




To: Members of Dublin City Council
From: Dana L. McDaniel, City Manager 
Date: April 7, 2016
Initiated By: Colleen Gilger, Director of Economic Development
Donna Goss, Director of Development
Re: Ordinance 16-16 - Economic Development Agreement with Cardinal Health

Summary

Cardinal Health, Dublin's largest employer, has seen tremendous growth over the last few years by serving the needs of patients, providers, payers, pharmacists and manufacturers.

As part of Cardinal Health's continued growth and commitment to the Dublin community, the company is planning to occupy the property at 5100 Rings Road in Dublin for a 12-year lease term, pending Dublin City Council approval of proposed City incentives. The 400,000 square-foot property at 5100 Rings Road will allow the company to consolidate approximately 2,000 Cardinal Health employees and contractors currently located in four other Dublin locations into one facility. The lease runs from January 2018 through December 2030. Cardinal Health anticipates that it will begin moving employees to the 5100 Rings Road location by the first half of 2018, and will follow a sequenced occupancy roll-out that will occur over the next three years.

Cardinal currently has 936,000 square feet of total office space and 4,800 employees and contractors spread across the City of Dublin. This lease will provide Cardinal the ability to co-locate functional teams and the flexibility to plan for its growth.

In order for the property to meet the growing needs of Cardinal, the City is proposing to utilize approximately 10 acres on a City-owned parcel of land adjacent to 5100 Rings Road to build additional parking to accommodate that growth within 5100 Rings Road. The City acquired this 23.75 acre parcel for \$2 million from Nationwide earlier this month. The 10 acres needed for this parking expansion is valued at \$842,105.

The existing parking lot at 5100 Rings Road has approximately 1,900 spaces. The City, as an incentive to Cardinal, is proposing to add approximately 750 adjacent spaces to make the building site a viable growth option for Cardinal. If approved, the City would construct the new parking lot in 2017.

The cost to build the parking lot ranges from \$2.5 to \$3 million. The City proposed to lease the parking lot to Cardinal for \$1/year to run concurrently with the term of the building lease. The company will assume day-to-day operating cost, while the City will retain ownership responsibility for long-term maintenance of the property.

Additionally, in January 2016, City Council passed Resolution 06-16 allowing Cardinal access to the Dublin fiber system through an Indefeasible Right to Use (IRU) agreement.

Memo re. Ordinance 16-16

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The total value of this incentive offering is approximately \$3.3 million to \$3.8 million. Assuming total estimated payroll withholdings over the term of the lease to be \$31 million, the City expects to net approximately \$27.2 million over the term of the lease. The City in return retains approximately 2,000 Cardinal employees and positions the Company to have growth opportunities in a larger facility.

Cardinal Health is under a 2003 Economic Development Agreement with the City that is performance-based (2004-2016). That agreement ends in 2016 once Cardinal reaches \$7.5 million in total incentives paid, with the final payment due in early 2017. Cardinal had been receiving an annual payment ranging from \$500,000 to \$750,000. There will be no overlapping of economic development agreements.

Recommendation

Staff recommends approval of Ordinance 16-16 at the second reading/public hearing on April 25, 2016. Cardinal Health continues to exceed expectations in regard to its operations and continued job growth in Dublin. Please contact Colleen Gilger or Donna Goss with any questions you may have.

RECORD OF ORDINANCES

Ordinance No. 16-16

Passed _____, 20____

AN ORDINANCE AUTHORIZING THE PROVISION OF CERTAIN INCENTIVES TO CARDINAL HEALTH, INC. TO INDUCE IT TO RETAIN OPERATIONS AND WORKFORCE WITHIN THE CITY

WHEREAS, consistent with the City's Economic Development Strategy (the "Strategy") approved by Dublin City Council Resolution No. 07-94 adopted on June 20, 1994, and the updated Strategy approved by Dublin City Council Resolution No. 30-04 adopted on July 6, 2004, the City desires to encourage commercial office development and create and preserve jobs and employment opportunities within the City; and

WHEREAS, Cardinal Health, Inc. (the "Company") recently performed a comprehensive examination of Its workforce needs, and based on the results of this examination, and induced by and in reliance on the economic development incentives provided in the proposed Development Agreement (as described below), the Company is desirous of retaining operations and workforce within the City; and

WHEREAS, this Council has determined that it is necessary and appropriate and in the best interests of the City to provide for certain economic development incentives to the Company, as described in the proposed Economic Development Agreement; and

WHEREAS, this Council has determined to offer the economic development incentives, the terms of which are set forth in a substantially final form of the Agreement presently on file in the office of the Clerk of Council, to induce the Company to retain operations and workforce, all within the City, which will result in the preservation of existing jobs and employment opportunities within the City and the possible creation of new jobs and employment opportunities within the City, thereby improving the economic welfare of the people of the State of Ohio and the City, all as authorized in Article VIII, Section 13 of the Ohio Constitution.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Dublin, State of Ohio, _____ of the elected members concurring, that:

