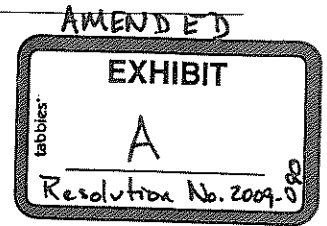


09-090

**Preliminary Financing Summary**  
**Summit County Port Authority**  
In cooperation with  
**Summit County**  
And  
**The City of Akron**  
**(Goodyear/IRG Land Acquisition Project)**



*The following financing summary (the "Financing Summary") is for discussion purposes only. The terms are subject to further due diligence and is not meant to be a formal commitment by the Summit County Port Authority, Summit County, the City of Akron, Robert W. Baird & Co., or any other party associated with this Project.*

**Description of Project:**

The Summit County Port Authority (the "Port Authority"), in cooperation with Summit County (the "County") and the City of Akron (the "City"), will issue up to \$17,200,000 of Taxable Bonds (the "Bonds") to fund the acquisition by IRG Rubber City LLC ("IRG") of certain properties from the Goodyear Tire & Rubber Co. as set forth in the attached Schedule E (the "Project").

**Issuer of the Bonds:**

Summit County Port Authority.

**Guarantors:**

Industrial Realty Group, LLC and Stuart Lichter (the "Guarantors") will guarantee the repayment of the Bonds and the Guarantors will agree to cause the performance of improvement to the Project, as described below.

**Land Transfer/Ownership:**

Upon closing of the Bonds the property will first be transferred to the City and then transferred to IRG or affiliates (i.e. single purpose LLC's). IRG will lease certain portions of the acquired property back to Goodyear on an operating lease basis. All the Goodyear leases will be for an initial 5 -year term, except that the Tech A building lease will be for an initial 10 years.

**Other Financing:**

IRG may obtain financing commitments from other lenders for a portion of the acquisition costs of the Project. Such financing must be closed prior to or simultaneously with the Bonds and must provide for similar terms (acceptable to the County, City and Port). Financing commitments made by other lenders will reduce the amount of Bonds and Project costs funded by the Port Authority.

**IRG Investment and Escrow:**

IRG will agree to invest approximately \$3,500,000 to be used to make improvements to the Mortgaged Properties (as defined herein) (the "Improvements"). At closing, IRG will agree to escrow \$650,000 with the Bond Trustee to be used to fund the Improvements. IRG will request monthly disbursements by sending in a disbursement request with invoices to the Port Authority to pay for the Improvements. The Port Authority will direct the Trustee to disburse funds within 10 days so long as the invoices submitted on the disbursement request are to pay or

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reimburse the approved list of Improvements. IRG will approve the investment of such funds from the list of approved investments and all earnings on such account will remain in the account for the benefit of IRG and will be used to pay other Improvement costs.

The Improvements will be made over a three year period from the closing date of the Bonds. IRG will provide a preliminary, itemized budget of such Improvements and timing of the Improvements prior to marketing the Bonds.

Further, IRG intends to make other improvements to the Project site in the approximate amount of \$5,000,000 for tenant improvements during the initial lease term.

Additionally, IRG has incurred to date approximately \$5,366,995 in pre-development costs associated with the Goodyear Riverwalk Project. Of the total pre-development costs, \$\_\_\_\_\_ are property acquisition costs.

<b>Principal Amount of Bonds:</b>	\$17,200,000 (such amount will be reduced if IRG obtains other financing).
<b>Preliminary Sources &amp; Uses of Funds:</b>	See attached Schedule A.
<b>Preliminary Debt Service Schedule:</b>	See attached Schedule B.
<b>Preliminary Costs of Issuance:</b>	See attached Schedule C.
<b>Other Project Expenses:</b>	See attached Schedule D.
<b>Parcels Purchased with Bond Proceeds:</b>	See attached Schedule E.
<b>Mortgaged Properties and Non-Mortgaged Properties:</b>	See attached Schedule F.
<b>Form of the Bonds:</b>	Taxable for federal income tax purposes.
<b>Maturity of Bonds:</b>	June 15, 2012.
<b>Principal &amp; Interest Payment Dates:</b>	Quarterly, commencing September 15, 2009.
<b>Rating of the Bonds:</b>	The Bond rating shall be determined by documentation, final structure and review by the rating agencies. The parties will determine whether to have the Bonds rated.
<b>Estimated Fixed Interest Rate:</b>	Based upon current market conditions, the current estimated fixed taxable rate on the Bonds would be approximately 5.00%. <i>(This rate is only an estimate and is</i>

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*subject to market conditions at the time the Bonds are sold.)*

**Estimated Bond Closing Date:**

Projected May 15, 2009, but no later than June 1, 2009.

