

RESOLUTION NO. 50 -2008

Offered by All of Council

A RESOLUTION AUTHORIZING THE MAYOR AND THE FINANCE DIRECTOR TO ENTER INTO AN AGREEMENT WITH THE MERIDIAN SUN TEMPLE CORPORATION FOR THE PURCHASE OF THE MERIDIAN SUN TEMPLE LODGE BUILDING LOCATED IN THE VILLAGE OF RICHFIELD

WHEREAS, this Council believes that the purchase of the Meridian Sun Temple Corporation building will enhance the Village's downtown public square.

NOW, THEREFORE, BE IT RESOLVED by the Council of the Village of Richfield, Summit County, State of Ohio:

SECTION 1. That the Mayor and the Finance Director be, and they hereby are, authorized and directed to enter into an agreement the with Meridian Sun Temple Corporation for the purchase of the Meridian Sun Temple Lodge building in the Richfield downtown area, a copy of which agreement is attached hereto as Exhibit "A" and incorporated herein fully as if by reference.

SECTION 2. This Resolution shall take effect and be in force from and after the earliest period allowed by law.

PASSED: 10/21/08

[Signature]
President of Council

[Signature]
Mayor

Dated: 10/21/08

ATTEST:

[Signature]
Clerk of Council

PROPERTY SALE AND PURCHASE AGREEMENT

This Property Sale and Purchase Agreement ("**Agreement**") is made by and between:

The Meridian Sun Temple Company
(aka Meridian Sun Lodge #69)
P.O. Box 289
Richfield, Ohio 44286

and

Village of Richfield, Ohio
4410 W. Streetsboro Road
Richfield, Ohio 44286

("Seller")

("Buyer")

Seller and Buyer are sometimes referred to individually as "**Party**" or together as "**Parties**".

RECITALS:

- A. Seller is the owner of Property (hereinafter defined) which Buyer desires to purchase and Seller is willing to sell to Buyer on the terms and conditions set forth herein.
- B. The Agreement shall be effective upon the date of the last of Seller and Buyer to execute this Agreement ("**Effective Date**").

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein and other good and valuable consideration, the adequacy, sufficiency and receipt of which the Parties hereby acknowledge, and intending to be legally bound, the Parties agree as follows:

1. Sale and Purchase of Property.

A. Property. Seller shall sell to Buyer and Buyer shall purchase from Seller, upon the terms and conditions hereof, Seller's right, title and interest in certain improved real property located at 4586 Streetsboro Road, Richfield, Ohio, designated as Permanent Parcel Nos. 5000854 and 5000855, depicted on Exhibit A attached hereto, and legally described on Exhibit B attached hereto together with the Building ("**Building**") and related improvements thereon, all gas, oil and mineral rights and any and all other rights and appurtenances thereto (collectively, "**Property**").

B. In the event the legal descriptions attached as Exhibit B are not acceptable for recording with the County Recorder, Buyer shall be responsible for procuring acceptable legal descriptions and the costs thereof.

2. Purchase Price/Method of Payment.

- A. Buyer agrees to pay Seller as the Purchase Price for Property the sum of \$450,000.00 ("**Purchase Price**").
- B. The Purchase Price (less the sum of prorations, adjustments and other credits to which Buyer is entitled as herein provided), shall be paid as follows:

- i. \$80,000.00 in immediately available funds ("**Initial Payment**") to be deposited by Buyer with Escrow Agent on or before the Closing Date (hereinafter defined);
- ii. \$370,000.00 represented by a Purchase Money Note and Mortgage to be granted by Buyer to Seller (without any interest payable thereon and with Seller responsible for any interest imputed by the IRS) payable as follows:
 - a. 3 annual installments of \$80,000.00 each commencing on the first anniversary of the Closing Date and continuing on 2nd and 3rd anniversaries of the Closing Date thereafter, which Purchase Money Note and Mortgage shall be in form of Exhibits C and D attached hereto.
 - b. \$130,000.00 ("**Additional Payment(s)**") payable by Buyer to Seller in 26 annual installments of \$5,000.00 each commencing upon the last day of the 12th full calendar month following the Closing Date so long as a certain Lease Agreement between Seller (as Tenant) and Buyer (as Landlord) in the form of Exhibit E attached hereto is in effect. Buyer's Additional Payments will be offset by the annual rent in the sum of \$5,000.00 payable by Seller to Buyer for Seller's use and occupancy of the 2nd floor of the Building.

3. **Escrow Agent.**

"**Escrow Agent**" shall be the Title Company (as designated on the signature page of this Agreement). Immediately following the Effective Date, Parties shall open an escrow account with Escrow Agent. This Agreement shall serve as escrow instructions and shall be subject to the usual conditions of acceptance of Escrow Agent insofar as the same are not inconsistent with any of the terms hereof. The Escrow Agent is hereby authorized to close this transaction and to make all prorations and allocations which in accordance with this Agreement are to be made between the Parties hereto.

4. **Buyer's Due Diligence.**

A. **Title Commitment.** Buyer shall have the right to order and obtain, at Buyer's expense, an ALTA survey of the Property ("**Survey**") and a current title commitment ("**Title Commitment**") and special tax search issued by the Title Company setting forth the state of the title of the Property and all exceptions, including easements, restrictions, rights-of-way, covenants, reservations, and other conditions, if any, affecting the Property which would appear in an Owner's Policy of Title Insurance ("**Title Policy**"), if issued by the Title Company as provided herein.

Buyer shall have until the date which is 45 days after the Effective Date ("**Title Review Period**") to review the Commitment and/or the Survey and to deliver in

writing to Seller such objections as Buyer may have to anything contained therein. If Seller does not receive such written notice from Buyer within such 45 day period, then Buyer shall be conclusively deemed to have approved the Commitment and Survey, and if Buyer shall deliver such written notice to Seller within such forty-five (45) day period, then Buyer shall be conclusively deemed to have approved any and all other matters reflected in the Commitment and/or the Survey other than those matters to which Buyer has objected as set forth in Buyer's written notice to Seller.

If Buyer raises any such objections to the Commitment and/or the Survey within the time period set forth herein, Seller shall have 5 days after receipt of Buyer's objections to notify Buyer that either (i) Seller will remove or cause the Title Company to remove (or issue affirmative insurance and/or an endorsement in form reasonably satisfactory to Buyer for) any such objectionable exceptions and provide Buyer with evidence reasonably satisfactory to Buyer of such removal (and/or of such affirmative insurance or endorsement), or provide Buyer with evidence reasonably satisfactory to Buyer that said exceptions will be removed (and/or that such affirmative insurance or endorsement shall be issued) before Closing; or (ii) Seller elects not to cause such objections to be cured. If Seller gives Buyer notice under clause (ii) above, Buyer shall have 5 days in which to notify Seller that Buyer will proceed with the purchase and take title to the Property subject to such objectionable matters, or that Buyer will terminate this Agreement. If Seller does not receive such written notice from Buyer within such 5 day period, then Buyer shall be conclusively deemed to have elected to terminate this Agreement.

For purposes of this Agreement, "**Permitted Encumbrances**" shall mean (i) all real estate taxes which are a lien but not yet due and payable; and (ii) any and all reservations, restrictions, easements, conditions, encumbrances, and other matters of title and/or of survey, other than any objections to title required to be removed by Seller as of the Closing Date under this Section 4 A.

~~Buyer is presently aware of an encumbrance on the Property which is immediately deemed objectionable and must be removed by Seller as a condition to Closing. That encumbrance is the possibility of reverter contained in the Deed to Seller (in the event the Property is no longer used as a Masonic lodge).~~

B. **Inspections.**

For a period of 60 days from the date of last execution of this Agreement ("**Inspection Period**") Buyer or Buyer's agents shall have the right and permission, at Buyer's expense, to enter upon Property, or any part thereof, after the Effective Date, at all reasonable times and from time to time prior to termination of this Agreement for the purpose of making all inspections, tests, surveys and studies (collectively, "**Inspections**") required to determine the suitability of Property for Buyer's purposes as Buyer shall solely determine (which shall include without limitation, surveys, physical inspections,

environmental assessments, soil tests, evaluation of utilities, etc.). Seller shall give Buyer access to the Property during normal business hours and shall provide all information concerning the Property which Buyer may reasonably request. With respect to all investigations conducted by Buyer hereunder, (i) such investigations shall be conducted upon prior notice to Seller and, at Seller's election, in the presence of a representative of Seller, provided however, under no circumstances shall Seller delay Buyer from conducting its investigation, and (ii) all information obtained as a result of such investigations shall be maintained by Buyer on a confidential basis and shall not be disclosed to any third party (other than Buyer's assignee, attorneys, accountants, lender, funding sources and other Buyer consultants) without the prior written consent of Seller not to be unreasonably withheld.

