Village of Walton Hills, Ohio

FILE NO. 822-2026

June 24, 2026

City Council, City of Cleveland, Ohio
c/o Patrricia J. Britt, Clerk of Council
601 Lakeside Ave.
Room 227
Cleveland, Ohio 44114

Re: Notice of Relocation due to Proposed Community Reinvestment Area Exemption Agreement Pursuant to Ohio Revised Code ("R.C.") Section 3735.673.

Dear Clerk Britt:

As required by R.C. Section 3735.673, this letter is to serve notice of a pending application for a Community Reinvestment Area Agreement ("CRA Agreement") from DROF WH #3, LLC ("DROF") with the Village of Walton Hills, Ohio (the "Village"). The company is proposing to construct a build-to-suit facility in the Village for the Cleveland Clinic Foundation. The Cleveland Clinic Foundation currently has operations in the jurisdiction of Cleveland, Ohio at 18101 Lorain Ave., Cleveland, OH 44111 and 9500 Euclid Ave., Cleveland, OH 44195 and proposes to relocate part of its operations at each respective site to the Village in connection with the CRA Agreement and the project described therein. The company states that the reason for the relocation is as follows: the project's location and the custom nature of the design for the project's facility is desirable for the Cleveland Clinic Foundation's business and logistic needs.

Enclosed you will find a copy of the draft CRA Agreement that the Village intends to enter into with DROF. The Village Council of the Village will consider this application at its meeting scheduled for 5:00 p.m. on July 31, 2026 at the Village Hall, 7595 Walton Road, Walton Hills, Ohio 44146.

Please contact me at (440) 786-2963 if you have any questions.

Sincerely,

VILLAGE OF WALTON HILLS, OHIO

Donald Kolograf, Mayor

110074851v3

Upon receipt, please sign and date one copy of this notice and return the signed copy to the Village for the Village's files. By signing below, the City Council acknowledges and affirms that it received the Relocation Notice sent in accordance with R.C. Section 3735.673.

Received: City Council, City of Cleveland, Ohio

Date: ____________, 2026

By: ______________________________________

Title: ______________________________________

EXHIBIT A

DRAFT CRA AGREEMENT

[See Attached]

COMMUNITY REINVESTMENT AREA AGREEMENT

This Community Reinvestment Area Agreement (this "Agreement") is made and entered into by and between the VILLAGE OF WALTON HILLS, OHIO (the "Village"), a municipal corporation and political subdivision of the State of Ohio (the "State"), through its Village Council (the "Council"), and DROF WH #3, LLC, a Delaware limited liability company, with offices located at 8801 River Crossing Blvd., Suite 300 Indianapolis, IN 46240 (together with its successors and assigns, the "Developer").

WITNESSETH:

WHEREAS, the Village desires to pursue all reasonable and legitimate incentive measures to assist, encourage and stimulate development in specific areas of Cuyahoga County (the "County") that have not enjoyed sufficient reinvestment from remodeling or new construction; and

WHEREAS, the Village, by Ordinance No. 2011-20, adopted by the Council on October 18, 2011 (the "Original CRA Ordinance"), as amended by Ordinance No. 2012-21, adopted by the Council on October 16, 2012, and as thereafter amended by Ordinance No. 2016-2, adopted by the Council on January 19, 2016, and as thereafter amended by Ordinance No. 2016-5, adopted by the Council on March 15, 2016 (collectively with the Original CRA Ordinance the "CRA Legislation"), designated the area specified in the CRA Legislation as the Village of Walton Hills Community Reinvestment Area (the "CRA") pursuant to Ohio Revised Code ("R.C.") Sections 3735.65 through 3735.70 (the "CRA Act"), and authorized a real property tax exemption for the construction of new structures and the remodeling of existing structures in the CRA in accordance with the CRA Act; and

WHEREAS, the Developer has acquired approximately 72.97 acres of real property contained within the Village and the CRA, described in <u>Exhibit A</u> attached hereto (the "Project Site"); and

WHEREAS, the Developer has submitted to the Village an application for a community reinvestment area agreement (the "Application"), a copy of which is attached hereto as <u>Exhibit B</u>; and

WHEREAS, the Developer proposes to complete the construction and build out of an approximately [______]-square-foot building to create a state-of-the-art production facility allowing the site to be used for the maintenance, cleaning, and sterilization of medical equipment and devices, distribution to business locations around the region, and pharmacy services (the "Building") as described in the Application (collectively, the "Project"), provided that the appropriate development incentives are available to support the economic viability of the Project; and

WHEREAS, the Developer will develop the Project Site, but the Developer does not anticipate that it will equip or occupy any portion of the Project Site or hire employees at the Project Site; rather, the Developer will develop the Building and lease portions of the Project Site to one or more lessees (each an "Occupant", and collectively, the "Occupants"), which Occupants will hire employees at the Project Site; and

WHEREAS, each transfer of the Project Site by the Developer other than by lease may be made pursuant to a certain assignment and assumption agreement as described more fully in Section 16 hereof in order to bind each Owner to and under this Agreement (the Developer and any such transferees other than by lease, together with any successors and assigns, collectively or singly, as the context requires, may be referred to hereinafter from time to time as an "Owner" or the "Owners"); and

WHEREAS, pursuant to R.C. Sections 3735.67(A) and 3735.671(A) and in conformance with the format required under R.C. Section 3735.671(B), the Village and the Developer desire to formalize their agreement with respect to matters hereinafter contained; and

WHEREAS, the Project Site is located in the Bedford City School District (the "School District") and the board of education of the School District (the "Board of Education") has been notified of the proposed approval of this Agreement in accordance with R.C. Sections 3735.671 and 5709.83, or has waived such notice, and has been given a copy of the Application and a draft of this Agreement; and

WHEREAS, the Council, by Ordinance No. 2026-[__], passed on [_________], 2026, has approved the terms of this Agreement and authorized its execution on behalf of the Village; and

WHEREAS, the parties recognize that the exact legal and financing structure used by the Developer in developing, equipping and operating the Project may include additional legal entities and may evolve prior to and during the operation of the Project;

NOW, THEREFORE, in consideration of the mutual covenants hereinafter contained and the benefit to be derived by the parties from the execution hereof, the receipt and sufficiency of which are hereby acknowledged, the parties herein agree as follows:

1. Project. The cost of the investments to be made in connection with the Project by the Developer is estimated at eighty million dollars ($80,000,000.00)] (exclusive of any amounts for acquisition of machinery and equipment, furniture and fixtures, and inventory) (the "Minimum Investment") to complete the construction and build out of the Project. The parties recognize that costs do not necessarily equal otherwise taxable value. The parties further recognize and agree that the Developer's failure to make the Minimum Investment at the Project Site shall be considered a material failure of the Developer to fulfill its obligations under this Agreement, which material failure may result in termination, suspension, or modification of the exemption from real property taxation granted under this Agreement, pursuant to Section 12 below.

2. Values of Personal Property. The value for Ohio personal property tax purposes of the non-inventory personal property of the Occupant that is located at another location in Ohio prior to the execution of this Agreement and that is to be relocated from that location to the Project Site is approximately $37,000,000.00. The value for Ohio personal property tax purposes of the non-inventory personal property of the Owners located at the Project Site prior to the execution of this Agreement is $0. The average value for Ohio personal property tax purposes of the inventory of the Occupant held at another location in Ohio prior to the execution of this Agreement and to be relocated from that location to the Project Site is estimated to be approximately $25,000,000.00. The average value for Ohio personal property tax purposes of the inventory of the Owners at the Project Site prior to the execution of this Agreement is $0.

3. Project Schedule. The scheduled estimated starting month for the Project investments to be made in building, machinery, equipment, furniture, fixtures and/or inventory is approximately August 2026; and the scheduled estimated completion month for such investments is no later than approximately October, 2028. The Developer's failure to complete the Project by [December 31, 2028], shall be considered a material failure of Developer to fulfill its obligations under this Agreement, which material failure may result in termination, suspension, or modification of the exemption from real property taxation granted under this Agreement, pursuant to Section 12 below.

