

VILLAGE OF OAKWOOD

COUNCIL MEETING – SPECIAL MEETING

AUGUST 9, 2021

6:00 p.m.

AGENDA

Pursuant to Section 7.09 of the Charter of the Village of Oakwood, the Mayor is hereby calling a Special Meeting of the Village Council to consider the following items:

1. Call Meeting to Order

2. Pledge of Allegiance

3. Roll Call

Council President	Johnnie A. Warren	Mayor	Gary V. Gottschalk
Council-At-Large	Elaine Y. Gaither	Law Director	James Climer
Ward 1 Councilman	Chris C. Callender	Finance Director	Brian L. Thompson
Ward 2 Councilperson	Eloise Hardin	Service Director	Tom Haba
Ward 3 Councilperson	Melanie Sanders	Chief of Fire	Jim Schade
Ward 4 Councilperson	Patricia Rogers	Police Chief	Mark Garratt
Ward 5 Councilperson	Candace S. Williams	Building Inspector	Daniel Marinucci
		Housing Inspector	N/A
		Engineer	Ed Hren
		Recreation Director	

ORD 2021-50
Introduced 8-9-2021
by Mayor & Council
as a whole
1st Reading

AN ORDINANCE AUTHORIZING THE MAYOR TO ENTER INTO A COMMUNITY REINVESTMENT AREA AGREEMENT WITH OAKWOOD CENTER, LLC AND DECLARING AN EMERGENCY

ORD 2021-51
Introduced 8-9-2021
by Mayor & Council
as a whole
1st Reading

AN EMERGENCY ORDINANCE AUTHORIZING ACCEPTANCE OF THE RECOMMENDATION TO APPROVE THE ONEOHIO OPIOID SETTLEMENT AND ENTER INTO THE PARTICIPATION AGREEMENT WITH OPIOID DISTRIBUTORS AMERISOURCEBERGEN, MCKESSON, AND CARDINAL HEALTH

Adjournment

ORDINANCE NO. 2021 – 50

INTRODUCED BY MAYOR AND COUNCIL AS A WHOLE

AN ORDINANCE AUTHORIZING THE MAYOR TO ENTER INTO A COMMUNITY REINVESTMENT AREA AGREEMENT WITH OAKWOOD CENTER, LLC AND DECLARING AN EMERGENCY

WHEREAS, the Village Oakwood and the Oakwood Center, LLC (hereinafter “LLC”) have previously entered into a Project Development Agreement (hereinafter “PDA”) on or about February 18, 2021 for development of certain real property for use by Interstate-McBee, LLC which PDA calls for the extension of certain incentives under Oakwood’s Community Reinvestment Area No. 1; and,

WHEREAS, LLC believes it to be necessary to enter into a separate Community Reinvestment Area Agreement (hereinafter “Agreement”) for submission to the Ohio Development Services Agency and other governmental agencies; and,

WHEREAS, the Agreement does not alter but restates and supplements the PDA; and,

WHEREAS, time is of the essence as the Agreement must be in place before construction of the said project contemplated in the PDA begins and LLC is prepared to begin construction in September 2021;

NOW THEREFORE, BE IT RESOLVED by the Council of the Village of Oakwood, County of Cuyahoga, and State of Ohio that:

SECTION 1. The Mayor be and is hereby authorized to enter the Agreement substantially in the form attached hereto and incorporated herein as Exhibit "1".

SECTION 2. This Ordinance is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, health, safety and welfare of the inhabitants of the Village, the reason for the emergency being that the foregoing Agreement is required before the commencement in September 2021 of construction of the foregoing project which is deemed to be highly beneficial to the Village and its citizens, provided it receives two-thirds (2/3) of the vote of all members of Council elected thereto, said Ordinance shall be in full force and effect immediately upon its adoption by this Council and approval by the Mayor, otherwise from and after the earliest period allowed by law.

PASSED: _____

Johnnie A. Warren, President of Council

Dionna Hammett, Interim Clerk of Council

Presented to the
Mayor _____

Approved: _____

Mayor, Gary V. Gottschalk

I, Dionna Hammett, Interim Clerk of Council of the Village of Oakwood, County of Cuyahoga and State of Ohio, do hereby certify that the foregoing Ordinance No. 2021 - 50 was duly and regularly passed by this Council at the meeting held on the _____ day of _____, 2021.

Dionna Hammett, Interim Clerk of Council

POSTING CERTIFICATE

I, Dionna Hammett, Interim Clerk of Council of the Village of Oakwood, County of Cuyahoga and State of Ohio, do hereby certify that Ordinance No. 2021 - 50 was duly posted on the _____ day of _____, 2021, and will remain posted for a period of fifteen (15) days thereafter in the Council Chambers in the locations and manner provided in the Village Charter.

Dionna Hammett, Interim Clerk of Council

DATED: _____

Exhibit 1

COMMUNITY REINVESTMENT AREA AGREEMENT

This Community Reinvestment Area Agreement (“Agreement”) is made and entered into as of this ____ day of _____, 2021 by and between the **Village of Oakwood**, Ohio, a municipal corporation, with its main office located at 24800 Broadway Avenue, Oakwood Village, OH 44146 (the “Village”), and **Oakwood Center, LLC**, an Ohio limited liability company (“Oakwood Center”), with its main offices located at 5300 Lakeside Avenue, Cleveland, OH 44114.