If Buyer determines, in Buyer's sole discretion, that the Property is not suitable for Buyer's needs or that Buyer is not satisfied in all respects with the results of Buyer's Inspections, then Buyer may give written notice to Seller on or before the last day of the Inspection Period that Buyer will not purchase the Property and this Agreement shall thereupon be cancelled, Buyer and Seller shall be released from all obligations hereunder. If Seller does not receive such written notice from Buyer on or before the last day of the Inspection Period, or if Buyer shall deliver written notice to Seller within the Inspection Period that Buyer has approved its inspection of the Property (and/or that Buyer has waived the condition set forth in this Section 4), the condition set forth in this Section 4 shall terminate and be of no further force or effect and the Parties shall proceed to Closing.

C. Indemnity.

Buyer shall indemnify and hold Seller harmless of, from and against any and all obligations, liabilities, suits, claims, losses, costs and expenses, including, without limitation, court costs and reasonable attorneys' fees, costs and damages sustained by or asserted against Seller or the Property, including, but not limited to, physical damage, physical injury to Buyer's employees, agents or contractors and any mechanics, and materialmen liens, caused as a result or arising out of or in connection with any Inspections conducted by Buyer or Buyer's agents after the Effective Date and Buyer shall restore any damage to the Property arising out of Buyer's Inspections. The provisions of this Paragraph shall survive the termination of this Agreement or the Closing Date.

5. Buyer's Condition Precedent.

Buyer's obligation to perform under this Agreement and to close escrow is expressly subject to Buyer obtaining approval of this transaction on or before the expiration of the Inspection Period from the Richfield Village Council pursuant to a duly enacted ordinance to such effect. Buyer hereby covenants and agrees that from and after the Effective Date. Buyer shall use its best efforts to obtain such Council approval as set forth above.

6. **Condemnation.**

If prior to the Closing Date any condemnation or eminent domain proceedings shall be commenced, then at the option of Buyer, Buyer shall have the right either (a) to terminate this Agreement by delivering written notice thereof to Seller or (b) proceed to close the transaction and receive the proceeds of any condemnation award payable to Seller. If this Agreement is terminated under clause (a) of this Section 6, the Earnest Money Deposit shall be immediately returned by the Escrow Agent to Buyer and the Parties, thereafter, shall be relieved of any further liability or obligation under this Agreement. In the event Buyer elects to proceed to close the transaction this Agreement shall remain in full force and effect, and on the date of Closing, the condemnation award payable to Seller under shall be assigned and belong to Buyer.

7. **Closing Arrangements.**

Time is of the essence to this transaction. All documents and funds pertaining to the purchase of the Property shall be deposited in escrow with the Escrow Agent, on or before the Closing. Provided all of the terms and conditions of this Agreement have been satisfied or waived as provided herein, the Closing shall take place within 30 days of the expiration of the Inspection Period, through an escrow closing by which the documents are recorded and the funds are disbursed simultaneously. The term "**Closing**" or "**Closing Date**" means the date upon which the funds shall be transferred to Seller and the Deed is recorded.

A. **Seller's Closing Obligations.**

- i. Seller shall deliver to Escrow Agent a general warranty deed ("**Deed**"), duly executed and in proper form for recording in the form reasonably acceptable to Buyer conveying to Buyer fee simple, marketable and insurable title to the Property, free and clear of all liens and encumbrances except for Permitted Encumbrances and zoning ordinances,
- ii. Cause to be delivered to Buyer the Title Policy in the full amount of the Purchase Price issued in accordance with the form of Title Commitment approved by Buyer during the Title Review Period without any intervening liens, encumbrances or exceptions and with the deletion of the standard printed exceptions,
- iii. Seller shall execute and deliver to Escrow Agent a duly executed Lease Agreement counterpart, and
- iv. Seller shall execute, acknowledge and deliver such affidavits, resolutions and other documents which the Title Company shall reasonably require in order to issue the Title Policy and to delete the standard printed exceptions from the Title Policy.

- B. **Buyer's Closing Obligations.** Buyer shall, on or before the Closing Date through escrow, deliver to Seller the Purchase Price (consisting of the Initial Payment and the Purchase Money Note and Mortgage), a duly executed Lease Agreement counterpart and any other documents reasonably required to close this transaction.
- C. **Escrow Agent's Closing Obligations.** On the Closing Date, if and when the Escrow Agent has received all funds and documents required to be deposited hereunder and all of the terms and conditions of this Agreement have been satisfied or waived as provided herein, then the Escrow Agent shall cause the Deed to be filed for record and the funds disbursed in accordance with this Agreement.
- i. Escrow Agent shall charge Seller with :
 - a. 50% of the cost of the Title Policy;
 - b. 50% of Escrow Agent's fee;
 - c. the transfer tax and/or conveyance fee; and
 - d. all other fees and charges which are required to be paid by Seller pursuant to this Agreement.
 - ii. Escrow Agent shall charge Buyer with:
 - a. the cost of title examination, special tax search, Title Commitment and 100% of any Survey costs;
 - b. 50% of the cost of the Title Policy and the entire cost of endorsements to the Title Policy and/or additional title insurance desired by Buyer;
 - c. 50% of Escrow Agent's fee;
 - d. the cost of recording the Deed and any documents associated with Buyer's financing; and
 - e. all other fees and charges which are required to be paid by Buyer pursuant to this Agreement.
 - iii. Escrow Agent shall credit Buyer and charge Seller with real estate taxes and assessments, both general and special, prorated to the Closing Date based upon the latest available tax rate and valuation.
 - iv. Immediately following the Closing Date, Escrow Agent shall deliver the funds and documents as follows:

- a. to Seller (or Seller's attorney, if Seller is represented by legal counsel), the funds and documents due Seller together with duplicate copies of the escrow statement, and
- b. to Buyer (or Buyer's attorney, if Buyer is represented by legal counsel), the funds and documents due Buyer together with duplicate copies of the escrow statement.

8. Possession.

Sole and exclusive possession of the first floor of Building and the remainder of the Property (excluding the second floor of the Building) shall be delivered by Seller to Buyer on the Closing Date.

9. Default.

If either Seller or Buyer shall default hereunder, each party shall have the right to pursue all rights and remedies available at law and/or in equity.

10. General Provisions

A. Notices.

- i. All notices, elections, consents, demands and communications shall be in writing and delivered personally or by registered or certified mail, return receipt requested, postage prepaid or by any nationally recognized overnight courier service addressed to the other Party at their address first stated in this Agreement. Copies of notices shall be sent to the Attorneys for the respective Parties, if identified on the signature page. Either Party may, by written notice to the other, change the address to which notices are to be sent.
- ii. Unless otherwise provided herein, all notices shall be deemed given when personal delivery is effected or when deposited in any branch, station or depository maintained by the U.S. Postal Service or the overnight courier service within the United States of America, except that a notice of a change of address shall be deemed given when actually received. Seller's affidavit of the date and time of deposit in a mailbox or with the overnight courier service or the postmark, whichever is earlier shall constitute evidence of the Effective Date when the notice has been given.

B. Entire Agreement.

This Agreement, together with the attached Exhibits, contains all of the terms and conditions of the Agreement between the Parties, and any and all prior and contemporaneous oral and written Agreements are merged herein. The Exhibits attached to this Agreement are hereby incorporated by reference in their entirety

with the same force and effect as if they were set forth at length in this Agreement.

C. Modifications and Waivers.

This Agreement cannot be changed nor can any provision of this Agreement, or any right or remedy of any Party, be waived orally. Changes and waivers can only be made in writing and the change or waiver must be signed by the Party against whom the change or waiver is sought to be enforced. Any waiver of any provision of this Agreement, or any right or remedy, given on any one or more occasions shall not be deemed a waiver with respect to any other occasion.

D. Benefit of Agreement.

This Agreement shall be binding upon and inure to the benefit of the Parties hereto, their respective successors and assigns.

E. Broker.

Seller and Buyer each warrant to the other that neither Party has dealt with any real estate broker in effecting this Agreement. Each Party shall hold the other harmless from any and all claims, demands, and attorney's fees resulting from any real estate broker's claims for real estate commission based upon dealings with such Party.

F. Severability.

If any provision of this Agreement is held to be illegal, invalid or unenforceable, said provision shall be fully severable; the Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of the Agreement; and the remaining provisions of the Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from the Agreement.