4. Employee Positions. The Developer estimates that there will be relocated to the Project Site by Occupants, cumulatively, approximately three hundred seventy-three (373) full-time permanent employee positions with an aggregate annual payroll of approximately $29,851,385.00 upon full build-out of the Project. The Developer estimates that by the end of year two of the exemption period, the Occupants will hire an additional twenty-seven (27) full-time and six (6) part-time employees with an estimated payroll of $2,418,913. Additional hiring by the Occupants is expected between years 3 and 5 of the exemption period resulting in an estimated addition of eight (8) full-time and two (2) part-time employees with an approximate additional payroll of $879,402. Hiring in years 6 through 10 of the exemption period is expected to add an additional four (4) full-time and one (1) part-time employee with an approximate additional payroll of $422,510. Currently, neither the Developer and/or Occupants have employees at the Project Site; therefore, no employee positions will be retained by the Developer and/or Occupants in connection with the Project. The Developer has zero (0) employees in Ohio. The estimates provided in this Section 4 are good faith estimates provided pursuant to R.C. Section 3735.671(B) and shall not be construed in a manner that would limit the amount or term of the tax exemptions provided in this Agreement. The parties recognize that the actual employment and payroll associated with the Project may increase or decrease. The parties also recognize that it is anticipated that all employees at the Project Site will be employed by the Occupants.

5. Provision of Information. The Developer and each Owner shall provide or cause to be provided to the applicable tax incentive review council (the "TIRC") and community reinvestment area housing council ("Housing Council") any information reasonably required by the TIRC and/or the Housing Council to evaluate the compliance of such Owner with the Agreement, if requested by the TIRC and/or the Housing Council, and each Owner shall provide or cause to be provided any information reasonably necessary for the applicable TIRC to make the determinations required under R.C. Section 5709.85 and to evaluate such Owner's compliance with this Agreement, including returns filed pursuant to R.C. Sections 5711.02, 5711.13 and 5727.08 if requested by the applicable TIRC. Upon the request of the applicable TIRC each Owner shall provide the applicable TIRC any information reasonably necessary to perform its review with the nondiscriminatory hiring policies developed by the Village under R.C. Section 5709.832.

Per R.C. Section 5709.85, annually the TIRC shall review the terms of this Agreement, and any Assignment and Assumption Agreement granting exemptions under R.C. Section 3735.671, and shall review any performance or audit reports required to be submitted pursuant to this Agreement or any Assignment and Assumption Agreement. On the basis of such review, the TIRC shall make a determination of whether the terms of this Agreement and any Assignment and Assumption Agreement have been complied with by the Developer, the Owners, and any Occupants and shall submit to the Village a written recommendation for continuation, modification, or cancellation of such Agreement or Assignment and Assumption Agreement. In making its written recommendation, the TIRC may take into consideration (a) any fluctuations in the business cycle unique to the Owner's or Occupants' businesses, (b) the effect of local and regional market conditions on the Owner or Occupants, and (c) whether the Owner or parties that have assumed the obligations of the Owner have (i.e. Occupants), collectively, satisfied the job creation and other obligations contained in this Agreement. The Village shall hold a meeting within sixty (60) days of receipt of the annual written recommendations to vote to accept, reject, or modify all or any portion of the recommendations. In voting on whether to accept, reject, or modify all or any portion of the TIRC's recommendations, the Village may, but shall not be required to, take into consideration those factors outlined in (a) through (c) of this paragraph.

6. Real Property Tax Exemption. The Village hereby grants a fifteen (15) year, seventy-five percent (75%) real property tax exemption pursuant to R.C. Section 3735.67 for the assessed value of new structures at the Project Site. The exemption commences the first year such real property improvement would first be taxable were that property not hereby exempted from taxation. No exemption shall commence after tax year [2030 (i.e., tax lien date January 1, 2030)] nor extend beyond tax year [2045 (i.e., tax lien date January 1, 2045)]. The exemptions set forth in this Section 6 shall apply irrespective of whether the real property is owned by an Owner, or, in accordance with Section 16 of this Agreement, Section 20 of this Agreement, or both Sections 16 and 20 of this Agreement, by another entity or other entities.

7. Application for Exemption. The Owners acknowledge that the tax exemption with respect to each real property improvement is subject to the filing of the Application with the Housing Officer designated by the Village for the CRA, which Application has been received by the Village. The Village agrees that upon execution of this Agreement, the Housing Officer shall certify the tax exemption to the Cuyahoga County Fiscal Officer.

8. Payment of Non-Exempt Taxes.

A. Each Owner shall pay such taxes and real property taxes as are not exempted under this Agreement or otherwise exempted and are charged against such Owner's property and shall file all tax reports and returns as required by law in connection therewith. If any Owner fails to pay such taxes or file such returns and reports, and such failure is not corrected within ninety (90) days of written notice thereof to such Owner, all exemptions from taxation granted under this Agreement with respect to property of such Owner are rescinded beginning with the year for which such unpaid taxes are charged or such unfiled reports or returns are required to be filed and thereafter; provided, however, that any such rescission shall have no effect on exemptions from taxation granted under this Agreement with respect to property of Owners other than such defaulting Owner. Further, if such defaulting Owner fails to pay such taxes or to file such returns and reports, and such failure is not corrected within ninety (90) days of written notice thereof to such defaulting Owner, such Owner must pay back all real property taxes that would have been charged against property of such Owner in absence of the exemption granted under this Agreement. For purposes of this Section 8, "taxes" means all real property taxes, service payments in lieu of taxes, general and special assessments, and any other governmental charges validly levied or assessed against any parcel of real property located within the Project Site.

B. Each Occupant (as further defined below) shall pay such Village municipal income taxes as are levied against such Occupant and shall file all tax reports and returns as required by law in connection therewith. "Occupant" includes any person having a right to occupy or regularly use all or any portion of any Building, whether such right to occupy or regularly use all or any portion of any Building arises under any lease, license, or other agreement, and whether any such right is granted by an Owner or by any other Occupant, including, but not limited to, third-party logistics companies, but does not include persons that provide limited services to an Owner or an Occupant, such as security guard companies, janitorial service companies and consulting service companies. If an Occupant fails to pay such taxes or file such returns and reports, and such a failure is not corrected by the Occupant or the Owner within ninety (90) days of written notice thereof to such Occupant and to the Owner of the Building (with such notice redacted to the extent necessary to protect confidential information of the Occupant), all exemptions from taxation granted under this Agreement with respect to the portion of the Building occupied by such Occupant may be rescinded beginning with the year for which such unpaid taxes are charged or such unfiled reports or returns are required to be filed and thereafter, subject to reinstatement as set forth below. Any such rescission, as provided in this Section, shall have no effect on exemptions from taxation granted under this Agreement with respect to the portion of the Building occupied by Occupants other than such defaulting Occupant. For Buildings occupied by more than one Occupant, any exemption rescinded pursuant to this Section shall only be rescinded for that portion of the Building occupied by the Occupant in violation of this Section ("Partial Rescission"). The remaining portion of the Building shall continue to receive any such exemptions granted pursuant to this Agreement. This Partial Rescission shall be effectuated pursuant to R.C. Section 5713.04, which permits parcels to be split-listed when only a portion is exempt from property tax. Upon the completion of the occupancy of a Building by an Occupant that defaulted under this Section, the Owner of the Building may apply for reinstatement of the exemption for the Building, which reinstatement shall not be unreasonably denied, delayed or conditioned by the Village. Payment of the Occupant's past-due Village income taxes, penalties or interest, if any, shall not be a condition for reinstatement of the exemption.

In addition, each Owner agrees to cause each Occupant of each such Owner's Buildings to provide such information, in such content, detail, and format as shall be reasonably determined by the Village, that may be required by the Village to enforce its municipal income tax laws, including its obligations to account for and share income tax revenue with any other entity. Each Owner shall include in any lease, license, or any other agreement with any Occupant an acknowledgment of this obligation. Each Owner acknowledges that failure by an Occupant to provide such information may be grounds for modification or termination of the exemptions granted under this Agreement with respect to the portion of the Building occupied by a defaulting Occupant, after the Village first provides ninety (90) days' written notice to the Occupant and the Owner in the manner set forth above.