Section 1. The Economic Development Agreement by and between the City and the Company, in the form presently on file with the Clerk of Council, providing for, among other things, the provision of certain economic development incentives in consideration for the Company's agreement for the retention of workforce within the City, which will result in the preservation of existing jobs and employment opportunities within the City and the possible creation of new jobs and employment opportunities within the City, is hereby approved and authorized with changes therein not inconsistent with this Ordinance and not substantially adverse to this City and which shall be approved by the City Manager. The City Manager, for and in the name of this City, is hereby authorized to execute that Agreement, provided further that the approval of changes thereto by that official, and their character as not being substantially adverse to the City, shall be evidenced conclusively by the execution thereof. This Council further authorizes the City Manager, for and in the name of the City, to execute any amendments to the Agreement, which amendments are not inconsistent with this Ordinance and not substantially adverse to this City.

Section 2. This Council further hereby authorizes and directs the City Manager, the Director of Law, the Director of Finance, the Clerk of Council, or other appropriate officers of the City to prepare and sign all agreements and instruments and to take any other actions as may be appropriate to implement this Ordinance, including the Lease attached as Exhibit B to the Economic Development Agreement.

Section 3. This Council finds and determines that all formal actions of this Council and any of its committees concerning and relating to the passage of this Ordinance were

RECORD OF ORDINANCES

Ordinance No. 16-16

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taken in open meetings of this Council or committees, and that all deliberations of this Council and any of its committees that resulted in those formal actions were in meetings open to the public, all in compliance with the law including Section 121.22 of the Revised Code.

Section 4. This Ordinance shall be in full force and effect on the earliest date permitted by law.

Signed:

Mayor - Presiding Officer

Attest:

Clerk of Council

Passed: _____, 2016

Effective: _____, 2016

ECONOMIC DEVELOPMENT AGREEMENT

THIS ECONOMIC DEVELOPMENT AGREEMENT (the “*Agreement*”) is made and entered into this ____ day of _____, 2016 (the “*Effective Date*”), by and between the CITY OF DUBLIN, OHIO (the “*City*”), a municipal corporation duly organized and validly existing under the Constitution and the laws of the State of Ohio (the “*State*”) and its Charter, and CARDINAL HEALTH, INC., an Ohio corporation (the “*Company*” and together with the City, the “*Parties*”), under the circumstances summarized in the following recitals.

RECITALS:

WHEREAS, consistent with its Economic Development Strategy (the “*Strategy*”) approved by Dublin City Council Resolution No. 07-94 adopted on June 20, 1994, and the updated Strategy approved by Dublin City Council Resolution No. 30-04 adopted on July 6, 2004, the City desires to encourage commercial office development and create and preserve jobs and employment opportunities within the City; and

WHEREAS, based on the results of the Company’s recent comprehensive examination of workforce needs, and induced by and in reliance on the economic development incentives provided in this Agreement, the Company is desirous of consolidating approximately 2,000 employees and contractors, which are currently working at four different Dublin locations, into a single facility within the City which is located at 5100 Rings Road (the “*Building*”); and

WHEREAS, the Building’s current parking lot has approximately 900 spaces and to facilitate the Company’s consolidation, the Company anticipates that it will need approximately 767 additional parking spaces; and

WHEREAS, pursuant to Ordinance No. 16-16 passed on _____, 2016 (the “*Ordinance*”), the City has determined to offer the economic development incentives described herein to induce the Company to lease the Building for the purpose of consolidating various offices and associated operations and workforce within the City, which will result in the retention of existing jobs and employment opportunities and the possible creation of new jobs and employment opportunities, and which will improve the economic welfare of the people of the State of Ohio and the City, all as authorized in Article VIII, Section 13 of the Ohio Constitution; and

WHEREAS, to facilitate the Company’s consolidation of certain of its operations and workforce to the Building and to promote the retention and potential creation of employment opportunities within the City, the City has identified 10 acres of real property which is located adjacent to the Building (which real property is depicted on **EXHIBIT A** which is incorporated herein by reference and such real property is referred to herein as the “*Parking Expansion Area*”) and hereby agrees to construct thereupon a parking lot which will include at least 767 parking spaces, all in an effort to accommodate the Company’s consolidation; and

WHEREAS, the City expects that the cost of designing and constructing the Parking Expansion Area will be between \$2.5 million to \$3 million; and

WHEREAS, the City and the Company have determined to enter into this Agreement to provide the incentives in order to induce the Company to lease the Building and consolidate certain of its operations and workforce, all within the City;

NOW THEREFORE, the City and the Company covenant, agree and obligate themselves as follows:

Section 1. Company's Agreement to Lease the Building and Consolidate Certain of its Operations and Workforce Within the City.