G. Counterparts.

This Agreement may be executed in multiple counterparts and shall be effective when such counterparts are executed by and delivered to all signatory Parties. Such counterparts shall be taken to be one and the same original document with the same effect as if all Parties hereto had signed the same document. Any executed signature page of this Agreement may be detached from any counterpart and attached to another counterpart containing the signature pages with the signatures of all other signatory Parties to this Agreement.

Remainder of Page Intentionally Blank

IN WITNESS WHEREOF, Seller, Buyer and Escrow Agent/Title Company have hereunto set their hands as of the date set forth beneath their signatures.

Seller:

The Meridian Sun Temple Company

By: _____

(date)

Buyer:

Village of Richfield, Ohio

By: _____
Mayor Michael K. Lyons

By: _____
Finance Director Eleanor Lukovics

(date)

Charles T. Riehl, Law Director
Walter and Haverfield LLP
1301 East 9th Street, Suite 3500
Cleveland, Ohio 44114
Telephone: 216-928-2895

Approved as to form:

By: _____
Charles T. Riehl, Law Director

(date)

Escrow Agent/Title Company:
LandAmerica/Lawyer's Title Insurance Corporation
195 S. Main Street, Suite 200
Akron, Ohio 44308
Telephone: 330-762-3029
Fax: 330-873-9529

By: _____

Seller's attorney:

Buyer's attorney:

Ziegler, Metzger & Miller LLP
Christopher E. Soukup
925 Euclid Avenue, Suite 2020
Cleveland, Ohio 44115
Telephone: (216) 781-5470
Fax: (216) 781-0714
Email: ces@zieglermetzger.com



DESCRIPTION OF LAND

PARCEL 1:

Situated in the Township of Richfield, County of Summit and State of Ohio:

And known as all of the property conveyed by James B. Kirby and Nellie M. Kirby as mentioned in a Warranty Deed recorded in the Records of Summit County on September 4, 1926 as shown in Book 1116, Page 406, Summit County Records, and more intimately described as follows:

Part of Lot 9, Tract 2 in said Township of Richfield, and bounded and described as follows:

Beginning in the center of the Peninsula Road at the Northeast corner of a tract of land owned by I. J. and K. J. Sapsford, which point is 353.28 feet distant from an iron pin set from the intersection of the Peninsula Road and the Diagonal Road, which point is the beginning point of the land herein described;

Thence North 89 deg. 15' East along the center line of the said Peninsula Road 217.02 feet to a point, which point is the Northwest corner of a tract of land now owned by Emil Basshard;

Thence South 550.33 feet along the West line of lands owned by Emil Basshard, M. A. White, and M. J. and W. A. White to an iron pin set at the Southwest corner of lands owned by M. J. and W. A. White, which line is also the Easterly line of a street known as High Street;

Thence West along the North line of E. J. Holbrook's land, which line is also the Southerly line of said High Street to a point, which point is the point of intersection of the Northerly line of said E. J. Holbrook's land, with a line bearing South 24 deg. 1' 30" East from an iron pin set at the Southeast corner of the Baptist Church lot;

Thence North 24 deg. 1' 30" West to an iron pin which is 17.82 feet distant measured along said boundary line from an iron pin set at the Southeast corner of the said Baptist Church lot;

Thence North 0 deg. 13' 30" West, 418.44 feet to the place of beginning and containing 2.67 acres of land.

PARCEL 2:

Situated in the Township of Richfield, County of Summit and State of Ohio:

And known as being part of Lots 8 and 9, Tract 2, in said Richfield, and bounded as follows:

Beginning at the Southwest corner of the Baptist Church Lot in the center of the diagonal highway near the Village of West Richfield;

Thence running North 66 deg. East 1 chain 93 links to the Southeast corner of said Baptist Church Lot;

Thence South 24 deg. 1' 30" East, from an iron pin set in the Southeast corner of the Baptist Church Lot 1 chain 87 links to a stake and stones, which stake is in the Southerly line of High Street (now known as South Grant Street), in the Village of West Richfield;

Thence South 89.5 deg. West, 2 chains and 14 links along the Southerly line of High Street to the center of said diagonal highway;

Thence Northerly in the center line of said Highway 1 chain to the place of beginning, containing .29 acres of land, be the same more or less but subject to all legal highways.

Property Address: 4586 Streetsboro Road, Richfield, OH 44286

Tax ID No.: RI-00506-01-001.000; PM 50-00854

Property Address: V/L Broadview Road, Richfield, OH 44286

Tax ID No.: RI-00506-01-010.000; PM 50-00855

PROMISSORY NOTE

\$370,000.00

Richfield Village, Ohio

_____, 2008
("Commencement Date")

_____, 2034
("Maturity Date")

FOR VALUE RECEIVED, the undersigned, Village of Richfield, Ohio ("Maker"), promises to pay to The Meridian Sun Temple Company ("Payee") at P.O. Box 289, Richfield, OH 44286 or at such other place as Payee may designate in writing from time to time, in legal tender of the United States, the principal sum of \$370,000.00 payable in the manner hereinafter provided. The entire unpaid principal balance of this Promissory Note ("Note") if not sooner paid, shall be due and payable on the Maturity Date.

Principal Payments and Manner of Payment

Payments by Maker to Payee hereunder of the principal sum of \$240,000.00 shall be due and payable in 3 annual installments of \$80,000.00 each. The first installment shall be payable on the first anniversary of the Commencement Date with the remaining installments payable on 2nd and 3rd anniversaries of the Commencement Date thereafter.

Payments by Maker to Payee hereunder of the principal sum of \$130,000.00 shall be due and payable in 26 annual installments of \$5,000.00 each without any interest accruing thereon. The first installment shall be payable on the last day of the 12th full calendar month after the Commencement Date with the remaining 25 installments payable thereafter on the anniversary dates thereof. In the event that a certain Lease Agreement dated _____, 2008 ("Lease") between Maker (as Landlord) and Payee (as Tenant) is terminated as provided therein during the first 10 years of the Lease Term, the entire unpaid balance of the Additional Payments shall be due and payable in 4 equal annual installments, the first due within 30 days after the termination, each of the three remaining installments will be due on the anniversary date of the termination in the following three years after termination. In the event the term of the Lease is terminated as provided therein after the first 10 years of the Lease Term, the entire unpaid balance of the Additional Payments shall be due and payable within 120 days after the termination of the term of the Lease. ~~within 30 days after the termination of the term of such Lease Agreement.~~

Interest During Default and After Maturity

When and if the Maker shall be in default (after passage of any applicable grace period) in the timely payment of any payment of principal or interest due hereunder, in the payment of the principal and interest at maturity, and during any period after the Maturity Date for which any part of the indebtedness evidenced by this Note is unpaid, interest on all sums outstanding hereunder shall automatically accrue interest at an annual percentage rate equal to 6% ("Default Rate").

Prepayment

This Note may be prepaid in whole or in part at any time without payment of any prepayment premium.

This Note will be secured by a mortgage (“**Mortgage**”) against the Maker’s Property. Reference is hereby made to the Mortgage for a description of the Property given as security for payment of this Note and a delineation of the rights of Payee and the obligations of the Maker in respect thereto incorporated herein by reference.

Default

The entire unpaid principal balance of this Note and all accrued and unpaid interest thereon, shall become immediately due and payable by maker to Payee without notice, at the option of Payee, upon any default in the payment of any amount when due under this Note and such default in payment continues for a period of 10 calendar days after Maker's receipt of written notice thereof from Payee. Upon any such event, Maker shall pay, during such period of default, interest on the unpaid balance of the loan at the Default Rate. Any failure of Payee to exercise such option to accelerate the maturity hereof shall not constitute a waiver of the right to exercise such option to accelerate at any future time.

Acceptance by Payee of any payment in an amount less than the amount due shall be deemed an acceptance on account only and the failure to pay the entire amount then due shall be and continue to be an event of default. At any time thereafter and until the entire amount then due has been paid, Payee shall be entitled to exercise all rights conferred upon Payee in this Note upon the occurrence of a default.

Waiver

Maker expressly waives presentment, demand, protest, notice of dishonor, notice of nonpayment, notice of acceleration, notice of maturity, notice of protest, presentment for the purpose of accelerating maturity and diligence in collection.

