

## RESOLUTION

A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF NOT TO EXCEED \$6,225,000 IN AGGREGATE PRINCIPAL AMOUNT OF VARIABLE RATE REVENUE BONDS, SERIES 2013 (FAIRFAX RENAISSANCE DEVELOPMENT CORPORATION PROJECT) FOR THE PURPOSE OF CURRENTLY REFUNDING THE COUNTY OF CUYAHOGA, OHIO MULTI-MODE VARIABLE RATE CIVIC FACILITY REVENUE BONDS, SERIES 2001 (FAIRFAX RENAISSANCE DEVELOPMENT CORPORATION); AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT AND AN ASSIGNMENT OF LOAN AGREEMENT TO PROVIDE FOR THE PAYMENT OF BOND SERVICE CHARGES ON THOSE BONDS AND OTHER INSTRUMENTS, STATEMENTS AND DOCUMENTS IN CONNECTION WITH THE ISSUANCE OF THE BONDS; AUTHORIZING AND APPROVING RELATED MATTERS

WHEREAS, the Lorain Port Authority (the "Issuer"), a body corporate and politic duly organized and validly existing under the laws of the State of Ohio, is authorized and empowered, by virtue of the laws of the State of Ohio, including without limitation, Sections 4582.21 through 4582.59 of the Ohio Revised Code, (a) to issue its revenue bonds for the purpose of assisting in the financing or refinancing of costs of acquiring, constructing, installing, equipping and improving "port authority facilities", as defined in Section 4582.21, (b) to enter into a loan agreement with the Borrower with respect to that facility and to provide for "Revenues" sufficient to pay the principal of and interest and any premium on those revenue bonds, (c) to secure those revenue bonds by a trust indenture, and by a pledge and assignment of its rights under the loan agreement, by a pledge of and lien on the Revenues, and (d) to enact this Bond Legislation, to enter into the Loan Agreement and the Assignment of Rights Under Loan Agreement, all as hereinafter defined, and to execute and deliver certain other documents and instruments upon the terms and conditions provided herein and therein;

WHEREAS, the Legislative Authority, pursuant to the request of Fairfax Renaissance Development Corporation, an Ohio corporation (the "Borrower"), has determined that it is willing (i) to authorize the issuance and sale of not to exceed \$6,225,000 in aggregate principal amount of its Variable Rate Revenue Bonds, Series 2013 (Fairfax Renaissance Development Corporation Project) (the "Bonds") to currently refund the County of Cuyahoga, Ohio Multi-Mode Variable Rate Civic Facility Revenue Bonds, Series 2001 (Fairfax Renaissance Development Corporation) (the "Refunded Bonds"), that were originally issued by the County of Cuyahoga, Ohio to finance the acquisition, construction, installation, equipping and improvement of a new approximately 85,000 square foot facility located at the corner of East 82nd Street and Quincy Avenue, Cleveland, Ohio (the "Project"), and (ii) in connection with that issuance and sale, to enact this Bond Legislation, to enter into the Loan Agreement and to execute and deliver certain other statements, documents and instruments upon the terms set forth in this Bond Legislation and those documents and instruments;

NOW, THEREFORE, Be It Resolved by the Board of Directors of the Lorain Port Authority:

*Section 1. Definitions.* In addition to the words and terms defined elsewhere in this Bond Legislation, or by reference to the Loan Agreement, unless the context or use indicates clearly another meaning or intent, capitalized terms herein shall have the following meaning:

*"Act"* means Sections 4582.21 to 4582.59, inclusive, Ohio Revised Code, as enacted and amended from time to time pursuant, in part, to Section 13 of Article VIII of the Ohio Constitution.

*"Assignee"* means the Assignee under the Assignment, originally FirstMerit Bank, N.A., Akron, Ohio, a national banking association duly organized and validly existing under the laws of the United States of America, and any successor Assignee, as determined or designated under the Assignment.

*"Assignee Interest Rate"* means the Assignee Interest Rate as defined in the Loan Agreement.

*"Assignment"* means the Assignment of Rights Under Loan Agreement, dated as of September 1, 2013, from the Issuer, as assignor, to the Assignee, as assignee, as amended or supplemented from time to time.

*"Authorized Borrower Representative"* means the person designated from time to time by the Borrower as its representative.

*"Bond Legislation"* means this resolution, as duly amended or supplemented from time to time.

*"Bondowner Agreement"* means the Guaranty and Bondowner Agreement, dated as of September 1, 2013, between and the Borrower and the Assignee, as the same may be amended, restated, supplemented or otherwise modified from time to time.

*"Bond Service Charges"* means, for any period or date, the principal of and premium, if any, and interest on the Bonds accruing for that period or due and payable on that date.

*"Bonds"* means the Variable Rate Revenue Bonds, Series 2013 (Fairfax Renaissance Development Corporation Project)

*"Borrower"* means Fairfax Renaissance Development Corporation, an Ohio non-profit corporation, and its lawful successors and assigns, including without limitations, any surviving, resulting or transferee corporation or entity permitted under the Loan Agreement.

*"Borrower Facilities"* means the Project and the existing facilities located on the Borrower Facilities Site and which were in existence on September 1, 2013, and which constitute "port facilities" as defined in Section 4582.21, Ohio Revised Code and described in Exhibit A to the Loan Agreement, together with any substitutions or additions from time to time made thereto,

but less any removals therefrom, in the manner and to the extent provided in the Loan Agreement.

