

It was moved by B. FISHER and seconded by
L. JACOBS-HOLTON that the following resolution be adopted:

RESOLUTION NO. 2016-19

A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF A MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF \$21,000,000 OF LEASE REVENUE BONDS OF THE PORT OF GREATER CINCINNATI DEVELOPMENT AUTHORITY FOR THE PURPOSE OF FINANCING COSTS OF "PORT AUTHORITY FACILITIES" WITHIN THE MEANING OF SECTION 4582.21, OHIO REVISED CODE, FOR THE BENEFIT OF KEYSTONE HOTEL PARTNERS, LLC, KEYSTONE HOTEL PARTNERS I, LLC, AND KEYSTONE HOTEL PARTNERS II, LLC; AUTHORIZING A BOND PURCHASE AGREEMENT; AUTHORIZING A GROUND LEASE; AUTHORIZING A LEASE; AUTHORIZING AN OPEN-END LEASEHOLD MORTGAGE, ASSIGNMENT OF LEASES AND RENTS AND SECURITY AGREEMENT; AUTHORIZING A CONSTRUCTION MANAGER AT-RISK AGREEMENT; AUTHORIZING AN INDEMNITY AGREEMENT; AUTHORIZING A DEVELOPMENT AGREEMENT; AUTHORIZING OTHER COLLATERAL DOCUMENTS; APPROVING A TERM SHEET; AND AUTHORIZING AND APPROVING RELATED MATTERS.

WHEREAS, the Port of Greater Cincinnati Development Authority (the "Port Authority"), a body corporate and politic duly organized and validly existing under the laws of the State of Ohio (the "State"), is authorized and empowered, by virtue of the laws of the State, including without limitation, Sections 13 and 16 of Article VIII, Ohio Constitution, and Chapter 4582, Ohio Revised Code, (a) to issue its revenue bonds for the purpose of assisting in the financing of costs of acquiring, constructing, equipping, installing or improving "port authority facilities", as defined in Section 4582.21, Ohio Revised Code, located within the boundaries of the City of Cincinnati, Hamilton County, Ohio, except as otherwise permitted by the Act (as hereinafter defined), (b) to enter into agreements with respect to the financing, acquisition, construction, equipping, installation, and improvement of such facilities and to provide for a pledge of certain revenues sufficient to pay the principal of and interest and any premium on those revenue bonds, (c) to acquire, construct, equip, install, improve, maintain, and operate property constituting port authority facilities in furtherance of any authorized purpose of the Port Authority, including in order to create or preserve jobs and employment opportunities, to enhance housing, or to improve the economic welfare of the people of the State, (d) to further secure the repayment of those revenue bonds by mortgaging its leasehold interest in the property to be acquired, constructed, equipped, installed, and improved from the proceeds of such revenue bonds, (e) to lease or convey interests in real property to any person to further the purposes of the Act, and (f) to enact this Bond Legislation, to enter into the Bond Purchase Agreement, the Ground Lease, the Lease, the Mortgage, the Construction Manager At-Risk Agreement, the Indemnity Agreement, the Development Agreement, and any Collateral Documents, each as defined in Section 1, upon the terms and conditions provided in this Bond Legislation; and

WHEREAS, this Legislative Authority has determined that it is necessary and proper and in the best interest of the Port Authority to issue revenue bonds in the maximum aggregate principal amount of \$21,000,000 at this time to assist in the financing of costs of port authority

facilities by making available the proceeds thereof pursuant to the Bond Purchase Agreement to the Lessee for the Project Purposes, each as defined in Section 1;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Port of Greater Cincinnati Development Authority:

Section 1. Definitions. In addition to the words and terms elsewhere defined in this Bond Legislation, the following words and terms as used in this Bond Legislation shall have the following meanings unless otherwise provided and unless the context or use indicates another or different meaning or intent:

“Act” means Ohio Constitution, Article VIII, Sections 13 and 16, and Sections 4582.21 et seq., Ohio Revised Code, all as enacted and amended from time to time.

“Authorized Denominations” has the meaning assigned to that term in the Certificate of Award.

“Bond Legislation” means this resolution and the Certificate of Award executed pursuant to this resolution.

“Bond Purchase Agreement” means the Bond Purchase Agreement expected to be dated the date of issuance of the Lease Revenue Bonds by and among the Port Authority, the Lessee, and the Original Purchaser, which Bond Purchase Agreement shall provide for (i) the Original Purchaser to make advances of the proceeds of the Lease Revenue Bonds to the Port Authority, and (ii) the Port Authority to make available the proceeds of the Lease Revenue Bonds to the Lessee for the purpose of financing the costs of the Project, as the same may be amended or supplemented from time to time in accordance with its terms.

“Bond Service Charges” means, for any period or payable at any time, the principal of and interest and any premium on the Lease Revenue Bonds for that period or payable at that time, whether due at maturity or upon acceleration or redemption.

“Book-Entry Form” or “Book-Entry-Only System” means, with respect to the Lease Revenue Bonds and if the Certificate of Award so provides, a form or system, as applicable, under which (i) the ownership of beneficial interests in Lease Revenue Bonds, including the principal and redemption price thereof, and interest due thereon, may be transferred only through a book entry and (ii) physical Lease Revenue Bond certificates in fully registered form are registered only in the name of a Depository or its nominee as holder of the Lease Revenue Bonds, with the physical Lease Revenue Bond certificates “immobilized” in the custody of the Depository. The Book-Entry-Only System is maintained by and is the responsibility of the Depository and not the Port Authority or any Paying Agent. The book entry is the record that identifies, and records the transfer of the interest of, the owners of beneficial (book entry) interests in the Lease Revenue Bonds.

“Certificate of Award” means the certificate executed by the Executive pursuant to Section 3 of this Bond Legislation.

