

ADDENDUM TO COMPENSATION AGREEMENT

This Addendum to Compensation Agreement supplements that Compensation Agreement dated March 20, 2018 ("Base Agreement" and, with this Addendum, the "Compensation Agreement") and is made this 25 day of November, 2019 by and between the CITY OF CLEVELAND HEIGHTS, OHIO, a municipal corporation organized and existing under its Charter, the Ohio Constitution and other applicable Ohio law ("City") and the CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT, a city school district organized and existing under Ohio law ("School District"), under the following circumstances (with all capitalized terms used as defined terms herein and not defined herein being used as defined in the Base Agreement):

A. Pursuant to legislative authorization by the Council of the City and the Board of Education of the School District ("School Board"), the City and School District executed and delivered the Base Agreement to, among other things: (1) enable the City to enact a TIF Ordinance pursuant to the TIF Statute and thereby exempt from real property taxation 100% of the incremental value resulting from Improvements to the Parcels within the TIF Area for up to 30 years ("Exemption Period"), (2) provide for the compensation to be paid to the School District from PILOTS to be paid, collected and distributed annually to the School District during the Exemption Period, (3) establish the terms on which TIF Debt may be issued and secured by a senior lien on the PILOTS, and (4) evidence certain related waivers and consents by the School District; and

B. The City and Developer have notified the School District that they have agreed to make certain limited changes to the required Improvements to the TIF Area, that such Improvements have been delayed by nearly two years since execution of the Base Agreement and that, as a result of that delay and in order to facilitate the issuance of the TIF Debt necessary to support the construction and development of the Improvements, the City now expects to enact the TIF Ordinance in December 2019, to become effective in January 2020, with the Exemption Period to commence in tax year 2021; and

C. The City and Developer have requested that the School District join with the City in the execution and delivery of this Addendum to update their understandings regarding the Improvements, specify the years of the Exemption Period and confirm that the terms and conditions of the Base Agreement, as supplemented by this Addendum, will apply to the TIF Debt (and to the related real property tax exemption to be authorized by the City pursuant to the TIF Ordinance to be so enacted), and the School District and City have determined to execute and deliver this Addendum to supplement the Base Agreement for those purposes;

NOW, THEREFORE, in consideration of the premises and the covenants and agreements contained in the Compensation Agreement, and to induce the Developer to proceed, upon enactment of the TIF Ordinance, with the financing and construction of the Improvements, the City and School District agree as follows:

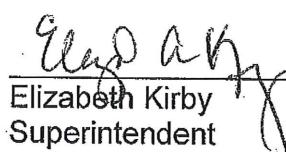
1. The Improvements will consist of a single-phase mixed-use development that shall include (a) approximately 261 market-rate apartments, (b) approximately 11,400 square feet of first floor restaurant, retail and commercial space, (c) a public parking

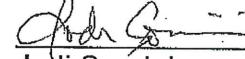
garage containing approximately 550 parking spaces, (d) public gathering and green spaces, and (e) all sidewalks, driveways, access ways and utility connections necessary for the improvements described in (a) through (d) above.

2. The 30 Year Exemption Period is expected to commence with tax year 2020 or 2021 and shall end not later than tax year 2050.
3. This Addendum shall be attached to the Base Agreement and be and become a part of the Compensation Agreement.
4. As supplemented hereby, each and all of the terms and conditions of the Base Agreement are hereby expressly ratified and confirmed. The Base Agreement and this Addendum represent the entire agreement of the parties with respect to the subject matter hereof and thereof.

BOARD OF EDUCATION OF THE CLEVELAND
HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL
DISTRICT

By:


Elizabeth Kirby
Superintendent


Jodi Sourini
Board President


A. Scott Gainer
Treasurer/CFO

Approved as to Form and Correctness: CITY OF CLEVELAND HEIGHTS, OHIO

By:


William A. Hayes
City Law Director

By:


City Manager