WITNESSETH

WHEREAS, to encourage the development of real property and the acquisition of personal property, the Village has established a Community Reinvestment Area (the “Investment Area”) pursuant to Chapter 3735 of the Ohio Revised, which is further evidenced by Ordinance No. 2019-09 adopted on January 22, 2019 by the Village’s Council;

WHEREAS, effective March 8, 2019, the Director of Development of the State of Ohio determined that Investment Area designated in said Ordinance No. 2019-09 contained the characteristics set forth in Section 3735.66 of the Ohio Revised Code and confirmed said area as a Community Reinvestment Area under said Chapter 3735;

WHEREAS, Oakwood Center desires to purchase approximately thirty (30) acres of land, as hereinafter set forth, to construct a new two-hundred thousand (200,000) square foot facility comprised of modern corporate offices and a state-of-the-art warehouse (hereinafter referred to as the “Project”);

WHEREAS, the Project will be developed within the boundaries of the Investment Area;

WHEREAS, McBee Supply Corporation, an Ohio corporation (“McBee”), is an affiliate of Oakwood Center and will function as the primary tenant of the Project site;

WHEREAS, to support the economic viability of the Project, Oakwood Center desires development incentives from the Village;

WHEREAS, the Village desires to provide Oakwood Center with incentives available for the development of the Project in accordance with Chapter 3735 of the Ohio Revised Code;

WHEREAS, Oakwood Center submitted a Community Investment Area Application (the “Application”) to the Village on or around _____, a copy of which is attached hereto as **Exhibit B** and incorporated herein.

WHEREAS, in connection with the Application, Oakwood Center has remitted the required application fee of \$750.00 to the Ohio Department of Development, and the Ohio Department of Development has been given a copy of the Application;

WHEREAS, the Village has thoroughly investigated Oakwood Center’s Application and has recommended that the same be approved by the Village’s Council on the basis that Oakwood Center is qualified to create, or cause to be created, and preserve employment opportunities in the Investment Area, and will improve the economic climate of the Village;

WHEREAS, the Project’s site is located in the Bedford City School District (the “School District”);

WHEREAS, the School District’s Board of Education (the “Board of Education”) has been notified of the Project, in accordance with Section 5709.83 of the Ohio Revised Code, and has been given a copy of the Application; and

WHEREAS, pursuant to Section 3735.67(A) of the Ohio Revised Code, and in conformance with the format required under Section 3735.671(B) of the Ohio Revised Code, the parties hereto desire to set forth their agreement with respect to matters hereinafter contained;

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

1. Oakwood Center shall purchase approximately thirty (30) acres of land, said land being located at 7400 Oakleaf Road, Oakwood Village, OH 44146 and known as PPN#s 795-49-010, 795-50-013, 795-50-014, 795-15-048, 795-50-011, 795-50-012, 795-49-005, 795-49-006, and 795-49-007, which is more particularly described on **Exhibit A** attached hereto and incorporated herein (the “Property”). Oakwood Center shall use the Property to develop the Project, which shall consist of modern corporate offices and a state-of-the-art warehouse (the “Facility”) to accommodate McBee’s business operations.

Oakwood Center shall, or shall cause the purchase and installation of new machinery and equipment in the Facility, including, but not limited to lift tables, racking, and a conveyor system.

The Project shall involve a total investment by Oakwood Center, and its affiliates, of approximately Twenty-Two Million Dollars (\$22,000,000) by 2029, plus or minus ten percent (10%) (the “Investment”). Included in the Investment is Twenty Million Dollars (\$20,000,000)

for Oakwood Center’s construction of the initial 200,000 square foot facility, One Million Dollars (\$1,000,000) to purchase machinery and equipment, and One Million Dollars (\$1,000,000) to furnish the facility, among other costs.

As of the date of this Agreement, the Project will commence on or around January 1, 2022, with the anticipated completion date by December 31, 2023.

2. Oakwood Center shall, or shall cause the creation, within a time period not exceeding five (5) years after the commencement of construction of the Facility, the equivalent of thirty (30) new full-time permanent job opportunities subject to payroll taxation by the Village (the “New Jobs”). The New Jobs will be in place by December 31, 2025.

In total, Oakwood Center and its affiliates has Two Hundred Seventy-Two (272) full-time permanent employees, part-time permanent employees, full-time temporary employees, and part-time temporary employees in the State of Ohio (the “Existing Jobs”).

This New Jobs will result in approximately Nine Hundred Fifty Thousand Dollars (\$950,000) of additional annual payroll for Oakwood Center and its affiliates for new full-time permanent jobs. The retention of Existing Jobs will maintain the current annual payroll of Twelve Million Eight Hundred Thirty-Six Thousand Three Hundred Fifty-Six Dollars (\$12,836,356).

3. The Village hereby grants Oakwood Center a tax exemption for real property improvements made on the Property for the Project, pursuant to Section 3735.67 of the Ohio Revised Code, which shall be in the following amounts:

Exemption Term	10 Years	Percentage of Exemption	75%
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The exemption commences the first year for which the exemption would first be taxable were that property not exempted from taxation. No exemption shall commence after December 31, 2024 nor extend beyond December 31, 2035.

4. Oakwood Center shall pay real property taxes as are not exempted under this Agreement and are charged against such property and shall file all tax reports and returns as required by law. If Oakwood Center fails to pay such taxes or file such returns and reports, all incentives granted under this Agreement are rescinded beginning with the year for which such taxes are charged or such reports or returns are required to be filed and thereafter.

5. Oakwood Center hereby certifies that at the time this Agreement is executed, Oakwood Center does not owe any delinquent real or tangible personal property taxes to any taxing authority of the State of Ohio, and does not owe delinquent taxes for which Oakwood Center is liable under Chapter 5733., 5735., 5739., 5741., 5743., 5747., or 5753. of the Revised Code, or, if such delinquent taxes are owed, Oakwood Center currently is paying the delinquent taxes pursuant to an undertaking enforceable by the State of Ohio or an agent or instrumentality thereof, has filed a petition in bankruptcy under 11 U.S.C.A. 101, et seq., or such a petition has been filed against Oakwood Center. For the purposes of the certification, delinquent taxes are

taxes that remain unpaid on the latest day prescribed for payment without penalty under the chapter of the Revised Code governing payment of those taxes.

6. The Village shall perform such acts as are reasonably necessary or appropriate to effect, claim, reserve, and maintain 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.

7. If for any reason the Investment Area designation expires, the Director of the Ohio Department of Development revokes certification of the Investment Area, or the Village revokes the designation of the Investment Area, entitlements granted under this Agreement shall continue for the number of years specified under this Agreement, unless Oakwood Center materially fails to fulfill its obligations under this Agreement and the Village terminates or modifies the exemptions from taxation granted under this Agreement.