“Collateral Documents” means such security instruments, pledges and assignments as shall be required by the Original Purchaser under the Bond Purchase Agreement and Mortgage or any similar agreement between the Original Purchaser and the Lessee to secure the Lease Revenue Bonds.

“Construction Manager At-Risk Agreement” means the Construction Manager At-Risk Agreement expected to be dated the date of issuance of the Lease Revenue Bonds between the Port Authority and the Lessee, as the construction manager at-risk for the acquisition, construction, equipment, installation, and improvement of the Project, as the same may be amended or supplemented from time to time in accordance with its terms.

“Depository” means any securities depository that is a clearing agency under federal law operating and maintaining, with its Participants or otherwise, a book entry system to record ownership of book entry interests in Lease Revenue Bonds or the principal of and interest on the Lease Revenue Bonds, and to effect transfers of Lease Revenue Bonds, in book entry form, and includes and means initially The Depository Trust Company (a limited purpose trust company), New York, New York.

“Developer” means the Lessee.

“Development Agreement” means a development agreement between the Developer and the Port Authority with respect to the Project.

“Executive” means the Chief Executive Officer and President of the Port Authority.

“Fiscal Officer” means the Assistant Secretary of the Port Authority.

“Ground Lease” means the Ground Lease Agreement expected to be dated the date of the issuance of the Lease Revenue Bonds between the Developer and the Port Authority, which Ground Lease shall grant the Port Authority a sufficient interest in the real property on which the Project is located to enable the Port Authority to finance the Project and to cause the acquisition, construction, equipment, installation, and improvement of the Project.

“Holder” or “holder of a Lease Revenue Bond” means the person in whose name a Lease Revenue Bond is registered on the Register maintained initially by the Fiscal Officer as Registrar.

“Indemnity Agreement” means the indemnity agreement expected to be dated the date of issuance of the Lease Revenue Bonds by the Lessee and such other guarantors as required by the Executive, in favor of the Port Authority.

“Interest Payment Date” means, as to the Lease Revenue Bonds, each specified in the Certificate Award as an Interest Payment Date.

“Lease” means the Lease Agreement expected to be dated the date of the issuance of the Lease Revenue Bonds between the Port Authority and the Lessee, which Lease shall require the Lessee to operate the Project and to pay Rent Payments due to the Port Authority under the Lease.

“Lease Revenue Bonds” means the Port Authority’s Taxable Development Lease Revenue Bonds Series 2016 (Keystone Hotel Project) in the maximum aggregate principal amount of \$21,000,000 and issued by the Port Authority pursuant to this Bond Legislation.

“Legislative Authority” means the Board of Directors of the Port Authority.

“Lessee” means, collectively, and jointly and severally, Keystone Hotel Partners, LLC, Keystone Hotel Partners I, LLC, and Keystone Hotel Partners II, LLC.

“Mortgage” means the Open-End Leasehold Mortgage, Assignment of Leases and Rents, and Security Agreement or a similar instrument granting a security interest with respect to the Port Authority’s leasehold interest in the real property on which the Project is located, expected to be dated the date of issuance of the Lease Revenue Bonds, given by the Port Authority in favor of the Original Purchaser, as the same may be amended or supplemented from time to time in accordance with its terms.

“Original Purchaser” means, as to the Lease Revenue Bonds, the entity or entities designated as the Original Purchaser in the Certificate of Award.

“Participant” means any participant contracting with a Depository under a book entry system and includes securities brokers and dealers, banks and trust companies, and clearing corporations.

“Pledged Revenues” means (a) the Rent Payments due to the Port Authority pursuant to the Lease, and (b) all income and profit from the investment of the foregoing moneys, if any.

“Port Authority” means the Port of Greater Cincinnati Development Authority, a port authority and body corporate and politic duly organized and validly existing under the laws of the State.

“Project” means the Project, as defined in the Lease, constituting “port authority facilities” as defined in the Act.

“Project Fund” means the Project Fund established pursuant to the Bond Purchase Agreement, and as more fully described in the Bond Purchase Agreement.

“Project Purposes” means providing funds for acquiring the interest in real property on which the Project will be located; acquiring, constructing, equipping, installing, and improving the Project to be financed by the Port Authority for the benefit of the Lessee for commerce, economic development, and housing purposes.

“Rent Payments” means the Rent Payments as defined in the Lease.

“State” means the State of Ohio.

“Term Sheet” means the term sheet attached hereto as Exhibit A between the Port Authority and the Lessee which describes the general terms of the proposed transaction.

The captions and headings in this Bond Legislation are solely for convenience of reference and do not define, limit or describe the scope or intent of any provisions or Sections of this Bond Legislation.

Section 2. Determinations by Legislative Authority. This Legislative Authority determines that (i) it is necessary and proper and in the best interest of the Port Authority to, and the Port Authority shall, issue, sell and deliver the Lease Revenue Bonds in the maximum aggregate principal amount of \$21,000,000 at this time, as provided and authorized in this Bond Legislation and pursuant to the authority of the Act, for the purpose of paying or financing the costs of acquiring the real property on which the Project will be located and the costs of acquiring, constructing, equipping, installing, and improving the Project; (ii) the Project constitutes "port authority facilities" as defined in the Act; (iii) the utilization of the Project is in furtherance of the purposes of the Act and will enhance, foster, aid, provide and promote commerce, economic development, and housing and will benefit the people of the State by improving the welfare of the people of the State; and (iv) provision of the Project requires the issuance, sale and delivery of the Lease Revenue Bonds. The Port Authority is authorized to, and this Legislative Authority hereby determines that the Port Authority shall, acquire a leasehold interest in real property on which the Project is to be located pursuant to the Ground Lease and shall lease such real property to the Lessee pursuant to the Lease for use by the Lessee in furtherance of the Project Purposes, and that such acquisition and lease are in furtherance of the purposes of the Act.

Section 3. Terms and Provisions of the Lease Revenue Bonds.