9. Cooperation of the Village. The Village shall perform such acts as are reasonably necessary or appropriate to approve, effect, claim, reserve, preserve and maintain the exemptions from taxation granted under this Agreement including, without limitation, joining in the execution of all documentation and providing any necessary certificates required in connection with such exemptions. The Village shall give its fullest cooperation in the development of the Project, including, but not limited to: (i) the review, processing and approval of all building, zoning, occupancy, or other permits, and (ii) all other activities related to the Project and the CRA granted in this Agreement.

10. Revocation of the CRA. If for any reason the Village revokes or purports to revoke the designation of the CRA, entitlements granted under this Agreement shall continue for the number of years specified in this Agreement, unless the Owner materially fails to fulfill its obligations under this Agreement and such failure is not corrected within thirty (30) days of written notice thereof to such Owner, and consequently, the Village terminates or modifies the exemptions from taxation granted in this Agreement with respect to property of such Owner from the date of the material failure. Any such termination or modification, as provided in this Section 10, shall have no effect on exemptions from taxation granted in this Agreement with respect to property of Owners other than such defaulting Owner. Except for any amendment, revocation, modification, suspension or termination otherwise permitted under this Agreement, the Village agrees that it will not amend or revoke the CRA designation as to the Project Site, or modify the incentives available under that designation for the Project Site, prior to [2041].

11. Certification as to No Delinquent Taxes. The Developer hereby certifies for itself that at the time this Agreement is executed: (i) it does not owe any delinquent real or tangible personal property taxes to any taxing authority of the State and does not owe delinquent taxes for which it is liable under Chapters 5733, 5735, 5739, 5741, 5743, 5747, or 5753 of the Revised Code, or, if such delinquent taxes are owed, it is currently paying the delinquent taxes pursuant to an undertaking enforceable by the State or an agent or instrumentality thereof, (ii) it has not filed a petition in bankruptcy under 11 U.S.C.A. 101, et seq., and (iii) no such petition has been filed against it. For the purposes of this certification, delinquent taxes are taxes that remain unpaid on the latest day prescribed for payment without penalty under the chapter of the Ohio Revised Code governing payment of those taxes. Each Owner shall make the same certification as that made by the Developer in this Section 11 in any Assignment and Assumption Agreement.

12. Termination, Suspension, or Modification Upon Default. If the Developer or an Owner does not comply with the terms of this Agreement and such noncompliance is documented by the TIRC's recommendation to the Village to modify or cancel any of the CRA Exemptions granted by this Agreement under R.C. Section 5709.85, or if the Village determines that the certification as to delinquent taxes required by this Agreement is fraudulent, the Village may terminate, suspend or modify the exemptions from taxation granted under this Agreement with respect to property of the Developer or the Owner which is in such default or which has made such fraudulent certification, from the date of the failure. Any such termination, suspension or modification, as provided in this Section, shall have no effect on exemptions from taxation granted under this Agreement with respect to property of Owners other than such defaulting Owner. Upon any such termination or modification, the Village may require the already-received CRA Exemption benefits under this Agreement, beginning with the year of such noncompliance with this Agreement to the date of such termination, suspension or modification, to be recovered by payment to the Village of such amounts as taxes due. The Village is authorized to secure repayment of such taxes by a tax lien on the Project Site in the amount required to be repaid. Such tax lien shall attach, and may be perfected, collected, and enforced, in the same manner as a tax lien on real property, and shall otherwise have the same force and effect as a tax lien on real property. Alternatively, the Village and the Owner may agree to a mortgage lien to secure repayment of such taxes by a lien on the Project Site in the amount required to be repaid, and such lien shall attach, and may be perfected, collected, and enforced, in the same manner as any other mortgage lien on real property, and shall otherwise have the same force and effect as a mortgage lien on real property.

13. Approval by the Village. The Owner and the Village acknowledge that this Agreement must be approved by formal actions of the legislative authority of the Village as a condition for this Agreement to take effect. This Agreement takes effect upon such approval. Because this Agreement was approved by Ordinance No. 2026-[__] of the Council on [_____], 2026, this Agreement shall be effective immediately upon its execution.

14. Non-Discriminatory Hiring. By executing this Agreement, the Owner is committing to, and requesting that the Occupants follow, non-discriminating hiring practices, acknowledging that no individual may be denied employment solely on the basis of race, religion, sex, disability, color, national origin, or ancestry.

15. Revocation of Exemptions. Exemptions from taxation granted under this Agreement shall be revoked with respect to an Owner if it is determined that such violating Owner, any successor enterprise to such violating Owner, or any related member of such violating Owner (as those terms are defined in R.C. Section 3735.671(C)) has violated the prohibition against entering into the Agreement under R.C. Section 3735.671(C), 5709.62 or 5709.63 prior to the time prescribed by that division or either of those sections. Any such revocation, as provided in this Section 15, shall have no effect on exemptions from taxation granted under this Agreement with respect to property of Owners other than such violating Owner.

16. Transfer and/or Assignment; Release from Liability. Except as provided below, this Agreement and the benefits and obligations thereof are not transferable or assignable without the express, written approval of the Village, which approval shall not be unreasonably withheld or delayed. The Village hereby approves the transfer and/or assignment of this Agreement and the benefits and obligations hereof to any entity controlling, controlled by, or under common control with the Developer and (i) in which the Developer has at least 50% direct or indirect ownership; (ii) that has at least 50% direct or indirect ownership of the Developer; (iii) that shares at least 50% direct or indirect common ownership with the Developer; or (iv) Developer or its affiliate serves as managing member (a "Developer Transferee"). The Village shall retain the right to consider the approval of the transfer and/or assignment of this Agreement and the benefits and obligations hereof, which approval shall not be unreasonably withheld or delayed, to any person or entity other than the Developer or a Developer Transferee, which is a transferee by ground/land lease, sale and/or other means of transfer of all or any part of a Building or the Project Site (a "Third-Party Transferee") (such transferred property may be referred to hereinafter as the "Transferred Property"). Provided, however, that as a condition to the right to receive tax exemptions as set forth in this Agreement, each Developer Transferee or Third-Party Transferee shall execute and deliver to the Village an Assignment and Assumption Agreement in substantially one of the forms attached hereto as Exhibit C.1 and Exhibit C.2, wherein such Developer Transferee or Third-Party Transferee (a) assumes all obligations of the Developer under this Agreement with respect to the Transferred Property, and (b) certifies to the validity, as to the Developer Transferee or Third-Party Transferee, of the representations, warranties and covenants contained herein and in the Assignment and Assumption Agreement. For the avoidance of doubt, (i) following the Developer's completion of the Minimum Investment, an Assignment and Assumption Agreement to a Developer Transferee shall not include the completion of the Minimum Investment; and (ii) the lease of the Building or the Project Site to Occupant(s) shall not constitute a transfer or assignment requiring the Village's approval and Occupant(s) shall not be required to execute and deliver an Assignment and Assumption Agreement. The Village agrees to execute each such Assignment and Assumption Agreement that is properly executed by a Developer Transferee and to deliver an original thereof to the Developer Transferee. The Village agrees to consider approval of each such Assignment and Assumption Agreement that is properly executed by a Third-Party Transferee, and the Village agrees to execute and deliver an original thereof to the Third-Party Transferee if such transferee and agreement have been approved by the Village. The Developer Transferee or Third-Party Transferee shall pay to the Village's legal counsel, Bricker Graydon Wyatt LLP, its reasonable and documented fees and expenses for its costs in connection with any such Assignment and Assumption Agreement in an amount not to exceed Five Thousand Dollars ($5,000.00). The payment shall be due within thirty (30) days after complete execution and delivery by the Village of any such Assignment and Assumption Agreement. Upon execution by the Village of any such Assignment and Assumption Agreement, as to the Transferred Property the Developer Transferee or Third-Party Transferee shall have all entitlements and rights to tax exemptions and obligations as an "Owner" under this Agreement, in the same manner and with like effect as if the Developer Transferee or Third-Party Transferee had been the original Developer and a signatory to this Agreement.