**Security for the Bonds:**

Assignment of Goodyear Lease Payments: IRG will assign the entire Goodyear Lease Payments to the Bond Trustee for payment of the Bonds. The Goodyear Lease Payments will be made directly to the Bond Trustee. Upon receipt of the Goodyear Lease Payment the Bond Trustee will transfer an amount equal to one-third of the next scheduled quarterly Bond Debt Service Requirement to the Bond debt service account, pay the monthly Trustee fee and Port Authority administrative fee and then disburse the balance of the Goodyear Lease Payment as directed by IRG. However, the Base Lease portion of the Goodyear Lease Payment (the "Base Lease Payment") must be greater than the debt service on the Bonds (including the monthly Trustee and Port fee as estimated in Schedule B) and Goodyear will have no right of set-off against the Base Lease Payment.

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First Mortgage: The Bonds will be secured by an acceptable first mortgage lien on all properties designated on Schedule F (the "Mortgaged Properties"), except for the North Archwood and South Archwood properties (the "Non-Mortgaged Properties"). The Bonds will be secured by a collateral assignment of all cash flow, including lease revenue on the Non-Mortgaged Properties. However, if IRG obtains Phase II's acceptable to the City and County on the Non-Mortgaged Properties, the City and County can elect at anytime to obtain a mortgage on such properties as additional collateral for the Bonds.

In addition, IRG will agree not to provide any other lenders or parties with a mortgage on any of the Mortgaged Properties or the Non-Mortgaged Properties without the consent of the City and County ("Negative Pledge").

The parking parcels (the "Parking Parcels") as designated on Schedule F will be included on the mortgage upon closing. After closing, upon the request of IRG the non-parking portion of the parcel may be split and released from the mortgage, subject to receipt of a split approval from the City and approved filing with the County Fiscal Office.

The primary collateral for the Bonds will include all of the assignments of all lease revenues, the Mortgaged Properties and the Negative Pledge and shall be referred to herein as the "Collateral Package".

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Bond Reserve Fund: A Bond reserve may be required to be funded with Bond proceeds. The amount of the reserve will be based upon the market for the Bonds and the requirements of the rating agencies. The earnings will be applied towards the debt service on the Bonds. The reserve fund deposit will be applied towards the final principal payment on the Bonds.

County & City Annual Appropriation: In the event Goodyear Lease Revenue is insufficient to pay debt service on the Bonds or the outstanding principal amount of the Bonds are not redeemed or remarketed at the end of the term of the Bonds, the County and City will each make a contribution payment ("Contribution Payments") equal to half of any shortfall. The County and City Contribution Payments will be subject to annual appropriation of non-tax revenues by the respective County and City Councils and will be assigned to the Bond Trustee for payment of the debt service of the Bonds. In addition, the Bonds are not subject to acceleration as long as any required Contribution Payments are made prior to the respective debt service payments on the Bonds.

If Goodyear fails to pay their monthly Base Lease Payment, and the Guarantors fail to make the monthly payment, the City and County will agree to request an appropriation from their respective councils within a timeframe that, if approved, will make the required debt service payments on the Bonds or restore any deficiency in the Bond Reserve Fund (if a Bond Reserve Fund is required).

If IRG is unable to provide financing to redeem the Bonds prior to the maturity of the Bonds (as described below), the Port Authority shall, at the request of the City and County, use its best efforts to refund the Bonds prior to seeking payment from the City and County.

**Refinancing/Takeout:**

IRG will agree to redeem the outstanding Bonds at their maturity. IRG will provide evidence of available funds or bank financing commitment (including a detailed financing term sheet) acceptable to the City, County and the Port Authority 90 days in advance of the maturity date of the Bonds. Commencing 180 days in advance of the maturity date, IRG will make monthly progress reports with regard thereto to the City, County and the Port Authority.

**Estimated Costs of Issuance:**

The estimated issuance costs for the Bonds are set forth in Schedule C and will be paid from Bond proceeds at the closing of the Bonds. Such fees do not include the Developers legal counsel or other consultants or service providers. IRG also agrees to pay the accrued legal fees and advisory fees (as defined in the attached schedule)

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related to the Goodyear Riverwalk Project at the closing of the Bonds.