(a) Generally. The Lease Revenue Bonds (i) shall be issued only in fully registered form, substantially in the form attached to Bond Purchase Agreement; (ii) shall, subject to any transfer restrictions contained in the Lease Revenue Bonds and the Bond Purchase Agreement, be exchangeable for Lease Revenue Bonds of Authorized Denominations in the aggregate principal amount equal to the unmatured and unredeemed amount of, and bearing interest at the same rate and maturing on the same date or dates as, the Lease Revenue Bonds being exchanged; (iii) shall be numbered from R-1 upwards; (iv) shall be in Authorized Denominations as set forth in the Certificate of Award; (v) shall be subject to optional, mandatory and mandatory sinking fund redemption in the amounts and at the times and prices set forth in the Certificate of Award; and (vi) shall be dated the date designated in the Certificate of Award. The Lease Revenue Bonds shall be designated "Port of Greater Cincinnati Development Authority Taxable Development Lease Revenue Bonds, Series 2016 (Keystone Hotel Project)" or as otherwise may be determined by the Executive in the Certificate of Award and as may be appropriate in order to distinguish the Lease Revenue Bonds from other series of revenue bonds issued by the Port Authority.

(b) Book-Entry System. If so specified in the Certificate of Award, the Lease Revenue Bonds shall initially be issued to a Depository for use in a Book-Entry System and, if and as long as a Book-Entry System is utilized, (i) the Lease Revenue Bonds may be issued in the form of a single, fully registered Lease Revenue Bond representing each maturity and registered in the name of the Depository or its nominee, as registered owner, and immobilized in the custody of the Depository; (ii) the book entry interest owners of Lease Revenue Bonds in Book-Entry Form shall not have any right to receive Lease Revenue Bonds in the form of physical securities or certificates;

(iii) ownership of book entry interests in Lease Revenue Bonds in Book-Entry Form shall be shown by book entry on the system maintained and operated by the Depository and its Participants, and transfers of the ownership of book entry interests shall be made only by book entry by the Depository and its Participants; and (iv) the Lease Revenue Bonds as such shall not be transferable or exchangeable, except for transfer to another Depository or to another nominee of a Depository, without further action by the Port Authority.

(c) Interest Rates and Principal Maturities. The outstanding principal amount of the Lease Revenue Bonds, including the portion of that principal amount representing one or more advances of funds by the Original Purchaser to pay costs of the Project, shall bear interest at the rates per annum, payable, unless interest is to be accumulated and paid at maturity, on each Interest Payment Date, in accordance with the Certificate of Award and the Bond Purchase Agreement, from the most recent date to which interest has been paid or duly provided for or, if no interest has been paid or duly provided for, from the date that such principal amount has been outstanding; provided that no rate of interest therein specified shall exceed ten percent (10%) per year, and all Lease Revenue Bonds shall have been retired not later than December 1, 2056. In the Certificate of Award, the Executive shall fix the principal amount of the Lease Revenue Bonds to be issued, which shall be the principal amount rounded to the next highest whole multiple of \$1.00, but not in excess of \$21,000,000, that will provide the moneys necessary to pay costs of the Project and costs of issuance of the Lease Revenue Bonds and the moneys required to make the deposits and payments required as capitalized interest, if any, to be made from the Lease Revenue Bond proceeds as set forth in the Certificate of Award.

(d) Certificate of Award. The Certificate of Award shall fix the maturity or maturities and the mandatory and optional redemption provisions of the Lease Revenue Bonds so as to provide to the Port Authority the lowest feasible interest cost but within the amount that is reasonably expected to be realized from payments under the Lease. Other terms of the Lease Revenue Bonds may be specified in the Certificate of Award. All matters determined in the Certificate of Award, as the same may be amended or supplemented, shall be conclusive and binding.

(e) Execution. The Lease Revenue Bonds shall be signed by the Executive in their official capacity, provided that such signature may be a facsimile.

Section 4. Sale of the Lease Revenue Bonds. The Lease Revenue Bonds shall be awarded and sold to the Original Purchaser designated in the Certificate of Award at a purchase price equal to the principal amount thereof payable and advanced from time to time by the Original Purchaser in accordance with this Bond Legislation and the Bond Purchase Agreement. It is determined by this Legislative Authority that the price for and the terms of the Lease Revenue Bonds, and the sale thereof, including the manner for paying the purchase price and advancing the proceeds thereof, all as provided in this Bond Legislation and the Bond Purchase Agreement, are in the best interests of the Port Authority and are in compliance with all legal requirements.

The Executive is directed to make the necessary arrangements on behalf of the Port Authority to establish the date, location, procedure and conditions for the delivery of the Lease Revenue Bonds to the Original Purchaser. The Executive is further directed to take all actions

necessary to effect due execution, authentication and delivery of the Lease Revenue Bonds under the terms of this Bond Legislation and the Bond Purchase Agreement.

Section 5. Application of Proceeds of the Lease Revenue Bonds. The proceeds of sale of the Lease Revenue Bonds are hereby appropriated, and shall be allocated and disbursed for the Project Purposes and in accordance with the Bond Purchase Agreement. Without limiting the generality of the foregoing, any fees or other charges payable pursuant to the Bond Purchase Agreement in connection with the issuance and sale of the Lease Revenue Bonds including, without limitation, any fees of counsel to the Port Authority or any fees of the Original Purchaser, may be paid, and proceeds of the sale of the Lease Revenue Bonds are hereby appropriated for that purpose.

Section 6. Security for the Lease Revenue Bonds. The Lease Revenue Bonds shall be payable solely from the Pledged Revenues and shall be secured equally and ratably by an assignment of and a lien on (A) the Pledged Revenues, and (B) the Mortgage or such other collateral as may from time to time be assigned in accordance with the Bond Purchase Agreement or any Collateral Documents; provided, however, that any assignment of or lien on any fund, account, receivables, revenues, money or other intangible property shall be limited to the rights of the Port Authority in and to such collateral and shall be valid and enforceable only to the extent permitted by law.

