

19-237

COUNTY OF SUMMIT
AND
CONXUSNEO
AND
SUMMIT COUNTY LAND REUTILIZATION CORPORATION

TERM SHEET
FOR
THE PURCHASE AND SALE OF
1040 E. TALLMADGE AVENUE, UNIT 1, AKRON, OHIO 44310

Purpose:

The purpose of this Term Sheet ("Term Sheet") is to provide the framework of a transaction whereby CONXUSNEO ("CONXUSNEO") will transfer its interest in the property described below (the "Property") to the County of Summit, Ohio (the "County"), the County will enter into a Real Estate Sales Agreement (the "Sales Agreement") with the Summit County Land Reutilization Corporation (the "Land Bank") whereby the County will sell, and the Land Bank will purchase, the Property, and the County will finance the purchase of the Property by the Land Bank. This Term Sheet is an indication of the good faith intention of the parties to negotiate those transactions upon the terms further described herein.

Property Description:

CONXUSNEO is the owner of record of the Property, which is more fully described as Parcel No. 6760675 and located at 1040 E. Tallmadge Avenue Unit 1, Akron, Ohio 44310.

Transfer of Property:

The County and CONXUSNEO are currently parties to a loan agreement dated December 1, 2005 (the "Acquisition Loan Agreement") pursuant to which the County loaned \$2,000,000 to CONXUSNEO to finance the cost of CONXUSNEO's acquisition of the Property. To secure CONXUSNEO's obligation to repay the loan, CONXUSNEO has executed and delivered to the County a promissory note (the "Acquisition Promissory Note"). At closing, CONXUSNEO will transfer the Property to the County in exchange for the County's agreement to satisfy and release CONXUSNEO from the Acquisition Loan Agreement and the Acquisition Promissory Note. The Property will be transferred "as-is" by limited warranty deed and CONXUSNEO will transfer good and marketable title free and clear of all liens and encumbrances except the Bond Fund Mortgage (as defined below) and those other liens and encumbrances acceptable to the County.

Sale of Property:

The County and the Land Bank will enter into the Sales Agreement whereby the County will agree to sell the Property,

after the transfer of the same from CONXUSNEO to the County, to the Land Bank and the Land Bank will agree to purchase the Property from the County. The Property will be sold "as-is" by limited warranty deed and the County will transfer good and marketable title free and clear of all liens and encumbrances except the Bond Fund Mortgage and those other liens and encumbrances acceptable to the Land Bank.

Purchase Price

The purchase price for the property will be an amount not to exceed \$3,850,000 or such lower amount as determined by the County and the Land Bank. The purchase price will be paid by the Land Bank pursuant to a loan agreement (the "Land Bank Loan Agreement") and promissory note (the "Land Bank Promissory Note") as further described below.

Land Bank Loan Agreement, Note, Mortgage and Assignment of Leases:

At closing, the Land Bank will deliver to the County the Land Bank Promissory Note and the Land Bank Loan Agreement. Under the Land Bank Loan Agreement and the Land Bank Promissory Note, the Land Bank will pay the County \$3,850,000 as follows:

2020	\$275,000
2021	\$275,000
2022	\$275,000
2023	\$275,000
2024	\$275,000
2025	\$275,000
2026	\$550,000
2027	\$550,000
2028	\$550,000
2029	\$550,000

In the event the purchase price is less than \$3,850,000, the County and the Land Bank will adjust the payment schedule above to reflect the reduced purchase price. The first payment will commence December 1, 2020 and continue annually to be due on December 1, of each year until paid in full, unless otherwise agreed to by the parties. No interest will accumulate on the principal or be due from the Land Bank.

The Land Bank Loan Agreement and the Land Bank Promissory Note will be secured by a second mortgage (the "Land Bank Mortgage") against the Property granted by the Land Bank in favor of the County. In addition to the Land Bank Mortgage, the Land Bank will grant an assignment of leases (the "Land Bank Assignment") assigning the leases and rents from the Property to

the County during the term of the Land Bank Loan Agreement. The Land Bank Mortgage will be a second mortgage and will be subordinate to the Bond Fund Mortgage (as defined below) and the Land Bank Assignment will be subordinate to the Bond Fund Assignment (as defined below).

