

**RESOLUTION NO. \_\_\_\_\_**

**LORAIN PORT AUTHORITY**

**A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A CONSTRUCTION SERVICES AGREEMENT FOR THE PURPOSE OF CONSTRUCTING AND OTHERWISE IMPROVING "PORT AUTHORITY FACILITIES" WITHIN THE MEANING OF SECTION 4582.21, OHIO REVISED CODE; AUTHORIZING THE EXECUTION AND DELIVERY OF A GROUND LEASE; AUTHORIZING THE EXECUTION AND DELIVERY OF A LEASE OF THOSE PORT AUTHORITY FACILITIES AND THE SITE THEREOF; AUTHORIZING THE EXECUTION AND DELIVERY OF SUCH OTHER AGREEMENTS AND INSTRUMENTS; AUTHORIZING THE ISSUANCE OF A SALES TAX EXEMPTION CERTIFICATE TO CLOVER COMMUNITIES LORAIN LLC AND ITS CONTRACTORS IN CONNECTION WITH CONSTRUCTION OF A SENIOR LIVING COMMUNITY IN LORAIN, OHIO AND AUTHORIZING AND APPROVING RELATED MATTERS**

WHEREAS, the Lorain Authority (the "Authority"), a port authority and 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, Article VIII, Section 13 of the Ohio Constitution and Sections 4582.21 through 4582.59 of the Ohio Revised Code (collectively, the "Act"), among other things: (a) to enter into agreements for the purpose of constructing, improving and developing "port authority facilities," as defined in the Act, (b) to lease such port authority facilities to provide rental payments and other revenues, (c) to acquire interests in real or personal property, or any combination thereof, and construct, improve and develop port authority facilities and enter into agreements with respect to the construction, development, leasing, operation, use and management of such port authority facilities for "authorized purposes" as defined in the Act, including commercial and economic development purposes, (d) to make and enter into such contracts and agreements, and to execute and deliver all such instruments, as may be necessary, proper, appropriate or otherwise included in or for the exercise of powers otherwise granted to the Authority under or pursuant to the Act, (e) to provide for the development leasing of port authority facilities to create or preserve jobs and employment opportunities and to improve the economic welfare of the people of the State, (f) issue sales tax exemption certificates to the Lessee (as hereinafter defined), in accordance with Sections 5739.02 and 5739.03 of the Code (g) to adopt this resolution, and to execute and deliver the Lease and such other agreements and instruments as are provided for herein, all upon the terms and conditions provided herein and therein; and

WHEREAS, pursuant to the request of Clover Communities Lorain, LLC ("Lessee"), the Authority has agreed to assist the Lessee in the acquisition, construction, otherwise improving, and leasing of a project comprised of 125 independent senior living units and related site improvements and facilities, including parking facilities (the "Project Facilities") on a site located in Lorain, Ohio (the "Project Site" and, together with the Project Facilities, the "Project"), by (i) acquiring a ground

leasehold interest in the Project Site, (ii) acquiring, constructing, equipping and installing the Project Facilities on the Project Site, and (iii) issuing sales tax exemption certificates in accordance with Sections 5739.02 and 5739.03 of the Code (iv) leasing the Project to the Lessee;

WHEREAS, this Board has determined that it is necessary and proper and in the best interest of the Authority (a) to enter into a Ground Lease or Sub-Ground Lease (the "Ground Lease") between the Lessee, as ground lessor (in such capacity, the "Ground Lessor"), and the Authority, as ground lessee (in such capacity, the "Ground Lessee"), pertaining to the Project Site, a Construction Services Agreement (the "Construction Services Agreement") between the Authority and the Lessee, as the Authority's service provider for the acquisition, construction and otherwise improving of the Project Facilities (in such capacity, the "Construction Services Provider"), (b) to lease the Project to the Lessee pursuant to the Lease (the "Lease") between the Authority, as lessor, and the Lessee, as lessee, to provide for rental payments, (c) to grant such security instruments as may be required by the Lessee's financial institutions; and (d) to execute and deliver such other agreements, instruments and documents as may be necessary or desirable to provide for the development of the Project;

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Lorain Port Authority:

Section 1. Determinations by Board. This Board of Directors hereby finds and determines that: (i) the Project constitutes "port authority facilities," within the meaning of the Act and is consistent with the purposes of Article VIII, Section 13, of the Ohio Constitution; (ii) it is necessary and proper and in the best interest of the Authority to acquire, construct, improve and develop the Project, as contemplated by this resolution; (iii) the Project Site is within the geographic jurisdiction of the Authority and the financing of the Project by the Authority is consistent with the purposes of the Act, will further the Project Purposes and will benefit the people of the State, including those within the jurisdiction of the Authority, by, among other benefits, creating jobs and employment opportunities and improving the economic welfare of the people of the State; (iv) the agreements contemplated hereby will further the purposes of the Act, including the purposes of Article VIII, Section 13, of the Ohio Constitution and (v) it shall accept a reasonable indemnity agreement with the Lessee in connection with the Project if deemed necessary.

Section 2. Authority Documents. To provide for the acquisition and construction of the Project, the Executive Director and Chairman or Vice-Chairman of the Board of Directors, acting alone or together, are hereby authorized, for and in the name of the Authority and on its behalf, to execute the Lease, Ground Lease and Construction Services Agreement (collectively, the "Authority Documents"), in substantially the respective form thereof now on file with this Board, with such changes therein as are not inconsistent with this resolution and not substantially adverse to the Authority and that are permitted by the Act and shall be approved by the officer or officers executing those documents. The approval of such changes, and that such changes are not substantially adverse to the Authority shall be conclusively evidenced by the execution of the Authority Documents by the officer or officers executing the same. The Lease provides for the grant to the Lessee of an option or options to purchase the Project in connection with any

permitted termination of the Lease and subject to the conditions stated in the Lease. In connection with any such exercise by the Lessee of its option to purchase the Project, the Executive Director and Chairman or Vice-Chairman of the Board of Directors, acting alone or together, are hereby authorized to execute all such instruments, for and in the name and on behalf of this Authority, as may be necessary to effect the transfer of the Project to the Lessee, without the necessity of any further action by this Board.

Section 3. Issuance of Certificates. The board hereby authorizes the issuance to the Borrower of a sales tax exemption certificate, in accordance with Sections 5739.02 and 5739.03 of the Code, for the Project upon such conditions, including an indemnification agreement between the Borrower and the Port Authority, as are required by the Executive Director of the Port Authority and Frost Brown Todd LLC, as special counsel.

Section 4. Further Actions. Each Executive Director and Chairman or Vice-Chairman of the Board of Directors, acting alone or together, is further authorized and directed to execute the any certifications, financing statements, assignments, agreements and security instruments, and to take such further actions as are necessary or appropriate to implement the transactions contemplated in the Authority Documents and to consummate the transactions contemplated in this Legislation and the Authority Documents, and to undertake, complete and finance the costs of the Project, consistent herewith and with the Authority Documents. All actions heretofore taken by the officers and officials of the Authority and of this Board in connection with the Project and the construction thereof are hereby ratified and approved.

Section. 5. Severability. Each section of this resolution and each subdivision or paragraph of any section hereof and each sentence of a paragraph hereof is hereby declared to be independent and the finding or holding of any section or any subdivision, paragraph or sentence hereof to be invalid or void shall not be deemed or held to affect the validity of any other section, subdivision, paragraph or sentence of this resolution.

Section 6. Compliance with Open Meeting Law. It is found and determined 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 of its committees or subcommittees, or any other public bodies of the Authority, that resulted in such formal actions were in meetings open to the public, in compliance with the law.

Section 7. Effective Date. This resolution shall be in full force and effect upon its adoption.

Voting Aye : \_\_\_\_\_

Voting Nay: \_\_\_\_\_

Passed: December 13, 2016

LORAIN PORT AUTHORITY

By: \_\_\_\_\_  
Chairperson, Board of Directors

Attest: \_\_\_\_\_

By: \_\_\_\_\_

Title: Secretary, Board of Directors

The undersigned Secretary of the Board of Directors of the Lorain Port Authority does hereby certify that the foregoing is a true and correct copy of a resolution of such Board of Directors, duly adopted on December 13, 2016, and appearing upon the official records of that Board.

Attest: \_\_\_\_\_

By: \_\_\_\_\_  
Title: Secretary, Board of Directors

Dated: \_\_\_\_\_, 2016