

EXHIBIT "A"

**RESTATED AND AMENDED ECONOMIC INCENTIVE AND
JOB PRESERVATION AGREEMENT**
(Non-Tax Incentive)

This Restated and Amended Economic and Job Preservation Agreement (hereinafter "Agreement") is made this __ day of _____, 2024, by and between Applied Medical Technology, Inc.; American Medical Technology, Inc.; Auxano Medical, LLC; and Applied Medical Research, Inc.; all Ohio Corporations with their principal place of business being 8000 and 8006 Katherine Boulevard, Brecksville, Ohio 44141 (hereinafter collectively referred to as "AMT"); and the City of Brecksville, an Ohio Municipal Corporation, with a mailing address of 9069 Brecksville Road, Brecksville, Ohio 44141 (hereinafter referred to as "City").

WHEREAS, the City and AMT desire to restate and amend their prior Economic Incentive and Job Preservation Agreement, dated November 19, 2013 ("Prior Agreement"), by the terms and conditions hereof; and

WHEREAS, the City, in an effort to assist AMT with construction of an approximately 110,000 sq. ft. expansion to the facility on Permanent Parcel Number (hereinafter referred to as "PPN") 604-14-019 Katherine Boulevard, Brecksville, Ohio and to provide certain economic incentives for AMT's projected increase in operations to result from its expansion, the City has offered certain economic incentives to AMT in exchange for this contractual obligation to maintain a presence and its aggregate payrolls subject to the City's Municipal Withholding Income Tax and net profits subject to the City's Corporate Tax within the City of Brecksville and the State of Ohio for an additional number of years; and

WHEREAS, in consideration for certain economic incentives, AMT is offering security for this Agreement; and

WHEREAS, the City has determined that these efforts will result in substantial benefits to the City through the retention and creation of jobs and economic opportunities and the generation of continuing and additional tax revenues.

NOW, THEREFORE, in exchange of the mutual covenants expressed herein the parties hereto agree as follows:

Description of AMT's Business and Current Operations:

Applied Medical Technology, Inc.; American Medical Technology, Inc.; Auxano Medical LLC, and

Applied Medical Research, Inc., all currently operating their respective businesses at 8000 and 8006 Katherine Boulevard, Brecksville, Ohio, are independent, privately-owned companies dedicated to providing advancements in medical research, product development and manufacturing of health care products, guided by the underlying theme of improving the quality of life for the patient and health care professional, through innovative concepts, products, and technologies addressing anticipated needs within specialized markets. The companies' founder, President and Chief Executive Officer is a retired surgeon with over 100 patents. AMT has continued to introduce other innovative designs and materials to advance patient comfort and their outcomes. At the time of the execution of this Agreement, AMT intends to construct an approximately 110,000 sq. ft. addition to its facility on PPN 604-14-019 which is contiguous to its current building at 8000 and 8006 Katherine Boulevard, Brecksville, Ohio (hereinafter referred to as the "Brecksville facility"). Commencing with the year 2021, AMT had an aggregate payrolls subject to the City's Municipal Withholding Income Tax and net profits earned from business, professional, or other activities conducted in the City totaling \$57,056,988. In each of the years thereafter through 2035, AMT had or projects that it will have aggregate payrolls subject to the City's Municipal Withholding Income Tax and net profits earned from business, professional, or other activities conducted in the City subject to the City's Corporate Tax, all as set forth below:

YEAR	AMT's Aggregate Payrolls Subject to the City's Municipal Withholding Income Tax plus Net Profits Subject to the City's Corporate Tax
2021	\$57,056,988.00
2022	\$72,556,028.86
2023	\$78,556,028.86
2024	\$84,556,028.86
2025	\$90,556,028.86
2026	\$96,556,028.86
2027	\$102,556,028.86
2028	\$108,556,028.86
2029	\$114,556,028.86
2030	\$120,556,028.86
2031	\$126,556,028.86
2032	\$132,556,028.86
2033	\$138,556,028.86
2034	\$144,556,028.86
2035	\$150,556,028.86

1. Incentive by City - The City agrees to provide incentives to partially reimburse AMT for the cost of the approximately 110,000 sq. ft. addition and retention of existing jobs in the existing

facility and creation of new jobs at AMT's Brecksville expanded facility in the aggregate amount (referred to as the "Incentive Amount") set forth below. This Incentive Amount is payable to AMT based upon the following conditions, formula, and terms:

a. AMT's right to the Incentive Amount herein commences as of January 1, 2021, and continues every year thereafter through December 31, 2035 so long as AMT's aggregate payrolls subject to the City's Municipal Withholding Income Tax and net profits earned subject to the City's Corporate Tax as set forth above continue to be met, as measured on December 31 of each calendar year starting in 2021.

b. The City shall pay to AMT the Incentive Amount earned for Tax Years 2021, 2022, and 2023 in amounts equal to the following (less the Incentive Amount actually paid to AMT for said years under the Prior Agreement):

1) 40% of the City's Municipal Withholding Income Tax paid for AMT's aggregate payrolls subject to the City's Municipal Withholding Income Tax in each year of this Agreement. Such percentage to be calculated on the actual City's Municipal Withholding Income Tax received in each year from AMT, *plus*

2) 40% of the City's Corporate Tax paid on the net profits earned by AMT from business, professional or other activities conducted in the City and subject to the City's Corporate Tax in each year of this Agreement. Such percentage to be calculated on the actual City's Corporate Tax received in each year from AMT.