8. If Oakwood Center materially fails to fulfill its obligations under this Agreement, or if the Village determines that the certification as to delinquent taxes required by this Agreement is fraudulent, the Village may terminate or modify the exemptions from taxation granted under this Agreement and may require the repayment of the amount of taxes that would have been payable had the property not been exempted from taxation under this Agreement.

9. Oakwood Center shall provide to the proper Tax Incentive Review Council (the "Council") any information reasonably required by the Council to evaluate its compliance with the Agreement, including returns filed pursuant to section 5711.02 of the Ohio Revised Code if requested by the Council.

10. In lieu of the fee stipulated by Section 3735.671(B) of the Ohio Revised Code, Oakwood Center has agreed to pay, pursuant to that certain Project Development Agreement between Oakwood Center and the Village dated February 18, 2021 (the "Development Agreement"), certain additional amounts to the Village and other organizations as set forth in said Development Agreement (the "Alternative Fees"). The Alternative Fees shall be paid solely in accordance with the terms of the Development Agreement. For the avoidance of doubt, this Agreement is intended to supplement, not supplant, the Development Agreement, and in the event of conflict, the terms of said Development Agreement shall govern.

11. Oakwood Center and the Village acknowledge that this Agreement must be approved by formal action of the legislative authority of the Village as a condition for the Agreement to take effect.

12. Exemptions from taxation granted under this Agreement shall be revoked if it is determined that Oakwood Center, any successor property owner, or any related member (as those terms are defined in Section 3735.671 of the Ohio Revised Code) has violated the prohibition against entering into this Agreement under Division (E) of Section 3735.671, Section 5709.62, or Section 5709.63 of the Ohio Revised Code prior to the time prescribed by that division or either of those sections.

13. Oakwood Center affirmatively covenants that it has made no false statements to the State or local political subdivisions in the process of obtaining approval of the incentives provided for herein. If any representative of Oakwood Center has knowingly made a false statement to the State of Ohio, the Village, or any other governmental authority to obtain the incentives provided for herein, Oakwood Center shall be required to immediately return all benefits received under this Agreement pursuant Section 9.66(C)(2) of the Ohio Revised Code and shall be ineligible for any future economic development assistance from the State of Ohio, the Village, any state agency or a political subdivision pursuant to Section 9.66(C)(1) of the Ohio Revised Code. 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 Section 2921.13(D)(1) of the Ohio Revised Code, which is punishable by a fine of not more than \$1,000 and/or a term of imprisonment of not more than six months.

14. This agreement is not transferable or assignable without the express, written approval of the Village.

15. Except as otherwise provided herein, any statement, notice, or other communication that any party hereto may desire or be required to give to any other party hereto shall be deemed sufficiently given or rendered if hand delivered or if sent by nationally recognized overnight delivery service or by registered or certified mail, return receipt requested, addressed to the respective addresses first written above. Notice shall be effective when the same is given, if hand delivered, or one (1) day after sending, if sent by nationally recognized overnight delivery service, or upon the first attempted delivery if sent by registered or certified mail, return receipt requested.

16. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which shall constitute one instrument. A facsimile, PDF or other electronic signature of either party on any counterpart may be relied upon as an original signature.

[Remainder of page left blank; signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written hereinabove.

Approved as to form:

Village of Oakwood,
an Ohio municipal corporation

Village of Oakwood, Law Director

Mayor Gary V. Gottschalk

Oakwood Center, LLC,
an Ohio limited liability company

Brad Buescher, Treasurer

EXHIBIT A

Parcels 795-49-005, 795-49-006, and 795-49-007

PARCEL 1:

Situated in the Village of Oakwood, County of Cuyahoga and State of Ohio, and known as being all of Sublot No. 7 in the J.F. Shaffer One Acre Farms Subdivision of part of Original Bedford Township Lots Nos. 76 and 87 as shown by the recorded plat in Volume 53 of Maps, Page 30 of Cuyahoga County Records, and being 100 feet front on a private drive (20 feet wide), and extending back of equal width 392.56 feet, measured from the Northerly line of said private drive, as appears by said plat. (Parcel No. 795-49-005)

PARCEL 2:

Situated in the Village of Oakwood, County of Cuyahoga and State of Ohio, and known as the Easterly one-half of Sublot No. 6 in J.F. Shaffer' s One Acre Farms Subdivision of part of Original Bedford Township Lots Nos. 76 and 87, as shown by the recorded plat in Volume 53 of Maps, Page 30 of Cuyahoga County Records, and being 50 feet front on a private drive, 20 feet wide, and extending back of equal width 392.56 feet, measured from the Northerly line of said private drive, as appears by said plat. (Parcel No. 795-49-006)

PARCEL 3:

Situated in the Village of Oakwood, County of Cuyahoga and State of Ohio, and known as being the Westerly 50 feet of Sublot No. 6 in the J.F. Shaffer' s One Acre Farms Subdivision of part of Original Bedford Township Lots Nos. 76 and 87, as shown by the recorded plat in Volume 53 of Maps, Page 30 of Cuyahoga County Records and being 50 feet front on a private drive, 20 feet wide, and extending back of equal width 392.56 feet, measured from the Northerly line of said drive, as appears by said plat, be the same more or less, but subject to all legal highways. (Parcel No. 795-49-007)

Parcel 795-50-011

Situated in the Village of Oakwood, County of Cuyahoga and State of Ohio and known as being Sublot No. 22 in J.F. Shaffer' s One Acre Farms Subdivision of part of Original Bedford Township Lots Nos. 76 and 87, as shown by the recorded plat in Volume 53 of Maps, Page 30 of Cuyahoga County Records, as appears by said plat, be the same more or less, but subject to all legal highways. Excepting therefrom that portion dedicated for North Lane Road in Volume 251 of Maps, Page 44 of Cuyahoga County Records

Parcel 795-50-012

Situated in the Township of Bedford, County of Cuyahoga and State of Ohio and known as being Sublot No. 23 in J.F. Shaffer' s One Acre Farms Subdivision of part of Original Bedford

Township Lot Nos. 76 and 87, as shown by the recorded plat in Volume 53 of Maps, Page 30 of Cuyahoga County Records and being 100 feet front on North Lane (60 feet wide) and extending back of equal width 392.56 feet, measured from North Lane, as appears by said plat. Excepting therefrom that parcel of land conveyed to the State of Ohio by deed dated December 26, 1962 and recorded in Volume 10659, Page 407 of Cuyahoga County Records. And excepting therefrom that portion dedicated for North Lane Road in Volume 251 of Maps, Page 44 of Cuyahoga County Records.