(a) In consideration for the economic development incentives to be provided by the City herein, the Company agrees that it will lease the Building for the purpose of consolidating certain offices and associated operations and workforce within the City, all consistent with the terms of this Agreement. The Company expects to retain approximately Two Thousand (2,000) employee or contractor positions in the City by December 31, 2018. The Company, as a result of the consolidation, will have the ability to add an additional 600 employee or contractor positions at the Building. The total estimated payroll withholdings for those existing employee or contractor positions is estimated to be approximately Thirty-One Million Dollars (\$31,000,000) over the term of this Agreement.

(b) The Company agrees that the City's obligation to design, construct and lease the Parking Expansion Area to the Company (in accordance with this Agreement and the hereafter defined Parking Expansion Lease Agreement) shall be contingent upon the Company delivering to the City a fully executed copy of an agreement evidencing the Company's lease of the Building for a term from January 1, 2018 through December 31, 2030 (the "*Building Lease Agreement*"); *provided, however,* and notwithstanding any provision herein to the contrary, if the Company shall, after having acted in good faith, fail to execute the Building Lease Agreement within the period set forth in subsection 3(r)(i), (a) this Agreement will terminate without such failure constituting a breach by the Company, (b) the City's obligation to design, construct and lease the Parking Expansion Area to the Company will be terminated and (c) the Company will owe no penalties to the City as a result of such failure.

Section 2. City's Agreement to Design, Construct and Lease the Parking Expansion Area.

(a) General. In consideration for the Company's agreement to execute the Building Lease Agreement for the consolidation of certain of its offices and associated operations and workforce within the City, the City agrees to provide economic development incentives to the Company in accordance with this Section.

(b) Design and Construction of the Parking Expansion Area. The City agrees that it will, at the sole cost of the City, cause the Parking Expansion Area to be designed, constructed and substantially completed no later than December 1, 2017. The City further agrees that the Parking Expansion Area will be designed and constructed in such a manner to reasonably accommodate at least 767 standard parking spaces with a reasonable number of vehicular and pedestrian access points for use in connection with the Building.

(c) Lease of the Parking Expansion Area. Provided that the Company has satisfied Section 1(b) and the City has satisfied Section 2(b), the Parties shall execute a lease agreement (with the terms and in substantially the form which is attached hereto as **EXHIBIT B** which is incorporated herein by reference and referred to herein as the “*Parking Expansion Lease Agreement*”) which will provide for the lease of the Parking Expansion Area from the City to the Company for the sum of One Dollar (\$1.00) per year from January 1, 2018 to December 31, 2030.

Section 3. Miscellaneous.

(a) Assignment. This Agreement may not be assigned without the prior written consent of all non-assigning Parties.

(b) Binding Effect. The provisions of this Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns.

(c) Captions. The captions and headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Agreement.

(d) Day for Performance. Wherever herein there is a day or time period established for performance and such day or the expiration of such time period is a Saturday, Sunday or legal holiday, then such time for performance shall be automatically extended to the next business day.

(e) Economic Development Assistance Certification. The Company has made no false statements to the City in the process of obtaining approval of the incentives described in this Agreement. If any representative of the Company has knowingly made a false statement to the City to obtain the incentives described in this Agreement, the Company shall be required to immediately return all benefits received under this Agreement pursuant Ohio Revised Code Section 9.66(C)(2) and shall be ineligible for any future economic development assistance from the State, any State agency or a political subdivision pursuant to Ohio Revised Code Section 9.66(C)(1). The Company acknowledges that any person who provides a false statement to secure economic development assistance may be guilty of falsification, a misdemeanor of the first degree, pursuant to Ohio Revised Code Section 2921.13(F)(1), which is punishable by a fine of not more than \$1,000 and/or a term of imprisonment of not more than six months

(f) Entire Agreement. This Agreement constitutes the entire Agreement between the Parties on the subject matter hereof and supersedes all prior negotiations, agreements and understandings, both written and oral, between the Parties with respect to such subject matter. This Agreement may not be amended, waived or discharged except in an instrument in writing executed by the Parties. Notwithstanding the foregoing, the Parties acknowledge that the Parking Expansion Lease Agreement will be executed between the Parties.

