr. Lewis,

On behalf of Marous Development Group LLC ("MDG") I commit to develop the property according to the terms of the Development agreement and as required by the approvals expected to be issued by the City of Painesville on April 13, 2023 or soon thereafter. This letter is intended to satisfy the required commitment in the Development Agreement dated July 1, 2022.

Should you have any questions, please do not hesitate to reach out.

Sincerely,

Marous Development Group LLC

Adelbert P. Marous, Jr.
Managing Member

WARRANTY DEED

Know all Men by these Presents, that the **City of Painesville**, an Ohio political subdivision, the Grantor, who claims title by or through instrument, recorded in Document No. 2013R022954 and 2022R027375, Lake County Recorder's Office, for the consideration of Ten Dollars and Other Consideration ($10.00 etc.) for valuable consideration paid, grant, with general warranty covenants, to **Grand River Walk, LLC** whose tax mailing address will be 36933 Vine St, Willoughby, OH 44094 situated in the City of Painesville, County of Lake, and State of Ohio, and being and more fully described as follows:

See Exhibit A Attached hereto

Prior Instrument No. Document No. 2013R022954 & 2022R027375
Address 257 E. Main Street, Painesville, Ohio 44077

This property is subject to the Declaration of Covenants, Conditions and Restrictions that was originally filed on October 31, 2022 and assigned Document No. 2022R029286 and which was refiled on February 28, 2023 and assigned Document No.2023R003381.

This property is also subject to the Development Agreement between the Grantor and the Grantee and a copy of that Development Agreement is attached hereto as Exhibit B and terms and conditions of that Development Agreement are incorporated herein as if fully rewritten.

REVERSIONARY CLAUSE: THIS PROPERTY IS ALSO SUBJECT TO THE FOLLOWING REVERSIONARY CLAUSE AND THE FOLLOWING TERMS AND CONDITIONS, RESTRICTIONS AND CONDITIONS, namely:

If the Grantee does not commence construction on the Project within twelve (12) months after the later of (i) the City's approval of the rezoning, development plan and conditional use permit, or (ii) the transfer of the Property from the City to the Developer, then the Property shall revert to the City and be transferred back to the City ownership, at no cost to the City and without reimbursement for any expenses incurred by either party and without any liens or encumbrances on the Property. The Grantee shall have the right to request extensions from the City Planning Commission as set forth in the Unified Development Code Section 111.08 (g) as permitted to commence construction of the Project if adverse conditions arise pertaining to economic, market, pandemic, supply chain, financing and/or weather, farce majeure or other acts of God, war or terrorism that would reasonably cause delay in commencement of construction of the Project.

“Commencement of Construction” is defined as the Grantee / Developer having received a zoning permit from the City of Painesville for the construction of the Project, a building permit from Lake County for the construction of the Project and finally the Grantee – Developer having spent over one million dollars in physical site improvement work at the Project site, including but not limited to foundation work, excavating, and/or extension of utility lines.

In the event that the Grantee does not meet these terms and conditions, the Property shall revert to the City of Painesville, and the Grantee, its successors and assigns, shall have no further rights or interest in the property and the City shall have the right to re-enter and take possession of the Property.

That if, at any time, the Grantee, its successors and assigns, fails to comply with the terms and conditions of this deed, the Property shall revert to the City of

Painesville, and the Grantee, its successors and assigns, shall have no further rights or interest in the property. In the event that the Grantee fails to comply with the terms and conditions of this Deed and if the Grantee does not provide the City with a Deed that conveys back to the City the title to this Property, the City may then file an Affidavit of Facts with the Lake County Recorder's Office that declares the Grantee has failed to comply with the terms and conditions of this Deed and this Affidavit of Facts shall then confirm that the Property is now owned by the Grantee, the City of Painesville. The City if it deems it necessary shall also have the right to file against the Grantee, its successor and assigns a specific performance action or an injunction or a quiet title action to confirm the City's title in the Property and/or to reacquire title to the Property.