Parcels 795-49-010, 795-50-013, 795-50-014, 795-15-048

Parcel No. 1:

Situated in the Village at Oakwood, County of Cuyahoga and State of Ohio and known as being parts of Original Bedford Township Lots Nos. 87 and 88, bounded and described as follows:

BEGINNING at a point in the Easterly line of the 100 foot wide right-of-way of The Cleveland and Pittsburgh Railroad Company, at the Southwesterly corner of the parcel of land containing 2.455 acres, more or less, which has been conveyed by Manor Real Estate Company to said Railroad Company by Deed dated August 2, 1966, and recorded in the Office for the Recording of Deeds in and for said County of Cuyahoga in Deed Record Volume 11848 at Page 9, said beginning point being at the distance of 582.14 feet, measured South 20⁰ 15' 59" East, along said Easterly line of right-of-way, from the Northerly line of said Original Lot No. 87, at a point therein distant 621 feet, measured South 88° 59' 53" East, along said Northerly line of Original Lot No. 87, from an iron monument at the northwesterly corner thereof within the lines of Northfield Road (60 feet wide), extending from said beginning point the following fifteen courses and distances, the first two thereof being by said parcel of land conveyed as aforesaid to said Railroad Company;

Course 1: South 88° 59' 53" East, 521.01 feet to a corner thereof;

Course 2: North 1° 00' 07" East, 50 feet to a corner thereof;

Course 3: South 88° 59' 53" East, being partly by said last mentioned parcel of land and partly by remaining land of said Manor Real Estate Company, 495 feet, the following five courses and distances being by remaining land of said Manor Real Estate Company;

Course 4; South 1° 00' 07" West, 210 feet;

Course 5: South 88° 59' 53" East 520 feet;

Course 6: South 66° 00' 18" East, 158.86 feet;

Course 7: North 89° 59' 21" East, 115 feet to a point in the Easterly line of said Original Bedford Township Lot No. 87, distant 762.56 feet, measured South 0° 00' 39" East, along said Easterly line of Original Lot No. 87, from the Northeasterly corner thereof;

Course 8: North 0° 00' 39" West, along said Easterly line of Original Lot No. 87, the distance of 10.04 feet to the Northwesterly corner of the parcel of land which has been acquired by said Manor Real Estate Company from the State of Ohio by Deed dated December 16, 1966, and recorded in the office for the Recording of Deeds, as aforesaid, in Deed Record Volume 11887 at Page 887 and designated as Parcel No. 52-46-EL therein;

Course 9: North 76° 11' 29" East, along the Northerly line of said last mentioned parcel of land, 67.26 feet to the Westerly right-of-way line of State Route Cuy-16-16.11;

Course 10: South 12° 20' 18" East, along said Westerly right-of-way line, 391.83 feet to the Southerly line of the parcel of land conveyed by Kenneth M. Davis et al., to the State of Ohio by Deed recorded in the Office for the Recording of Deeds as aforesaid in Deed Record Volume 10660 at Page 505, Parcel No. 1;

Course 11: North 88° 01' 57" West, along said last mentioned Southerly line, which line is also the Southerly line of a certain right-of-way of the Cleveland Electric illuminating Company, as recorded in the Office for the Recording of Deeds, as aforesaid, in Volume 3354 at Page 86, the distance of 149.06 feet to said Easterly line of Original Bedford Township Lot No. 87;

Course 12: North 0° 00' 39" West, along said line of Original Lot No. 87, the distance of 1.14 feet to the Southeasterly corner of an easement granted to said Illuminating Company and recorded in the Office for the Recording of Deeds as aforesaid in Volume 3354 at Page 329; the following two courses and distances being along Southerly lines of said last mentioned easement of Illuminating Company;

Course 13: South 87° 00' 13" West, 1417.45 feet to an angle point;

Course 14: South 63° 16' 33" West, 120.78 feet to said Easterly line of the 100 feet wide right-of-way of said Railroad Company; and

Course 15: North 20°15' 59" West, along said Easterly line of right-of-way, 778.35 feet to the place of beginning, more or less, according to a plan of survey made by Bauer Surveys Company, dated December 20, 1966, be the same more or less, but subject to all legal highways.

Excepting therefrom the above described property that part which was conveyed to The Cleveland Electric Illuminating Company, an Ohio corporation, by deed dated April 9, 1982 and recorded in Volume 15639, Page 57 of Cuyahoga County Records and described as follows:

Situated in the Village at Oakwood, County of Cuyahoga and State of Ohio and known as being part of Original Bedford Township Lots No. 87 being further bounded and described:

Beginning at the northwesterly corner of land conveyed to The Continental Group, Inc. by deed dated September 9, 1980 and recorded in Volume 15411, Page 893 of the Cuyahoga County Records; thence southeasterly along the southwesterly line of land so conveyed a distance of 778.35 feet, to the southwesterly corner thereof; thence northeasterly along the southeasterly line

of land so conveyed to The Continental Group, Inc. as aforesaid about 80 feet, to a point therein, said point being distant 75 feet, northeasterly by rectangular measurement from the southwesterly line of land conveyed to The Continental Group, Inc. as aforesaid; thence Northwesterly parallel with and distant 75 feet, northeasterly measured at right angles to said southwesterly line of land so conveyed to The Continental Group, Inc., to the northerly line thereof; thence westerly along said northerly line about 86 feet, to the place of beginning, be the same more or less, but subject to all legal highways.