*"Borrower Facilities Site"* means the real estate described in Exhibit A to the Loan Agreement, together with any substitutions therefor or additions thereto but less any removals therefrom from time to time as provided for and permitted by this Loan Agreement.

*"Certificate of Award"* means the certificate of award executed by the Executive setting forth the final terms of the Bonds, including but not limited to the aggregate principal amount, maturity dates, initial rate of interest and the Purchase Price.

*"Code"* means the Internal Revenue Code of 1986, the regulations (whether proposed, temporary or final) under that Code or the statutory predecessor of that Code, and any amendments of, or successor provisions to, the foregoing and any official rulings, announcements, notices, procedures and judicial determinations regarding any of the foregoing, all as and to the extent applicable.

*"Executive"* means the President of the Issuer or the Chair or Vice Chair/Chair Elect or, if those positions are vacant or their incumbents are absent or incapacitated, any officer of the Issuer.

*"Fiscal Officer"* means the Secretary or an Assistant Secretary of the Issuer, or if any of those positions is vacant or its incumbent is absent or incapacitated, any officer of the Issuer.

*"Interest Payment Dates"* means the Interest Payment Dates defined in the Loan Agreement.

*"Issuer"* means the Lorain Port Authority, a body corporate and politic duly organized and validly existing under the laws of the State of Ohio.

*"Issuer Documents"* means this Bond Legislation, the Loan Agreement, the Assignment of Rights under Loan Agreement and the Tax Compliance Agreement.

*"Legislative Authority"* means the Board of Directors of the Issuer.

*"Loan Agreement"* means the Loan Agreement dated as of September 1, 2013, as duly amended or supplemented from time to time in accordance with its terms.

*"Loan Payments"* means the amounts required to be paid by the Borrower under the Loan Agreement in repayment of the loan made by the Issuer.

*"Optional Redemption Date"* means the date specified in the Loan Agreement as the date on which any of the Bonds have been called for optional redemption prior to the maturity thereof.

*"Port Authority Facilities"* or "port authority facilities" means port authority facilities as defined in the Act.

*"Project Purposes"* means providing funds for the current refunding of the Refunded Bonds.

*"Purchase Price"* means the purchase price of the Bonds, equal to 100% of the par amount thereof, plus accrued interest from the dated date of the Bonds to the date of delivery and payment for the Bonds by the Assignee.

*"Refunded Bonds"* means, the currently outstanding principal amount of the \$9,700,000 County of Cuyahoga, Ohio Multi-Mode Variable Rate Civic Facility Revenue Bonds, Series 2001 (Fairfax Renaissance Development Corporation).

*"Refunded Bonds Trustee"* means The Huntington National Bank, as trustee under the Trust Indenture dated as of March 1, 2001.

*"Revenues"* means (a) Loan Payments, (b) all other rentals, revenue, income, charges and money received or to be received by the Issuer, or the Assignee for the account of the Issuer, from the lease, sale or other disposition of the Project (except Additional Payments) and (c) all income and profit from the investment of the Loan Payments and such other money.

*"State"* means the State of Ohio.

*"Tax Compliance Agreement"* means the Federal Income Tax Compliance Agreement, to be dated as of the execution and delivery of the Bonds, among the Borrower, the Issuer and the Assignee, as the same may be amended or supplemented in accordance with its terms.

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. Findings and Determinations; Authorization of Bonds.* This Legislative Authority determines that

(i) it is necessary and proper and in the best interest of the Issuer to, and the Issuer shall, issue, sell and deliver the Bonds in the aggregate maximum principal amount not to exceed \$6,225,000, as provided and authorized herein and pursuant to the authority of the Act, for the purpose of currently refunding the Refunded Bonds;

(ii) the Borrower Facilities constitutes "port authority facilities" as defined in the Act and is consistent with the purposes of the Act;

(iii) the utilization of the Borrower Facilities is in furtherance of the purposes of the Act and will benefit the people of the State and the Issuer by maintaining jobs and employment opportunities and improving the economic welfare of the people of the State and the Issuer; and

(iv) refunding the Refunded Bonds will require the issuance, sale and delivery of the Bonds.

*Section 3. Terms and Provisions of the Bonds.*

(a) Generally. The Bonds shall be designated "Lorain Port Authority Variable Rate Revenue Bonds, Series 2013 (Fairfax Renaissance Development Corporation Project)."

(b) Form of Bonds. The Bonds shall be issued in an aggregate principal amount not to exceed \$6,225,000.

The Borrower is appointed to act as the authenticating agent, bond registrar and transfer agent (collectively, the "Registrar") for the Bonds. The Issuer may hereafter designate a different person to serve as Registrar and enter into a contract for or otherwise authorize the provision by that person as Registrar of such services.

The Bonds shall be dated as of their date of issuance, shall be issued only in fully registered form, shall be numbered in such manner as determined by the Registrar in order to distinguish each Bond from any other Bond, shall be in denominations of \$100,000 and any greater multiple of \$5,000. If required by the Assignee, the Bonds may be issued as a single Bond. The Bonds, the certificate of authentication and the form of assignment shall be substantially in the respective forms thereof attached to the Bondowner Agreement. The Bonds shall be negotiable instruments in accordance with the Act, subject to any provisions in the Bonds restricting transfer, and shall express on their faces the purpose for which they are issued and such other statements or legends as may be required by law.

