

It was moved by SCOTT ROBERTSON and seconded by SHANE WRIGHT that the following resolution be adopted:

**RESOLUTION NO. 2015-14**

**A RESOLUTION (I) AUTHORIZING AND APPROVING A TRANSACTION CONCERNING THE ACQUISITION, CONSTRUCTION, DEVELOPMENT, AND IMPROVEMENT OF AN APARTMENT BUILDING AND APPURTENANCES RELATED THERETO CONSTITUTING A "PORT AUTHORITY FACILITY" TO BE LOCATED ON CERTAIN REAL PROPERTY TO BE ACQUIRED BY THE AUTHORITY; (II) AUTHORIZING THE ACCEPTANCE OF CERTAIN REAL PROPERTY BY DEED OF COVEYANCE; (III) APPROVING THE EXECUTION AND DELIVERY OF A CONSTRUCTION MANAGER AT-RISK AGREEMENT, A PROJECT LEASE AGREEMENT, A DEVELOPMENT AGREEMENT, A MORTGAGE, A SUBORDINATION AGREEMENT, A RECOGNITION AGREEMENT, AND AN INDEMNITY AGREEMENT IN CONNECTION WITH THE TRANSACTION; AND (IV) APPROVING THE PROVISION OF OHIO SALES AND USE TAX EXEMPTION CERTIFICATES FOR THE PURCHASE OF BUILDING AND CONSTRUCTION MATERIALS INCORPORATED INTO THE APARTMENT BUILDING AND APPURTENANCES RELATED THERETO.**

**WHEREAS**, the Port of Greater Cincinnati Development Authority (the "Authority") is authorized to promote housing and economic development within the City of Cincinnati, Ohio (the "City") and Hamilton County, Ohio (the "County") by providing assistance to projects that provide housing and create and preserve jobs and employment opportunities within the City and the County; and

**WHEREAS**, NAP Sycamore LLC or one or more affiliated entities (collectively, NAP Sycamore LLC and its affiliates are referred to herein as the "Company") is owner of the air rights of certain real property located between Eighth and Seventh Streets on the north and south, and bordered by Sycamore Street on the west, which real property is currently assigned parcel numbers 079-0004-0288, 079-0004-0289, and 079-0004-0290 in the records of the Hamilton County Auditor's Office (collectively, the "Project Site"); and

**WHEREAS**, the City, the Company, and Eighth and Sycamore, LLC, a wholly-owned subsidiary of Cincinnati Center City Development Corporation, commonly known as 3CDC (the "Garage Developer"), have to entered into a Development Agreement (the "City Development Agreement"), dated August 7, 2015, pursuant to which the Company has agreed to build a 15 story apartment building with approximately 130 market-rate residential apartment units (the "Project"), which Project is one component of a mixed-use development that will also include a 500-space parking garage and approximately 10,000 square feet of street-level commercial space; and

**WHEREAS**, pursuant to the City Development Agreement and in furtherance of the City's economic development, housing, and urban redevelopment goals, the City intends to support the Project with, among other things, (i) a \$3,500,000 grant from the City for the design and construction of the Project, and (ii) a financing structure that contemplates that the Authority will support the Project with a sale and leaseback or other similar arrangement; and

**WHEREAS**, the Authority desires to assist the City and the Company with the acquisition, construction, development, and improvement of the Project in order to fulfill the shared economic development, housing, and urban redevelopment goals of the City and the Authority; and