Parcel No. 2:

Situated in the Village at Oakwood, County of Cuyahoga and State of Ohio and known as being part of Original Bedford Township Lots Nos. 87 and 88 and being further bounded and described according to a plan of a survey made by P. Zwick Associates Inc., Consulting Engineers & Surveyors, dated December 28, 1977 and revised February 20, 1978, as follows: VIZ; Beginning at a point marked by an iron pin on the Westerly right of way line of Frontage Road at its intersection with the Easterly line of Original Lot No. 87, said point also being South of $0^{\circ} 00' 35''$ West, along said Easterly line of Original Lot No. 87, 392.56 feet from the Northeast corner of said Original Lot No. 87, thence continuing South $0^{\circ} 00' 35''$ West along said Easterly line of Original Lot No. 87 and along said Westerly right of way line of said Frontage Road, 69.80 feet to a point marked by an iron pin; thence South $12^{\circ} 46' 30''$ East along said right of way line of Frontage Road, 224.00 feet to a point marked by an iron pin thence South $78^{\circ} 18' 42''$ West along said right of way of Frontage Road, 50.62 feet to a point marked by an iron pin on the said Easterly line of Original Lot No. 87, thence South $0^{\circ} 00' 35''$ West, along said Easterly line of Original Lot 87, 71.49 feet to a point marked by an iron pin on a Northerly line of land now or formerly of Metal Cleaning & Processing, Inc., the following seven courses and distances being by said land; South $89^{\circ} 59' 17''$ West, 114.70 feet to a point; thence North $66^{\circ} 00' 18''$ West, 158.66 feet to a point; thence North $88^{\circ} 59' 53''$ West, 520.00 feet to a point; thence North $1^{\circ} 00' 07''$ East, 210.00 feet to a point, thence North $88^{\circ} 59' 53''$ West, 495.01 feet to a point; thence South $1^{\circ} 00' 07''$ West, 50.00 feet to a point; thence North $88^{\circ} 59' 53''$ West, 435.16 feet to a point on the Easterly line of land of Cleveland Electric Illuminating Company; thence North $20^{\circ} 15' 55''$ West along said Easterly line of land of said Cleveland Electric Illuminating Company, 160.96 feet to a point; thence South $88^{\circ} 59' 53''$ East, 1762.87 feet to the principal place of beginning, more or less, be the same more or less, but subject to all legal highways.

Together with the existing railroad track and appurtenances thereto, located on the above described premises and together with the permanent right and easement, to install, construct, operate, maintain, repair, and renew, a railroad sidetrack from the Consolidated Rail Corporation Mainline through land of Cleveland Electric Illuminating Company into the parcel of land hereinbefore described at a height no greater than mainline track elevation of Consolidated Rail Corporation, be the same more or less, but subject to all legal highways. Together with the aforesaid appurtenant rights as further delineated in Easements, Reservations and Rights as shown in recorded in Volume 14818, Page 29 of Cuyahoga County Records, Easements, Rights and Recitals in Quit Claim Deed recorded in Volume 85-4503, Page 52 of Cuyahoga County Records, and Easements, Rights and Recitals in Quit Claim Deed recorded as Cuyahoga Recorder's File No. 201112230424.

EXHIBIT B

[CRA Application to be attached]

EXHIBIT B

Village of Oakwood

Community Reinvestment Area (CRA) Application & Tax Increment Financing (TIF) Application

1. (a) Please provide name of property owner(s), legal business name, main office address and other contact information, of the property owner(s):

<u>Oakwood Center, LLC</u>	<u>Brad Buescher</u>
Property Owner	Contact Person
<u>McBee Supply Corp.</u>	<u>216-535-0274</u>
Property Owner's Operating Tenant	Daytime Phone #
<u>Oakwood Center, LLC</u>	<u>bbuescher@interstate-mcbee.com</u>
Property Business Name	Email & Website Address
<u>5300 Lakeside Avenue, Cleveland, OH 44114. Federal Tax ID# 85-3920457</u>	
Property Owner Mailing Address & Federal Tax ID#	

(b) **Business Organization:**

Corporation, Partnership, Sales Proprietorship, LLC, Joint Venture, Franchise, Start-Up or Other (specify)
Oakwood Center, LLC is a real estate company that will acquire the land and build the new building, possibly renovate the existing building, and administer landlord activities.

- (c) List primary 6-digit North American Industry Classification System (NAICS) # 531120

2. **Nature of Business Activity @ proposed Property Site in Oakwood:**

Office, Research & Development, Light Manufacturing, Warehouse/Distribution, Wholesale/Retail, Service or Other (specify) **Please estimate Percentage of Total Business.**

Development of the property, leasing and site management – 100%. ¹

3. **Description of Proposed Facility**

- (a) Site Address: 7400 Oak Leaf Rd., Oakwood Village, OH 44146
- (b) Permanent Parcel #(s) 795-49-010; 795-50-013 & 14; 795-15-048; 795-50-011 & 12; 795-49-005 & 6 & 7
- (c) Cost of Land: \$2,354,600 (Current value of land per Cuyahoga County Fiscal Office)
- (d) Project Timeline: Will Begin 2021 Be Completed 2024
- (e) Building Description: 200,000 square foot facility comprised of modern corporate offices and high-quality concrete panel state-of-the-art warehouse. Landscape site in manner that is attractive from street/271 views.
- (f) Representative design intent picture:

¹ Oakwood Center, LLC will have two guaranteed lessees, McBee Supply Corp. and Interstate-McBee, LLC. Interstate-McBee, LLC is a sales company. McBee Supply Corp. is a wholesale distribution business with value add. The product is internal engine components for heavy-duty natural gas and diesel applications. Value add activities include kitting, assembly, gasket fabrication, engineering, quality assurance, service and support, and back office administrative functions along with executive headquarters.