(g) Events of Default and Remedies. Except as otherwise provided in this Agreement, in the event of any default in or breach of this Agreement, or any of its terms or conditions, by any Party hereto, such defaulting Party shall, upon written notice from any non-defaulting Party, proceed immediately to cure or remedy such default or breach, and, in any event, within thirty (30) days after receipt of such notice. In the event such default or breach is of such nature that it cannot be cured or

remedied within said thirty (30) day period, then in such event the defaulting Party shall upon written notice from any non-defaulting Party commence its actions to cure or remedy said breach within said thirty (30) day period, and proceed diligently thereafter to cure or remedy said breach. In case such action is not taken or not diligently pursued, or the default or breach shall not be cured or remedied within a reasonable time, the aggrieved non-defaulting Party may institute such proceedings as may be necessary or desirable in its opinion to cure and remedy such default or breach, including, but not limited to, proceedings to compel specific performance by the defaulting Party.

(h) Executed Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to constitute an original, but all of which together shall constitute but one and the same instrument. It shall not be necessary in proving this Agreement to produce or account for more than one of those counterparts.

(i) Extent of Covenants; No Personal Liability. All covenants, obligations and agreements of the Parties contained in this Agreement shall be effective to the extent authorized and permitted by applicable law. No such covenant, obligation or agreement shall be deemed to be a covenant, obligation or agreement of any present or future member, officer, agent or employee of the City or the Company other than in his or her official capacity, and neither the members of the legislative body of the City nor any official executing this Agreement shall be liable personally under this Agreement or be subject to any personal liability or accountability by reason of the execution thereof or by reason of the covenants, obligations or agreements of the City and the Company contained in this Agreement.

(j) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Ohio without regard to its principles of conflicts of laws. All claims, counterclaims, disputes and other matters in question between the City, its agents and employees, and the Company, its employees and agents, arising out of or relating to this Agreement or its breach will be decided in a court of competent jurisdiction within Franklin County, Ohio.

(k) Legal Authority. The Parties respectively represent and covenant that each is legally empowered to execute, deliver and perform this Agreement and to enter into and carry out the transactions contemplated by this Agreement. The Parties further respectively represent and covenant that this Agreement has, by proper action, been duly authorized, executed and delivered by the Parties and all steps necessary to be taken by the Parties have been taken to constitute this Agreement, and the covenants and agreements of the Parties contemplated herein, as a valid and binding obligation of the Parties, enforceable in accordance with its terms.

(l) Limit on Liability. Notwithstanding any clause or provision of this Agreement to the contrary, in no event shall City or the Company be liable to each other for punitive, special, consequential, or indirect damages of any type and regardless of whether such damages are claimed under contract, tort (including negligence and strict liability) or any other theory of law.

(m) Notices. Except as otherwise specifically set forth in this Agreement, all notices, demands, requests, consents or approvals given, required or permitted to be given hereunder shall be in writing and shall be deemed sufficiently given if actually received or if hand-delivered or sent by recognized, overnight delivery service or by certified mail, postage prepaid and return receipt

requested, addressed to the other Party at the address set forth in this Agreement or any addendum to or counterpart of this Agreement, or to such other address as the recipient shall have previously notified the sender of in writing, and shall be deemed received upon actual receipt, unless sent by certified mail, in which event such notice shall be deemed to have been received when the return receipt is signed or refused. For purposes of this Agreement, notices shall be addressed to:

- (i) the City at: City of Dublin, Ohio
5800 Shier Rings Road
Dublin, Ohio 43016-7295
Attention: Economic Development Director

- (ii) the Company at: Cardinal Health, Inc.

Dublin, Ohio 4301__
Attention: _____

The Parties, by notice given hereunder, may designate any further or different addresses to which subsequent notices; certificates, requests or other communications shall be sent.

(n) No Waiver. No right or remedy herein conferred upon or reserved to any Party is intended to be exclusive of any other right or remedy, and each and every right or remedy shall be cumulative and in addition to any other right or remedy given hereunder, or now or hereafter legally existing upon the occurrence of any event of default hereunder. The failure of any Party to insist at any time upon the strict observance or performance of any of the provisions of this Agreement or to exercise any right or remedy as provided in this Agreement shall not impair any such right or remedy or be construed as a waiver or relinquishment thereof. Every right and remedy given by this Agreement to the Parties hereto may be exercised from time to time and as often as may be deemed expedient by the parties hereto, as the case may be.

(o) Recitals. The Parties acknowledge and agree that the facts and circumstances as described in the Recitals hereto are an integral part of this Agreement and as such are incorporated herein by reference.

(p) Severability. If any provision of this Agreement, or any covenant, obligation or agreement contained herein is determined by a court to be invalid or unenforceable, that determination shall not affect any other provision, covenant, obligation or agreement, each of which shall be construed and enforced as if the invalid or unenforceable portion were not contained herein. That invalidity or unenforceability shall not affect any valid and enforceable application thereof, and each such provision, covenant, obligation or agreement shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

(q) Survival of Representations and Warranties. All representations and warranties of the Parties in this Agreement shall survive the execution and delivery of this Agreement.