**WHEREAS**, the Authority, by virtue of the laws of the State of Ohio, particularly Ohio Revised Code Sections 4582.21 through 4582.59 (the “Act”) and the authorities therein mentioned, is authorized (i) to acquire an ownership interest in the Project Site by operation of a Deed of Conveyance (the “Deed”) from the Company, as grantor, and the Authority, as grantee; (ii) to cause the construction of the Project on the Project Site, and to appoint the Company as its construction manager at-risk in order to construct the Project on the Project Site pursuant to a Construction Manager At-Risk Agreement (the “Construction Manager At-Risk Agreement”); (iii) to lease the Project and the Project Site to the Company pursuant to a Project Lease Agreement (the “Project Lease Agreement”); (iv) to enter into a development agreement with the Company (the “Development Agreement”) regarding the Project; (v) to execute a mortgage or a leasehold mortgage of its ownership interest in the Project Site (the “Mortgage”), a subordination agreement (the “Subordination Agreement”), and a recognition and attornment agreement and acknowledgment of mortgage (the “Recognition Agreement”) to support the Company’s private financing of the construction of the Project; (vi) to enter into an indemnification agreement (the “Indemnity Agreement”) by and among the Authority and any one or more of the owners of the Company; and (vii) to execute any additional agreements, documents, or certifications to cause the proper acquisition, construction, development, and improvement of the Project and the protection of the Authority’s interests in connection with the Project (collectively, items (i) through (vii) above are referred to herein as the “Proposed Transaction”); and

**WHEREAS**, the Company intends to start soliciting contracts for construction of the Project and has requested that the Authority provide certificates evidencing the exemption from State of Ohio sales and use taxes of purchases of building and construction materials for incorporation into the Project, and the Authority is willing to provide such certificates upon acquisition by the Authority of the Project Site and the execution of an agreement by the Company to convey ownership of the Project upon its completion; and

**WHEREAS**, upon execution of the Deed, the Construction Manager At-Risk Agreement, and the Project Lease Agreement (a) the Project will constitute a “port authority facility” within the meaning of that term as defined in Ohio Revised Code Section 4582.21(E); (b) the acquisition, construction, development, improvement, and operation of the Project will be consistent with the purposes of (i) Ohio Constitution Article VIII, Section 13, to create or preserve jobs and employment opportunities and to improve the economic welfare of the people within the jurisdiction of the Authority and within the State of Ohio, and (ii) Ohio Constitution Article VIII, Section 16, to encourage housing opportunities within the jurisdiction of the Authority and within the State of Ohio through the acquisition and leasing of housing; and (c) the Project will be consistent with the purposes identified in Ohio Revised Code Section 4582.21(B) because the Project is expected (i) to provide housing opportunities within the jurisdiction of the Authority, (ii) to create jobs and employment opportunities and thereby to enhance the economic welfare of the people within the jurisdiction of the Authority, and (iii) to enhance, foster, aid, provide, or promote housing and economic development within the jurisdiction of the Authority.

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

Section 1. This Board does hereby find and determine that, based upon the representations of the Company and upon execution of the Deed, the Construction Manager At-Risk Agreement, the Project Lease Agreement, and related agreements:

(a) The Project constitutes a “port authority facility” within the meaning of that term as defined in Ohio Revised Code Section 4582.21(E); and

(b) The Project is consistent with, related to, useful for, and in furtherance of the activities contemplated by (i) Ohio Constitution, Article VIII, Section 13, including to create or preserve jobs and employment opportunities and to improve the economic welfare of the people within the jurisdiction of the Authority and within the State of Ohio, (ii) Ohio Constitution Article VIII, Section 16, to encourage housing opportunities within the jurisdiction of the Authority and within the State of Ohio through the acquisition and leasing of housing, and (iii) Ohio Revised Code Section 4582.21(B), including to enhance, foster, aid, provide, or promote housing and economic development within the jurisdiction of the Authority and within the State of Ohio.

Section 2. This Board hereby approves the participation of the Authority in the Proposed Transaction, on substantially the same terms as those set forth in the Deed, the Construction Manager At-Risk Agreement, the Project Lease Agreement, the Development Agreement, the Mortgage, the Subordination Agreement, the Recognition Agreement, and the Indemnity Agreement currently on file with the Board.