17. Counterparts. This Agreement may be signed in one or more counterparts or duplicate signature pages with the same force and effect as if all required signatures were contained in a single original instrument. Any one or more of such counterparts or duplicate signature pages may be removed from any one or more original copies of this Agreement and annexed to other counterparts or duplicate signature pages to form a completely executed original instrument.

18. Severability; Construction; Headings. If any provision of this Agreement or the application of any such provision to any such person or any circumstance shall be determined to be invalid or unenforceable, then such determination shall not affect any other provision of this Agreement or the application of such provision to any other person or circumstance, all of which other provisions shall remain in full force and effect. If any provision of this Agreement is capable of two constructions one of which would render the provision valid, then such provision shall have the meaning which renders it valid. The captions and headings in this Agreement are for convenience only and in no way define, limit, prescribe or modify the meaning, scope or intent of any provisions hereof.

19. Validity. The Owners covenant and agree that they are prohibited from challenging the validity of this Agreement or the CRA. In that regard, the Owners waive any defects in any proceedings related to the CRA or this Agreement. If the validity and term of the CRA or this Agreement is challenged by any entity or individual, whether private or public, the Owners shall advocate diligently and in good faith in support of the validity and term, as applicable, of the CRA and this Agreement.

20. Modifications. If, notwithstanding Section 16 of this Agreement, it becomes necessary to modify the terms of this Agreement to reflect the exact legal and financing structure used by the Owners in developing, equipping and operating the Project, the Owners shall request an amendment to this Agreement.

21. Notices. Any notices, statements, acknowledgements, consents, approvals, certificates or requests required to be given on behalf of any party to this Agreement shall be made in writing addressed as follows and sent by (i) registered or certified mail, return receipt requested, and shall be deemed delivered when the return receipt is signed, refused or unclaimed, (ii) by nationally recognized overnight delivery courier service and shall be deemed delivered the next business day after acceptance by the courier service with instructions for next-business-day delivery, or (iii) by facsimile transmission and shall be deemed deliver upon receipt of confirmation of transmission:

If to the Village, to:

Village of Walton Hills
7595 Walton Road
Walton Hills, OH 44146
Attention: Mayor
Phone: (440)-786-2963

With a copy to:

Bricker Graydon Wyatt LLP
100 South Third Street
Columbus, OH 43215
Attention: J. Caleb Bell
Phone: (614) 227-2384

If to the Developer, to:

DROF WH #3 LLC
Attn: Marc Pfleging
8801 River Crossing Blvd., Suite 300
Indianapolis, IN 46240

or to any such other addresses as may be specified by any party, from time to time, by prior written notification.

22. R.C. Section 9.66 Covenants.

A. Each of the Owners affirmatively covenants that it has made no false statements to the State or any local political subdivision in the process of obtaining approval of the CRA tax exemptions; and that it does not owe: (i) any delinquent taxes to the State or a political subdivision of the State; (ii) any moneys to the State or a State agency for the administration or enforcement of any environmental laws of the State; and (iii) any other moneys to the State, a State agency or a political subdivision of the State that are past due, whether the amounts owed are being contested in a court of law or not. If any representative of any of the Owners has knowingly made a false statement to the State or any local political subdivision to obtain the CRA tax exemptions, such Owner shall be required to immediately return all benefits received by it under this Agreement pursuant to R.C. Section 9.66(C)(2) and such Owner shall be ineligible for any future economic development assistance from the State, any State agency or a political subdivision pursuant to R.C. Section 9.66(C)(1). Any person who provides a false statement to secure economic development assistance may be guilty of falsification, a misdemeanor of the first degree, pursuant to R.C. Section 2921.13(D)(1), which is punishable by a fine of not more than $1,000 and/or a term of imprisonment of not more than six (6) months. Any such requirement to return benefits under this Agreement, and/or ineligibility for future economic development assistance, as provided in this Section, shall have no applicability to nor effect on Owners other than such violating Owner(s).

B. The Developer and each Owner acknowledge and agree that this Agreement, the Application, and the information and reports submitted pursuant to Section 5 hereof (collectively, the "Public Documents") may be disclosed to the public upon request notwithstanding any applicable exemption for the Public Documents under Ohio law including the Ohio Public Records Act and R.C. 9.66(D).

23. Additional Consideration. The Developer and Owners as applicable shall make available to the School District's students any internships or job programs currently in existence or created in the future. The Developer and Owner agree to use their best efforts to promote these internship opportunities in coordination with the School District.

24. Legal Fees. The Developer shall pay to the Village's legal counsel, Bricker Graydon Wyatt LLP, its reasonable and documented fees and expenses for cost preparing all documentation associated with this Agreement in an amount not to exceed Fifteen Thousand Dollars ($15,000.00). The payment shall be due within 30 days after complete execution and delivery of this Agreement.

25. Estoppel Certificate. Upon request of an Owner, the Village shall execute and deliver to the Owner or any proposed purchaser, mortgagee or lessee a certificate stating: (a) that the Agreement is in full force and effect, if the same is true; (b) that the Owner is not in default under any of the terms, covenants or conditions of the Agreement, or if the Owner is in default, specifying same; (c) whether the Minimum Investment has been satisfied; and (d) such other matters as the Owner reasonably requests.

26. Entire Agreement. This Agreement constitutes the entire agreement between the Developer and the Village pertaining to the subject matter contained herein and supersedes all other prior or contemporaneous agreements or understandings between the Developer and the Village in connection with such subject matter.

[Remainder of Page Intentionally Left Blank.]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives to be effective as of ____________, 2026.

VILLAGE OF WALTON HILLS, CUYAHOGA COUNTY, OHIO

By:_____________________________________
Donald Kolograf, Mayor

By Ordinance No. 2026-[__] dated [_____], 2026
Verified and Certified:

____
Nickol Sell, Fiscal Officer

APPROVED AS TO FORM:

____
John Montello, Law Director

[DROF WH #3 LLC]

By:___________________________
Print Name: __________________
Title: _________________________

STATE OF OHIO,

COUNTY OF CUYAHOGA, SS:

The foregoing instrument was signed and acknowledged before me this ___ day of ________, 2026, by Donald Kolograf, the Mayor of the Village of Walton Hills, a municipal corporation of the State of Ohio, on behalf of the municipal corporation. The notarial act certified hereby is an acknowledgement. No oath or affirmation was administered to the signer with regard to the notarial act certified to hereby.

____
Notary Public

STATE OF ________,

COUNTY OF ___________, SS:

The foregoing instrument was signed and acknowledged before me this ___ day of ______________, 2026, by ____________________, the ___________________________ of [DROF WH #3 LLC], a Delaware limited liability company, on behalf of the company. The notarial act certified hereby is an acknowledgement. No oath or affirmation was administered to the signer with regard to the notarial act certified to hereby.