In addition to the above restrictions, this property may also be subject to all legal highways and (a) restrictions, conditions, reservation, encroachment and easements of record, (b) zoning ordinances, if any, (c) taxes and assessments, both general and special, presently a lien but not yet payable.

In Testimony Whereof said City of Painesville sets its hand by Douglas L. Lewis, the City Manager of the City of Painesville.

Executed the _____ day of _____, 2023.

City of Painesville

_____
By: Douglas L. Lewis,
Its City Manager

State of Ohio)
County of Lake)ss

This is an acknowledgment clause. No oath or affirmation was administered to the signer.

Before me, a Notary Public, in and for said County and State, personally appeared the above named City of Painesville by Douglas L. Lewis, its City Manager who acknowledged that he did sign the foregoing instrument and that the same is the free act and deed of said City of Painesville and the free act and deed of Douglas L. Lewis personally and as such officer.

In Testimony Whereof, witness my signature and official seal at _____, this _____ day of _____, 2023.

_____
NOTARY PUBLIC

The Grantee Grand River Walk, LLC acknowledges all of the conditions that are contained and/or referenced in this Deed and the Grantee agrees to abide and follow all of the conditions, restrictions and conditions that are contained and/or referenced in this Deed.

Grand River Walk, LLC

_____
By:_____
Its:_____

State of Ohio)
County of Lake)ss

This is an acknowledgment clause. No oath or affirmation was administered to the signer.

Before me, a Notary Public, in and for said County and State, personally appeared the above named Grand River Walk by _____, its _____ who acknowledged that he did sign the foregoing instrument and that the same is the free act and deed of said Grand River Walk, LLC and the free act and deed of _____ personally and as such officer.

In Testimony Whereof, witness my signature and official seal at _____, this _____ day of _____, 2023.

_____
NOTARY PUBLIC

This Instrument Prepared By:
James M. Lyons, Esq.
240 E. Main Street, Painesville, Ohio 44077

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE CITY MANAGER TO SIGN THE NECESSARY DOCUMENTS TO ALLOW THE CITY TO PARTICIPATE IN THE TEVA, ALLERGAN, CVS, WALMART, AND WALGREENS OPIOID SETTLEMENTS, AND DECLARING AN EMERGENCY

WHEREAS, the City has signed a Memorandum of Understanding with the Ohio Attorney General that allows the City to participate in settlements that are reached with various entities that are and were in the opioid distribution business that has been the subject of extensive litigation throughout the Country; and

WHEREAS, monetary settlements have been reached with Teva, Allergan, CVS, Walmart, and Walgreens and these settlements will provide money to the City that can be used for programs related to opioid use and to mitigate the effects of opioid use; and

WHEREAS, in order to participate in these settlements, the City must sign the necessary documents to "opt-in" to these settlements and it is the opinion of the Administration that the City should opt-in to these settlements.

NOW THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF PAINESVILLE, COUNTY OF LAKE AND STATE OF OHIO, AS FOLLOWS:

SECTION 1. That the City Manager of the City of Painesville is hereby authorized and directed to sign the necessary documents to enter into the settlements with Teva, Allergan, CVS, Walmart, and Walgreens and return the documents to the Opioid Implementation Director on or before March 7, 2023.

SECTION 2. That all formal actions of this Council concerning the passage of this Ordinance were adopted in an open meeting, and that all deliberations of this Council, or any of its Committees, which resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

SECTION 3. That this Resolution is hereby declared to be and is passed as an emergency measure, the emergency being the need to opt-in to the settlement on or before March 31, 2023. Said Resolution is necessary for the immediate preservation of the public peace, health, safety and welfare of the inhabitants of the City of Painesville.

PASSED:

EFFECTIVE:

_____
Christine Shoop
President of Council

ATTEST:

_____
Samantha Danielson
Clerk of Council