
FOURTH AMENDMENT TO OPERATING AGREEMENT

between

CITY OF NORTH ROYALTON, OHIO

and

YMCA OF GREATER CLEVELAND

Dated as of

January __, 2023

THIS FOURTH AMENDMENT TO OPERATING AGREEMENT, made as of the ___ day of January, 2023 between the City of North Royalton, Ohio, hereinafter referred to as the "City", a municipal corporation and political subdivision organized under the laws of the State of Ohio, and the YMCA of Greater Cleveland hereinafter referred to as the "YMCA", an Ohio not-for-profit corporation. The City and YMCA are herein collectively referred to as the "Parties". Capitalized terms used herein and not otherwise defined shall have the same meanings as set forth in the Operating Agreement which this document supplements and is defined below.

WHEREAS, the Parties have heretofore entered into an Operating Agreement dated as of June 3, 2010, as amended by the First Amendment to Operating Agreement dated April 8, 2011, and as further amended by the Supplemental Operating Agreement dated as of November 3, 2013, and as further amended by the Third Amendment to Operating Agreement dated as of March 31, 2014, and as further amended by the Second Supplemental Operating Agreement dated as of September __, 2019 (collectively, the "Operating Agreement") to provide for the construction, operation, management and financing of the Center;

WHEREAS, the City has heretofore leased a portion of the Center to Parma Community General Hospital (now University Hospitals Parma Medical Center, and collectively referred to herein as the "PCH") dated as of _____ (the "Lease"), which was temporarily extended in May, 2022 and set to expire on December 31, 2022 (the "Lease Extension Term"), and the City and PCH intend such Lease to be renewed through the exercise of a renewal option for an additional term of 5 years, effective January 1, 2023 (the "Renewal Lease Term").

WHEREAS, the City has determined to renew the term of the Lease with PCH, and the parties hereto have determined to enter into this Agreement to provide for the allocation of rental proceeds derived by the City from the Lease during received during the Lease Extension and the Lease Renewal Term;

NOW, THEREFORE, in consideration of the premises and the mutual covenants hereinafter contained, the parties hereto covenant, agree and bind themselves as follows:

I. AMENDMENT OF SECTIONS 19(C), 19(D) AND 19(E) OF THE OPERATING AGREEMENT

Sections 19(C), (D) and (E) of the Operating Agreement are hereby amended in their entirety as follows:

(C) The rents received by the City from PCH from the Lease during the Renewal Lease Term and the Lease Extension Term, and any Subsequent Rentals (as defined in C(ii) below) shall be applied as follows:

(i) Renewal Lease Term. PCH shall pay to the City the following amounts as base rent during the Renewal Lease Term in monthly installments (the "Renewal Lease Term Rentals").

PERIOD	RATE PER SQUARE FOOT	SQUARE FOOTAGE	ANNUALIZED GROSS RENT	MONTHLY RENT
1/1/2023 -12/31/2023	\$14.50	7,000	\$101,500	\$8,459
1/1/2024 -12/31/2024	\$14.50	7,000	\$101,500	\$8,459
1/1/2025 -12/31/2025	\$14.50	7,000	\$101,500	\$8,459
1/1/2026 -12/31/2026	\$15.00	7,000	\$105,000	\$8,750
1/1/2027- 12/31/2027	\$15.00	7,000	\$105,000	\$8,750