(r) Term of Agreement. This Agreement shall become effective as of the Effective Date and shall continue until the earlier of (i) September 1, 2017 provided that on that day the Company

shall have theretofore failed to satisfy the requirements of Section 1(b), (ii) any date prior to December 31, 2030 (but not earlier than January 1, 2020) on which the City reasonably determines that the aggregate number of Company employees and contractors working at the Building is less than 1,000 or (iii) December 31, 2030.

(s) Third Party Beneficiaries. Nothing in this Agreement, express or implied, is intended to or shall confer upon any other person any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

(REMAINDER OF PAGE INTENTIONALLY LEFT BLANK – SIGNATURE PAGE FOLLOWS)

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

CITY OF DUBLIN, OHIO

By: _____

Printed: Dana L. McDaniel

Title: City Manager

Approved as to Form:

By: _____

Printed: Stephen J. Smith

Title: Director of Law

CARDINAL HEALTH, INC.

By: _____

Printed: _____

Title: _____

FISCAL OFFICER’S CERTIFICATE

The undersigned, Director of Finance of the City under the foregoing Agreement, certifies hereby that the moneys required to meet the obligations of the City under the foregoing Agreement during Fiscal Year 2016 have been appropriated lawfully for that purpose, and are in the Treasury of the City or in the process of collection to the credit of an appropriate fund, free from any previous encumbrances. This Certificate is given in compliance with Sections 5705.41 and 5705.44, Ohio Revised Code.