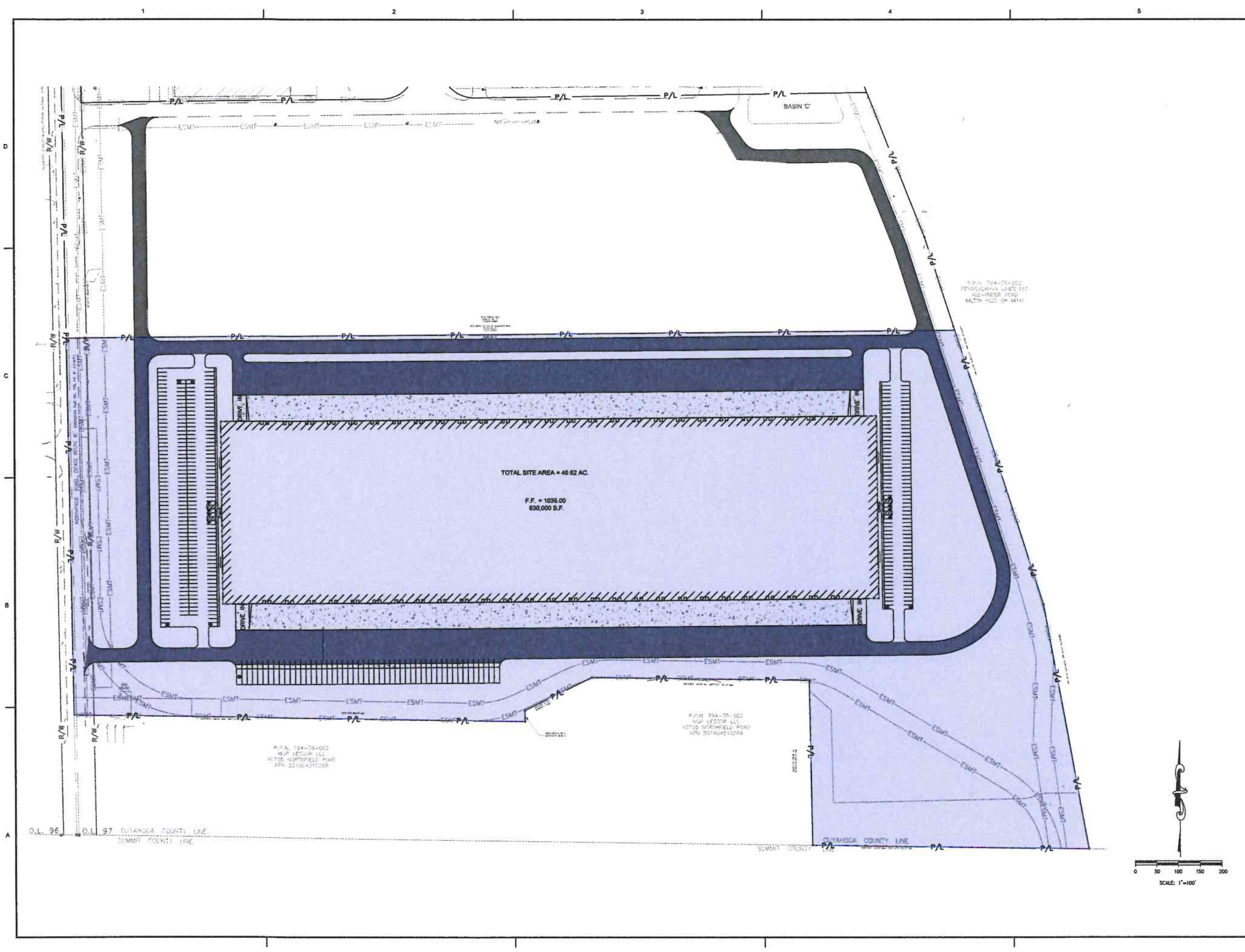
____
Notary Public

EXHIBIT A
TO COMMUNITY REINVESTMENT AREA AGREEMENT

Project Site

The Project Site is approximately 46.62 acres comprised of a portion of Cuyahoga County parcel Number 794-38-005, as listed on the Cuyahoga County Fiscal Officer's tax and duplicate listing for tax year 2026, and as described in the attached legal description and depicted on the map below:

[ATTACH PROPERTY DESCRIPTION]



ISSUED: | DATE:

NOTICE

CLIENT

INDEPENDENCE CONSTRUCTION

BRECKSVILLE, OHIO 44141

ms consultants, inc.
engineers, architects, planners
2221 Schrock Road
Columbus, Ohio 43229-1547
phone 614.898.7100
fax 614.898.7570

PROJECT

DROF 4

NORTHFIELD ROAD
VILLAGE OF WALTON HILLS,
CUYAHOGA COUNTY,
OHIO 44146

SHEET TITLE

PROPOSED CRA PARCEL

SEAL

DRAWN BY: NK

CHECKED BY: JML

PROJECT NO: 67-26639-04

SCALE: AS NOTED

DRAWING

1/1

EXHIBIT B
TO COMMUNITY REINVESTMENT AREA AGREEMENT

Application for Community Reinvestment Area Agreement

(Attached Hereto)

Village of Walton Hills
7595 Walton Road • Walton Hills Ohio, 44146
Don Kolograf, Mayor

The

APPLICATION for Community Reinvestment Area Tax Incentives between the Village of Walton Hills located in the County of Cuyahoga and DROF WH #3, LLC.

1. **Name of property owner, home or main office address, contact person, and telephone number (attach additional pages if multiple enterprise participants).**

DROF WH #3, LLC **Enterprise Name**	Matt Montecalvo **Contact Person**
5720 Independence Dr., Suite 400 Brecksville, OH 44140 **Address**	(216) 524-1700 **Telephone Number**
Cuyahoga County PPN: 79438005 **Location**	Matt Montecalvo **Contact Person**
7845 Northfield Road, Walton Hills, OH Walton Hills, OH 44146 **Address**	(216) 524-1700 **Telephone Number**

2. a. **Nature of commercial/industrial activity (manufacturing, warehousing, wholesale or retail stores, or other) to be conducted at the site.**

   Maintenance, cleaning, and sterilization of medical equipment and devices, distribution to business locations around the region, and pharmacy services.

   b. **List primary 6 digit North American Industry Classification System (NAICS) Business may list other relevant SIC numbers:** NAICS 622110, SIC 8062____

   c. **If a consolidation, what are the components of the consolidation? (must itemize the location, assets, and employment positions to be transferred:** See notes below in Section 4.

4854-0853-2948, v.1
19460019v2

d. Form of business of enterprise (corporation, partnership, proprietorship, or other).
Non-profit Corporation

3. **Name of principal owner(s) or officers of the business.**
Cleveland Clinic Foundation – William Peacock, Chief of Operations

4.

a. **State the enterprise's current employment level at the proposed project site:**

0

b. **Will the project involve the relocation of employment positions or assets from one Ohio location to another? Yes_X_ No____**

c. **If yes, state the locations from which employment positions or assets will be relocated and the location to where the employment positions or assets will be located:**

Employees from multiple Cleveland Clinic Foundation locations will be transitioning to 7845 Northfield Rd., Walton Hills, OH. Please see the mapped locations below that employees will be relocating from.

- Avon Hospital: 33300 Cleveland Clinic Blvd, Avon, OH 44011
- Lorain ASC: 5700 Cooper Foster Park Rd, Lorain, OH 44053
- Twinsburg ASC: 8701 Darrow Rd, Twinsburg, OH 44087
- Fairview Hospital: 18101 Lorain Ave, Cleveland, OH 44111
- Strongsville ASC: 16761 Southpark Center, Strongsville, OH 44136
- Beachwood ASC: 26900 Cedar Rd, Beachwood, OH 44122
- Hillcrest Hospital: 6780 Mayfield Road, Mayfield Heights, OH 44124
- Euclid Hospital: 18901 Lakeshore Blvd, Euclid, OH 44119
- Marymount Hospital: 12300 McCracken Road, Garfield Heights, Ohio 44125
- Marymount ASC: 5555 Transportation Blvd, Garfield Heights, Ohio 44125
- South Pointe Hospital: 20000 Harvard Ave, Warrensville Heights, OH 44122
- Mercy Hospital: 1320 Mercy Drive NW, Canton, OH 44708
- Union Hospital: 659 Boulevard, Dover, OH 44622
- Medina Hospital: 1000 E. Washington St., Medina, OH 44256
- Park West ASC: 1 Park West Blvd, Suite 260, Akron, OH 44320
- Cleveland Clinic Administrative Campus: 3175 Science Park Drive, Beachwood, Ohio 44122

- Mentor Hospital: 8300 Norton Parkway, Mentor, OH 44060
- Cleveland Clinic Main Campus: 9500 Euclid Ave, Cleveland, OH 44195
- Cleveland Clinic Business Operations Center: 6801 Brecksville Road, Independence, OH 44131

d. State the enterprise's current employment level in Ohio (itemized for full and part-time and permanent and temporary employees):

- Full-time: 49,180
- Part-time/PRN: 13,158
- Temporary: 1,308

e. State the enterprise's current employment level for each facility to be affected by the relocation of employment positions or assets:

- Avon Hospital: 984
- Lorain ASC: 343
- Twinsburg ASC: 505
- Fairview Hospital: 3603
- Strongsville ASC: 411
- Beachwood ASC: 579
- Hillcrest Hospital: 3259
- Euclid Hospital: 692
- Marymount Hospital: 1158
- Marymount ASC: 128
- South Pointe Hospital: 900
- Mercy Hospital: 2085
- Union Hospital: 884
- Medina Hospital: 1127
- Park West ASC: 49
- Cleveland Clinic Administrative Campus: 868
- Mentor Hospital: 370
- Cleveland Clinic Main Campus: 18022
- Cleveland Clinic Business Operations Center: 564

f. What is the projected impact of the relocation, detailing the number and type of employees and/or assets to be relocated?