In accordance with the Act and Ohio Revised Code Section 1309.101(D)(14), all Pledged Revenues are immediately subject to the lien of this pledge upon their receipt by the Port Authority, and that pledge creates a perfected security interest for all purposes of Ohio Revised Code Chapter 1309 without necessity for separation or delivery of funds, for the filing or recording of any document, instrument, certificate, or statement, or for any act of appropriation.

Nothing in the Bond Legislation, the Lease Revenue Bonds, the Bond Purchase Agreement, the Ground Lease, the Lease, the Mortgage, the Construction Manager At-Risk Agreement, the Indemnity Agreement, the Development Agreement, or any Collateral Documents shall constitute a general obligation, debt or bonded indebtedness or a pledge of the faith and credit of the Port Authority, the State of Ohio or any other political subdivision thereof; the general resources of the Port Authority shall not be required to be used, nor the general credit of the Port Authority pledged, for the performance of any duty under this Bond Legislation, the Lease Revenue Bonds, the Bond Purchase Agreement, the Ground Lease, the Lease, the Mortgage, the Construction Manager At-Risk Agreement, the Indemnity Agreement, the Development Agreement, or any Collateral Documents; and further, nothing therein gives the Holders of the Lease Revenue Bonds, and they do not have, the right to have excises or taxes levied by this Legislative Authority, or by the State or the taxing authority of the Port Authority or of any other political subdivision, for the payment of principal of, redemption premium, if any, and interest on the Lease Revenue Bonds, but the Lease Revenue Bonds are payable solely from the Pledged Revenues, and each Lease Revenue Bond shall contain a statement to that effect; provided, however, that nothing in this Bond Legislation shall be deemed to prohibit the Port Authority, of its own volition, from using to the extent it is lawfully authorized to do so, any other resources or revenues for the fulfillment of any of the terms, conditions or obligations of this Bond Legislation or the Lease Revenue Bonds.

Section 7. Covenants of Port Authority. The Port Authority, by issuance of the Lease Revenue Bonds, covenants and agrees with the Holders of the Lease Revenue Bonds, that:

(a) Use of Proceeds. The Port Authority will use, or cause to be used, the proceeds of the Lease Revenue Bonds to (i) pay costs of the Project, (ii) pay costs of issuance of the Lease Revenue Bonds, and (iii) to make the deposits and payments required as capitalized interest, if any, to be made from the Lease Revenue Bond proceeds as set forth in the Certificate of Award.

(b) Segregation of Funds. The Port Authority will segregate, for accounting purposes, the Pledged Revenues from all other revenues and funds of the Port Authority.

(c) Transcript of Proceedings. The Fiscal Officer, or other appropriate officer of the Port Authority, will furnish or cause to be furnished to the Original Purchaser a true transcript of proceedings, certified by the Fiscal Officer or other officer, of all proceedings had with reference to the issuance of the Lease Revenue Bonds, together with such information from the Port Authority's records as is necessary to determine the regularity and validity of such issuance.

(d) Further Actions and Delivery of Instruments. The Port Authority will, at any and all times, cause to be done all such further acts and things and cause to be executed and delivered all such further instruments as may be necessary to carry out the purpose of the Lease Revenue Bonds and the Bond Legislation or as may be required by the Act and will comply with all requirements of law applicable to the Lease Revenue Bonds.

(e) Observance and Performance of Agreements and Obligations. The Port Authority will observe and perform all its agreements and obligations provided for by the Lease Revenue Bonds, the Bond Purchase Agreement, the Ground Lease, the Lease, the Mortgage, the Construction Manager At-Risk Agreement, the Indemnity Agreement, the Development Agreement, any Collateral Documents, and this Bond Legislation. All of the obligations under this Bond Legislation are hereby established as duties specifically enjoined by law and resulting from an office, trust or station upon the Port Authority within the meaning of Section 2731.01, Ohio Revised Code.

Section 8. Bond Purchase Agreement, Ground Lease, Lease, Mortgage, Construction Manager At-Risk Agreement, Indemnity Agreement, Development Agreement, and Collateral Documents. To secure the payment of the Bond Service Charges on the Lease Revenue Bonds as the same shall become due and payable and the performance of the Port Authority as provided in this Bond Legislation, the Lease Revenue Bonds, the Bond Purchase Agreement, the Ground Lease, the Lease, the Mortgage, the Construction Manager At-Risk Agreement, the Indemnity Agreement, the Development Agreement, and any Collateral Documents, and to provide for the sale of the Lease Revenue Bonds, the Executive is hereby authorized and directed, for and in the name of the Port Authority and on its behalf and as security for the Lease Revenue Bonds, to execute and deliver the Bond Purchase Agreement, the Ground Lease, the Lease, the Mortgage, the Construction Manager At-Risk Agreement, the Indemnity Agreement, the Development Agreement, and any Collateral Documents, and, all with the terms substantially similar to those provided in the Term Sheet, with such modifications as are necessary to conform to this Bond Legislation and the Certificate of Award. The terms of the Term Sheet are hereby approved. The terms of the aforesaid documents are hereby approved with such changes therein as are not

inconsistent with this Bond Legislation and not substantially adverse to the Port Authority and which are permitted by the Act and shall be approved by the officers executing those documents. The approval of such changes, and that such changes are not substantially adverse to the Port Authority, shall be conclusively evidenced by the execution of those documents by those officials.

Section 9. Other Documents and Consents. The Executive is authorized and directed to accept and record the Ground Lease or a memorandum of such agreement, the Lease or a memorandum of such agreement, and the Mortgage, and to execute any certifications, financing statements, assignments, agreements, and instruments that are necessary or appropriate to consummate the transactions and perfect the assignments contemplated in this Bond Legislation, the Bond Purchase Agreement, the Ground Lease, the Lease, the Mortgage, the Construction Manager At-Risk Agreement, the Indemnity Agreement, the Development Agreement, and any Collateral Documents.