(c) Execution. The Bonds shall be signed by the Executive and the Fiscal Officer in their official capacities (provided that one or both of the signatures may be a facsimile). In case any officer, whose signature or facsimile thereof shall appear on the Bonds, shall leave office prior to the issuance of the Bonds, such signature or facsimile thereof shall nevertheless be valid and sufficient for all purposes, the same as if he or she had remained in office until after that time.

(d) Interest Rates. The Bonds shall mature in the years and principal amounts, shall bear interest in the years they are outstanding at the rates per year, and shall be payable as to principal and interest on the dates, all as provided in the Bonds; provided that the maturity of the Bonds shall not be later than June 1, 2022, the interest rate shall be the Adjusted LIBOR Rate, as set forth in the Certificate of Award for the Bonds, which rate shall not exceed 25%, and the first interest payment date shall be not later than December 1, 2013.

(d) Redemption Terms. The Bonds shall be subject to optional redemption prior to maturity, on the dates, in the years and at the redemption prices (expressed as a percentage of the principal amount redeemed), plus accrued interest to the redemption date, all as set forth in the Bonds.

*Section 4. Sale of the Bonds.* The Bonds shall be sold and awarded to the Assignee for the Purchase Price, in accordance with this Bond Legislation and the Certificate of Award. It is determined hereby, based upon the representations of the Borrower that the Purchase Price and

the manner of sale and the terms of the Bonds as provided in this Bond Legislation and the Bond Certificate of Award are consistent with all legal requirements and will carry out the public purposes of the Act.

The award shall be further evidenced by the Certificate of Award, which shall determine and state the aggregate principal amount of the Bonds to be issued and the information relating to interest rates, maturities and redemption provisions as provided herein.

The Executive and the Fiscal Officer are authorized and directed, alone or together, to make the necessary arrangements with the Assignee to establish the date, location, procedures and conditions for the delivery of the Bonds to the Assignee and to take all steps necessary to effect due execution, authentication and delivery of the Bonds to the Assignee under the terms of this Bond Legislation and the Bondowner Agreement.

**The Issuer has not confirmed, and has assumed no responsibility for, the accuracy, sufficiency or fairness of any reports or financial information provided to the Assignee by the Borrower relating to the Borrower Facilities, the Borrower, or the history, businesses, properties, organization, management, operations, financial condition, market area or any other matter relating to the Borrower and any affiliated entities.**

*Section 5. Allocation of Proceeds of the Bonds.* The amount paid by the Assignee as set forth in the Certificate of Award as the purchase price for the Bonds shall be received by the Refunded Bonds Trustee and used to pay interest on and the redemption price of the Refunded Bonds when due (or to reimburse the credit facility provider for the Refunded Bonds for draws made under the applicable credit facilities for such payments).

*Section 6. Security for the Bonds.* The Bond Service Charges on the Bonds shall be equally and ratably payable solely from the Revenues, and the payment of Bond Service Charges shall be secured by an assignment of the Revenues and the Loan Agreement (except for the Unassigned Rights thereunder) pursuant to the Assignment.

Nothing in this Bond Legislation or the Bonds shall constitute a general obligation, debt or bonded indebtedness of the Issuer; neither the general resources of the Issuer shall be required to be used, nor the general credit of the Issuer pledged, for the performance of any duty under this Bond Legislation and the Bonds; and further, nothing herein or therein gives the Holders of the Bonds, and they do not have, the right to have excises or taxes levied by the Legislative Authority, or by the State or the taxing authority of any other political subdivision, for the payment of principal of, redemption premium, if any, and interest on the Bonds, and each Bond shall contain a statement to that effect.

*Section 7. Covenants and Agreements of Issuer.* In addition to the other covenants of the Issuer herein and in the Issuer Documents, the Issuer further covenants and agrees as follows:

(a) *Authority and Actions.* The Issuer is, and upon delivery of the Bonds will be, duly authorized by the laws of the State, particularly and without limitation the Act, to issue the Bonds, to execute and deliver the Issuer Documents and other instruments and documents to which it is a party, and to provide the security for payment of the Bond

Service Charges on the Bonds in the manner and to the extent set forth in this Bond Legislation and in Bonds, all as authorized by this Legislative Authority. All actions on the part of the Issuer for the issuance of the Bonds and the execution and delivery of the Issuer Documents and such other instruments and documents as are authorized herein have been or will be duly and effectively taken. The Bonds will be valid and enforceable special obligations of the Issuer according to their terms. Each duty of the Issuer and of its officers and employees undertaken pursuant to the Bonds and the Issuer Documents is a duty specifically authorized by law and resulting from an office, trust or station of the Issuer, within the meaning of Section 2731.01, Ohio Revised Code, providing for enforcement by writ of mandamus.