Governing Law, Successors and Assigns and Miscellaneous

This Note is made in the State of Ohio and shall be governed by and construed in accordance with its laws. If any provision(s) of this Note are in conflict with any statute or applicable rule of law, or are otherwise unenforceable for any reason whatsoever, such provision(s) shall be deemed null and void to the extent of such conflict or unenforceability but shall be deemed separate from and shall not invalidate any other provision of this Note. The rights and remedies provided to Payee in this Note are cumulative and the use of any one right or remedy shall not preclude or waive Payee's ability to use any or all other rights and remedies Payee may have at law or in equity. In this Note, the singular and plural are interchangeable and words of any gender shall include all genders. This Note shall, in accordance with its terms, be binding upon Maker, Maker's heirs and personal representatives and shall inure to the benefit of Payee and Payee's successors. The paragraph headings provided in this Note are for convenience only.

IN WITNESS WHEREOF, Maker has executed and delivered this Note to Payee as of _____, 2008.

Maker: Village of Richfield, Ohio

By: _____
Michael K. Lyons, Mayor

By: _____
Eleanor Lukovics, Finance Director

MORTGAGE

KNOW ALL MEN BY THESE PRESENTS, that the Village of Richfield, Ohio, (“Borrower”), in consideration of a loan in the amount of Three Hundred Seventy Thousand Dollars (\$370,000.00) (“Obligation”) from to The Meridian Sun Temple Company (“Lender”), whose address is P.O. Box 289, Richfield, Ohio 44286, and other good and valuable consideration, the receipt whereof is hereby acknowledged, does hereby grant, bargain, sell and convey to Lender, Lender's successors and assigns forever, the real estate described in Exhibit A attached hereto and incorporated herein by this reference, together with all buildings and improvements which may hereafter be erected thereon, the rents, issues and profits thereof, and all easements, privileges, tenements, hereditaments and appurtenances thereunto belonging, and all fixtures of every kind and nature that may be placed in or on any building or improvement, all of which shall be referred to as the “Property”.

TO HAVE AND TO HOLD the above granted and bargained Property with the appurtenances thereof unto Lender forever. And Borrower does covenant with Lender that at and until the ensembling of these presents, Borrower is well seized of the Property as a good and indefeasible estate in fee simple, and has good right to bargain and sell the same in manner and form as above written, and that the same are free and clear of all liens, encumbrances, and adverse interests whatsoever (or the possibility thereof), except for real estate taxes and assessments which are a lien on the date this instrument is executed, easements, reservations, and restrictions of record, if any, and zoning ordinances, if any. And Borrower further covenants with Lender that Borrower will warrant and defend said Property, with the appurtenances thereunto belonging, unto Lender forever, against all lawful claims and demands whatsoever except as aforesaid.

WHEREAS, Borrower has executed and delivered to Lender a certain Promissory Note (“Note”) payable to the order of Lender of even date in the principal amount of Three Hundred Seventy Thousand Dollars (\$370,000.00), due and payable as therein provided.

AND WHEREAS, Borrower does hereby further covenant with Lender as follows:

1. Borrower shall pay and discharge as the same become payable, all taxes, assessments, re-assessments and other governmental charges whatsoever now or hereafter imposed by any public authority upon the Property or any part thereof, or Lender’s interest therein, without regard to any law heretofore or hereafter enacted imposing payment of the whole or any part thereof upon the Lender and to promptly, when requested, provide Lender with proof of all such payments. Borrower further covenants to promptly reimburse Lender for any and all penalties and interest incurred as the result of any failure of Borrower to timely pay Borrowers obligations under this Paragraph 1.

2. Borrower shall pay all water rents, sewer service charges and other governmental or municipal charges and rates levied, imposed or charged against said Property as the same become due and payable.

3. Borrower will keep the Property free and clear from all mechanic’s liens and any other statutory liens during the continuance of this Mortgage.

4. Borrower will not suffer any lien superior to this Mortgage to exist against the Property during the continuance of this Mortgage without obtaining the prior written consent of Lender, which shall not unreasonably be withheld. In the event that title to the Property, or any part thereof or interest therein, becomes vested in a person or persons not approved by Lender or otherwise permitted herein, the indebtedness secured hereby will become due and payable at Lender's option. In the event that ownership of the Property, or any part thereof or interest therein, becomes vested in such person or persons other than Borrower, Lender may, without prior notice to the Borrower, deal with such successor or successors in interest with reference to this Mortgage, in the same manner as with Borrower, without in any way releasing, discharging or otherwise affecting Borrower's liability hereunder or for the indebtedness hereby secured.

5. Borrower will keep and maintain all buildings and improvements (including fixtures), and all apparatus and personal property owned by Borrower, now or hereafter situated on the Property at all times in good order, condition and repair, ordinary wear and tear excepted, and in compliance with all applicable laws, ordinances and regulations (including without limitation those relating to environmental protection). Further, Borrower covenants for itself and its successors and assigns, that Borrower shall not cause or permit the disposal on or contamination of said real estate in violation of any applicable federal, state, local or administrative law, rule, regulation or order (hereinafter "**Environmental Laws**"), to be disposed of on, under or at the real property upon the Property, and Borrower, its successors and assigns shall indemnify and save harmless Lender, its successors and assigns from all losses, costs, expenses, claims, actions and damages arising out of any violations of said Environmental Laws whether now existing or hereinafter enacted.

6. Borrower will keep the buildings on the Property insured to the full replacement cost thereof in such forms and with such companies and for such length of time as required by Lender, for the benefit of Lender, as Lender's interest may appear, and will place and keep a certificate of such insurance with Lender upon Lender's request.

7. Borrower hereby agrees that in the event of Borrower's failure to comply with any or all of the covenants, agreements, conditions and stipulations herein set forth, then Lender will be and hereby is authorized and empowered at its option, but without legal obligation so to do, (i) to pay any unpaid obligation secured by any lien on the Property, water rents, sewer rental charges and other governmental charges and rents and all or any part of the unpaid taxes, assessments and re-assessments; (ii) to effect insurance on said buildings to the amount above named; and (iii) to enter or have Lender's agents enter upon the Property whenever necessary for the purpose of inspecting the Property and curing any default of Borrower hereunder. Borrower agrees that Lender will thereupon have a claim against Borrower for all sums paid by Lender for such water rents, sewer rental charges and other governmental or municipal charges and rates, taxes, assessments and re-assessments, insurance and defaults cured plus interest at the default rate of interest as set forth in the Note. Any such sum and the interest thereon will be immediately due and payable and be secured hereby, having the benefit of the lien hereby created, as a part hereof and its priority.

8. In the event an action is instituted to foreclose Borrower's equity of redemption, the court will at once, on application of Lender or Lender's attorney in such action, ex parte and without notice, appoint a receiver to take immediate possession of, manage and control the

Property, for the benefit of the holder or holders of the Indebtedness and of any other parties in interest, with power to collect the rents and profits of the Property during the pendency of such action, and to apply the same toward the payment of the several obligations herein mentioned and described, notwithstanding that the same or any part thereof is occupied by Borrower or any other person.

9. No sale of the Property, no forbearance on the part of Lender, no extension of the time for the payment of the Indebtedness or any change in the terms thereof consented to by Lender will in any way whatsoever operate to release, discharge, modify, change or affect the original liability of Borrower herein, either in whole or in part. No waiver by Lender of any breach of any covenant of Borrower herein contained will be construed as a waiver of any subsequent breach of the same or any other covenant herein contained. Lender may pursue Lender's rights under the Note without first exhausting Lender's rights hereunder and all rights, powers and remedies conferred upon Lender herein are in addition to each and every right which Lender may have hereunder at law or equity, and may be enforced concurrently therewith.

10. If any action or proceeding be commenced, to which action or proceeding Lender is made a party by reason of the execution of this Mortgage or the indebtedness, or in which it becomes necessary to defend or uphold the lien of this Mortgage or the priority thereof or possession of the Property, or otherwise to perfect the security hereunder, all sums paid by Lender for the expense of any litigation to prosecute and defend the rights and liens created hereby will be paid by Borrower together with interest thereon from the date of payment at the lesser of the Default Rate, as set forth in the Note, or the highest lawful rate of interest then permitted under applicable law. Any such sum and the interest thereon will be immediately due and payable and be secured hereby, having the benefit of the lien hereby created, as a part hereof and its priority.