3) In addition to the AMT incentive contained herein, the Katherine Boulevard assessment on PPN 604-14-019 shall be paid by AMT and reimbursed by the City for Tax Years 2021, 2022, and 2023, and AMT shall have no further responsibility for payment of such assessment. The City represents that the assessment for each of Tax Year 2021, 2022 and 2023 was \$30,255 for each year and the total assessment to be paid by the City is \$90,765.

The City shall pay AMT a lump sum in the amount of \$680,000 within 90 days of the execution of the Agreement. The remaining Incentive Amount for Tax Years 2021, 2022 and 2023 shall be divided by three and be paid by the City to AMT annually in three equal installments on or before December 31st of 2025, 2026, and 2027.

c. For Tax Years 2024 through 2035 the City shall pay to AMT the Incentive Amount annually in amounts equal to:

- 1) 40% of the City's Municipal Withholding Income Tax paid for AMT's aggregate payrolls subject to the City's Municipal Withholding Income Tax in each year of this Agreement. Such percentage to be calculated on the actual City's Municipal Withholding Income Tax received in each year from AMT, *plus*
- 2) 40% of the City's Corporate Tax paid on the net profits earned by AMT from business, professional or other activities conducted in the City and subject to the City's Corporate Tax in each year of this Agreement. Such percentage to be calculated on the actual City's Corporate Tax received in each year from AMT.
- 3) In addition to the AMT incentive contained herein, the Katherine Boulevard assessment on PPN 604-14-019 shall be paid by AMT and reimbursed by the City for Tax Year 2024 in an amount not to exceed \$30,255 and Tax Year 2025 in an amount not to exceed \$30,255.

AMT shall receive its annual Incentive Payment from the City based on the actual amount of the City's Municipal Withholding Income Tax and paid by the City to AMT within thirty (30) days of AMT's filing of its annual withholding reconciliations with the Regional Income Tax Agency (RITA) in the year following the year that said actual City's Municipal Withholding Income Tax was paid.

AMT shall receive its annual Incentive Payment from the City based on the actual amount of the City's Corporate Tax paid on the net profits earned by AMT from business, professional, or other activities conducted within the City, and paid by the City to AMT within thirty (30) days of AMT's final returns being filed with the City. AMT expressly and specifically hereby waives any and all rights to amend said returns with respect to the City's Corporate Tax paid on said net profits upon receipt of the Incentive Payment.

2. Commitment by AMT – In consideration of the Incentive Payments by the City set forth above, AMT agrees (a) to maintain their businesses within the City, for a period ending on December 31, 2035 (hereinafter "Compliance Period"), subject to termination as set forth in Section 2(a) below, and (b) to achieve and maintain a combined payroll subject to the City's Municipal Withholding Income Tax and net profits earned from business, professional or other activities in the City subject to the City's Corporate Tax at the levels listed above, subject to the City making the remaining payments on AMT's special assessment for PPN 604-14-019.

3. Non Compliance Process – The City and AMT agree that if AMT fails to operate within the City during each of the years 2021 through 2035 at the levels identified above, AMT shall promptly meet with the City to discuss ways that AMT will increase their level of operations and/or their net profits earned from business, professional, or other activities in the City so that in the subsequent year AMT not only meets such level, but makes up any deficiency or deficiencies in the payrolls subject to the City's Municipal Withholding Income Tax and/or in the net profits earned from business, professional, or other activities in the City subject to the City's Corporate Tax that has previously occurred. The City and AMT agree that the intent and goal is that AMT maintain at least the above listed combined payrolls subject to the City's Municipal Withholding Income Tax and/or the net profits subject to the City's Corporate Tax necessary to achieve the incentive granted hereunder and the City's other payments made as set forth above as projected and paid in each year, but if that is not achieved on an annual basis, AMT shall increase its operations (subject to force majeure) and/or its said net profits to assure that the total incentive and City's remaining assessment payments to be made as set forth above for the Compliance Period, shall be achieved. AMT and the City agree that the process to address AMT's compliance is as follows: AMT is required to timely submit to the City all City tax filing information and the City will review annually such information for compliance with this Agreement. The City will only make annual incentive payback and special assessment payments to AMT in years in which AMT pays to the City at least seventy-five percent (75%) of their projected City Income Tax (based on the chart identified above and taking into account both payroll and City Corporate Tax). If in subsequent years AMT makes sufficient City tax payments to cover the previous shortfall, the payment of incentive payback and special assessment will be made by the City. If AMT fails to meet seventy-five percent (75%) of their projected combined City Income Tax and City Corporate Tax for three (3) consecutive calendar years, AMT will be required to meet with the Mayor and City Council to present a plan for 1) meeting their Agreement commitment, 2) making agreed upon modifications to the Agreement commitment, or 3) AMT will make plans to exit from the Agreement.