(b) *Arbitrage and Tax Compliance Provisions.* The Issuer covenants that it will restrict the use of the proceeds of the Bonds in such manner, as advised by Bond Counsel (as defined in the Loan Agreement), and to such extent as may be necessary, to the extent of its authority and control, so that the Bonds will not constitute arbitrage bonds or hedge bonds under Sections 141 through 150 of the Code. The Executive or the Fiscal Officer, or any other officer of the Issuer having responsibility for the issuance of the Bonds, alone or in conjunction with the Borrower or any officer, employee, agent of or consultant to the Borrower, shall give an appropriate certificate of the Issuer for inclusion in the transcript of proceedings for the Bonds setting forth the reasonable expectations of the Issuer regarding the amount and use of all the proceeds of the Bonds, the facts, circumstances and estimates on which they are based, and other facts and circumstances relevant to the tax treatment of interest on the Bonds.

The Issuer covenants that it (i) will take, or require to be taken, to the extent of its authority and control, all actions that may be required of it, as advised by Bond Counsel, for the interest on the Bonds to be and remain excluded from gross income for federal income tax purposes and, with respect to the Bonds for which such treatment is avoidable, from treatment as an item of tax preference for purposes of the alternative minimum tax imposed on individuals under the Code, and (ii) will not take or authorize to be taken any actions that would, as advised by Bond Counsel, adversely affect that exclusion or, to the extent avoidable, cause interest to be treated as an item of tax preference. The appropriate officers of the Issuer are hereby authorized and directed to take any and all actions and make or give such reports and certifications as may be appropriate to assure such exclusions of that interest.

In its performance of these covenants, and other covenants of the Issuer pertaining to federal income tax laws, the Issuer may rely upon the written advice of Bond Counsel.

(c) *Further Assurances.* To the extent it is within its authority and control, the Issuer shall do all things and take all actions on its part necessary to comply with obligations, duties and responsibilities on its part under the Issuer Documents. Nothing herein or in the Issuer Documents shall be construed as requiring the Issuer to operate the Borrower Facilities or to use any moneys or assets from any source other than Revenues.

*Section 8. Issuer Documents.* To provide for the issuance and sale of the Bonds and the consummation of the transactions contemplated herein, the Executive, the Fiscal Officer, any

member of the Legislative Authority and any other appropriate officer of the Issuer, alone or in conjunction with any of the foregoing, are authorized and directed to execute, acknowledge and deliver, for and in the name and on behalf of the Issuer, each Issuer Document in substantially the respective forms thereof submitted to this Legislative Authority.

The Issuer Documents are approved with any changes which are not inconsistent with the Bond Legislation, which are not substantially adverse to the Issuer, which are permitted by the Act, and which are approved by the officer or officers executing the respective Issuer Documents. The approval of those changes by the officer or officers and the character of those changes as not being substantially adverse to the Issuer, shall be evidenced conclusively by the execution and delivery of the respective Issuer Documents by the officer or officers.

*Section 9. Other Documents.* The Executive, the Fiscal Officer, any member of the Legislative Authority and any other appropriate officer of the Issuer, alone or in conjunction with any of the foregoing, are authorized and directed to execute, deliver and, if applicable file, for and in the name and on behalf of the Issuer, any certifications, financing statements, assignments and other instruments and documents which are necessary or appropriate to consummate the transactions contemplated in the Issuer Documents and the Bonds. Those certifications and other instruments and documents include, without limitation, appropriate certificates or agreements under Sections 103 and 148 of the Code, any other certifications and forms necessary or advisable under the Code and certifications by the Executive or the Fiscal Officer of the transcript of proceedings relating to the issuance of the Bonds.

*Section 10. Assignment and Lien of Pledge under this Bond Legislation.* The Revenues are subject to the assignment under the Assignment. The Issuer acknowledges that, pursuant to the Assignment, the Issuer has assigned its rights under the Loan Agreement (except for the Unassigned Issuer's Rights specified in the Assignment) to the Assignee.

*Section 11. Bank Qualified Obligations.* The Bonds are hereby designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code. In that connection, the Issuer hereby covenants that the Issuer, having no "subordinate entities" with authority to issue obligations within the meaning of that Section of the Code, in or during the calendar year in which the Bonds are issued, (i) will not designate as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code tax-exempt obligations, including the Designated Amount of the Bonds, in an aggregate amount in excess of \$10,000,000, and (ii) will not issue, tax-exempt obligations, including the Designated Amount of the Bonds (including any qualified 501(c)(3) bonds as defined in Section 145 of the Code, but excluding any obligations that are private activity bonds as defined in Section 141 of the Code and excluding refunding obligations that are not advance refunding obligations as defined in Section 149(d)(5) of the Code) in an aggregate amount exceeding \$10,000,000, unless the Issuer first obtains a written opinion of Bond Counsel that such designation or issuance, as applicable, will not adversely affect the status of the Bonds as "qualified tax-exempt obligations".

*Section 12. Compliance with Open Meeting Requirements.* It is found and determined that all formal actions of the Legislative Authority concerning and relating to the adoption of this resolution were adopted in an open meeting of the Legislative Authority, and that all



deliberations of this Legislative Authority and of any of its committees that resulted in those formal actions were in meetings open to the public, in compliance with applicable law.

*Section 13. Effective Date.* This resolution shall take effect and be in force immediately upon its adoption.