Dated: _____, 2016

Angel L. Mumma
Director of Finance
City of Dublin, Ohio

EXHIBIT A

DEPICTION OF PARKING EXPANSION AREA

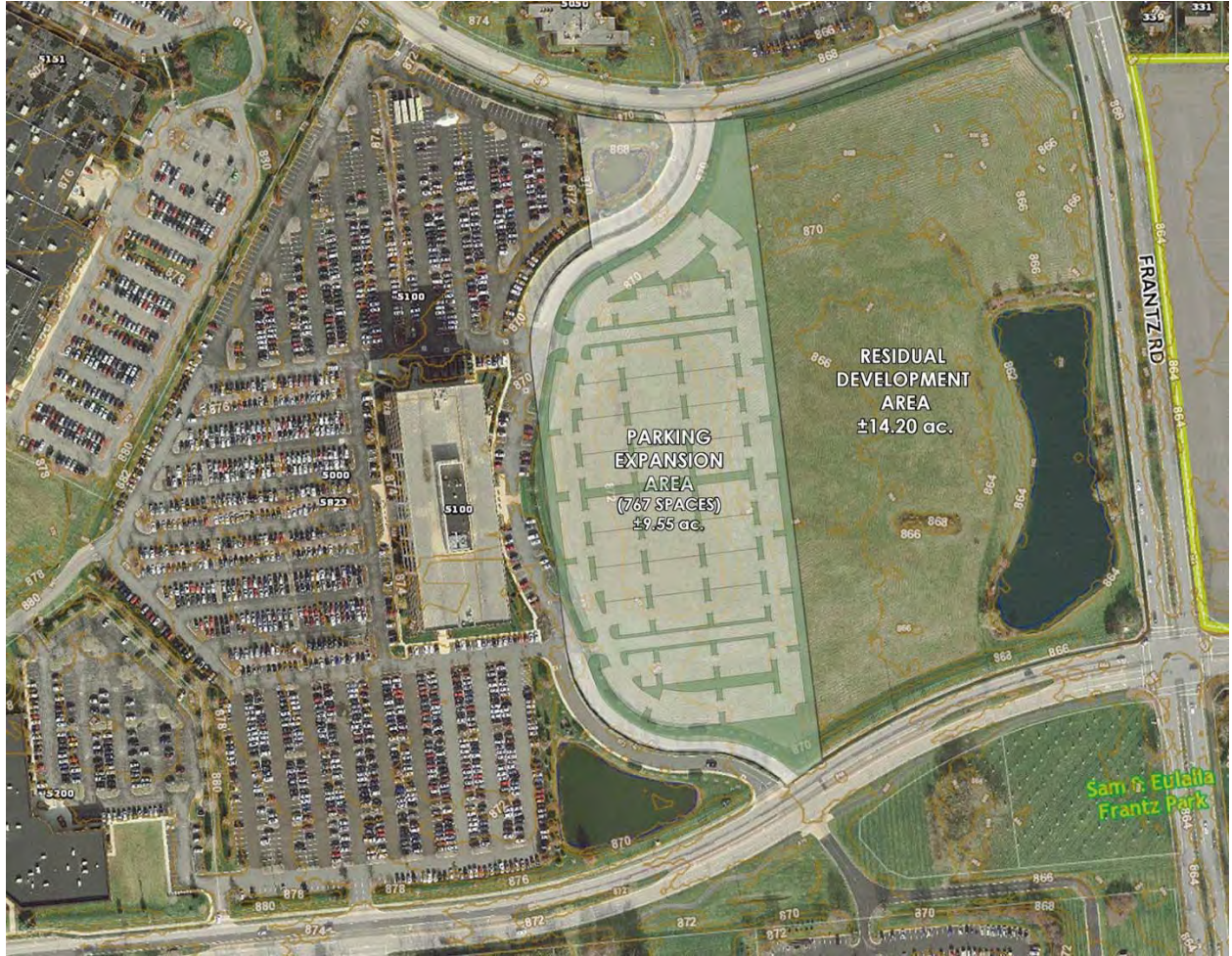


EXHIBIT B

PARKING EXPANSION LEASE AGREEMENT

THIS LEASE is made and entered into on this ____ day of _____, 2016 (the "Effective Date"), by and between **City of Dublin, Ohio**, an Ohio municipal corporation, whose address is 5200 Emerald Parkway, Dublin, Ohio 43017 (hereinafter referred to as "Landlord" or "City") and **Cardinal Health, Inc.**, an Ohio corporation, whose mailing address is 7000 Cardinal Place, Dublin, Ohio 43017 (hereinafter referred to as "Tenant").

1. PREMISES: Landlord, in consideration of the rent to be paid and the covenants to be performed by Tenant, does hereby demise and lease unto Tenant, and Tenant hereby rents from Landlord, the parking lot depicted in Exhibit "A" (the "Premises").

2. TERM: The term of this Lease and Tenant's obligation to pay rent hereunder shall run concurrent with the Tenant's lease term for the entire building located at 5100 Rings Road and terminate on the earlier of (a) The termination of the lease of the entire building located at 5100 Rings Road by the Tenant or (b) upon ninety (90) days written notice by Landlord to the Tenant.

3. RENTAL: Tenant agrees to pay Landlord the sum of One Dollar (\$1.00) per year on July 1 of each year as rental for the term of this Lease. Tenant shall be responsible for all real estate taxes and assessments attributable to Premises during to the term hereof. Tenant shall, within thirty (30) days after receipt of an invoice thereafter reimburse Landlord for such taxes and assessments; provided, however, that Tenant shall not be responsible for reimbursing Landlord for any real estate taxes and expenses attributable to any period before the Effective Date herein.

3. USE: The Premises shall be used by Tenant as a parking lot for its employees, and for no other purpose. Tenant shall, at its own expense, comply with all laws, orders and ordinances respecting all matters of occupancy, condition or maintenance of the Premises, and Tenant shall indemnify and hold Landlord harmless from any and all costs or expenses on account of Tenant's use and occupancy of the Premises. Tenant shall procure and maintain all licenses and permits legally necessary for the operation of Tenant's business and allow Landlord to inspect same on request. Tenant shall be responsible for compliance with the Americans with Disabilities Act with respect to the Premises. Tenant hereby agrees to indemnify and hold Landlord harmless from any and all claims, demands, liabilities, costs and expenses of every nature and kind (including attorneys' fees) which Landlord may sustain at any time as a result of, arising out of or in any way connected with the operation, use, custody or control of the Premises by Tenant during the term of this Lease unless caused by the negligence or misconduct of Landlord. The indemnities set forth in this provision shall survive the termination of this Lease.

4. SERVICES: Landlord shall have no obligation to furnish any services to the Premises.

5. TENANT'S COVENANTS: Tenant covenants and agrees as follows:

- (a) Tenant accepts the Premises as will be improved by Landlord as suited for the use intended by Tenant;
- (b) Tenant shall pay for any repairs to the Premises made necessary by any misuse, negligence or carelessness of Tenant, its tenants, employees, agents, patrons or invitees;
- (c) Tenant shall bear the risk of loss and damage to all personal property of Tenant located upon the Premises and agrees that (i) Landlord shall not be liable for any injury, death, loss or damage to person or property occurring upon the Premises, and (ii) Tenant shall save Landlord harmless from all claims, loss, cost (including reasonable attorney's fees) and damages arising from Tenant's use and occupancy of the Premises;
- (d) Tenant shall operate its business in a reasonable manner so as not to cause waste of the Premises;
- (e) Tenant shall notify Landlord in writing of any accident occurring within the Premises; and
- (f) Tenant shall keep the Premises in good condition and repair (including snow removal, landscaping maintenance, refuse removal and mowing of the parking area).