The relocation will affect at least 381 employees currently working across the facilities referenced above. These numbers below reflect an estimate and may fluctuate slightly as we get closer to the targeted building go-live. A breakdown by location and employee type is provided below:

Location	Total Shift in FTEs	Full-Time	Part-Time/PRN
Avon Hospital	11	11	0
Lorain ASC	8	8	0
Twinsburg ASC	2	2	0
Fairview Hospital	20	20	0
Strongsville ASC	3	3	0
Beachwood ASC	6	6	0
Hillcrest Hospital	27	26	1
Euclid Hospital	5	5	0
Marymount Hospital	7	7	0
Marymount ASC	4	4	0
South Pointe	6	6	0
Mercy Hospital	24	22	2
Union Hospital	4	4	0
Medina Hospital	10	9	1
Park West ASC	2	1	1
Cleveland Clinic Admin Campus	114	114	0
Mentor Hospital	5	5	0
Main Campus	57	54	3
Business Operations Center	66	66	0
Totals:	**381 FTE**	**373 FTE**	**8 Part Time**

5. **Does the Property Owner owe:**
   a. **Any delinquent taxes to the State of Ohio or a political subdivision of the state?**
   Yes ___ No X

   b. **Any moneys to the State or a state agency for the administration or enforcement of any environmental laws of the State?**
   Yes ___ No X

c. **Any other moneys to the State, a state agency or a political subdivision of the State that are past due, whether the amounts owed are being contested in a court of law or not?**
Yes ___ No X

d. **If yes to any of the above, please provide details of each instance including but not limited to the location, amounts and/or case identification numbers (add additional sheets).**

6. **Project Description:**

The proposed Unified Operations Center (UOC) will be operated by Cleveland Clinic and is intended to centralize certain essential non-clinical operational functions serving the Ohio market. The facility is proposed to include, without limitation, sterile processing operations, pharmacy services, distribution functions, and centralized equipment storage and repair services.

In addition to supporting creation of at least 381 existing positions at the site, the project is expected to generate up to 145 additional jobs at the site with hiring projected from 2027 through 2035.

7. **Project will begin** _August 2026_ **and be completed** _October 2028_ **provided a tax exemption is provided.**

8.

a. **Estimate the number of new employees the property owner will cause to be created at the facility that is the project site (job creation projection must be itemized by the name of the employer, full and part-time and permanent and temporary):**

Totals below include relocated and new hires. New hires are described in more detail in the following sections.

Employee Type	Total Relocated and New Hire	Full-Time	Part-Time/PRN
Cleveland Clinic	429	412	17
3rd Party Logistics Partner	90	90	0
Sterile Equipment Processing Vendor	7	7	0
Totals:	**526**	**509**	**17**

b. State the time frame of this projected hiring:

Hiring will take place 2027 - 2035 with the majority of hiring between 2027 and 2029. Hiring beyond 2029 will be driven by organizational growth and demand.

c. State proposed schedule for hiring (itemize by full and part-time and permanent and temporary employees):

Initially, 386 employees will be employed at the site upon start-up. The remaining employees will be hired on a schedule similar to the below.

Hiring Year	Total New Hires	Full-Time	Part-Time
2027	21	18	3
2028	12	9	3
2029	6	4	2
2030	1	1	0
2031	3	3	0
2032	1	1	0
2033	1	1	0
2034	1	1	0
2035	2	1	1
Totals	**48**	**39**	**9**

9.

a. **Estimate the amount of annual payroll such new employees will add approximately (new annual payroll must be itemized by full and part-time and permanent and temporary new employees):**

This table represents the current payroll of new jobs added to the Site at the time of start-up. The next table shows additional payroll added in the years following start-up.

Location	Total Payroll	Part-Time	Full-Time
CCAC	$10,246,476	$0	$10,246,476
Avon Hospital	$597,284	$0	$597,284
Beachwood	$312,897	$0	$312,897
Business Operations Center	$5,598,379	$0	$5,598,379
Euclid Hospital	$273,469	$0	$273,469
Fairview Hospital	$1,054,546	$0	$1,054,546
Hillcrest Hospital	$1,392,145	$26,378	$1,365,767
Lorain ASC	$451,119	$0	$451,119
Main Campus	$6,418,960	$120,510	$6,298,450
Marymount Hospital	$429,320	$0	$429,320
Marymount Sport	$213,436	$0	$213,436
Medina Hospital	$502,411	$26,378	$476,033
Mentor Hospital	$277,111	$0	$277,111
Mercy Hospital	$1,197,692	$52,756	$1,144,935
Park West ASC	$79,134	$26,378	$52,756
South Pointe	$323,815	$0	$323,815
Strongsville ASC	$158,269	$0	$158,269
Twinsburg ASC	$118,841	$0	$118,841
Union Hospital	$206,197	$0	$206,197
Totals:	**$29,851,385**	**$250,400**	**$29,600,985**

Year	Total Payroll	Part-Time	Full-Time
2027	$1,483,200	$145,230	$1,337,970
2028	$935,713	$124,125	$811,588
2029	$505,386	$102,169	$403,216
2030	$52,898	$0	$52,898
2031	$321,118	$0	$321,118
2032	$56,120	$0	$56,120
2033	$166,032	$0	$166,032
2034	$57,804	$0	$57,804
2035	$142,554	$83,016	$59,538
Totals:	**$3,720,825**	**$454,540**	**$3,266,285**

b. **Indicate separately the amount of existing annual payroll relating to any job retention claim resulting from the project:**

10. **An estimate of the amount to be invested by the enterprise to establish, expand, renovate or occupy a facility:**

A.	**Acquisition of Buildings:**	$ NA
B.	**Additions/New Construction:**	$ 40,000,000
C.	**Improvements to existing buildings:**	$ 40,000,000
D.	**Machinery & Equipment:**	$ 37,000,000
E.	**Furniture & Fixtures:**	$ NA
F.	**Inventory:**	$ 25,000,000 (supplies & instrumentation)
Total New Project Investment:		$ 142,000,000

11.

a. **Business requests the following tax exemption incentives:** 75% **for** 15 **years covering real** property improvements **as described above. Be specific as to the rate, and term.**

b. **Business's reasons for requesting tax incentives (be quantitatively specific as possible)**

The proposed Walton Hills Unified Operations Center represents an over $100,000,000 investment toward the development of a world class operations center for the Cleveland Clinic in Northeast Ohio.

This project represents a major investment to consolidate operations to reduce operating costs while upgrading its operations with technological advances in healthcare today and in the future. Cleveland Clinic, and its service providers, plan to develop an advanced technology operations center which set the standard for healthcare automation and be a magnate for other healthcare institutions, worldwide, to visit and witness firsthand, what leading edge healthcare services looks like.

This Walton Hills site attracted Cleveland Clinic's attention because it was shovel ready, well located within its hospital service area and just as importantly, the site offers an opportunity to reduce operating expenses in the form of real estate tax abatement. This abatement is a significant cost reduction factor and a major factor in determining the appropriateness of this site for its operations.

We appreciate the City's review of the application and answering any questions that may facilitate this request.

Village of Walton Hills
7595 Walton Road • Walton Hills Ohio, 44146
Don Kolograf, Mayor

Submission of this application expressly authorizes Village of Walton Hills to contact the Ohio Environmental Protection Agency to confirm statements contained within this application including item # 5 and to review applicable confidential records. As part of this application, the property owner may also be required to directly request from the Ohio Department of Taxation, or complete a waiver form allowing the Department of Taxation to release specific tax records to the local jurisdiction considering the request.