This Legislative Authority hereby finds and determines that, subject to being provided with evidence acceptable to the Executive, the Developer's assignment and transfer of a portion of its interest in the Project, to the extent permitted by the Ground Lease, the Lease, and the Indemnity Agreement, will be in the best interests of the Port Authority and, subject to the approval of the Executive, is hereby authorized and approved. Upon being presented with evidence acceptable to the Executive regarding the form of the assignment and transfer and the information about the entity or entities involved in such assignment and transfer as required by the Ground Lease, the Lease, and the Indemnity Agreement, the Executive is authorized to execute and deliver, on behalf of the Port Authority, consistent with the Act, this Bond Legislation, the Ground Lease, the Lease, and the Indemnity Agreement, any agreement, document or instrument (including, but not limited to, any approvals, assignments, assumptions, acceptances, consents, deeds, easements, terminations, estoppels, certifications, representations, notices, declarations, waivers, or covenants) as are determined to be necessary or desirable in connection with the execution of the assignment authorized by this Section; provided, that, the execution and delivery of any of the foregoing by the Executive shall constitute conclusive evidence of the authorization and approval of the assignment, that such assignment is in the best interests of the Port Authority, and that any conditions to the execution and delivery such documents have been satisfied.

Section 10. Acquisition and Construction. It is hereby determined by this Legislative Authority that the acquisition of the real property on which the Project will be located, and the acquisition, construction, equipping, installation, and improvement of the Project, shall be undertaken by the Lessee pursuant to the Bond Purchase Agreement, the Lease, and the Construction Manager At-Risk Agreement. The Construction Manager At-Risk Agreement shall designate the Lessee as the construction manager at-risk for the Port Authority and shall authorize the Lessee to enter into such contracts and agreements with such other contractors or construction managers as the Lessee may determine are necessary to acquire, construct, equip, install, and improve the Project.

Section 11. Severability. Each section of this Bond Legislation and each subdivision or paragraph of any section thereof is hereby declared to be independent and the finding or holding of any section or any subdivision or paragraph of any section thereof to be invalid or void shall

not be deemed or held to affect the validity of any other section, subdivision or paragraph of this Bond Legislation.

Section 12. Appointment of Bond Counsel. The Legislative Authority hereby designates the law firm of Bricker & Eckler LLP to serve as Bond Counsel to the Port Authority and to provide legal services in the nature of legal advice and recommendations as to the documents and legal proceedings in connection with the issuance of the Lease Revenue Bonds. In rendering such services, said firm shall not exercise any administrative discretion on behalf of this Legislative Authority or the Port Authority in the formulation of public policy, expenditure of public funds, enforcement of laws, rules, and regulations of this Legislative Authority and the Port Authority, or the execution of public trusts. For such services, said firm shall be paid from the proceeds of the Lease Revenue Bonds compensation and reimbursement of actual out-of-pocket expenses.

Section 13. Compliance with Open Meeting Law. It is found and determined that all formal actions of this Legislative Authority concerning and relating to the adoption of this Bond Legislation were taken in an open meeting of this Legislative Authority, and that all deliberations of this Legislative Authority and of any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with the law.

Section 14. Effective Date. This Bond Legislation shall be in full force and effect upon its adoption.

The foregoing motion having been put to vote, the result of the roll call was as follows:

Voting Aye: LUKEN, JACOBS-HARTON, FISHER, JACKSON, JONES, MARMEL, ROBERTSON, SANMARCOS, SMITH, WRIGHT

Voting Nay: 0

Adopted: June 15, 2016

Dated: June 15, 2016

Certified As Adopted By: _____
Name: Charles J. Fej
Title: Chair

The undersigned, Secretary of the Board of Directors of the Port of Greater Cincinnati Development Authority, does hereby certify that the foregoing is a true and correct copy of a resolution of the Port of Greater Cincinnati Development Authority, duly adopted June 15, 2016, and appearing upon the official records of that Board.

Attest: Sandra H. Brennan
Secretary, Board of Directors
Port of Greater Cincinnati Development Authority

EXHIBIT A

[Attach Term Sheet]

Port of Greater Cincinnati Development Authority
PRELIMINARY REDEVELOPMENT TERM SHEET
(KEYSTONE HOTEL)

Date: June 9, 2016

This preliminary draft Term Sheet is provided for discussion purposes only and is subject to review, change, and approval by all parties. The proposed terms and conditions herein represent the primary business points under which the Port Authority will enter into negotiations for the proposed financing, construction, and lease agreements with respect to the proposed Project, and thus shall not be construed as binding upon either party until the mutual execution of all requisite financing, construction, and lease agreements occur. Any obligations that may be deemed to arise under this Term Sheet are contingent on the Borrowers obtaining all necessary corporate approvals and the Port Authority obtaining Board approval. This Term Sheet is proprietary and confidential to the extent permitted by law.

This term sheet (“Term Sheet”) outlines a financing proposal by the Port of Greater Cincinnati Development Authority (the “Port Authority”) in support of a development involving the construction, equipping, and improvement of an approximately 120 room Hilton Garden hotel (the “Project”) to be generally located in the Keystone Parke mixed use development in Cincinnati, Ohio (the “City”) between Interstate 71 and Dana Avenue.

The Port Authority proposes to support the Project by issuing bonds to finance costs of the Project. In general, Keystone Hotel Partners, LLC, Keystone Hotel Partners I, LLC, and Keystone Hotel Partners II, LLC, (collectively, the “Developers”), own the fee interest of the Project Site, and will lease the Project Site to the Port Authority pursuant to a Ground Lease. The Port Authority will lease the Project Site to the Developers pursuant to a Project Lease, and the Developers will be responsible for the construction, equipping, and improvement of the Project on behalf of the Port Authority. The Port Authority will issue taxable lease revenue bonds which will be purchased by a lender to finance the costs of the Project. The bonds will be secured by a mortgage on the Project Site, the Developers’ rental payments under the Project Lease, and a guaranty of payment from the Developers and/or affiliated guarantors.