Assignment and Assumption Agreement:

To finance the construction of the improvements on the Property, the Development Finance Authority of Summit County (the "Authority") previously issued its \$4,500,000 Jobs & Investment Fund Program Development Revenue and Refunding Bonds, Series 2016C (Summit Workforce Solutions Project) (the "Bonds"), and loaned the proceeds thereof to CONXUSNEO pursuant to a Loan Agreement (the "Bond Fund Loan Agreement"). To secure its repayment under the Bond Fund Loan Agreement, CONXUSNEO executed and delivered to the Authority a promissory note (the "Bond Fund Promissory Note"). To secure CONXUSNEO's obligation to repay loan pursuant to the Bond Fund Loan Agreement, CONXUSNEO granted to U.S. Bank National Association (the "Trustee"), as Trustee for the Bonds, the Authority and the County a first mortgage (the "Bond Fund Mortgage") against the property and an assignment of leases and rents (the "Bond Fund Assignment"). At closing, CONXUSNEO, the Land Bank, the Authority, the County and the Trustee will enter into an Assignment and Assumption Agreement (the "Assignment and Assumption Agreement") pursuant to which CONXUSNEO will assign, and the Land Bank will agree to assume, all of CONXUSNEO's obligations under (a) the Bond Fund Loan Agreement, the Bond Fund Mortgage, the Bond Fund Promissory Note, the Bond Fund Assignment and the Tax Regulatory Agreement and Reimbursement Agreement executed by CONXUSNEO in connection with the issuance of the Bonds and (b) all leases of the Property previously entered into by CONXUSNEO as landlord. CONXUSNEO will take all steps necessary to secure the consent of any tenant of any lease necessary to assign its rights and obligations under the leases to the Land Bank.

Closing:

Closing will occur on a date mutually agreed to by the parties, expected to be on or before July 31st, 2019. Any taxes and assessments will be pro-rated as of the date of closing.

Costs and Title Insurance:

The Sales Agreement will provide that at closing, the County will pay the costs, fees and premiums of any title report, premiums for any title insurance and the escrow fee, if any, the costs of transfer, if any, and the costs of recording the deeds, if any.

Furniture, Fixture and Equipment:

At closing, CONXUSNEO will transfer all furniture, fixtures, trade fixtures and equipment remaining on the Property to the County and the County will further transfer all furniture, fixtures, trade fixtures and equipment remaining on the Property to the Land Bank at no additional cost or consideration.

Grant Agreement:

In consideration of CONXUSNEO transferring the Property to the County, the County will deliver to CONXUSNEO at closing an executed Grant Agreement whereby the County will agree to grant to CONXUSNEO the sum of \$160,000 per year for a period of ten years, with the first payment due to CONXUSNEO at closing, and continuing annually thereafter no later than March 31st of each calendar year.

Maintenance and Custodial Agreement:

The Land Bank and County will enter into a maintenance and custodial services agreement whereby the County will provide in-kind maintenance and custodial services for the Property following the acquisition of the same by the Land Bank.

General:

The parties acknowledge and understand that CONXUSNEO previously operated in the State of Ohio under the name Summit County Workforce Investment Board and Summit Workforce Solutions, and that several of the documents pertaining to prior transactions involving the Property identify CONXUSNEO under one of these names.

County will be responsible for payment of the legal fees of Roetzel and Andress in the estimated amount of \$10,000 to prepare all documents necessary to consummate the above transactions, and in the estimated amount of \$5,000 to render a bond counsel opinion on the assignment of the Bonds. All parties will be responsible for any additional legal fees incurred on their behalf associated with this transaction.

This Term Sheet is not intended to be binding to the parties and nothing contained herein shall be binding unless and until incorporated into formal agreements and agreed to by the parties in writing.

[Signature page to follow]

COUNTY OF SUMMIT, OHIO

Ilene Shapiro, Executive Date

CONXUSNEO

Acknowledged by:

DEVELOPMENT FINANCE AUTHORITY OF
SUMMIT COUNTY

Sue Lacy, President Date

SUMMIT COUNTY LAND REUTILIZATION
CORPORATION

Chris Burnham, President Date

Patrick Bravo, Executive Director Date