11. The occurrence of any of the following events will constitute a default under this Mortgage: (i) the occurrence of any default in the performance or observance of any of the terms, covenants or agreements contained herein, in the Note or arising out of the Indebtedness (other than a default relating to the payment of money), which shall not be cured within thirty (30) days after Borrower's receipt of notice of such default from Lender; (ii) the institution of any foreclosure proceeding by the holder of any mortgage or lien upon the Property; (iii) Borrower's insolvency or application to any Bankruptcy Court to be adjudicated a voluntary bankrupt; (iv) the institution of any proceeding against Borrower to put it in involuntary bankruptcy, which is not dismissed within sixty (60) days; (v) the commencement of any proceeding against Borrower for the appointment of a receiver, which is not dismissed within sixty (60) days; (vi) the seizure of the Property under any writ or process of court, or by any trustee acting under any mortgage; or (vii) a default in relating to the payment of money under the terms of the Note which remains uncured for a period of ten (10) days. Upon the occurrence of any of the foregoing events, the whole of the indebtedness will, at the election of Lender, become immediately due and payable without notice and Lender, its successors and assigns are hereby authorized and empowered to foreclose this Mortgage or otherwise to pursue any other rights or remedies permitted hereunder or by law.

NOW THEREFORE, the condition of this Mortgage is that if Borrower shall punctually pay all indebtedness hereby secured according to the tenor of said Note or during any period of

grace allowed therein and shall punctually perform the Borrower's covenants herein contained, then the grant, conveyance, assignment and transfer hereby evidenced shall become null and void; otherwise the same shall remain in full force and effect.

IN TESTIMONY WHEREOF, the said Borrower has caused these presents to be subscribed this _____, 2008.

BORROWER:

Village of Richfield, Ohio

By: _____
Mayor Michael K. Lyons

By: _____
Finance Director Eleanor Lukovics

STATE OF OHIO)
) SS
COUNTY OF CUYAHOGA)

Personally appeared before me, the undersigned, a Notary Public in and for said County and State, Mayor Michael K. Lyons and Finance Director Eleanor Lukovics, on behalf of the Village of Richfield, Ohio who acknowledged that they did sign the foregoing instrument and that the same was their free act and deed and that of the Village.

In testimony whereof, I have hereunto set my hand and official seal at Richfield, Ohio, this _____, 2008.

Notary Public

This Instrument Prepared By:
Christopher E. Soukup, Esq.
Ziegler, Metzger & Miller, LLP
925 Euclid Avenue, Suite 20202
Euclid, Ohio 44115
(216) 781-5470

EXHIBIT A

PARCEL 1:

Situated in the Township of Richfield, County of Summit and State of Ohio:

And known as all of the property conveyed by James B. Kirby and Nellie M. Kirby as mentioned in a Warranty Deed recorded in the Records of Summit County on September 4, 1926 as shown in Book 1116, Page 406, Summit County Records, and more intimately described as follows:

Part of Lot 9, Tract 2 in said Township of Richfield, and bounded and described as follows:

Beginning in the center of the Peninsula Road at the Northeast corner of a tract of land owned by I. J. and K. J. Sapsford, which point is 353.28 feet distant from an iron pin set from the intersection of the Peninsula Road and the Diagonal Road, which point is the beginning point of the land herein described;

Thence North 89 deg. 15' East along the center line of the said Peninsula Road 217.02 feet to a point, which point is the Northwest corner of a tract of land now owned by Emil Basshard;

Thence South 550.33 feet along the West line of lands owned by Emil Basshard, M. A. White, and M. J. and W. A. White to an iron pin set at the Southwest corner of lands owned by M. J. and W. A. White, which line is also the Easterly line of a street known as High Street;

Thence West along the North line of E. J. Holbrook's land, which line is also the Southerly line of said High Street to a point, which point is the point of intersection of the Northerly line of said E. J. Holbrook's land, with a line bearing South 24 deg. 1' 30" East from an iron pin set at the Southeast corner of the Baptist Church lot;

Thence North 24 deg. 1' 30" West to an iron pin which is 17.82 feet distant measured along said boundary line from an iron pin set at the Southeast corner of the said Baptist Church lot;

Thence North 0 deg. 13' 30" West, 418.44 feet to the place of beginning and containing 2.67 acres of land.

PARCEL 2:

Situated In the Township of Richfield, County of Summit and State of Ohio:

And known as being part of Lots 8 and 9, Tract 2, in said Richfield, and bounded as follows:

Beginning at the Southwest corner of the Baptist Church Lot in the center of the diagonal highway near the Village of West Richfield;

Thence running North 66 deg. East 1 chain 93 links to the Southeast corner of said Baptist Church Lot;

Thence South 24 deg. 1' 30" East, from an iron pin set in the Southeast corner of the Baptist Church Lot 1 chain 87 links to a stake and stones, which stake is in the Southerly line of High Street (now known as South Grant Street), in the Village of West Richfield;

EXHIBIT A cont.

Thence South 89.5 deg. West, 2 chains and 14 links along the Southerly line of High Street to the center of said diagonal highway;

Thence Northerly in the center line of said Highway 1 chain to the place of beginning, containing .29 acres of land, be the same more or less but subject to all legal highways.

Property Address: 4586 Streetsboro Road, Richfield, OH 44286

Tax ID No.: RI-00506-01-001.000; PM 50-00854

Property Address: V/L Broadview Road, Richfield, OH 44286

Tax ID No.: RI-00506-01-010.000; PM 50-00855

10/21/2008

LEASE AGREEMENT

SECTION I – GENERAL PROVISIONS AND EXHIBITS

(A) Parties:

- (1) Landlord: The Village of Richfield
4410 West Streetsboro, Box 387
Richfield, Ohio 44286
- (2) Tenant: The Meridian Sun Temple Company (aka Meridian Sun Lodge #69)
P.O. Box 289
Richfield, Ohio 44286

(B) Basic Lease Terms:

- (1) Commencement Date: [the date of Closing of Landlord’s acquisition of Property]
- (2) Term: Twenty-six (26) years.
- (3) Rent: Five Thousand Dollars (\$5,000.00) per lease year for the first 26 years, payable in annual installments to be offset by the Annual Payments owed by the Landlord to Tenant pursuant to a certain Promissory Note of even date for the initial term. Rent shall be adjusted by Landlord and mutually agreed upon by Landlord and Tenant for any extended term of this Lease.
- (4) Security deposit: \$ -0-.
- (5) Property: All land and improvements located at 4586 Streetsboro Road, Richfield Village, designated as Permanent Parcel Nos. 5000854 and 5000855 and described on Exhibit A attached hereto.
- (6) Building: The currently existing building on the Property.
- (7) Premises: The entire 2nd floor of the Building located on Property.
- (8) Use: Masonic lodge.

SECTION 2 – LEASE OF PREMISES. For the rent and upon the terms and conditions set forth in this Lease, Landlord leases the Premises to Tenant and Tenant leases the Premises from Landlord, together with the non-exclusive right to use the common areas of the Building (“Common Areas”).

SECTION 3 – TERM OF LEASE. The initial term of this Lease is approximately twenty-six (26) years (“Initial Term”), commencing on the Commencement Date, and terminating on the last day of the 312th full calendar month after the Commencement Date, both dates inclusive, unless sooner terminated as herein provided. If Tenant desires an extended term, written notice must be given to Landlord at least ninety (90) days prior to the expiration of the initial term. The extended term shall be upon such terms and conditions as Landlord and Tenant may mutually agree. Tenant shall have the right to terminate this Lease upon one year’s advance written notice in which event the rent and the offset amount owed by Landlord to Tenant under the aforementioned Promissory Note shall be prorated accordingly.

SECTION 4 – BASE RENT. Tenant shall pay to Landlord, without demand, deduction, or set off (other than as provided herein), base rent in the amount of Five Thousand Dollars (\$5,000.00) per lease year, payable in annual installments of Five Thousand Dollars (\$5,000.00) each for the initial term. Each annual installment of rent shall be paid, in arrears, by offsetting the Annual Payments owed to Tenant by Landlord in the sum of \$5,000 pursuant to a certain Promissory Note of even date herewith.

SECTION 6 – CONDITION OF PREMISES. Tenant has examined the Premises and accepts the Premises, Building and Property in their present “AS-IS” condition.

SECTION 7 – USE OF BUILDING BY TENANT.