ADOPTED: \_\_\_\_\_, 2013

Yeas: \_\_\_\_\_

Nays: \_\_\_\_\_

\_\_\_\_\_  
CHAIR

\_\_\_\_\_  
SECRETARY

## RESOLUTION

A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF NOT TO EXCEED \$6,225,000 IN AGGREGATE PRINCIPAL AMOUNT OF VARIABLE RATE REVENUE BONDS, SERIES 2013 (FAIRFAX RENAISSANCE DEVELOPMENT CORPORATION PROJECT) FOR THE PURPOSE OF CURRENTLY REFUNDING THE COUNTY OF CUYAHOGA, OHIO MULTI-MODE VARIABLE RATE CIVIC FACILITY REVENUE BONDS, SERIES 2001 (FAIRFAX RENAISSANCE DEVELOPMENT CORPORATION); AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT AND AN ASSIGNMENT OF LOAN AGREEMENT TO PROVIDE FOR THE PAYMENT OF BOND SERVICE CHARGES ON THOSE BONDS AND OTHER INSTRUMENTS, STATEMENTS AND DOCUMENTS IN CONNECTION WITH THE ISSUANCE OF THE BONDS; AUTHORIZING AND APPROVING RELATED MATTERS

WHEREAS, the Lorain Port Authority (the "Issuer"), a body corporate and politic duly organized and validly existing under the laws of the State of Ohio, is authorized and empowered, by virtue of the laws of the State of Ohio, including without limitation, Sections 4582.21 through 4582.59 of the Ohio Revised Code, (a) to issue its revenue bonds for the purpose of assisting in the financing or refinancing of costs of acquiring, constructing, installing, equipping and improving "port authority facilities", as defined in Section 4582.21, (b) to enter into a loan agreement with the Borrower with respect to that facility and to provide for "Revenues" sufficient to pay the principal of and interest and any premium on those revenue bonds, (c) to secure those revenue bonds by a trust indenture, and by a pledge and assignment of its rights under the loan agreement, by a pledge of and lien on the Revenues, and (d) to enact this Bond Legislation, to enter into the Loan Agreement, and the Assignment of Rights Under Loan Agreement ~~and the Bond Purchase Agreement~~, all as hereinafter defined, and to execute and deliver certain other documents and instruments upon the terms and conditions provided herein and therein;

WHEREAS, the Legislative Authority, pursuant to the request of Fairfax Renaissance Development Corporation, an Ohio corporation (the "Borrower"), has determined that it is willing (i) to authorize the issuance and sale of not to exceed \$6,225,000 in aggregate principal amount of its Variable Rate Revenue Bonds, Series 2013 (Fairfax Renaissance Development Corporation Project) (the "Bonds") to currently refund the County of Cuyahoga, Ohio Multi-Mode Variable Rate Civic Facility Revenue Bonds, Series 2001 (Fairfax Renaissance Development Corporation) (the "Refunded Bonds"), that were originally issued by the County of Cuyahoga, Ohio to finance the acquisition, construction, installation, equipping and improvement of a new approximately 85,000 square foot facility located at the corner of East 82nd Street and Quincy Avenue, Cleveland, Ohio (the "Project"), and (ii) in connection with that issuance and sale, to enact this Bond Legislation, to enter into the Loan Agreement and to execute and deliver certain other statements, documents and instruments upon the terms set forth in this Bond Legislation and those documents and instruments;

NOW, THEREFORE, Be It Resolved by the Board of Directors of the Lorain Port Authority:

*Section 1. Definitions.* In addition to the words and terms defined elsewhere in this Bond Legislation, or by reference to the Loan Agreement, unless the context or use indicates clearly another meaning or intent, capitalized terms herein shall have the following meaning:

“*Act*” means Sections 4582.21 to 4582.59, inclusive, Ohio Revised Code, as enacted and amended from time to time pursuant, in part, to Section 13 of Article VIII of the Ohio Constitution.

“*Assignee*” means the Assignee under the Assignment, originally FirstMerit Bank, N.A., Akron, Ohio, a national banking association duly organized and validly existing under the laws of the United States of America, and any successor Assignee, as determined or designated under the Assignment.

“*Assignee Interest Rate*” means the Assignee Interest Rate as defined in the Loan Agreement.

“*Assignment*” means the Assignment of Rights Under Loan Agreement, dated as of September 1, 2013, from the Issuer, as assignor, to the Assignee, as assignee, as amended or supplemented from time to time.

“*Authorized Borrower Representative*” means the person designated from time to time by the Borrower as its representative.

“*Bond Legislation*” means this resolution, as duly amended or supplemented from time to time.

“*Bondowner Agreement*” means the Guaranty and Bondowner Agreement, dated as of September 1, 2013, between and the Borrower and the Assignee, as the same may be amended, restated, supplemented or otherwise modified from time to time.

“*Bond Service Charges*” means, for any period or date, the principal of and premium, if any, and interest on the Bonds accruing for that period or due and payable on that date.

“*Bonds*” means the Variable Rate Revenue Bonds, Series 2013 (Fairfax Renaissance Development Corporation Project)

“*Borrower*” means Fairfax Renaissance Development Corporation, an Ohio non-profit corporation, and its lawful successors and assigns, including without limitations, any surviving, resulting or transferee corporation or entity permitted under the Loan Agreement.

“*Borrower Facilities*” means the Project and the existing facilities located on the Borrower Facilities Site and which were in existence on September 1, 2013, and which constitute “port facilities” as defined in Section 4582.21, Ohio Revised Code and described in Exhibit A to the Loan Agreement, together with any substitutions or additions from time to time made thereto, but less any removals therefrom, in the manner and to the extent provided in the Loan Agreement.