4. **Project Description & 5-Year Business Plan**

Please include existing as well as new products or services, which will result from this Project:

Our plan is to provide a state-of-the-art corporate campus for our guaranteed lessee, that will provide for current and future needs.²

5. **Estimate the amount to be invested by the Applicant to establish, renovate, expand or occupy the proposed Project Site:**

(a) Acquisition of Existing Building(s)	<u>\$875,000</u>
(b) Renovation/Expansion to Existing Building(s)	<u>\$900,000, if we add offices onto existing building</u>
(c) Construction of New Building(s)	<u>\$13,000,000</u>
(d) Machinery & Equipment	<u>None³</u>
(e) Furniture & Fixtures	<u>None⁴</u>
(f) Inventory	<u>None⁵</u>
<u>Total New Project Investment</u>	<u>\$14,775,000 not including lessee's investments as indicated in footnotes</u>

² McBee Supply, Corp. will have the ability to expand its operations as needed by having the land to expand an additional 100,000 square feet. Additionally, there will be enough land to have the option of adding a 100,000 square foot manufacturing plant in the future with the idea of bringing all Cleveland diesel and natural gas businesses onto a single campus.

³ Machinery and equipment for lessee - \$1,800,000

⁴ Furniture and fixtures for lessee - \$2,000,000

⁵ New inventory for lessee - \$1,500,000

6. **Employment Opportunities @ proposed Project Site in Oakwood:**

(a) None⁶ Current # Employees

(b) None⁷ Current Annual Payroll

(c) **Relocation and/or Consolidation of Operations**

Will the project involve the relocation of employment positions or assets from one Ohio location to the proposed Oakwood Project Site? No.⁸

(d) If yes, please name the site affected by the relocation to Oakwood & the impact of the relocation on that site detailing the number of employees and/or assets to be relocated:

(e) None⁹ Estimate **# New Employees** the Applicant will cause to be created @ proposed Oakwood Project Site. Please list total employment level by full & part-time and permanent & temporary:

(f) Estimate Annual Payroll for Year 1

(g) Estimate Annual Payroll for Year 3

(h) Estimate Annual Payroll for Year 5

7. (a) **The Applicant requests the following tax incentives:**

CRA abatement of 75% for 10 Years covering real property improvements as described above.

(b) Reasons requesting tax incentives (please be quantitatively specific):

To be competitive with alternative options in Florida and Texas.

8. **Delinquencies**

Does the Property Owner/Applicant owe:

(a) Any delinquent taxes to the Federal Govt. State of Ohio or a political subdivision?

No

(b) Any moneys to the Federal Government, State or a state agency for the administration or enforcement of any environmental laws? No

(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?

No

(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.

9. **Legal Proceedings:**

(a) Are there any current or pending lawsuits involving any principals of or the Applicant?

No

(b) If yes, please provide details and attach any supporting documents relating to the lawsuits.

⁶ 147 current, full time employees would move to the new facility, when facility is move-in ready. These are guaranteed lessees' employees.

⁷ \$6,000,000 is the current payroll of lessees' 147 employees.

⁸ Lessees would relocate all personal, machinery, inventory, assets and operations from their shared 5300 Lakeside Avenue, Cleveland Ohio 44114 location.

⁹ Guaranteed lessees' full time employees payroll year 1 = \$6,000,000; estimated year 3 = \$6,500,000; estimated year 5 = \$7,000,000+. Guaranteed lessees estimate at least 30 new jobs over the five-year timeframe.

----REQUIREMENTS & CERTIFICATIONS----

- (a) Submission of this application expressly authorizes the Village of Oakwood to contact the Ohio Environmental Protection Agency to confirm statements contained within this application including Item #8, and to review applicable confidential records. As part of this application, the Applicant 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 Village of Oakwood for consideration of this request.
- (b) 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) & 2921.13(F)(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 \$1,000.00 and/or a term of imprisonment of not more than six months.
- (c) The Applicant agrees to supply additional information upon request.

Name & Title of Property Owner (Typed or printed)

Signature & Date

Submit complete application to:

Gary V. Gottschalk

Mayor

Village of Oakwood

24800 Broadway Avenue

Oakwood Village, Ohio 44146

Phone: (216) 346-7073

dhammett@oakwoodvillageoh.com

A copy of this proposal will be forwarded by the Village of Oakwood to the Board of Education of the Bedford City School District along with notice of the meeting date on which Oakwood Village 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 Oakwood Village Council considering the request.

A copy of the proposal will be attached to the final Community Reinvestment Area Agreement as Exhibit A and will be forwarded to the Ohio Department of Taxation and the Ohio Development Services Agency within fifteen (15) days of final approval.

EXHIBIT B

Village of Oakwood

Community Reinvestment Area (CRA) Application & Tax Increment Financing (TIF) Application

1. (a) Please provide name of property owner(s), legal business name, main office address and other contact information, of the property owner(s):

<u>Oakwood Center, LLC</u>	<u>Brad Buescher</u>
Property Owner	Contact Person
<u>McBee Supply Corp.</u>	<u>216-535-0274</u>
Property Owner's Operating Tenant	Daytime Phone #
<u>Oakwood Center, LLC</u>	<u>bbuescher@interstate-mcbee.com</u>
Property Business Name	Email & Website Address
<u>5300 Lakeside Avenue, Cleveland, OH 44114. Federal Tax ID# 85-3920457</u>	
Property Owner Mailing Address & Federal Tax ID#	

(b) **Business Organization:**

Corporation, Partnership, Sales Proprietorship, LLC, Joint Venture, Franchise, Start-Up or Other (specify)
Oakwood Center, LLC is a real estate company that will acquire the land and build the new building, possibly renovate the existing building, and administer landlord activities.