This Term Sheet outlines certain elements of the Project, but is not intended as a definitive statement of the agreements of the parties with respect thereto.

I. Project Summary

Project Name: Keystone Park Hotel

Borrowers: Keystone Hotel Partners, LLC
Keystone Hotel Partners I, LLC and its permitted successor Glenway Shoppes, LLC
Keystone Hotel Partners II, LLC (together, the “Developers”)

**Project Description
& Purpose:**

The Developers are seeking assistance from the Port Authority and the City of Cincinnati for various incentives with respect to the construction of a new 120 room Hilton Garden hotel to be located in the Keystone Parke mixed use

development in Cincinnati, Ohio between Interstate 71 and Dana Avenue (the "Project"). The Developers intend that the Project will create new commercial opportunities within the City of Cincinnati, Ohio and will create new jobs at the Project Site during and after completion of the Project. The Developers have requested the Port Authority issue lease revenue bonds to assist with financing the Project for the purpose of encouraging development, housing, and job-creation consistent with the purposes of the Port Authority and the Developers.

Project Site: The Keystone Parke mixed use development in Cincinnati, Ohio between Interstate 71 and Dana Avenue. For purposes of this transaction, the Project Site consists of the air rights corresponding to the property (the "Project Site").

Project Costs: Approximately \$21,000,000

Closing Date: TBD

Lease Signing Date: TBD

Construction Schedule: Construction is expected to begin on (TBD)

II. Proposed Legal Structure

Summary: The Developers own fee title to the Project Site. The Developers have leased a portion of the ground related to the Project Site to the City of Cincinnati pursuant to a Ground Lease. For this transaction, the Developers will lease the related air rights portion of the Project Site to the Port Authority pursuant to a Ground Lease (the "Ground Lease"). The Port Authority will lease the Project Site to the Developers pursuant to a Project Lease. The Ground Lease and the Project Lease will be co-terminous.

The Project Lease will be a triple net capital lease agreement with the Developers responsible to pay Initial Rent, Annual Rent, Additional Rent, and all expenses associated with the ongoing leasing, management and operation of the Project, as exist from time to time.

The Project Lease will include the obligation of the Developers to construct the Project including any necessary or desirable additional improvements from time to time completed and delivered in accordance with the Project Lease.

Ground Lease Lessors:

Keystone Hotel Partners, LLC
Keystone Hotel Partners I, LLC and its permitted successor Glenway Shoppes, LLC
Keystone Hotel Partners II, LLC (together, the "Developers")

Ground Lease Lessee:

Port of Greater Cincinnati Development Authority

Project Lease Lessor:

Port of Greater Cincinnati Development Authority

Project Lease Lessees:

Keystone Hotel Partners, LLC
Keystone Hotel Partners I, LLC and its permitted successor Glenway Shoppes, LLC
Keystone Hotel Partners II, LLC

Guarantors and Indemnitors:

Michael Brandy (35%), Daniel Neyer (30%) and Todd Smith (35%), jointly and severally. Each Guarantor and Indemnitor shall provide a personal financial statement or other evidence of financial ability acceptable to the Port Authority, which may be provided subject to attorney-client privilege or other confidential means.

Construction Managers at Risk:

Keystone Hotel Partners, LLC
Keystone Hotel Partners I, LLC
Keystone Hotel Partners II, LLC

General Contractor: TBD

Term: The term of the Ground Lease and the Project Lease shall be the length that the Bonds are outstanding, initially expected to be 40 years, including the construction period. The Developers will have the option to terminate the Project Lease and the Ground Lease at any time when the Bonds are paid in full and are no longer outstanding.

Initial Rent: TBD

Annual Rent: Rental payments under the Project Lease will be paid by the Developers. Rental payments will equal the principal of and interest due on the Bonds and all ongoing administrative fees and will otherwise coincide with Bond debt service payments.

Assignment and Transfer:

Before the Project is complete (which completion will be evidenced by a certificate of occupancy granted for the Project), the Developers may not assign or transfer their interests under the Ground Lease, the Project Lease, or the Construction Manager At Risk Agreement.

After the Project is complete (which completion will be evidenced by a certificate of occupancy granted for the Project), subject to the consent of the Lender, the Developers may assign and transfer the interest of Keystone Hotel

Partners I, LLC in the Ground Lease and the Project Lease in whole to Glenway Shoppes, LLC without the Port Authority's prior written consent upon (i) delivery of at least forty-five (45) days written notice to the Port Authority of the Developers' intent to assign and transfer the interest of Keystone Hotel Partners I, LLC in the Ground Lease and the Project Lease, and (ii) delivery of an instrument reasonably acceptable to the Port Authority that evidences the assignment and transfer from Keystone Hotel Partners I, LLC to Glenway Shoppes, LLC and the ongoing obligation of the Developers under the Indemnity Agreement to indemnify the Port Authority and to guarantee the obligations of the Ground Lessor and the Lessee, including the obligations of Glenway Shoppes, LLC, notwithstanding the assignment and transfer.

Except as provided in the preceding paragraph, after the Project is complete (which completion will be evidenced by a certificate of occupancy granted for the Project), subject to the consent of the Lender, the Developers may assign and transfer their interests under the Ground Lease and the Project Lease in whole to any person or entity only:

- (i) with Port Authority's prior written consent to the assignment and transfer, which consent shall be given or withheld in the Port Authority's sole discretion; or
- (ii) without the Port Authority's prior written consent to the assignment and transfer upon delivery of at least forty-five (45) days written notice to the Port Authority of the Developers' intent to assign the Ground Lease and the Project Lease and either:
 - (a) an instrument reasonably acceptable to the Port Authority that evidences the ongoing obligation of the Developers under the Indemnity Agreement to indemnify the Port Authority and to guarantee the obligations of the successor Ground Lessor and Project Lessee notwithstanding the assignment and transfer; or
 - (b) the approval by the Port Authority of substitute or replacement persons or entities reasonably satisfactory to the Port Authority and review, approval, and execution of a substitute or replacement Indemnity Agreement by substitute or replacement persons or entities and the Port Authority.