**Indemnification:**

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IRG will indemnify the City, County and Port Authority against all costs and expenses relating to the issuance of the Bonds and the ownership and operation of the Project, including any environmental claims. In addition, IRG will indemnify the City, County and Port Authority for any claim for damages or injury to persons or property not caused by the City, County or Port Authority and will name the City, County and Port Authority as an additional insured on IRG's liability policy during the term of the Bonds.

**Additional Requirements:**

1. Environmental and Insurance: Acceptable Phase II environmental reports will be required on land and building related to the mortgaged properties. Based on the review of all Phase II environmental reports, environmental insurance endorsements may be required. If required, IRG will name the County, City, Port Authority and Bond Trustee as additional insured's on an acceptable environmental insurance endorsement. IRG will also undertake mitigation in the event of any environmental issue in the Phase II reports requiring mitigation.
2. Collateral Package & Appraisals: IRG has provided Schedule E which is the list of parcels to be acquired by IRG. IRG has also provided Schedule F which is a list of the Mortgaged Properties (which will include any parcel that contains any parking or other easement to Goodyear) and the list of the Non-Mortgaged Properties.

IRG will also provide acceptable appraisal(s) of all Mortgaged Properties and Non-Mortgaged Properties.

3. Development Agreement and Cooperative Agreement: The parties acknowledge that the terms of the Bond financing anticipated by this Term Sheet will need to be incorporated by amendment into the Development Agreement entered into by the City, the County and IRG. The parties will also enter into a Cooperative Agreement in connection with the issuance of the Bonds setting forth more definitively the terms set forth herein.
4. Prevailing Wages: IRG will agree to pay Prevailing Wage Rates as determined by the Ohio Department of Commerce, Wage & Hour Bureau for the redevelopment of the Project site. These rates will

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apply towards all applicable construction and equipment installation associated therewith;

5. Tax Appeals: IRG will agree not to contest the assessed value of the Project below the outstanding balance of the Bonds while they remain outstanding.
6. Cure Periods: IRG will have 10 days to cure any payment default and 30 days (with reasonable extension, if necessary) to cure any covenant default with respect to the Loan Agreement; and,
7. Other: Bonds will contain mutually agreed prepayment and partial release provisions. Additional items may be required for approval by the County, City, Port or the rating agencies.

**Acceptance/Approval:**

Upon acceptance of this financing summary by IRG and payment of a \$150,000 commitment fee to the Port Authority, the County and City agree to submit resolutions to their respective Councils approving this financing summary on March 16, 2009, and the County and City's signature below is contingent upon said approval. Upon County and City approval, the Port Authority, County and City will commence drafting the various Bond documents and agreements in preparation of the closing of the Project. Prior to the closing of the Project, the City and County will submit to their respective councils, resolutions approving a cooperative agreement and amendments to the development agreement between the necessary parties, bond repayment guarantees, and any other documents deemed necessary for the completion of the Project.

The commitment fee will be held by the Port Authority and will be used to offset costs as described in attached Schedule D upon closing of the Bonds. The balance of costs in Schedule D will be funded from Bond proceeds upon closing. In the event the financing does not move forward for any reason, the commitment fee will be used first to pay the accrued legal and financing costs of the Port Authority and then any additional financing costs incurred to the date of the termination of the proposed Financing.

The transaction contemplated herein is subject to approval by, among others, the Port Authority Board of Directors, City Council, County Council and the completion of due diligence and final documentation.

This Financing Summary is hereby executed by the authorized representatives of the parties below:

\_\_\_\_\_  
IRG Rubber City LLC Date

\_\_\_\_\_  
Summit County, Ohio Date

\_\_\_\_\_  
City of Akron, Ohio Date

\_\_\_\_\_  
Summit County Port Authority Date

\_\_\_\_\_  
Robert W. Baird & Co. Date

***Goodyear Akron Riverwalk Project***

***DRAFT***

***IRG Land Acquisition - 3 Year Bond  
Taxable Bonds  
Secured by County & City Non-Tax Revenue***

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***Preliminary Sources & Uses of Funds  
Schedule A***

**Sources of Funds**

Port Authority Bond Proceeds (up to)	\$17,200,000
Other Developer Financing	0
Developer Equity (Delivered at Closing)	3,500,000
<b>Total Sources</b>	<b>\$20,700,000</b>