The Applicant agrees to supply additional information upon request.

The Applicant affirmatively covenants that the information contained in and submitted with this application is complete and correct and is aware of the ORC Sections 9.66(C) (1) and 2921.13(D) (1) penalties for falsification which could result in the forfeiture of all current and future economic development assistance benefits as well as a fine of not more than $1,000 and/or a term of imprisonment of not more than six months.

DROF WH #3, LLC	6-8-26
Name of Property Owner	Date
	TJ Asher / Member
Signature	Typed Name and Title

* A copy of this proposal must be forwarded by the local governments to the affected Board of Education along with notice of the meeting date on which the local government will review the proposal. Notice must be given a minimum of fourteen (14) days prior to the scheduled meeting to permit the Board of Education to appear and/or comment before the legislative authorities considering the request.

** Attach to Final Community Reinvestment Area Agreement as Exhibit A

Please note that copies of this proposal must be included in the finalized Community Reinvestment Area Agreement and be forwarded to the Ohio Department of Taxation and the Ohio Development Services Agency within fifteen (15) days of final approval.

EXHIBIT C.1
TO COMMUNITY REINVESTMENT AREA AGREEMENT

Form of Assignment and Assumption Agreement – Developer Transferee

PARTIAL ASSIGNMENT AND ASSUMPTION AGREEMENT

This PARTIAL ASSIGNMENT AND ASSUMPTION AGREEMENT (the "Agreement") is made and entered into by and between the Village of Walton Hills, Ohio (the "Village"), a municipal corporation and political subdivision of the State of Ohio, through the Village of Walton Hills Village Council (the "Council"); ______________________, a ______________________ (the "Company") and ___________________________________, a __________________________ (the "Successor"). Except as otherwise provided herein, capitalized terms used herein shall have the same meanings as in the Community Reinvestment Area Agreement between DROF WH #3, LLC, a Delaware limited liability company (the "Developer"), and the Village, dated __________ (the "CRA Agreement," a copy of which is attached hereto as Exhibit A and incorporated herein).

WITNESSETH:

WHEREAS, the Village, by Resolution No. 2011-20, adopted by the Council on October 18, 2011 (the "Original CRA Ordinance"), as amended by Ordinance No. 2012-21, adopted by the Council on October 16, 2012, as further amended by Ordinance No. 2016-2, adopted by the Council on January 19, 2016, and as further amended by Ordinance No. 2016-5, adopted by the Council on March 15, 2016, created the Village of Walton Hills Community Reinvestment Area (the "CRA") pursuant to Ohio Revised Code ("R.C.") Sections 3735.65 through 3735.70 (the "CRA Act"), and authorized a real property tax exemption for the construction of new structures and the remodeling of existing structures in the CRA in accordance with the CRA Act; and

WHEREAS, on _______________, 2026 the Company and the Village entered into the CRA Agreement, concerning the improvement and build out of an existing approximately [___] square foot state-of-the-art assembly and production facility with related site improvements, at the Project Site as defined in the CRA Agreement (as particularly described in Exhibit A to the CRA Agreement); and

WHEREAS, by virtue of that certain ______________________ dated as of ______________, 20__ (the "Transfer Instrument"), a copy of which is attached hereto as Exhibit B, the Successor has succeeded on ________________, 20__ (the "Transfer Date") to the interest of the Company (or a successor to the Company) in all or part of the Project Site or a Building at the Project Site (such transferred property may be referred to hereinafter as the "Transferred Property"); the Transferred Property acquired or leased by the Successor is identified in the Transfer Instrument; and

WHEREAS, the Successor wishes to obtain the benefits of the CRA Agreement, and, as agreed in the CRA Agreement, the Village is willing to make these benefits available to the

Successor on the terms set forth in the CRA Agreement as long as the Successor executes this Agreement [and the Developer acknowledges its continued obligations under the CRA Agreement NOTE: the preceding language should be included only if Developer continues to own property at the Project Site].

NOW, THEREFORE, in consideration of the circumstances described above, the covenants contained in the CRA Agreement, and the benefit to be derived by the Successor from the execution hereof, the parties hereto agree as follows:

1. From and after the Transfer Date, the Company hereby assigns (a) all of the obligations, agreements, covenants and restrictions set forth in the CRA Agreement to be performed and observed by Company with respect to the Transferred Property, and (b) all of the benefits of the CRA Agreement with respect to the Transferred Property. From and after the Transfer Date, the Successor hereby (i) agrees to be bound by, assume and perform, or ensure the performance of, all of the obligations, agreements, covenants and restrictions set forth in the CRA Agreement to be performed and observed by the Company with respect to the Transferred Property; and (ii) certifies to the validity, as to the Successor as of the date of this Agreement, of all of the representations, warranties and covenants made by or required of the Company that are contained in the CRA Agreement. Such obligations, agreements, covenants, restrictions, representations, and warranties include, but are not limited to, those contained in the following Sections of the CRA Agreement: Section 1 ("Project"), Section 4 ("Employee Positions"), Section 5 ("Provision of Information"), Section 7 ("Application for Exemption"), Section 8 ("Payment of Non-Exempt Taxes"), Section 11 ("Certification as to No Delinquent Taxes"), Section 14 ("Non-Discriminatory Hiring"), Section 19 ("Validity"), and Section 22 ("R.C. Section 9.66 Covenants").

2. The Successor further certifies that, as required by R.C. Section 3735.671(C), (i) the Successor is not a party to a prior agreement granting an exemption from taxation for a structure in Ohio, at which structure the Successor has discontinued operations prior to the expiration of the term of that prior agreement and within the three (3) years immediately prior to the date of this Agreement, (ii) nor is Successor a "successor" to, nor "related member" of, a party as described in the foregoing clause (i). As used in this paragraph, the terms "successor" and "related member" have the meaning as prescribed in R.C. Section 3735.671(C).

3. The Village agrees that as to the Transferred Property the Successor has and shall have all entitlements and rights to tax exemptions, and obligations, as both (a) "Owner" under the CRA Agreement, and (b) in the same manner and with like effect as if the Successor had been an original signatory (i.e., the Owner) to the CRA Agreement.

4. Notices to the Successor with respect to the CRA Agreement shall be given as stated in Section 21 thereof, addressed as follows:

____
____
____
Phone: __________________
Fax: ____________________

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives to be effective as of ________________.

THE VILLAGE OF WALTON HILLS, CUYAHOGA COUNTY, OHIO

By:____________________________________

Print Name: ______________________________

Title:___________________________________

By Ordinance No. _______________ dated ___________, 20__
Verified and Certified:

APPROVED AS TO FORM:

____

____

COMPANY

_____________, a ____________

By:____________________________________

Print Name: ______________________________

Title:___________________________________

SUCCESSOR

____

By:____________________________________

Print Name: ______________________________

Title:___________________________________

ACKNOWLEDGMENT OF DEVELOPER

The Developer (as defined in the CRA Agreement) hereby confirms its obligations under the CRA Agreement and hereby (i) agrees to be bound by, assume and perform, or ensure the performance of, all of the obligations, agreements, covenants and restrictions set forth in the CRA Agreement to be performed and observed by the Developer (except to the extent to which such obligations, agreements, covenants, and restrictions are expressly assumed by the Successor and related to any Transferred Property); and (ii) certifies to the validity, as to the Developer as of the date of this Agreement, of all of the representations, warranties and covenants made by or required of the Developer that are contained in the CRA Agreement.