7. **INSURANCE:** Tenant agrees that, at its own cost and expense, it shall procure and continue in force, in the names of Landlord and Tenant, commercial general liability insurance against any and all claims for injuries to persons or damage to property occurring in, about or upon the Premises, and including all damage from signs, fixtures or other appurtenances, now or hereafter erected upon the Premises, during the term of this Lease. Such insurance shall at all times be in an amount not less than One Million Dollars (\$1,000,000.00) on account of bodily injury to or death of one (1) person and Two Million Dollars (\$2,000,000.00) on account of bodily injuries to or death of more than one person as a result of anyone accident or disaster, and One Hundred Thousand Dollars (\$100,000.00) for property damage in any one accident. Tenant also agrees to maintain in full force throughout the term of this Lease policies of casualty insurance, including extended coverage, on all fixtures, equipment and other property of Tenant located in the Premises. Such insurance shall be in amounts equal to the replacement value of such fixtures, equipment and other property.

Such liability and casualty insurance policies shall be written by a company or companies authorized to engage in the business of general liability, casualty and extended coverage insurance in the State of Ohio, and a certificate thereof shall be delivered to Landlord at least fifteen (15) days prior to the time such insurance is required to be carried by Tenant; and thereafter at least fifteen (15) days prior to the expiration of any such policies. All such policies shall bear an endorsement stating that the insurer agrees to endeavor to notify Landlord not less than fifteen (15) days in advance of modification or cancellation thereof.

Tenant hereby waives any claim which it has against the Landlord and further agrees that all policies of insurance to be kept and maintained in force by Tenant shall contain provisions in which

the rights of subrogation against Landlord are waived by the insurance company or carriers insuring the Premises or property in question.

8. LANDLORD'S IMPROVEMENTS AND REPAIRS: Landlord shall have the obligation to make the following improvements and/or alterations to the Premises. Landlord will construct a parking area on the Premises, which shall include no less than 767 surface parking spaces in accordance with the plans and specifications provided by Tenant and agreed to by Landlord. Anticipated final design plans and permitting of the parking area will be completed before the end of 2016. Construction of the parking area will be completed in 2017.

Landlord shall, at its sole cost and expense, perform all necessary maintenance and repairs to maintain the Premises in a safe, clean and neat and attractive condition, including striping, filling potholes, repaving, replacing landscaping and maintaining lighting in accordance with applicable code beginning January 1, 2018.

9. ALTERATIONS: Except with the prior written consent of Landlord, Tenant will not make, or permit anyone to make, any alterations in or additions to the Premises. When such consent shall be given, all such work shall be at Tenant's expense and at such times and in such manner as Landlord may designate. Tenant shall not permit any mechanic's or materialmen's liens to attach to the Premises or this leasehold interest. If any such alterations, additions or installations are made without such consent or contrary to the time and manner designated by Landlord, Landlord may correct or remove them and Tenant shall be liable for any and all expenses incurred by Landlord in the performance of this work. All alterations, additions or installations made by Tenant shall, unless Landlord elects otherwise, become the property of Landlord and shall remain upon the Premises. In the event Landlord shall elect otherwise, such alterations, additions or installations shall be removed by Tenant at the end of the term hereof, and Tenant shall repair any damage caused by such removal, all at Tenant's sole cost and expense.

10. RIGHT OF ENTRY: Landlord may enter the Premises at reasonable hours to inspect the Premises.

11. ASSIGNMENT AND SUBLETTING: After the execution date of this Lease, Tenant will not assign or encumber this Lease, or sublet, or suffer or permit the Premises or any part thereof to be used by others, without the prior written consent of Landlord.

12. DESTRUCTION: If the whole or any material part of the Premises shall be damaged by fire or other cause, and as a result thereof Tenant is unable to conduct Tenant's business thereon in compliance with all applicable laws, then Landlord may elect to terminate this Lease upon sixty (60) days advance written notice to Tenant.

13. EMINENT DOMAIN: If the whole or any part of the Premises shall be acquired or condemned by eminent domain for any public or quasi-public use or purpose, then the term of this Lease shall, at the option of Landlord, terminate as of the date of title vesting in the appropriating party to such proceeding, and Tenant shall have no claim against Landlord or the condemning

authority for the value of any unexpired term of said lease or otherwise, and any award made pursuant to such proceeding shall belong solely to Landlord.