**Uses of Funds**

Land Acquisition	\$16,000,000
Debt Service Reserve	776,507
Other Improvements	3,500,000
Estimated Transaction Costs	423,493
<b>Total Uses</b>	<b>\$20,700,000</b>

**Assumptions**

Payments Starting	9/15/2009
Estimated Average Interest Rate	5.00%
Financing Term	3.04 Years
Average Annual Debt Service	\$1,501,225
Estimated Closing Date	June 1, 2009
Final Maturity Date	June 15, 2012



**Goodyear Akron Riverwalk Project**

**DRAFT**

**IRG Land Acquisition - 3 Year Bond**

**Annual Debt Service  
Schedule B**

Bond Payment Date	Principal Payment	Interest Payment 5.000%	Principal & Interest	Port Admin Fee	Trustee Fee	Gross Quarterly Payment	Estimated Reserve Fund Earnings 1.00%	Gross Quarterly Payment	Outstanding Principal Amount
6/1/2009									\$17,200,000
9/15/2009	155,000	\$248,444	\$403,444	\$2,500	\$500	\$406,444	(\$2,243)	\$404,201	17,045,000
12/15/2009	160,000	213,063	373,063	2,500	500	376,063	(1,941)	374,121	16,885,000
3/15/2010	160,000	211,063	371,063	2,500	500	374,063	(1,941)	372,121	16,725,000
6/15/2010	165,000	209,063	374,063	2,500	500	377,063	(1,941)	375,121	16,560,000
9/15/2010	165,000	207,000	372,000	2,500	500	375,000	(1,941)	373,059	16,395,000
12/15/2010	165,000	204,938	369,938	2,500	500	372,938	(1,941)	370,996	16,230,000
3/15/2011	170,000	202,875	372,875	2,500	500	375,875	(1,941)	373,934	16,060,000
6/15/2011	170,000	200,750	370,750	2,500	500	373,750	(1,941)	371,809	15,890,000
9/15/2011	175,000	198,625	373,625	2,500	500	376,625	(1,941)	374,684	15,715,000
12/15/2011	175,000	196,438	371,438	2,500	500	374,438	(1,941)	372,496	15,540,000
3/15/2012	180,000	194,250	374,250	2,500	500	377,250	(1,941)	375,309	15,360,000
6/15/2012	15,360,000	192,000	15,552,000	2,500	500	15,555,000	(778,448)	14,776,552	0
<b>Total</b>	<b>17,200,000</b>	<b>\$2,478,507</b>	<b>\$19,678,507</b>	<b>\$30,000</b>	<b>\$6,000</b>	<b>\$19,714,507</b>	<b>(\$800,104)</b>	<b>\$18,914,403</b>	

**Assumptions**

Bond Term	3.04 Years
Estimated Average Interest Rate	5.00%
Average Annual Debt Service	1,501,225
Average Life	2.88 Years

**Robert W. Baird & Co.  
Ohio Structured Finance Group**

**3/13/2009**

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***Goodyear Akron Riverwalk Project***

***DRAFT***

***IRG Land Acquisition - 3 Year Bond***

***Estimated Bond Costs of Issuance  
Schedule C***

<b>Port Bond Amount</b>	<b>\$17,200,000</b>
	<b>Total</b>
Placement Agent (.75%)	\$129,000
Structuring Fee (.25%)	43,000
Port Authority Issuer Fee	15,000
Port Authority Land Transfer Fee	50,000
Bond Counsel	110,000
Disclosure Counsel	35,000
Rating Agency	25,000
Trustee	5,000
Printing	5,000
Contingency	6,493
<b>Subtotal Estimated Cost of Issuance</b>	<b>\$423,493</b>

**Total Transaction Costs** **\$423,493**

**Robert W. Baird & Co.**  
**Ohio Structured Finance Group**

**03/13/09**

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***Goodyear Akron Riverwalk Project***

***DRAFT***

*IRG Land Acquisition - 3 Year Bond*

*Other Project Expenses  
Schedule D*

	<u>Total</u>
Financial Advisor	\$150,000
<u>Subtotal Estimated Cost of Issuance</u>	<u>\$150,000</u>
Total Transaction Costs	\$150,000