4. Proof of Level of Operations – AMT agrees to provide to the City such proof as may be reasonably required by the City, including but not limited to copies of Corporate Tax returns and payroll records for operations occurring at AMT'S Brecksville facility, to demonstrate that AMT is maintaining both their payroll subject to the City's Municipal Withholding Income Tax and their net profits subject to the City's Corporate Tax within the City of Brecksville.

5. Authority to Sign – AMT and the City acknowledge that this Agreement must be approved by formal action of the Council of the City and as a condition for the Agreement to take effect. This Agreement takes effect upon such City Council approval and the execution by the parties hereto. AMT represents that this Agreement has been approved by formal action of the duly authorized representatives of both parties.

6. Assignment or Transfer – AMT agrees that this Agreement is not transferable or assignable without the express, written approval of the City. The City acknowledges that it would be unreasonable to withhold such consent in the event of a proposed transfer or assignment by AMT, whether in connection with a change in control of AMT or otherwise, to any parent, subsidiary or affiliate of AMT if such parent, subsidiary or affiliate is owned by Dr. George Picha and/or his spouse, children (including stepchildren and adopted children), grandchildren, parents or siblings (a “Family Member”) or by a trust or other estate planning vehicle created for the primary benefit of Dr. George Picha and/or his Family Members. If any proposed transfer or assignment is to any other unrelated third party, this Agreement shall terminate unless the City is willing to negotiate otherwise.

7. Choice of Law – This Agreement shall be governed and interpreted in accordance with the laws of the State of Ohio and the parties hereto agree that any dispute or other matter arising out of the interpretation or operation of this Agreement shall be determined in a Court of competent jurisdiction located within the State of Ohio and County of Cuyahoga.

8. Binding Agreement – This Agreement shall be binding on each of the parties and their respective successors and assigns only as set forth above in Section 6.

9. Miscellaneous –

- a. Any notice or communication required or permitted to be given under this Agreement by either party to the other shall be deemed sufficiently given if delivered personally or mailed by United States registered or certified mail postage prepaid and addressed as follows:

- (1) To the City:
9069 Brecksville Road, Brecksville, OH 44141
- (2) To Applied Medical Technology, Inc.:
8006 Katherine Boulevard, Brecksville, OH 44141
- (3) To American Medical Technology, Inc.:
8006 Katherine Boulevard, Brecksville, OH 44141
- (4) To Applied Medical Research, Inc.:
8006 Katherine Boulevard, Brecksville, OH 44141
- (5) To Auxano Medical, LLC:
8006 Katherine Boulevard, Brecksville, OH 44141

Any party may change its address for notice purposes by providing written notice of such change to the other party.

- b. This Agreement may only be amended by written instrument executed by all

parties.

- c. This Agreement is signed by the parties as a final expression of all the terms, covenants and conditions of their agreement and as a complete and exclusive statement of its terms, covenants and conditions and is intended to supersede all prior agreements and understandings concerning the subject matter of this Agreement.


- d. This Agreement may be signed in one or more counterparts or duplicate signature pages with the same force and effect as if all required signatures were contained in a single original instrument. Any one or more such counterparts or duplicate signature pages may be removed from any one or more original copies of this Agreement and annexed to other counterparts or duplicate signature pages to form a completely executed original instrument.
- e. The invalidity or unenforceability of any one or more phrases, sentences clauses, or sections in this Agreement shall not affect the validity or enforceability of the remaining portions of this Agreement, or any part thereof.

10. Katherine Boulevard Assessment – The Katherine Boulevard assessment on Permanent Parcel Number 604-14-019 shall be paid by AMT for Tax Year 2024 and Tax Year 2025. So long as AMT is not in default hereunder, and so long as AMT meets the seventy-five percent (75%) requirement in Paragraph 3. above, the City shall reimburse AMT for the Katherine Boulevard assessment in accordance with Section 1(b)(3) and Section 1(c)(3). If AMT is in default hereunder, or does not meet the seventy-five percent (75%) requirement in Paragraph 3. above, AMT shall not be reimbursed for the assessment for Tax Year 2024 and Tax Year 2025. Notwithstanding anything to the contrary herein, any monies received by the City from any third party as payment for said assessment, or for part thereof, shall be credited to AMT. AMT shall have no obligation to repay the special assessment for Tax Years 2021, 2022 and 2023.