- (c) List primary 6-digit North American Industry Classification System (NAICS) # 531120

2. **Nature of Business Activity @ proposed Property Site in Oakwood:**

Office, Research & Development, Light Manufacturing, Warehouse/Distribution, Wholesale/Retail, Service or Other (specify) **Please estimate Percentage of Total Business.**

Development of the property, leasing and site management – 100%. ¹

3. **Description of Proposed Facility**

- (a) Site Address: 7400 Oak Leaf Rd., Oakwood Village, OH 44146
- (b) Permanent Parcel #(s) 795-49-010; 795-50-013 & 14; 795-15-048; 795-50-011 & 12; 795-49-005 & 6 & 7
- (c) Cost of Land: \$2,354,600 (Current value of land per Cuyahoga County Fiscal Office)
- (d) Project Timeline: Will Begin 2021 Be Completed 2024
- (e) Building Description: 200,000 square foot facility comprised of modern corporate offices and high-quality concrete panel state-of-the-art warehouse. Landscape site in manner that is attractive from street/271 views.
- (f) Representative design intent picture:

¹ Oakwood Center, LLC will have two guaranteed lessees, McBee Supply Corp. and Interstate-McBee, LLC. Interstate-McBee, LLC is a sales company. McBee Supply Corp. is a wholesale distribution business with value add. The product is internal engine components for heavy-duty natural gas and diesel applications. Value add activities include kitting, assembly, gasket fabrication, engineering, quality assurance, service and support, and back office administrative functions along with executive headquarters.



4. **Project Description & 5-Year Business Plan**

Please include existing as well as new products or services, which will result from this Project:

Our plan is to provide a state-of-the-art corporate campus for our guaranteed lessee, that will provide for current and future needs.²

5. **Estimate the amount to be invested by the Applicant to establish, renovate, expand or occupy the proposed Project Site:**

(a) Acquisition of Existing Building(s)	<u>\$875,000</u>
(b) Renovation/Expansion to Existing Building(s)	<u>\$900,000, if we add offices onto existing building</u>
(c) Construction of New Building(s)	<u>\$13,000,000</u>
(d) Machinery & Equipment	<u>None³</u>
(e) Furniture & Fixtures	<u>None⁴</u>
(f) Inventory	<u>None⁵</u>
<u>Total New Project Investment</u>	<u>\$14,775,000 not including lessee's investments as indicated in footnotes</u>

² McBee Supply, Corp. will have the ability to expand its operations as needed by having the land to expand an additional 100,000 square feet. Additionally, there will be enough land to have the option of adding a 100,000 square foot manufacturing plant in the future with the idea of bringing all Cleveland diesel and natural gas businesses onto a single campus.

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Name & Title of Property Owner (Typed or printed)

Signature & Date

Submit complete application to:

Gary V. Gottschalk

Phone: (216) 346-7073

Mayor

dhammett@oakwoodvillageoh.com

Village of Oakwood

24800 Broadway Avenue

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A copy of the proposal will be attached to the final Community Reinvestment Area Agreement as Exhibit A and will be forwarded to the Ohio Department of Taxation and the Ohio Development Services Agency within fifteen (15) days of final approval.

ORDINANCE NO. 2021- 51

INTRODUCED BY MAYOR AND COUNCIL AS A WHOLE

AN EMERGENCY ORDINANCE AUTHORIZING ACCEPTANCE OF THE RECOMMENDATION TO APPROVE THE ONEOHIO OPIOID SETTLEMENT AND ENTER INTO THE PARTICIPATION AGREEMENT WITH OPIOID DISTRIBUTORS AMERISOURCEBERGEN, MCKESSON, AND CARDINAL HEALTH

WHEREAS, opioid distributors AmerisourceBergen, McKesson and Cardinal Health (“the Distributors”) have proposed a joint settlement (“the Settlement”) to the State of Ohio and its political subdivisions pertaining to the Distributors’ share of the distribution of opioids that was a significant cause of the national opioid crisis that led to mass addiction and overdose deaths that affected both the State of Ohio and the Village of Oakwood; and

WHEREAS, under the Settlement, the Distributors will pay up to \$804,865,429 to the State of Ohio and its political subdivisions over 18 years, with most of the money received being restricted in use and earmarked for abatement of the opioid epidemic; and

WHEREAS, 55% of the foregoing sum is guaranteed while the remainder is subject to certain incentive targets including the participation of 85% of litigating subdivisions by population; and

WHEREAS, the Ohio Attorney General and the Ohio Municipal League have recommended that the political subdivisions of the State of Ohio accept the Settlement and enter into the Participation Agreement attached hereto and incorporated herein as Exhibit “A”;

WHEREAS, the Law Director recommends that Council vote to accept the Settlement and enter into the Participation Agreement (“the Agreement”) with the Distributors as described and incorporated by reference herein.

NOW THEREFORE BE IT RESOLVED by the Council of the Village of Oakwood, County of Cuyahoga, State of Ohio, that:

SECTION 1. Council hereby accepts the recommendation of the Attorney General, the Ohio Municipal League and the Law Director and authorizes approval of the Settlement and execution of the Agreement in substantially the form attached hereto and incorporated herein as Exhibit “A” on behalf of the Village on or before the Settlement deadline currently set for August 13, 2021.

SECTION 2. The Mayor and Law Director are hereby authorized to take all steps necessary to resolve these matters in accordance with the terms of the Settlement and the Agreement.

SECTION 3. This Ordinance is hereby declared to be an emergency measure necessary

for the immediate preservation of the public peace, health, safety and welfare of the inhabitants of the Village, the reason for the emergency being that it is necessary to enter into the Participation Agreement concerning the said Settlement on or before August 13, 2021 in order to ensure to the extent possible the maximum revenues from the Settlement, therefore, provided it receives two-thirds (2/3) of the vote of all members of Council elected thereto, said Ordinance shall be in full force and effect immediately upon its adoption by this Council and approval by the Mayor, otherwise from and after the earliest period allowed by law.