The Renewal Lease Term Rentals paid by PCH to the City during the Renewal Lease Term shall be used and allocated by the City as follows:
 (i) An amount equal to \$13.00 per square foot (\$91,000 annually) (the "YMCA Bond Defeasance Portion") shall be deposited by the City in an appropriate fund or account of the City and shall be utilized to defease a commensurate portion of the principal amount of the YMCA Bonds outstanding (rounded to the nearest authorized denomination of the YMCA Bonds) at the then next available optional call date for those Bonds, being December 1, 2027 and December 1 in each of the years thereafter until the YMCA Bonds have been paid (collectively, the "Optional Call Dates"),

until the earlier of (x) the date the YMCA Bonds are paid in full or deemed paid in full or (y) the date the YMCA no longer operates the Center in the event of termination of this Agreement under Section 16(B) hereof, at which time, the remaining rentals under this subparagraph (i) may be used by the City for any lawful purposes. The YMCA Bonds to be called on each Optional Call Date shall be those YMCA Bonds outstanding with the then latest stated maturity date. (ii) The balance of the Renewal Lease Term Rentals in the amount of \$1.50 per square foot in 2023, 2024 and 2025 (\$10,500 annually) and in the amount of \$2.00 per square foot in 2026 and 2027 (\$14,000 annually) (collectively, the “City Maintenance Portion”) shall be deposited by the City in an appropriate account or fund and used for the purpose of paying costs of maintenance and repair at the Center as determined by the City to be necessary in its sole discretion.

(ii) Subsequent Rentals. In the event that PCH does not renew a term of the Lease, then any rents received from the subsequent lease of the PCH portion of the Center to another party (“Subsequent Rentals”) shall be applied in the same manner as set forth in C(i) above (and if rental amounts differ from the Renewal Lease Term Rentals set forth in C(i) above, the allocation between the YMCA Bond Defeasance Portion and the City Maintenance Portion shall bear the same proportion as the allocation set forth in C(i) above) until the earlier of (x) the date the YMCA Bonds are paid in full or deemed paid in full or (y) the date the YMCA no longer operates the Center in the event of termination of this Agreement under Section 16(B) hereof, at which time, the remaining rentals may be used by the City for any lawful purposes.

(iii) Lease Extension Term. The City has heretofore received rentals from PCH in the amount of \$_____ for the Lease Extension Term (the “Lease Extension Term Rentals”). The City shall deposit the Lease Extension Term Rentals in an appropriate fund or account of the City and shall utilize that amount to defease a commensurate portion of the principal amount of the YMCA Bonds outstanding with the then latest stated maturity date (rounded to the nearest authorized denomination of the YMCA Bonds) on the Optional Call Date occurring on December 1, 2027.

(D) The rental amounts for any additional renewal terms provided for in the PCH Lease or Subsequent Rentals shall be determined by the City and the tenant, with the approval of the YMCA, which approval shall not be unreasonably withheld. Such rental amounts shall be applied in the same manner as set forth in C(i) above (and if rental amounts differ from the Renewal Lease Term Rentals set forth in C(i) above, the allocation between the YMCA Bond Defeasance Portion and the City Maintenance Portion shall bear the same proportion as the allocation set forth in C(i) above) until the earlier of (x) the date the YMCA Bonds are paid in full or deemed paid in full or (y) the date the YMCA no longer operates the Center in the event of termination of this Agreement under Section 16(B) hereof, at which time, the remaining rentals may be used by the City for any lawful purposes.

(E) The YMCA shall not be responsible for payment of the amounts due from PCH or other tenants pursuant to Sections 19(C)(i) or 19(C)(ii) or 19(D).

The provisions of Sections 19(C), (D) and (E) of the Operating Agreement in effect as of the date of this Fourth Amendment to Operating Agreement shall be of no further force or effect.

II. FULL FORCE AND EFFECT

The remaining provisions of the Operating Agreement, to the extent not supplemented or amended hereby, shall remain in force and effect as set forth in the Operating Agreement.

IN WITNESS WHEREOF, the City and the YMCA have caused this Fourth Amendment to Operating Agreement to be executed in their respective names by their duly authorized officers, all as of the date first above written.

CITY OF NORTH ROYALTON, OHIO

By: _____
Name: _____
Title: Mayor

YMCA OF GREATER CLEVELAND

By: _____
Name: _____
Title: President

Approved as to Form

By: _____
Name: Thomas A. Kelly
Title: Director of Law, City of North Royalton, Ohio