(Signatures on following page)

IN WITNESS WHEREOF the parties hereto, by and through their duly authorized representatives, have executed this Agreement on behalf of the corporate entities identified herein, on the date first written above.


Applied Medical Technology, Inc.:

By: 
Dr. George Picha, President and CEO


American Medical Technology, Inc.:

By: 
Dr. George Picha, President and CEO

Applied Medical Research, Inc.:

By: 
Dr. George Picha, President and CEO

Auxano Medical, LLC

By: 
Dr. George Picha, President and CEO

The City of Brecksville:

By: _____
Daryl J. Kingston, Mayor

Approved as to Form:

David J. Matty, Director of Law
City of Brecksville

This Agreement has been authorized by the Council of the City of Brecksville by Ordinance
No. _____, adopted on the _____ day of _____, 2024

Tammy Tabor, Clerk of Council

STATE OF OHIO)
)
COUNTY OF CUYAHOGA)

SS:

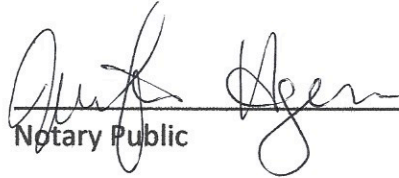
NOTARY PUBLIC

BEFORE ME, a Notary Public in and for said County and State, personally appeared the above named Dr. George Picha, President and CEO, who is the duly authorized officer of the said American Medical Technology, Inc., who, after first being duly cautioned according to law, acknowledged that he has the power to bind the aforesaid corporation to the terms and conditions of the foregoing instrument and that he did sign the foregoing instrument and that the same is his free act and deed and the corporate act and deed of the said American Medical Technology, Inc.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal at Brecksville, Ohio this 10th day of January 2024



JENNIFER HAZOU
Notary Public
State of Ohio
My Comm. Expires
February 15, 2027



Notary Public

STATE OF OHIO)
)
COUNTY OF CUYAHOGA)

SS:


NOTARY PUBLIC

BEFORE ME, a Notary Public in and for said County and State, personally appeared the above named Dr. George Picha, President and CEO, who is the duly authorized officer of the said Applied Medical Research, Inc., after first being duly cautioned according to law, acknowledged that he has the power to bind the aforesaid corporation to the terms and conditions of the foregoing instrument and that he did sign the foregoing instrument and that the same is his free act and deed and the corporate act and deed of the said Applied Medical Research, Inc.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal at Brecksville, Ohio this 10th day of January 2024



JENNIFER HAZOU
Notary Public
State of Ohio
My Comm. Expires
February 15, 2027



Notary Public

STATE OF OHIO)
)
COUNTY OF CUYAHOGA)

SS:

NOTARY PUBLIC

BEFORE ME, a Notary Public in and for said County and State, personally appeared the above named Dr. George Picha, President and CEO, who is the duly authorized officer of the said Applied Medical Technology, Inc., who, after first being duly cautioned according to law, acknowledged that he has the power to bind the aforesaid corporation to the terms and conditions of the foregoing instrument and that he did sign the foregoing instrument and that the same is his free act and deed and the corporate act and deed of the said Applied Medical Technology, Inc.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal at Brecksville, Ohio this 10th day of January 2024



JENNIFER HAZOU
Notary Public
State of Ohio
My Comm. Expires
February 15, 2027

[Signature]
Notary Public

STATE OF OHIO)
)
COUNTY OF CUYAHOGA)

SS:

NOTARY PUBLIC

BEFORE ME, a Notary Public in and for said County and State, personally appeared the above named Dr. George Picha, President and CEO, who is the duly authorized officer of the said Auxano Medical, LLC, after first being duly cautioned according to law, acknowledged that he has the power to bind the aforesaid corporation to the terms and conditions of the foregoing instrument and that he did sign the foregoing instrument and that the same is his free act and deed and the corporate act and deed of the said Auxano Medical, LLC.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal at Brecksville, Ohio this 10th day of January 2024



JENNIFER HAZOU
Notary Public
State of Ohio
My Comm. Expires
February 15, 2027

[Signature]
Notary Public

STATE OF OHIO)
)
COUNTY OF CUYAHOGA)

SS:

NOTARY PUBLIC

BEFORE ME, a Notary Public in and for said County and State, personally appeared the above named Daryl J. Kingston, the duly elected and acting Mayor of the City of Brecksville, who, after first being duly cautioned according to law, acknowledged that he did sign the foregoing instrument on behalf of the City of Brecksville after being first duly authorized by appropriate councilmatic action, and that the same is his free act and deed and the act and deed of the said City of Brecksville.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal at _____
Ohio this _____ day of _____ 2024

Notary Public