- (a) Tenant shall use the Premises and Common Areas solely for the purposes specified in Subsection I (B)(8) hereof, and shall not engage in any business or permit any use of the Building which is forbidden by law, ordinance, or government regulation, or which may increase the premium cost of or invalidate any policy of insurance carried on the Premises or covering its operation. Tenant agrees that the Premises shall be used and occupied subject to, and in accordance with, all laws, rules, regulations, ordinances, restrictions, and any certificate of occupancy. Tenant shall not use or occupy, nor permit or suffer, the building or any part thereof to be used or occupied for any unlawful or illegal business, use or purpose, nor for any disreputable business, use or purpose, nor in such manner as to constitute a nuisance of any kind. Tenant shall immediately upon the discovery of any such unlawful, illegal, or disreputable use take all necessary steps, legal and equitable, to compel the discontinuance of such use and to oust and remove any subtenants, occupants, or other persons guilty of such unlawful, illegal, or disreputable use. Tenant shall not (either with or without negligence) cause or permit the escape, disposal, or release of any hazardous substances or materials in the Building or on the Premises.
- (b) Tenant will have exclusive use of the Premises. Subject to areas of the Property already in use by Landlord from time to time, Tenant will otherwise have full use of the Property (a) on the first and third Wednesdays of every month during the Term as well as (b) on 12 additional individual days during each calendar year of the Term which Tenant must reserve at least 60 days in advance.

SECTION 8 – INSURANCE.

- (a) Commercial General Liability Insurance. Tenant agrees to carry commercial general liability insurance covering the Premises and Tenant's use thereof with companies and in a form satisfactory to Landlord, with a minimum combined single limit of Two Million Dollars (\$2,000,000.00) for liability on account of bodily injury and property damage. Such policy shall name Landlord as an additional insured, shall be payable as the interests of the parties appear, and shall contain an endorsement to the effect that the insurer agrees to notify Landlord not less than thirty (30) days in advance of any modification or cancellation thereof.
- (b) Landlord's Liability. Landlord shall not be liable (i) for any damage to Tenant's property located in the Building or on the Premises unless such damage is caused by Landlord, its employees, agents, invitees, licensees, or contractors, in which case Landlord shall be liable for such damage, or (ii) for any condition of the Premises or Building whatsoever unless Landlord is responsible for the repair thereof and has failed to make such repair after notice from Tenant of the need therefor and the expiration of a reasonable time for the making of such repair.
- (c) Fire and Extended Coverage Insurance. Landlord agrees to carry policies insuring the Building and all permanent improvements within the Building against fire and such other perils as are normally covered by a "special form" (formerly known as "all-risk") policy of property insurance, in an amount equal to at least eighty percent (80%) of the replacement cost of the Building, together with insurance against such other risks and in such amounts as Landlord deems appropriate. Upon written request, each party shall furnish the other with a certificate evidencing such coverage.
- (d) Mutual Waiver of Subrogation. Landlord and Tenant each agree to cause to be included in their respective policies of insurance the agreement of the issuer thereof that such policies shall not be invalidated by a waiver of claims by the insured against the Landlord or tenant, as the case may be, and each will furnish evidence thereof to the other. In addition, but not in limitation of any other waiver herein, Landlord and Tenant each hereby waive any claim against the other for any loss resulting from any cause, including the negligence of the other, to the extent of the insurance proceeds available therefore.
- (e) Compliance with Regulations. Tenant agrees to comply with all applicable rules, regulations, and requirements of any federal, state, county, or municipal authority, and the rules, regulations, and requirements of fire rating organizations and underwriters. Tenant, at Tenant's cost and expense, shall make all replacements, alterations, and any and all repairs to the Premises required to comply with such rules, regulations, and requirements including replacements, alterations, and repairs which are the responsibility of Tenant under Section 10 of this Lease or are necessitated because of Tenant's particular use of the Premises.

- (f) Increase in Premium. Should tenant's operations or activities cause an increase in the rate of premium for any fire, liability or casualty insurance for the Premises, Tenant shall solely be responsible for payment of the entire amount of increase in such premium payments.
- (g) Proof of Coverage. Landlord and Tenant shall deposit with each other copies of the above-named policies (or certificates thereof). Such policies shall provide that they shall not be subject to cancellation or significant modification except upon at least thirty (30) days written notice to the other party.

SECTION 9 – UTILITIES AND REAL ESTATE TAXES.

A. A separate natural gas meter will be installed at Landlord's expense which will monitor the gas usage of the Tenant within the Premises. Tenant shall pay the portion of the natural gas utility consumed by Tenant pursuant to such submeter directly to the provider thereof. Landlord and Tenant shall review the Tenant's electricity usages over the past three years and determine an equitable basis for the sharing of such costs. Tenant shall pay to Landlord its share (determined as aforesaid) of such electricity charges within 10 days of Tenant's receipt of Landlord's invoice for same (accompanied by a copy of the utility provider's invoice). Landlord shall pay all charges for water, sewer and rubbish removal. Landlord shall pay water and sewer hook-up charges, if any. Landlord shall not be liable to Tenant for any interruption of utility services, nor shall such interruption relieve Tenant of its duties and obligations hereunder unless such interruption is caused by Landlord, its employees, agents, invitees, licensees, or contractors, in which case Landlord shall be liable for any damages caused by such interruption.

use original sentence

~~B. Landlord shall pay all real estate taxes and assessments against the Property. Landlord anticipates being granted an exemption from real estate taxes for the Property. In the event that the exemption is denied in whole or in part due to Tenant's occupancy of the Premises, Tenant shall be responsible for the timely payment of all real estate taxes that are assessed against the Property or any part thereof attributed to Tenant's occupancy. Tenant shall reimburse Landlord for real estate taxes for each tax year or part thereof which falls within the Term within 20 days after receipt by Tenant of a true copy of Landlord's tax bill and a statement in writing from Landlord setting forth the amount payable by Tenant~~

SECTION 10 – MAINTENANCE AND REPAIRS.

- (a) Tenant. Tenant shall, at its sole cost, keep and maintain (including applicable replacement when necessary) the interior of the Premises, in good and sanitary order, condition, and repair, except for ordinary wear and tear, damage by fire or other casualty, condemnation and repairs or replacements which are the responsibility of Landlord under this Lease. Tenant shall, at its sole cost, keep and maintain all utilities, fixtures, and mechanical equipment used exclusively by Tenant in good order, condition and repair.
- (b) Landlord. Landlord shall keep and maintain the remainder of the Property (outside of the Premises) in good order, condition and repair, and replace when necessary, (i) the foundation, roof, and structural portions of the

Building; (ii) the drives, sidewalks, parking areas and other exterior improvements on the Building; and (iii) any common utility facilities, including, without limitation, electrical, plumbing, and heating, ventilating and air conditioning facilities, that serve the Premises and Building. In addition, Landlord shall, at its sole cost, be responsible for the maintenance and repair of snow and ice removal, lawn and landscaping, electrical systems, kitchen, dining room, plumbing systems, and heating, ventilating, and air conditioning systems of the Building. Tenant agrees to give Landlord written notice of the necessity for repairs as such repairs come the attention of Tenant. Landlord may at any time temporarily close any Common Areas to make repairs or changes to the Common Areas. Landlord shall maintain the landscaping on the Property.

SECTION II – IMPROVEMENTS AND ALTERATIONS.

- (a) Prior Consent Required. Tenant shall not make or permit to be made any alterations or improvements to the Premises without the prior written consent of Landlord, which shall not be unreasonably withheld. Any alterations or improvements which may be permitted by Landlord shall be upon the condition that Tenant shall promptly pay all related costs, expenses, and charges; shall make such alterations or improvements in accordance with applicable laws and building codes and in a good and workmanlike manner; and shall fully and completely indemnify Landlord against any mechanic's lien or other liens or claims in connection with the making of such alterations and improvements. Tenant shall promptly repair any damage to the Premises caused by any alterations or improvements of the Premises by Tenant.
- (b) Removal. Except as otherwise provided herein, all alterations and improvements made by Tenant shall become the property of Landlord and shall not be removed from the Premises. All trade fixtures, equipment, furniture, furnishings, and signs installed in the Premises by Tenant and paid for by Tenant shall remain the property of Tenant and may be removed upon expiration of the term of this Lease, provided that:
- (1) Any of such items which are affixed to the Premises and require severance may be removed only if Tenant repairs any damage caused by such removal; and
 - (2) Tenant shall have fully performed all of the covenants and agreements to be performed by Tenant under the provisions of this Lease.

If Tenant fails to remove such items from the Premises prior to the expiration or earlier termination of this Lease, all such trade fixtures, equipment, furniture, furnishings, and signs shall, thirty (30) days after Tenant surrenders the Premises to Landlord, become the property of Landlord unless Landlord elects to require their removal, in which case Tenant shall promptly remove such trade fixtures, furniture, furnishings and signs and restore the Premises to their prior condition.