*“Borrower Facilities Site”* means the real estate described in Exhibit A to the Loan Agreement, together with any substitutions therefor or additions thereto but less any removals therefrom from time to time as provided for and permitted by this Loan Agreement.

*“Certificate of Award”* means the certificate of award executed by the Executive setting forth the final terms of the Bonds, including but not limited to the aggregate principal amount, maturity dates, initial rate of interest and the Purchase Price.

*“Code”* means the Internal Revenue Code of 1986, the regulations (whether proposed, temporary or final) under that Code or the statutory predecessor of that Code, and any amendments of, or successor provisions to, the foregoing and any official rulings, announcements, notices, procedures and judicial determinations regarding any of the foregoing, all as and to the extent applicable.

*“Executive”* means the President of the Issuer or the Chair or Vice Chair/Chair Elect or, if those positions are vacant or their incumbents are absent or incapacitated, any officer of the Issuer.

*“Fiscal Officer”* means the Secretary or an Assistant Secretary of the Issuer, or if any of those positions is vacant or its incumbent is absent or incapacitated, any officer of the Issuer.

*“Interest Payment Dates”* means the Interest Payment Dates defined in the Loan Agreement.

*“Issuer”* means the Lorain Port Authority, a body corporate and politic duly organized and validly existing under the laws of the State of Ohio.

*“Issuer Documents”* means this Bond Legislation, the Loan Agreement, the Assignment of Rights under Loan Agreement and the Tax Compliance Agreement.

*“Legislative Authority”* means the Board of Directors of the Issuer.

*“Loan Agreement”* means the Loan Agreement dated as of September 1, 2013, as duly amended or supplemented from time to time in accordance with its terms.

*“Loan Payments”* means the amounts required to be paid by the Borrower under the Loan Agreement in repayment of the loan made by the Issuer.

*“Optional Redemption Date”* means the date specified in the Loan Agreement as the date on which any of the Bonds have been called for optional redemption prior to the maturity thereof.

*“Port Authority Facilities”* or “port authority facilities” means port authority facilities as defined in the Act.

*“Project Purposes”* means providing funds for the current refunding of the Refunded Bonds.

*"Purchase Price"* means the purchase price of the Bonds, equal to 100% of the par amount thereof, plus accrued interest from the dated date of the Bonds to the date of delivery and payment for the Bonds by the Assignee.

*"Refunded Bonds"* means, the currently outstanding principal amount of the \$9,700,000 County of Cuyahoga, Ohio Multi-Mode Variable Rate Civic Facility Revenue Bonds, Series 2001 (Fairfax Renaissance Development Corporation).

*"Refunded Bonds Trustee"* means The Huntington National Bank, as trustee under the Trust Indenture dated as of March 1, 2001.

*"Revenues"* means (a) Loan Payments, (b) all other rentals, revenue, income, charges and money received or to be received by the Issuer, or the Assignee for the account of the Issuer, from the lease, sale or other disposition of the Project (except Additional Payments) and (c) all income and profit from the investment of the Loan Payments and such other money.

*"State"* means the State of Ohio.

*"Tax Compliance Agreement"* means the Federal Income Tax Compliance Agreement, to be dated as of the execution and delivery of the Bonds, among the Borrower, the Issuer and the Assignee, as the same may be amended or supplemented in accordance with its terms.

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.

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(i) it is necessary and proper and in the best interest of the Issuer to, and the Issuer shall, issue, sell and deliver the Bonds in the aggregate maximum principal amount not to exceed \$6,225,000, as provided and authorized herein and pursuant to the authority of the Act, for the purpose of currently refunding the Refunded Bonds;

(ii) the Borrower Facilities constitutes "port authority facilities" as defined in the Act and is consistent with the purposes of the Act;

(iii) the utilization of the Borrower Facilities is in furtherance of the purposes of the Act and will benefit the people of the State and the Issuer by maintaining jobs and employment opportunities and improving the economic welfare of the people of the State and the Issuer; and

(iv) refunding the Refunded Bonds will require the issuance, sale and delivery of the Bonds.

*Section 3. Terms and Provisions of the Bonds.*

(a) Generally. The Bonds shall be designated "Lorain Port Authority Variable Rate Revenue Bonds, Series 2013 (Fairfax Renaissance Development Corporation Project)."

(b) Form of Bonds. The Bonds shall be issued in an aggregate principal amount not to exceed \$6,225,000.

The Borrower is appointed to act as the authenticating agent, bond registrar and transfer agent (collectively, the "Registrar") for the Bonds. The Issuer may hereafter designate a different person to serve as Registrar and enter into a contract for or otherwise authorize the provision by that person as Registrar of such services.

The Bonds shall be dated as of their date of issuance, shall be issued only in fully registered form, shall be numbered in such manner as determined by the Registrar in order to distinguish each Bond from any other Bond, shall be in denominations of \$100,000 and any greater multiple of \$5,000. If required by the ~~Bond Purchase Agreement~~ Assignee, the Bonds may be issued as a single Bond. The Bonds, the certificate of authentication and the form of assignment shall be substantially in the respective forms thereof attached to the ~~Bond Purchase Bondowner~~ Agreement. The Bonds shall be negotiable instruments in accordance with the Act, subject to any provisions in the Bonds restricting transfer, and shall express on their faces the purpose for which they are issued and such other statements or legends as may be required by law.