Purchase Option: The Developers may, subject to the terms and conditions of the Project Lease, purchase the interests of the Port Authority in the Project at the end of the Project Lease term or at any time after completion of the Project (which completion will be evidenced by a certificate of occupancy granted for the Project) plus four (4) years, if no defaults exist at such time and all outstanding Bonds are redeemed, for an amount equal to \$100.00, plus all transfer and transaction costs including attorneys' fees incurred by the Port Authority in the preparation or review of applicable documentation, all of which shall be satisfactory in form and substance to the Port Authority.

Termination: The Lessee may not terminate the Project Lease except in connection with the exercise of its purchase option.

Ownership: The Port Authority will hold title to the Project for State law purposes. The Developers are intended to have the benefits of ownership of the Project Site and

the Project for federal tax purposes and to be treated as the owner for financial accounting purposes. Assets (and liabilities) associated with the Project will not be placed on the Port Authority's balance sheet.

Control of Project:

The Developers will control the design and operation of the Project. The Construction Managers at Risk will oversee the construction of the Project for the Port Authority, and will execute the construction contracts in accordance with the Project Lease and Construction Managers at Risk, identifying the Port Authority as holding title (under the Ground Lease and subject to the Project Lease) to the Project, and including an acceptable acknowledgment that the Port Authority has **no** obligation or liability under any such contracts except from amounts provided by the Construction Manager at Risk, the Lessee, the Guarantor or other specifically identified parties.

The Construction Managers at Risk will be responsible for completion of the Project on time and on budget, and for any cost overruns.

Sales and Use

Tax Benefit:

Due to Port Authority ownership of the Project, the purchase of building and construction materials to be incorporated into the Project is expected to be exempt from Ohio state and local sales/use taxes.

When it becomes necessary to order construction materials for the Project, pursuant to the provisions of the Project Lease and Construction Manager at Risk Agreement governing construction services to be provided to the Port Authority by the Construction Manager at Risk, the Port Authority will issue a Construction Contract Sales Tax Exemption Certificate ("Exemption Certificate") that can be used for the purchase of building and construction materials for the Project.

Nothing herein, or in the Ground Lease, the Project Lease, or any other transaction document shall require the Port Authority to pay any such taxes or be construed as a guarantee by the Port Authority of the availability or of the amount of any such tax savings. The proposed bond financing structure and the resulting benefits are being offered as a job creation, preservation and retention incentive, to reduce the costs of the Project and induce the Lessee to complete the Project in the manner agreed to, and thereby promote the public purposes of the Port Authority including the Project Purposes.

III. Proposed Bond Financing Structure

Summary:

The Port Authority will issue up to \$21,000,000 of Port Authority bonds (the "Bonds"). The Port Authority will make the Bond proceeds available to the Developers to purchase and construct the Project. The Developers will serve as the Port Authority's Construction Manager At-Risk, as described below, and will be responsible for constructing the Project on time and on budget. The Bonds will be purchased directly by a commercial lender identified by the Developers

(the "Lender") pursuant to a Bond Purchase Agreement. The final Bond amount is preliminary, and subject to change.

Bond Advances: The principal amount of the Bonds may be advanced in increments, as draw-down Bonds, to reflect construction advances made to fund Project costs. If a draw-down structure is utilized, upon closing, an initial bond increment will be issued in an amount equal to the eligible Project costs spent prior to closing. Such costs may include soft costs, financing costs or other costs incurred by the Developers at or before closing. The initial principal amount of the Bonds shall be equal to the amount of this initial increment. As eligible costs are incurred by the Developers and documented to the Port Authority and the Lender, the Lender will fund those costs by advancing funds to the Port Authority which in turn will make incremental Bond advances to fund construction of the Project. The outstanding Bond balance will increase by a like amount until all Project costs have been advanced. Interest will be payable only on the amounts that are advanced, from the respective dates on which the advances are made.

Bond Term: The term of the Bonds will be determined by the Lender, subject to approval of the Port Authority and the Developers. The Bonds will not be prepaid or redeemed prior to a date which is four (4) years following the completion of the Project (which completion will be evidenced by a certificate of occupancy granted for the Project). It is expected that the final maturity of the Bonds will coincide with the end of the term of the Project Lease.

Bond Interest Rate: As determined by the Lender.

Bond Annual Fees: The Port Authority will charge an annual fee of \$3,000.

Security for the Bonds: The Bonds will be secured by a mortgage on the Project, an assignment of all Rental Payments under the Project Lease, and a guaranty from the Developers and the Guarantors.

Leasehold Mortgage, Assignment of Leases and Rents, and Security Agreement: The Bonds will be secured by an Open-End Fee and Leasehold Mortgage, Assignment of Leases and Rents, and Security Agreement, which will be granted by the Developers and the Port Authority to Lender as the purchaser of the Bonds. The Port Authority will enter into any necessary assignments and subordination agreements required to secure the collateral assigned by the Port Authority to the Lender.

IV. Additional Items

Job Creation and Retention: Prior to closing, the Developers will provide detailed estimates of job creation as a result of the build-out of the Project Site including number of full-time

permanent employees with annual payroll and number of full time temporary construction jobs with annual payroll.

Economic Inclusion: The Developers acknowledge that the Port Authority strives to have meaningful and substantial levels of participation by Minority Business Enterprises (MBEs), Women Business Enterprises (WBEs) and Small Business Enterprises (SBEs) in Port Authority projects and that they are familiar with the Port Authority's Inclusion Policy. Consistent with the Policy, contractors work to achieve a total target goal of 25% MBEs, 7% WBEs and 30% SBEs participation. The complete Policy is available on the Port Authority's website.