SECTION 12 – NONLIABILITY OF LANDLORD. Landlord shall not be liable for any damage:

- (a) done or occasioned by any of the utility service systems servicing the Premises;
- (b) done or occasioned by water, ice, or snow from the roof or any other portion of the Building;
- (c) done or occasioned by any damage done or occasioned by or from plumbing, gas, water, steam, or other pipes or sewage or the bursting, leaking or running of any tank, washstand, water closet, or water pipe in, above, upon, or about the Premises; or
- (d) to any property of Tenant in or upon the Premises;

provided, however, that such damage is not caused by Landlord, its employees, agents, invitees, licensees, or contractors, in which case Landlord shall be liable for such damage. Moreover, Landlord shall not be liable for any failure to repair unless Tenant has first given Landlord written notice of the need for repair and Landlord has not made such repair within a reasonable period of time. This Section shall in no way limit the waiver of subrogation clause contained in this Lease.

SECTION 13 – NO WAIVER. No waiver of any of the terms, covenants, provisions, conditions, or rules and regulations required by this Lease and no waiver of any legal or equitable relief or remedy shall be implied by the failure of either party to assert any right or to declare any forfeiture, and no waiver of any of such terms, provisions, covenants, conditions, or rules and regulations shall be valid unless it shall be in writing and signed by the other party. No waiver of any pledge of this Lease or the forgiveness of performance of any one or more of the terms, provisions, covenants, conditions, or rules and regulations of this Lease shall be claimed or pleaded by either party to excuse a subsequent pledge or failure of performance of any of the terms, provisions, conditions, covenants, or rules and regulations of this Lease.

SECTION 14 – INDEMNITY. Tenant agrees to indemnify and hold Landlord harmless from and against any and all loss, cost, and expense, including attorneys' fees, arising out of any acts of Tenant, or its agents and employees, in its use and occupancy of the Premises or Common Areas or arising out of any failure on the part of Tenant to keep and perform its covenants and obligations hereunder. Landlord agrees to indemnify and hold Tenant harmless from and against any and all loss, cost, and expense, including attorneys' fees, arising out of any acts of Landlord, or its agents and employees, arising out of any failure on the part of Landlord to keep and perform its covenants and obligations hereunder. Each party shall, at their sole cost and expense, defend any actions that may be brought against the other party due to any of the foregoing.

SECTION 15 – MECHANIC'S LIENS. Tenant shall not permit any mechanics', laborers' materialmen's, or other liens to attach to the Premises, the Building or the Property (or Tenant's interest in the Premises) for any labor, machinery, material, or fuel furnished or claimed to have been furnished in connection with work of any character performed or claimed to have been performed on or pertaining to the Premises solely for Tenant or under Tenant's control, whether such work was performed or materials furnished prior to or subsequent to the commencement of the term of this Lease. If any such lien shall be filed or shall attach, Tenant shall promptly either

pay the same or procure the discharge thereof by giving security or in such other manner as is required or permitted by law. If Tenant fails to do so within thirty (30) days after receiving written notice from Landlord, Landlord may procure the discharge of such lien, by payment or otherwise, and may recover all costs and expenses from Tenant. Moreover, Tenant shall indemnify and defend Landlord from and against all claims, demands, and legal proceedings on account of such furnishing or claimed furnishing of labor, machinery, material, or fuel, and shall directly pay or reimburse Landlord for all costs and expenses thereof, including, but not limited to, attorneys' fees, bond premiums, and court costs.

SECTION 16 – DAMAGE OR DESTRUCTION.

(a) Termination. If:

- (i) the Building is damaged to the extent of more than twenty-five percent (25%) of the cost of replacement thereof;
- (ii) the proceeds of Landlord's insurance recovered or recoverable as a result of damage to the Building are insufficient to pay fully for the cost of replacement of the Building;
- (iii) the Building shall be damaged as a result of a risk which is not covered by Landlord's insurance; or
- (iv) the Building is damaged in whole or in part during the last two (2) years of the lease term or of the renewal term hereof.

then, in any such event, Landlord may terminate this lease by notice given within ninety (90) days after such event and upon the date specified in such notice (which shall be not less than thirty (30) days nor more than sixty (60) days after the giving of such notice) and Tenant shall vacate and surrender the Premises to Landlord. If the damage or any repairing or restoration resulting therefrom shall render the Premises untenable, in whole or in part, a proportionate abatement of the rent shall be allowed from the date when the damage occurred until completion of the repairs or restoration or, in the event Landlord elects to terminate this lease, until such date of termination.

- (b) Repair or Restoration. If this Lease is not terminated as provided in Subsection 16(a), Landlord, at Landlord's expense (to the extent of insurance proceeds received), shall proceed with the repair or restoration for the Premises. All repairs and restoration of the Premises not included in Landlord's work shall be performed by Tenant promptly and diligently, at Tenant's own expense. Upon the completion of Landlord's work, Tenant shall promptly replace, at Tenant's own cost, all of Tenant's fixtures, furnishings, and other appurtenances necessary to conduct Tenant's business in the Building or on the Premises.

SECTION 17 – ENTRY AND REIMBURSEMENT RIGHTS OF LANDLORD. Landlord reserves the right at all reasonable times to enter and inspect the Premises and every part thereof upon twenty-four (24) hours prior notice to Tenant, except in an emergency, and, at Landlord's

option, to make repairs, alterations, and additions to the Premises. Should Tenant fail to perform any work or make any payments which are Tenant's obligation under the Lease, Landlord may, but shall not be obligated to, perform such work or make such payments. Any expenses so incurred by Landlord, together with a service charge of ten percent (10%) of such expense, shall be considered additional rent and shall be due and payable to Landlord upon submission to tenant of proof of payment.

SECTION 18 – SIGNS. Tenants may place and maintain on the Premises suitable signs conforming to building specifications and applicable governmental ordinances. The content, style, and size of such signs is subject to the approval of Landlord and applicable governmental requirements.

SECTION 19 – SUBORDINATION.

- (a) Subordination of Lease to Mortgage. Landlord reserves the right to demand and obtain from Tenant a waiver of priority, in recordable form, subordinating Tenant's Lease in favor of any mortgage lien placed upon the Premises from time to time by Landlord; provided that Landlord shall procure from any such mortgagee an agreement providing in substance that so long as Tenant shall faithfully discharge the obligations on its part to be kept and performed under the terms of this Lease, Tenant's tenancy will not be disturbed nor this Lease affected by any default under such mortgage, and Tenant agrees that this lease shall remain in full force and effect even though default in the mortgage may occur.
- (b) Lease Subject to Recorded Documents. Tenant agrees to comply with all lawful easements, covenants, and restrictions of record pertaining to the Premises.

SECTION 20 – HOLDOVER. If Tenant continues to occupy the Premises after the expiration of this lease without having entered into a new agreement with Landlord in writing, such occupancy shall be on a month-to-month basis at such rental as may be fixed by the parties from time to time, but otherwise upon the same terms, provisions, and conditions set forth herein. This Section shall not give Tenant the right to hold over at the expiration of the term hereof without Landlord's permission.

SECTION 21 – DEFAULT. A default under the terms and conditions of this Lease shall be deemed to have occurred if:

- (a) Tenant fails to pay base rent, additional charges, or any other sums due under this lease, and such failure continues for five (5) days after written notice from Landlord;
- (b) Tenant fails to maintain insurance as required by this Lease;
- (c) Tenant permits waste to be committed or any unnecessary damage done upon or to the Premises;

- (d) Tenant permits the Premises to become vacant, deserted, or abandoned, or fails to continuously occupy and conduct Tenant's business in the Premises;
- (e) Tenant fails to perform or comply with any other condition or term of this Lease, other than those referred to in subsections (a) through (d) above, and such failure continues for a period of thirty (30) days after written notice from Landlord;
- (f) Tenant makes an assignment for the benefit of creditors or Tenant is subjected to receivership; or
- (g) the Premises, Tenant's property therein, or Tenant's assets are levied upon or attached under process against Tenant, which is not satisfied or dissolved within ten (10) days after such levy.
- (h) The Tenant subleases any or all of the Premises or assigns any interest in this Lease without Landlord's consent.

SECTION 22 – REMEDIES UPON DEFAULT. In the event of a default hereunder, Landlord, in addition to other rights or remedies that it may have, shall have the right to terminate this Lease, re-enter the Premises, and reduce the balance due the Tenant under the aforementioned Promissory Note by the amount needed to recover all rent accrued plus repairs needed to the date of such entry.