(c) Execution. The Bonds shall be signed by the Executive and the Fiscal Officer in their official capacities (provided that one or both of the signatures may be a facsimile). In case any officer, whose signature or facsimile thereof shall appear on the Bonds, shall leave office prior to the issuance of the Bonds, such signature or facsimile thereof shall nevertheless be valid and sufficient for all purposes, the same as if he or she had remained in office until after that time.

(d) Interest Rates. The Bonds shall mature in the years and principal amounts, shall bear interest in the years they are outstanding at the rates per year, and shall be payable as to principal and interest on the dates, all as provided in the Bonds; provided that the maturity of the Bonds shall not be later than June 1, 2022, the interest rate shall be the Adjusted LIBOR Rate, as set forth in the ~~Bond Purchase Agreement~~ Certificate of Award for the Bonds, which rate shall not exceed 25%, and the first interest payment date shall be not later than December 1, 2013.

(d) Redemption Terms. The Bonds shall be subject to optional redemption prior to maturity, on the dates, in the years and at the redemption prices (expressed as a percentage of the principal amount redeemed), plus accrued interest to the redemption date, all as set forth in the Bonds.

*Section 4. Sale of the Bonds.* The Bonds shall be sold and awarded to the Assignee for the Purchase Price, in accordance with this Bond Legislation and the ~~Bond Purchase Agreement~~ Certificate of Award. It is determined hereby, based upon the representations of the Borrower that the Purchase Price and the manner of sale and the terms of the Bonds as provided in this Bond Legislation and the ~~Bond Purchase Agreement~~ Certificate of Award are consistent with all legal requirements and will carry out the public purposes of the Act.

The award shall be further evidenced by the Certificate of Award, which shall determine and state the aggregate principal amount of the Bonds to be issued and the information relating to interest rates, maturities and redemption provisions as provided herein.

The Executive and the Fiscal Officer are authorized and directed, alone or together, to make the necessary arrangements with the Assignee to establish the date, location, procedures and conditions for the delivery of the Bonds to the Assignee and to take all steps necessary to effect due execution, authentication and delivery of the Bonds to the Assignee under the terms of this Bond Legislation and the Bondowner Agreement.

**The Issuer has not confirmed, and has assumed no responsibility for, the accuracy, sufficiency or fairness of any reports or financial information provided to the Assignee by the Borrower relating to the Borrower Facilities, the Borrower, or the history, businesses, properties, organization, management, operations, financial condition, market area or any other matter relating to the Borrower and any affiliated entities.**

*Section 5. Allocation of Proceeds of the Bonds.* The amount paid by the Assignee ~~under the Bond Purchase Agreement~~ as set forth in the Certificate of Award as the purchase price for the Bonds shall be received by the Refunded Bonds Trustee and used to pay interest on and the redemption price of the Refunded Bonds when due (or to reimburse the credit facility provider for the Refunded Bonds for draws made under the applicable credit facilities for such payments).

*Section 6. Security for the Bonds.* The Bond Service Charges on the Bonds shall be equally and ratably payable solely from the Revenues, and the payment of Bond Service Charges shall be secured by an assignment of the Revenues and the Loan Agreement (except for the Unassigned Rights thereunder) pursuant to the Assignment.

Nothing in this Bond Legislation or the Bonds shall constitute a general obligation, debt or bonded indebtedness of the Issuer; neither the general resources of the Issuer shall be required to be used, nor the general credit of the Issuer pledged, for the performance of any duty under this Bond Legislation and the Bonds; and further, nothing herein or therein gives the Holders of the Bonds, and they do not have, the right to have excises or taxes levied by the Legislative Authority, or by the State or the taxing authority of any other political subdivision, for the payment of principal of, redemption premium, if any, and interest on the Bonds, and each Bond shall contain a statement to that effect.

*Section 7. Covenants and Agreements of Issuer.* In addition to the other covenants of the Issuer herein and in the Issuer Documents, the Issuer further covenants and agrees as follows:

(a) *Authority and Actions.* The Issuer is, and upon delivery of the Bonds will be, duly authorized by the laws of the State, particularly and without limitation the Act, to issue the Bonds, to execute and deliver the Issuer Documents and other instruments and documents to which it is a party, and to provide the security for payment of the Bond Service Charges on the Bonds in the manner and to the extent set forth in this Bond Legislation and in Bonds, all as authorized by this Legislative Authority. All actions on the part of the Issuer for the issuance of the Bonds and the execution and delivery of the Issuer Documents and such other instruments and documents as are authorized herein have been

or will be duly and effectively taken. The Bonds will be valid and enforceable special obligations of the Issuer according to their terms. Each duty of the Issuer and of its officers and employees undertaken pursuant to the Bonds and the Issuer Documents is a duty specifically authorized by law and resulting from an office, trust or station of the Issuer, within the meaning of Section 2731.01, Ohio Revised Code, providing for enforcement by writ of mandamus.