PASSED: _____

Johnnie Warren, President of Council

Presented to the
Mayor: _____

Approved: _____

I, Dionna Hammett, Interim Clerk of Council of the Village of Oakwood, County of Cuyahoga and State of Ohio, do hereby certify that the foregoing Ordinance No. 2021 - 51 was duly and regularly passed by this Council at the meeting held on the ____ day of _____, 2021.

Dionna Hammett, Interim Clerk of Council

POSTING CERTIFICATE

I, Dionna Hammett, Interim Clerk of Council of the Village of Oakwood, County of Cuyahoga and State of Ohio, do hereby certify that Ordinance No. 2021 - 51 was duly posted on the ____ day of _____, 2021, and will remain posted for a period of fifteen (15) days thereafter in the Council Chambers in the locations and manner provided in the Village Charter.

Dionna Hammett, Interim Clerk of Council

DATED: _____

EXHIBIT "A"

OneOhio Subdivision Participation Form

Governmental Entity:	State:
Authorized Official:	
Address 1:	
Address 2:	
City, State, Zip:	
Phone:	
Email:	

The governmental entity identified above ("*Governmental Entity*"), in order to obtain and in consideration for the benefits provided to the Governmental Entity consistent with the material terms of the National Settlement Agreement dated July 21, 2021 ("*National Distributor Settlement*"), and acting through the undersigned authorized official, hereby elects to participate in the material terms of the National Settlement Agreement Distributor Settlement, release all Released Claims against all Released Entities, and agrees as follows.

1. The Governmental Entity is aware of and has reviewed the National Distributor Settlement, understands that all terms in this Participation Form have the meanings defined therein, and agrees that by signing this Participation Form, the Governmental Entity elects to participate consistent with the material terms of the National Distributor Settlement and become a Participating Subdivision as provided therein pursuant to the terms of the final OneOhio Memorandum of Understanding dated July 28, 2021.
2. The Governmental Entity's election to participate is specifically conditioned on participation by 95% or more of the Litigating Subdivisions in Ohio. Should less than 95% of the Litigating Subdivisions in Ohio participate, this election shall be deemed void and no claims shall be released.
3. The Governmental Entity shall, prior to the filing of the Consent Judgment, secure the dismissal with prejudice of any Released Claims that it has filed.
4. The Governmental Entity agrees to the material terms of the National Distributor Settlement pertaining to Subdivisions as defined therein.
5. By agreeing to the material terms of the National Distributor Settlement and becoming a Releasor, the Governmental Entity is entitled to the benefits provided therein, including, if applicable, monetary payments beginning after the Effective Date.

6. The Governmental Entity agrees to use any monies it receives through the material terms of the National Distributor Settlement solely for the purposes provided therein.
7. The Governmental Entity submits to the jurisdiction of the Madison County Court of Common Pleas where the Consent Judgment is filed for purposes limited to the court's role as provided in, and for resolving disputes to the extent provided in, the material terms of the National Distributor Settlement Agreement. If the National Distributor Settlement is finalized, the Governmental Entity likewise agrees to arbitrate before the National Arbitration Panel as provided in, and for resolving disputes to the extent otherwise provided in the National Distributor Settlement.
8. The Governmental Entity has the right to enforce the material terms of the National Distributor Settlement as provided therein.
9. The Governmental Entity, as a Participating Subdivision, hereby becomes a Releasor for all purposes in the material terms of the National Distributor Settlement, including, but not limited to, all provisions of Part XI, and along with all departments, agencies, divisions, boards, commissions, districts, instrumentalities of any kind and attorneys, and any person in their official capacity elected or appointed to serve any of the foregoing and any agency, person, or other entity claiming by or through any of the foregoing, and any other entity identified in the definition of Releasor, provides for a release to the fullest extent of its authority. As a Releasor, the Governmental Entity hereby absolutely, unconditionally, and irrevocably covenants not to bring, file, or claim, or to cause, assist or permit to be brought, filed, or claimed, or to otherwise seek to establish liability for any Released Claims against any Released Entity in any forum whatsoever. The releases provided for in the material terms of the National Distributor Settlement are intended by the Parties to be broad and shall be interpreted so as to give the Released Entities the broadest possible bar against any liability relating in any way to Released Claims and extend to the full extent of the power of the Governmental Entity to release claims. The material terms of National Distributor Settlement shall be a complete bar to any Released Claim.
10. The Governmental Entity hereby takes on all rights and obligations of a Participating Subdivision consistent with the material terms of the National Distributor Settlement.
11. In connection with the releases provided for in the material terms of the National Distributor Settlement, each Governmental Entity expressly waives, releases, and forever discharges any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States or other jurisdiction, or principle of common law, which is similar, comparable, or equivalent to § 1542 of the California Civil Code, which reads:

General Release; extent. A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release, and that if known by him or her would have materially affected his or her settlement with the debtor or released party.

A Releasor may hereafter discover facts other than or different from those which it knows, believes, or assumes to be true with respect to the Released Claims, but each Governmental Entity hereby expressly waives and fully, finally, and forever settles, releases and discharges, upon the Effective Date, any and all Released Claims that may exist as of such date but which Releasors do not know or suspect to exist, whether through ignorance, oversight, error, negligence or through no fault whatsoever, and which, if known, would materially affect the Governmental Entities' decision to participate in the material terms of the National Distributor Settlement.

12. Nothing herein is intended to modify in any way the terms of the material terms of the National Distributor Settlement to which Governmental Entity hereby agrees, with the exception of the requisite Litigating Government participation level. If the National Settlement becomes effective by July 1, 2022 its terms will supersede the terms of the Ohio Settlement Agreement and will control with regard to all provisions except for Dismissal of Claims as set forth in the Ohio Settlement Agreement. If it is not effective by July 1, 2022, the Ohio Specific Distributor Settlement will control. To the extent this Participation Form is interpreted differently from the Ohio Specific Distributor Settlement in any respect, the Ohio Specific Distributor Settlement controls.

I have all necessary power and authorization to execute this Participation Form on behalf of the Governmental Entity and have been afforded the opportunity to review this matter with counsel.

Signature: _____

Name: _____

Title: _____

Date: _____