**Robert W. Baird & Co.**  
**Ohio Structured Finance Group**

**03/13/09**

Goodyear/IRG Land Acquisition Project

Schedule E

Acquired Properties

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Parcel Number	Map Block Number	Name	Owner	Lessee
67-63106	2 A	Tech A Center	IRG	Goodyear
67-63107	2 B	Tech B Center	IRG	Goodyear
67-63110	5	Tire Test Center	IRG	Goodyear
67-63117	12	Medical Center	IRG	Goodyear
67-63120	15	Research Building	IRG	Goodyear
67-63123	18	Goodyear Hall	IRG	Goodyear
67-63124	19	Market Street Garage	IRG	Goodyear
67-63133	28	The Mix Center	IRG	Goodyear
67-63141	36	Goodyear HQ	IRG	Goodyear
67-63148	43	North Archwood	IRG	Goodyear
67-63149	44	South Archwood	IRG	Goodyear
67-63118	13	Parking Area	IRG	Goodyear
67-63119	14	Parking Area	IRG	Goodyear
67-63121	16	Parking Area	IRG	Goodyear
67-63122	17	Parking Area	IRG	Goodyear
67-63125	20	Parking Area	IRG	Goodyear
67-63131	26	Parking Area	IRG	Goodyear
67-63132	27	Parking Area	IRG	Goodyear
67-63137	32	Parking Area	IRG	Goodyear
67-63139	34	Parking Area	IRG	Goodyear
67-63140	35	Parking Area	IRG	Goodyear
67-63142	37	Parking Area	IRG	Goodyear
67-63155	50	Parking Area	IRG	Goodyear

IRG Owned Parcels - No Lessee

67-63109	4		IRG	None
67-63111	6		IRG	None
67-63112	7		IRG	None
67-63113	8		IRG	None
67-63115	10		IRG	None
67-63126	21		IRG	None
67-63127	22		IRG	None
67-63128	23		IRG	None
67-63129	24		IRG	None
67-63130	25		IRG	None
67-63134	29		IRG	None
67-63135	30		IRG	None
67-63136	31		IRG	None
67-63138	33		IRG	None
67-63143	38		IRG	None
67-63144	39		IRG	None
67-63145	40		IRG	None
67-63147	42		IRG	None
67-63150	45		IRG	None
67-63151	46		IRG	None
67-63152	47		IRG	None
67-63153	48		IRG	None
67-63154	49		IRG	None

Goodyear/IRG Land Acquisition Project

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Schedule F  
Collateral Package

Parcel Number	Map Block Number	Name	Owner	Lessee	Collateral Assignment of Lease	First Mortgage	Negative Pledge
67-63106	2 A	Tech A Center	IRG	Goodyear	Yes	Yes	
67-63107	2 B	Tech B Center	IRG	Goodyear	Yes	Yes	
67-63110	5	Tire Test Center	IRG	Goodyear	Yes	Yes	
67-63117	12	Medical Center	IRG	Goodyear	Yes	Yes	
67-63120	15	Research Building	IRG	Goodyear	Yes	Yes	
67-63123	18	Goodyear Hall	IRG	Goodyear	Yes	Yes	
67-63124	19	Market Street Garage	IRG	Goodyear	Yes	Yes	
67-63133	28	The Mix Center	IRG	Goodyear	Yes	Yes	
67-63141	36	Goodyear HQ	IRG	Goodyear	Yes	Yes	
67-63148	43	North Archwood	IRG	Goodyear	Yes	No	Yes
67-63149	44	South Archwood	IRG	Goodyear	Yes	No	Yes
67-63118	13	Parking Area	IRG	Goodyear	Yes	Yes	
67-63119	14	Parking Area	IRG	Goodyear	Yes	Yes	
67-63121	16	Parking Area	IRG	Goodyear	Yes	Yes	
67-63122	17	Parking Area	IRG	Goodyear	Yes	Yes	
67-63125	20	Parking Area	IRG	Goodyear	Yes	Yes	
67-63131	26	Parking Area	IRG	Goodyear	Yes	Yes	
67-63132	27	Parking Area	IRG	Goodyear	Yes	Yes	
67-63137	32	Parking Area	IRG	Goodyear	Yes	Yes	
67-63139	34	Parking Area	IRG	Goodyear	Yes	Yes	
67-63140	35	Parking Area	IRG	Goodyear	Yes	Yes	
67-63142	37	Parking Area	IRG	Goodyear	Yes	Yes	
67-63155	50	Parking Area	IRG	Goodyear	Yes	Yes	