SECTION 23 – EMINENT DOMAIN. If, at any time during the term of this Lease, the Premises are taken in whole or in part for public or quasi-public use or are condemned under eminent domain or conveyed under threat of such a taking or condemnation, either party may terminate this Lease effective on the date of such taking or conveyance and Tenant shall not be entitled to claim or have paid to Tenant any compensation or damage whatsoever for or on account of any loss, injury, damage, taking, or conveyance of any right, interest or estate of Tenant, and Tenant hereby relinquishes and hereby assigns to Landlord any rights to any such damages. Landlord shall be entitled to claim and have paid to it, for the use and benefit of Landlord, all compensation and damages for and on account of or arising out of such taking, condemnation, or conveyance, without deduction from the amount thereof for or on account of any right, title, interest, or estate of Tenant in or to such property. Tenant, upon request of landlord, shall execute any and all releases, transfers, or other documents as shall be required by such public or quasi-public authority to effectuate and give further evidence and assurance of the foregoing. Notwithstanding the foregoing, any award for the taking of the personal property of Tenant and any award for Tenant's cost of moving and moving expenses shall belong to and be paid exclusively to Tenant.

SECTION 24 – CONDITION OF PREMISES AT TERMINATION OF LEASE. Upon the expiration or other termination of this Lease, Tenant shall remove its goods and effects and those of all persons claiming under it from the Premises and shall deliver and yield the Premises to Landlord in as good repair as the Premises were at the commencement of the term of this Lease, except reasonable wear and tear and destruction by insured casualty. Any property not so removed within thirty (30) days after Tenant surrenders the Premises to Landlord shall be deemed abandoned and shall become the exclusive property of Landlord, and Landlord shall have no liability to Tenant therefor.

SECTION 25 – LIMITED LIABILITY. Notwithstanding anything stated in this Lease to the contrary, if Landlord shall fail to perform any covenant, term or condition of this Lease to be performed by Landlord and, as a consequence of such default, Tenant or any person claiming through Tenant suffers any loss, injury, or damage, it is specifically understood and agreed that Landlord shall not have any personal liability therefore. Tenant hereby agrees to look solely to the equity of Landlord in the Property. If the Property is sold or transferred, Landlord shall be automatically and entirely released of all covenants and obligations under this Lease from and after the date of such conveyance or transfer, provided the purchaser in such sale has assumed and agreed to carry out all covenants and obligations contained in this Lease to be performed on the part of Landlord hereunder. It is hereby agreed that the covenants and obligations contained in this Lease shall be binding upon Landlord, its successors and assigns, only during their respective periods of ownership.

SECTION 26 – PARTIES BOUND. The terms, conditions, and provisions of this Lease shall be binding upon and inure to the benefit of Landlord, its personal representatives, successors and assigns, and shall be binding upon and inure to the benefit of Tenant, its or its personal representatives, successors and assigns.

SECTION 27 – ASSIGNMENT AND SUBLETTING.

Prior Approval Required. Tenant acknowledges that this Lease represents a unique accommodation by the Landlord for the Tenant arising out of and in connection with the purchase of the Property by Landlord from Tenant. This Lease is one which is absolutely personal to the Tenant. Accordingly, this Lease (and any interest therein) shall not be assigned, mortgaged, pledged, encumbered, or in any other manner transferred by the Tenant, voluntarily or involuntarily, by operation of law or otherwise, or used or occupied by anyone other than Tenant, without the prior written consent of Landlord which shall not be unreasonably withheld. Consent Not a Release. ~~The Tenant shall not at any time during the term of this Lease sublet all or any part of the Premises. Any such assignment, subletting or transfer shall be null and void and shall constitute a default by Tenant. Any person to whom any such transfer is attempted shall have no claim, right or remedy whatsoever hereunder against Landlord, and Landlord shall have no duty to recognize any person or entity claiming under or through the same. or assign this Lease, without the consent of Landlord, Tenant shall remain fully liable under all of the terms, covenants, and conditions of this Lease. This Lease may not be assigned, the Premises or any part thereof may not be subleased, used, or occupied by anybody other than Tenant without written consent from the Landlord, If the Landlord agrees to a sublease it may collect from the assignee, sublessee, or occupant any rent or other charges payable by Tenant under this Lease and apply the amount collected to the rent and other amounts due from Tenant hereunder, but such collection by Landlord shall not be deemed an acceptance of the assignee, sublessee, or occupant as a tenant or a release of Tenant from the obligations of Tenant under this Lease.~~

SECTION 29 – NOTICES. All notices or demands provided for in this Lease shall be in writing and shall be served by certified United States mail, return receipt requested, or hand-delivered to the address set forth in Section I hereof. Each party shall be notified of a change in the other's mailing address in writing.

SECTION 30 – COVENANTS RUNNING WITH THE LAND. All terms and conditions of this Lease shall be construed as covenants running with the Property, and no assignment,

transfer, sale, mortgage, pledge, conveyance, or disposition of the Property shall defeat or adversely affect such terms and conditions.

SECTION 31 – ENTIRE AGREEMENT. This Lease contains the entire agreement between the parties hereto and shall not be modified in any manner except by an instrument in writing executed by the parties or their respective successors in interest.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have set their hand to two (2) counterparts hereof, each of which shall have the same force and effect as if it were an original, this ____ day of _____, 2008, as to Landlord, and this ____ day of _____, 2008, as to Tenant.

Landlord: The Village of Richfield

Tenant: The Meridian Sun Temple Company

By: _____
Mayor Michael K. Lyons

By: _____
R. Dennis Breda (WM)

By: _____
Finance Director Eleanor Lukovics

By: _____
Harold Scoby (Treasurer)

Approved as to form:

By: _____
Charles T. Riehl, Law Director

EXHIBIT A

PARCEL 1:

Situated in the Township of Richfield, County of Summit and State of Ohio:

And known as all of the property conveyed by James B. Kirby and Nellie M. Kirby as mentioned in a Warranty Deed recorded in the Records of Summit County on September 4, 1926 as shown in Book 1116, Page 406, Summit County Records, and more intimately described as follows:

Part of Lot 9, Tract 2 in said Township of Richfield, and bounded and described as follows:

Beginning in the center of the Peninsula Road at the Northeast corner of a tract of land owned by I. J. and K. J. Sapsford, which point is 353.28 feet distant from an iron pin set from the intersection of the Peninsula Road and the Diagonal Road, which point is the beginning point of the land herein described;

Thence North 89 deg. 15' East along the center line of the said Peninsula Road 217.02 feet to a point, which point is the Northwest corner of a tract of land now owned by Emil Basshard;

Thence South 550.33 feet along the West line of lands owned by Emil Basshard, M. A. White, and M. J. and W. A. White to an iron pin set at the Southwest corner of lands owned by M. J. and W. A. White, which line is also the Easterly line of a street known as High Street;

Thence West along the North line of E. J. Holbrook's land, which line is also the Southerly line of said High Street to a point, which point is the point of intersection of the Northerly line of said E. J. Holbrook's land, with a line bearing South 24 deg. 1' 30" East from an iron pin set at the Southeast corner of the Baptist Church lot;

Thence North 24 deg. 1' 30" West to an iron pin which is 17.82 feet distant measured along said boundary line from an iron pin set at the Southeast corner of the said Baptist Church lot;

Thence North 0 deg. 13' 30" West, 418.44 feet to the place of beginning and containing 2.67 acres of land.

PARCEL 2:

Situated in the Township of Richfield, County of Summit and State of Ohio:

And known as being part of Lots 8 and 9, Tract 2, in said Richfield, and bounded as follows:

Beginning at the Southwest corner of the Baptist Church Lot in the center of the diagonal highway near the Village of West Richfield;

Thence running North 66 deg. East 1 chain 93 links to the Southeast corner of said Baptist Church Lot;

Thence South 24 deg. 1' 30" East, from an iron pin set in the Southeast corner of the Baptist Church Lot 1 chain 87 links to a stake and stones, which stake is in the Southerly line of High Street (now known as South Grant Street), in the Village of West Richfield;

EXHIBIT A cont.

Thence South 89.5 deg. West, 2 chains and 14 links along the Southerly line of High Street to the center of said diagonal highway;

Thence Northerly in the center line of said Highway 1 chain to the place of beginning, containing .29 acres of land, be the same more or less but subject to all legal highways.

Property Address: 4586 Streetsboro Road, Richfield, OH 44286

Tax ID No.: RI-00506-01-001.000; PM 50-00854

Property Address: V/L Broadview Road, Richfield, OH 44286

Tax ID No.: RI-00506-01-010.000; PM 50-00855