(b) *Arbitrage and Tax Compliance Provisions.* The Issuer covenants that it will restrict the use of the proceeds of the Bonds in such manner, as advised by Bond Counsel (as defined in the Loan Agreement), and to such extent as may be necessary, to the extent of its authority and control, so that the Bonds will not constitute arbitrage bonds or hedge bonds under Sections 141 through 150 of the Code. The Executive or the Fiscal Officer, or any other officer of the Issuer having responsibility for the issuance of the Bonds, alone or in conjunction with the Borrower or any officer, employee, agent of or consultant to the Borrower, shall give an appropriate certificate of the Issuer for inclusion in the transcript of proceedings for the Bonds setting forth the reasonable expectations of the Issuer regarding the amount and use of all the proceeds of the Bonds, the facts, circumstances and estimates on which they are based, and other facts and circumstances relevant to the tax treatment of interest on the Bonds.

The Issuer covenants that it (i) will take, or require to be taken, to the extent of its authority and control, all actions that may be required of it, as advised by Bond Counsel, for the interest on the Bonds to be and remain excluded from gross income for federal income tax purposes and, with respect to the Bonds for which such treatment is avoidable, from treatment as an item of tax preference for purposes of the alternative minimum tax imposed on individuals under the Code, and (ii) will not take or authorize to be taken any actions that would, as advised by Bond Counsel, adversely affect that exclusion or, to the extent avoidable, cause interest to be treated as an item of tax preference. The appropriate officers of the Issuer are hereby authorized and directed to take any and all actions and make or give such reports and certifications as may be appropriate to assure such exclusions of that interest.

In its performance of these covenants, and other covenants of the Issuer pertaining to federal income tax laws, the Issuer may rely upon the written advice of Bond Counsel.

(c) *Further Assurances.* To the extent it is within its authority and control, the Issuer shall do all things and take all actions on its part necessary to comply with obligations, duties and responsibilities on its part under the Issuer Documents. Nothing herein or in the Issuer Documents shall be construed as requiring the Issuer to operate the Borrower Facilities or to use any moneys or assets from any source other than Revenues.

*Section 8. Issuer Documents.* To provide for the issuance and sale of the Bonds and the consummation of the transactions contemplated herein, the Executive, the Fiscal Officer, any member of the Legislative Authority and any other appropriate officer of the Issuer, alone or in conjunction with any of the foregoing, are authorized and directed to execute, acknowledge and deliver, for and in the name and on behalf of the Issuer, each Issuer Document in substantially the respective forms thereof submitted to this Legislative Authority.



The Issuer Documents are approved with any changes which are not inconsistent with the Bond Legislation, which are not substantially adverse to the Issuer, which are permitted by the Act, and which are approved by the officer or officers executing the respective Issuer Documents. The approval of those changes by the officer or officers and the character of those changes as not being substantially adverse to the Issuer, shall be evidenced conclusively by the execution and delivery of the respective Issuer Documents by the officer or officers.

*Section 9. Other Documents.* The Executive, the Fiscal Officer, any member of the Legislative Authority and any other appropriate officer of the Issuer, alone or in conjunction with any of the foregoing, are authorized and directed to execute, deliver and, if applicable file, for and in the name and on behalf of the Issuer, any certifications, financing statements, assignments and other instruments and documents which are necessary or appropriate to consummate the transactions contemplated in the Issuer Documents and the Bonds. Those certifications and other instruments and documents include, without limitation, appropriate certificates or agreements under Sections 103 and 148 of the Code, any other certifications and forms necessary or advisable under the Code and certifications by the Executive or the Fiscal Officer of the transcript of proceedings relating to the issuance of the Bonds.

*Section 10. Assignment and Lien of Pledge under this Bond Legislation.* The Revenues are subject to the assignment under the Assignment. The Issuer acknowledges that, pursuant to the Assignment, the Issuer has assigned its rights under the Loan Agreement (except for the Unassigned Issuer's Rights specified in the Assignment) to the Assignee.

*Section 11. Bank Qualified Obligations.* The Bonds are hereby designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code. In that connection, the Issuer hereby covenants that the Issuer, having no "subordinate entities" with authority to issue obligations within the meaning of that Section of the Code, in or during the calendar year in which the Bonds are issued, (i) will not designate as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code tax-exempt obligations, including the Designated Amount of the Bonds, in an aggregate amount in excess of \$10,000,000, and (ii) will not issue, tax-exempt obligations, including the Designated Amount of the Bonds (including any qualified 501(c)(3) bonds as defined in Section 145 of the Code, but excluding any obligations that are private activity bonds as defined in Section 141 of the Code and excluding refunding obligations that are not advance refunding obligations as defined in Section 149(d)(5) of the Code) in an aggregate amount exceeding \$10,000,000, unless the Issuer first obtains a written opinion of Bond Counsel that such designation or issuance, as applicable, will not adversely affect the status of the Bonds as "qualified tax-exempt obligations".

*Section 12. Compliance with Open Meeting Requirements.* It is found and determined that all formal actions of the Legislative Authority concerning and relating to the adoption of this resolution were adopted in an open meeting of the Legislative Authority, and that all deliberations of this Legislative Authority and of any of its committees that resulted in those formal actions were in meetings open to the public, in compliance with applicable law.

*Section 13. Effective Date.* This resolution shall take effect and be in force immediately upon its adoption.

ADOPTED: \_\_\_\_\_, 2013

Yeas: \_\_\_\_\_

Nays: \_\_\_\_\_

\_\_\_\_\_  
CHAIR

\_\_\_\_\_  
SECRETARY