Closing Fees: The closing fees will be paid at closing with the initial proceeds of the Bonds advanced on the Closing Date. The Developers agree to pay all costs incurred by the Port Authority in connection with the transaction(s) contemplated by this Term Sheet including, without limitation:

- (i) an Initial Rent Payment to the Port Authority in an estimated amount of \$100,000, which payment shall be calculated using the standard formula used by the Port Authority in other similar transactions; and
- (ii) the costs of recording all instruments to be recorded, and the premiums relating to all title insurance policies.

Other professional fees and expenses, such as Lender fees, title fees, or other professional fees and expenses related to the Project, may be paid at closing with the initial proceeds of the Bonds advanced at closing.

It is specifically understood and agreed that, whether on or prior to the Closing Date or occurring thereafter, the Developers are responsible for all such costs regardless of whether the transaction(s) close.

Indemnification: The Developers will defend and indemnify the Port Authority from any cost, expense, liability, claim, lawsuit or other loss incurred by the Port Authority as a result of any condition affecting the Site or Project, including any environmental condition or event, any mechanics' or other liens and any taxes or assessments or other impositions.

The Developers will defend and indemnify the Port Authority against any cost, expense, liability, claim, lawsuit or other loss asserted against, incurred by or imposed upon the Port Authority arising from, related to or in connection with the Site or the Project or the leasing, operation, use, maintenance or repair of the Project, or any action or failure to act on the part of the Lessee including without limitation, costs, expenses, liabilities, claims, lawsuits or other losses related to damage to or loss of property or injury to or death of any person, and any claim that sales or use taxes are payable with respect to the purchase of building and construction materials incorporated into the Project. The foregoing is intended as a description, is not intended to be either complete or definitive and is subject to final agreement in the definitive documents evidencing the proposed transaction.

Property Taxes: Port Authority ownership of the site and Improvements will **not** convey any *ad valorem* property tax benefits.

**Port Authority
Cooperation:**

The Port Authority, as owner of the Site and the Project and as lessor under the Project Lease will agree to cooperate with the Developers and will, at the request of the Developers (at no cost to itself and subject to appropriate indemnification), sign authorizations reasonably necessary in connection with the procurement of permits, governmental approvals or similar items in connection with the construction, development, leasing, management and operation of the Project.

The Developers will agree to reasonably notify the Port Authority of its intentions with respect to any material changes in use of the Site or Project (*e.g.*, any significant additions or renovations after completion of the Project) and on request, but at no cost to itself, the Port Authority will reasonably cooperate with the Lessee in facilitating or implementing such transactions.

**Additional
Requirements:**

In addition to the items otherwise identified above, the following will be required by the Port Authority prior to the Closing Date:

- (i) confirmation by the Developers of acceptable environmental condition of the Site and provision of appropriate environmental indemnity;
- (ii) an acceptable survey and/or plat of the Site;
- (iii) acceptable title insurance policy;
- (iv) evidence of all required insurance, including required loss payee and additional insured certificates;
- (v) an acceptable project cost budget relating to the Project;
- (vi) customary legal opinions from all parties.

Documents:

In addition to the items otherwise identified above, the following documents will be executed by the parties on or prior to the Closing Date:

- (i) Bond documentation, including a form of Bond
- (ii) Bond Purchase Agreement
- (iii) Ground Lease Agreement
- (iv) Project Lease Agreement
- (v) Indemnification Agreement
- (vi) Open-End Fee and Leasehold Mortgage
- (vii) Notice of Commencement (R.C. §1311.252)
- (viii) Construction Manager At-Risk Agreement
- (ix) Development Agreement
- (x) Memorandum of Ground Lease Agreement
- (xi) Memorandum of Project Lease Agreement
- (xii) Any other documents as deemed necessary

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V. Acceptance

Upon acceptance of the Term Sheet by the Developers and the Port Authority, the Developers shall pay to the Port Authority a nonrefundable deposit in the amount of twenty-five thousand dollars (\$25,000). The deposit will be applied to the Initial Rent Payment upon successful closing of the transaction. The Port Authority and the Developers each have the right to terminate its participation in the Project and to withdraw its acceptance of this Term Sheet prior to the Closing Date. However, in the event of termination by the Developers for any reason or if the transaction fails to close by January 1, 2017, and the Developers and the Port Authority have not established a date occurring after January 1, 2017 on which they both intend to close the transaction, the Developers agree to pay all reasonable out of pocket costs and professional fees incurred in accordance with the terms set forth above through the termination date to the extent not covered by the \$25,000 deposit. Amounts due shall be paid within thirty (30) days of notice of termination. Any significant delays may result in changes to the lease financing costs described herein. If, before the closing date, there are any substantial changes to the Term Sheet or the Project, the Port Authority reserves the right to cancel or amend the terms and the lease financing costs described herein. The Port Authority will not be responsible to the Developers for any fees or expenses if the transaction does not close.

Successful closing of this transaction is subject to obtaining an acceptable Lender commitment, the approval of the Port Authority Board of Directors, and the approval of the Developers, delivery of satisfactory legal opinions, completion of due diligence, and completion of final documentation.

Dated this ____ day of _____, 2016:

**PORT OF GREATER CINCINNATI
DEVELOPMENT AUTHORITY**

By: _____
Name: Laura N. Brunner
Title: President and CEO

Acknowledged and agreed this ____ day of _____, 2016:

KEYSTONE HOTEL PARTNERS, LLC

By: _____
Name: _____
Title: _____

KEYSTONE HOTEL PARTNERS I, LLC

By: _____
Name: _____
Title: _____

KEYSTONE HOTEL PARTNERS II, LLC

By: _____
Name: _____
Title: _____