[DEVELOPER]

By:___________________________
Print Name: ___________________
Title: _________________________

<u>EXHIBIT A</u>
<u>TO ASSIGNMENT AND ASSUMPTION AGREEMENT</u>

Copy of CRA Agreement

(attached hereto)

<u>EXHIBIT B</u>
<u>TO ASSIGNMENT AND ASSUMPTION AGREEMENT</u>

Copy of Instrument Conveying the Transferred Property

(attached hereto)

EXHIBIT C.2
TO COMMUNITY REINVESTMENT AREA AGREEMENT

Form of Assignment and Assumption Agreement – Third Party Transferee

PARTIAL ASSIGNMENT AND ASSUMPTION AGREEMENT

This PARTIAL ASSIGNMENT AND ASSUMPTION AGREEMENT (the "Agreement") is made and entered into by and between the Village of Walton Hills (the "Village"), a political subdivision of the State of Ohio, through the Village of Walton Hills Village Council (the "Council"); ____________________, a ________________ (the "Company") and ____________________________________, a ____________________ (the "Successor"). Except as otherwise provided herein, capitalized terms used herein shall have the same meanings as in the Community Reinvestment Area Agreement between DROF WH #3, LLC, a Delaware limited liability company ("Developer") and the Village, made effective ______________, 2026 (the "CRA Agreement,") a copy of which is attached hereto as Exhibit A and incorporated herein.

WITNESSETH:

WHEREAS, the Village, by Resolution No. 2011-20, adopted by the Council on October 18, 2011 (the "Original CRA Ordinance"), as amended by Ordinance No. 2012-21, adopted by the Council on October 16, 2012, as further amended by Ordinance No. 2016-2, adopted by the Council on January 19, 2016, and as further amended by Ordinance No. 2016-5, adopted by the Council on March 15, 2016 created the Village of Walton Hills Community Reinvestment Area (the "CRA") pursuant to Ohio Revised Code ("R.C.") Sections 3735.65 through 3735.70 (the "CRA Act"), and authorized a real property tax exemption for the construction of new structures and the remodeling of existing structures in the CRA in accordance with the CRA Act; and

WHEREAS, on ______________, the Developer and the Village entered into the CRA Agreement, concerning the improvement and build out of an existing approximately [___] square foot state-of-the-art assembly and production facility with related site improvements, at the Project Site as defined in the CRA Agreement (as particularly described in Exhibit A to the CRA Agreement); and

WHEREAS, by virtue of that certain ______________________ dated as of _____________, 20__, the Company succeeded on ________________, 20__ to the interest of the Developer in and to that certain portion of the Project Site hereinafter defined as the Transferred Property; and

WHEREAS, by virtue of that certain Partial Assignment and Assumption Agreement dated as of _____________, 20__ (the "Initial Assignment"), a copy of which is attached hereto as Exhibit B and incorporated herein, the Company succeeded on the Transfer Date to the interest of Developer in and to the CRA Agreement with respect to the Transferred Property;

WHEREAS, by virtue of that certain ____________________ dated as of ____________, 20__ (the "Transfer Instrument")[A MEMORANDUM OF GROUND LEASE SHALL BE SUFFICIENT TRANSFER INSTRUMENT IN DOCUMENTING AN ASSIGNMENT TO A GROUND TENANT], a copy of which is attached hereto as Exhibit C and incorporated herein, the Successor has succeeded on ______________, 20__ (the "Transfer Date") to the interest of the Company (or a successor to the Company) in all or part of the Project Site or a Building at the Project Site (such transferred property may be referred to hereinafter as the "Transferred Property"); the Transferred Property acquired by the Successor is identified in the Transfer Instrument; and

WHEREAS, the Successor wishes to obtain the benefits of the CRA Agreement, and, as agreed in the CRA Agreement, the Village is willing to make these benefits available to the Successor on the terms set forth in the CRA Agreement as long as the Successor executes this Agreement [and the Developer acknowledges its continued obligations under the CRA Agreement NOTE: the preceding language should be included only if Developer continues to own property at the Project Site].

NOW, THEREFORE, in consideration of the circumstances described above, the covenants contained in the CRA Agreement, and the benefit to be derived by the Successor from the execution hereof, the parties hereto agree as follows:

1. From and after the Transfer Date, the Company hereby assigns (a) all of the obligations, agreements, covenants and restrictions set forth in the CRA Agreement to be performed and observed by Owners with respect to the Transferred Property, and (b) all of the benefits of the CRA Agreement with respect to the Transferred Property. From and after the Transfer Date, the Successor hereby (i) agrees to be bound by, assume and perform, or ensure the performance of, all of the obligations, agreements, covenants and restrictions set forth in the CRA Agreement to be performed and observed by the Owners with respect to the Transferred Property; and (ii) certifies to the validity, as to the Successor as of the date of this Agreement, of all of the representations, warranties and covenants made by or required of the Owners that are contained in the CRA Agreement. Such obligations, agreements, covenants, restrictions, representations, and warranties include, but are not limited to, those contained in the following Sections of the CRA Agreement: Section 1 ("Project"), Section 4 ("Employee Positions"), Section 5 ("Provision of Information"), Section 7 ("Application for Exemption"), Section 8 ("Payment of Non-Exempt Taxes"), Section 11 ("Certification as to No Delinquent Taxes"), Section 14 ("Non-Discriminatory Hiring"), Section 19 ("Validity"), and Section 22 ("R.C. Section 9.66 Covenants").

2. The Village acknowledges through the Transfer Date that the CRA Agreement is in full force and effect [the following portion will be included if the facts support it][, confirms that the Company has complied with the CRA Agreement with regard to the Transferred Property,] and releases the Company from liability for any defaults occurring after the Transfer Date with regard to the Transferred Property.

3. The Successor further certifies that, as required by R.C. Section 3735.671(C), (i) the Successor is not a party to a prior agreement granting an exemption from taxation for a structure in Ohio, at which structure the Successor has discontinued operations prior to the expiration of the

term of that prior agreement and within the three (3) years immediately prior to the date of this Agreement, (ii) nor is Successor a "successor" to, nor "related member" of, a party as described in the foregoing clause (i). As used in this paragraph, the terms "successor" and "related member" have the meaning as prescribed in R.C. Section 3735.671(C).

4. The Village agrees that as to the Transferred Property the Successor has and shall have all entitlements and rights to tax exemptions, and obligations, as both (a) an "Owner" under the CRA Agreement, and (b) in the same manner and with like effect as if the Successor had been an original signatory (i.e., the Developer) to the CRA Agreement.

5. Notices to the Successor with respect to the CRA Agreement shall be given as stated in Section 21 thereof, addressed as follows:

____
____
____
Phone: ____________________
Fax: ______________________

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives to be effective as of _________________.

THE VILLAGE OF WALTON HILLS, CUYAHOGA COUNTY, OHIO

By:_______________________________________

Print Name: ______________________________

Title:_____________________________________

By Ordinance No. ________________ dated ___________, 20__
Verified and Certified:

APPROVED AS TO FORM:

____

____

COMPANY

_____________, a ____________

By:_______________________________________

Print Name: ______________________________

Title:_____________________________________

SUCCESSOR

____

By:_______________________________________

Print Name: ______________________________

Title:_____________________________________

ACKNOWLEDGMENT OF DEVELOPER

The Developer (as defined in the CRA Agreement) hereby confirms its obligations under the CRA Agreement and hereby (i) agrees to be bound by, assume and perform, or ensure the performance of, all of the obligations, agreements, covenants and restrictions set forth in the CRA Agreement to be performed and observed by the Developer (except to the extent to which such obligations, agreements, covenants, and restrictions are expressly assumed by the Successor and related to any Transferred Property); and (ii) certifies to the validity, as to the Developer as of the date of this Agreement, of all of the representations, warranties and covenants made by or required of the Developer that are contained in the CRA Agreement.

[ ]

By:__________________________
Print Name: ____________________
Title: __________________________

<u>EXHIBIT A</u>
<u>TO ASSIGNMENT AND ASSUMPTION AGREEMENT</u>

Copy of CRA Agreement

(attached hereto)

<u>EXHIBIT B</u>
<u>TO ASSIGNMENT AND ASSUMPTION AGREEMENT</u>

Copy of the Initial Assignment

(attached hereto)

<u>EXHIBIT C</u>
<u>TO ASSIGNMENT AND ASSUMPTION AGREEMENT</u>

Copy of Instrument Conveying the Transferred Property

(attached hereto)