Section 3. This Board hereby approves the Deed, the Construction Manager At-Risk Agreement, the Project Lease Agreement, the Development Agreement, the Mortgage, the Subordination Agreement, the Recognition Agreement, and the Indemnity Agreement substantially in the form currently on file with the Board, with such changes as may be necessary to conform those forms to the Proposed Transaction and with such changes as shall not be materially adverse to the Authority and as may be approved by the officer or officers of the Authority executing such documents. The President of the Authority, the Fiscal Officer of the Authority, the Chair of the Authority, the Vice Chair of the Authority, or any Assistant Secretary of the Authority, or any of them, are hereby authorized and directed to execute and deliver, for and in the name and on behalf of the Authority the Deed, the Construction Manager At-Risk Agreement, the Project Lease Agreement, the Development Agreement, the Mortgage, the Subordination Agreement, the Recognition Agreement, and the Indemnity Agreement, with such changes thereto as shall not be materially adverse to the Authority. The execution of the Deed, the Construction Manager At-Risk Agreement, the Project Lease Agreement, the Development Agreement, the Mortgage, the Subordination Agreement, the Recognition Agreement, and the Indemnity Agreement by a duly authorized officer or officers of the Authority shall evidence conclusively that any such changes are necessary to conform the documents to the Proposed Transaction, that any such changes are not materially adverse to the Authority, and that any conditions to the execution and delivery of such documents have been satisfied.

Section 4. The President of the Authority, the Fiscal Officer of the Authority, the Chair of the Authority, the Vice Chair of the Authority, or any Assistant Secretary of the Authority, or any of them, are each authorized and directed to take such further actions and execute any certifications, financing statements, assignments, agreements, instruments, and other documents that are necessary or appropriate to consummate the Proposed Transaction in accordance with this Resolution, the Deed, the Construction Manager At-Risk Agreement, the Project Lease Agreement, the Development Agreement, the Mortgage, the Subordination Agreement, the Recognition Agreement, and the Indemnity Agreement, or as may be required by the Act or Ohio Revised Code Chapter 5739. The Authority shall, 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 or appropriate to consummate

the Proposed Transaction in accordance with this Resolution, the Deed, the Construction Manager At-Risk Agreement, the Project Lease Agreement, the Development Agreement, the Mortgage, the Subordination Agreement, the Recognition Agreement, and the Indemnity Agreement, or as may be required by the Act or Ohio Revised Code Chapter 5739 and shall comply with all requirements of law applicable to the Proposed Transaction.

Section 5. This Board hereby authorizes the President of the Authority, the Fiscal Officer of the Authority, the Chair of the Authority, the Vice Chair of the Authority, or any Assistant Secretary of the Authority, or any of them, upon the execution of the Deed, the Construction Manager At-Risk Agreement, and the Project Lease Agreement by the parties thereto, to provide the Company or its nominees with appropriate certificates ("Exemption Certificates") to support the claim of an exemption from Ohio sales and uses taxes that might otherwise apply with respect to the purchase of building and construction materials incorporated into structures or improvements to real property, within the meaning of Ohio Revised Code Section 5739.02(B)(13), that constitute Project improvements.

Section 6. This Board finds and determines that all formal actions of this Board concerning and relating to the adoption of this Resolution were taken in an open meeting of this Board and that all deliberations of this Board and of any committees that resulted in those formal actions were in meetings open to the public in full compliance with applicable legal requirements.

Section 7. This Resolution 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: L. MARMER, L. JACOBS-HARTON, D. BUDIG, JR., C. LUKEN, J. SMITH, F. WRIGHT, S. ROBERTSON

Voting Nay: Ø

Adopted: October 14, 2015

Dated: October 14, 2015

Certified As Adopted By: \_\_\_\_\_  
Name: Lynn Mauer  
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 October 14, 2015, and appearing upon the official records of that Board.

Attest: Lauren Gorman  
Secretary, Board of Directors  
Port of Greater Cincinnati Development Authority