14. DEFAULT: If (a) Tenant fails to comply with any term, provision, condition or covenant of this Lease and Tenant shall not cure such default within fifteen (15) days after notice to Tenant of such failure to comply; (b) the Premises shall be deserted or vacated; (c) any petition is filed by or against Tenant under any section or chapter of any bankruptcy act; (d) Tenant shall become insolvent or make a transfer in fraud of creditors; (e) Tenant shall make an assignment for the benefit of creditors; (f) a receiver or trustee is appointed for a substantial part of the assets of Tenant and within thirty (30) days thereafter Tenant fails to secure a discharge thereof; or (g) this leasehold interest of Tenant is levied upon under execution, then, in any such events, Landlord shall have the option to pursue any remedy permitted by law or this Lease:

- (a) Terminate this Lease, in which event Tenant shall immediately surrender the Premises to Landlord, but if Tenant fails to do so, Landlord may, without further notice, enter upon the Premises and expel or remove Tenant and Tenant's effects, by force and without court proceedings, and without being liable to prosecution or any claim for damages therefor; and Tenant agrees to indemnify Landlord for all loss and damage which Landlord may suffer by reason of such Lease termination.
- (b) Enter upon the Premises as the agent of Tenant, without being liable to prosecution or any claim for damages thereon, and relet the Premises as the agent of Tenant.
- (c) Refrain from terminating this Lease but terminate Tenant's right of possession until such default is cured, either by legal action or by force and without force and without court proceedings, and in such case Landlord may enforce against Tenant the provisions of this Lease for the unexpired term hereof.
- (d) Recover, in addition to any other damages set forth in this Lease or permitted at law or equity, all of Landlord's expenses incurred with respect to Tenant's default, including without limitation reasonable attorney's fees, and costs of repair, renovation or alteration of the Premises.
- (e) Take any other actions or remedies permitted by law.

15. PERSONALTY OF TENANT: If Tenant shall not remove all its effects from the Premises upon termination of this Lease, Landlord may at its option (a) remove all or part of said effects in any manner that Landlord may choose, and store the same without liability to Tenant for loss or damage thereof, and Tenant shall be liable to Landlord for all expenses incurred in such removal and storage of such effects, or (b) sell at private sale all or part of said property and effects for such price as Landlord may deem best and keep the proceeds of such sale.

16. HOLDING OVER: If Tenant remains in possession after expiration of the term hereof, without Landlord's acquiescence and written agreement of the parties, Tenant shall be a month-to-month tenant subject to all the terms and conditions of this Lease.

17. SURRENDER OF PREMISES: At the termination of this Lease, Tenant shall surrender the Premises in the same condition which existed at the commencement of the term, natural wear and tear excepted. Tenant's obligation to perform this covenant shall survive the expiration or other termination of the term of this Lease.

18. NOTICES: Whenever under this Lease provisions are made for notice of any kind to Landlord, it shall be deemed sufficient notice and sufficient service thereof if such notice to Landlord is in writing, addressed to Landlord at the address set forth in the first paragraph of this Lease or at such address as Landlord may notify Tenant in writing, and deposited in the United States mail by certified mail, return receipt requested, with postage prepaid or Federal Express, Express Mail or such other expedited mail service as normally results in overnight delivery, with a copy of same sent in like manner to Philip K. Hartmann, Esq., Frost Brown Todd, 10 West Broad Street, Suite 2300, Columbus, Ohio 43215. Tenant shall be sent in like manner to at the address set forth in the first paragraph of this Lease or at such address as Tenant may notify Landlord in writing with a copy of same sent in like manner to _____, 7000 Cardinal Place, Dublin, Ohio 43017. All notices shall be effective upon receipt, refusal of receipt, or when such notice is returned as undeliverable. Either party may change the place for service of notice by notice to the other party.

19. LIABILITY OF LANDLORD: If Landlord shall fail to perform any covenant, term or condition of this Lease upon Landlord's part to be performed and, as a consequence of such default, Tenant shall recover a money judgment against Landlord, such judgment shall be satisfied only out of the proceeds of sale received upon execution of such judgment and levied thereon against the right, title and interest of Landlord in the Premises, and neither Landlord nor anyone owning an interest in or affiliated with Landlord herein shall have any personal liability hereunder.

20. APPLICABLE LAW: Tenant and Landlord agree that this Lease shall be interpreted and construed in accordance with the laws of the State of Ohio, County of Franklin.

21. BINDING EFFECT: All the terms, conditions and covenants of this Lease shall inure to the benefit of and be binding upon the respective heirs, legal representatives, successors and assigns of the parties hereto.

22. ENTIRE AGREEMENT: This Lease contains the entire agreement of the parties and no representations or agreements, oral or written, not embodied herein or incorporated herein by reference shall be of any force or effect.

23. NUMBER AND GENDER: The word "Tenant" shall be construed to mean tenants where there is more than one tenant, and the necessary grammatical changes to make the provisions hereof apply either to a corporation, individual or partnership, singular or plural, masculine or feminine, will in all cases be assumed as though in each case fully expressed.

24. CAPTIONS: Paragraph captions are used for convenience only, and shall not limit or amplify or otherwise constitute a part of the provisions of this Lease.

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed on this ____ day of _____, 2016.

TENANT:

Cardinal Health, Inc.

By: _____

Its: _____

LANDLORD:

City of Dublin, Ohio, an Ohio municipal corporation

Dana L. McDaniel, City Manager