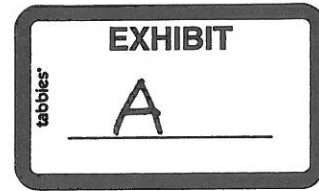


15-478



COUNTY OF SUMMIT
DEVELOPMENT FINANCE AUTHORITY OF SUMMIT COUNTY
HISTORIC DISTRICT MANAGEMENT, LLC
TERM SHEET
FOR
LEASE WITH PURCHASE OPTION
OF
25-35 N. MAIN ST., AKRON, OH 44308

Purpose:

The purpose of this Term Sheet ("Term Sheet") is to provide the framework of a transaction whereby the County of Summit ("County") will lease (the "Lease") to the Development Finance Authority of Summit County ("DFA") the real property and improvements commonly known as 25-35 N. Main St., Akron, OH 44308 ("the Property" or the "Premises"). Simultaneously with the Lease, DFA will sublease (the "Sublease") the Property to Historic District Management, LLC ("HDM"). The Lease and the Sublease will contain options allowing HDM to purchase the Property and finance the purchase price either through private financing or financing offered by the County. This Term Sheet is intended to summarize the material terms of the Lease and the Sublease that will be entered into by the parties.

Property Description:

County is the owner of record of the Property located at 25-35 N. Main Street, in the City of Akron, County of Summit, State of Ohio, consisting of two multi-story office buildings, totaling approximately 73,452 square feet. An aerial depiction of the Property is attached hereto as Exhibit A. For the purpose of this Term Sheet, the building located at 31-35 N. Main St. will be known as "Building 2" and the building located at 25 N. Main St. will be known as "Building 3," which are terms commonly used by County's internal staff.

General Lease Provisions:

No later than November 10, 2015, County and DFA will execute the Lease and DFA and HDM will execute the Sublease. The Lease will expressly authorize the Sublease and both the Lease and Sublease will authorize HDM to further sublet the Premises to additional sublessees. All rights and obligations of DFA under its Lease with County will be assumed by HDM, and HDM will hold DFA harmless for any costs associated with the Lease and Sublease.

Term and Possession:

The term of the Lease and the Sublease will be 40 and 1/2 months, commencing November 10, 2015 and terminating March 31, 2019. As set forth below, HDM will take possession of a portion of the Premises upon the commencement of the Lease and the balance of the Premises on April 1, 2016.

Premises:

During the period of November 10, 2015 to April 1, 2016, the Premises will be defined as the fourth floor of Building 2, and HDM will take possession of the fourth floor of Building 2 commencing November 10, 2015. Additionally, HDM will have co-access to the entrance, lobby, elevator and stairwell areas of Building 2 for the use of its subtenant and subtenant's employees, guests and invitees, and any area of Building 2 necessary for HDM to make anticipated improvements to the fourth floor. County and HDM will cooperate on the mutual use of those areas of Building 2 that HDM will need to access in order to make such improvements, and for HDM's subtenant and its employees, guests and invitees to access the Premises.

Commencing April 1, 2016 and continuing until March 31, 2019, the Premises will be defined as the entirety of the Property and HDM will take possession of the balance of the Property on April 1, 2016.

Prior to HDM taking possession of any portion of the Premises, the County will vacate that portion of the premises and remove any of County's personal property from that portion of the premises. County will continue its business operations and will have personal property in the other areas of the Property not possessed by HDM until such time as the Lease and Sublease provide for possession of the entire Property by HDM.

Rent:

HDM will pay under the Sublease to DFA and DFA will pay to the County under the Lease rent in the amount of \$452,194.88 during the term of the Lease. The Lease and Sublease will contain provisions for HDM to make payments directly to the County to satisfy the rental obligations of the DFA and HDM. The rental payments will be paid in accordance with the following schedule:

November 10, 2015 to November 30, 2015:	\$1.00
December 1, 2015 to March 31, 2016:	\$1.00/month
April 1, 2016 to March 31, 2019:	\$12,476.69/month

Rent for the period of November 10, 2015 to March 31, 2016 will be pre-paid upon execution of the Lease and Sublease. Rent for the period of April 1, 2016 to March 31, 2019 will be paid monthly in advance by the first of each month, with the first payment being due April 1, 2016.

The Lease and Sublease will provide a late fee of 5% of any payment not received by the 10th day after the payment is due.

Use:

The Lease and Sublease will limit the use of the Premises by HDM and any subtenant of HDM to residential, commercial and retail uses of similar nature to the northern end of downtown Akron, and will specifically prohibit industrial, manufacturing or sexually oriented businesses of any type. The Lease and Sublease will also contain standard provisions prohibiting use of the Property in a manner that is illegal, a nuisance, environmentally hazardous, likely to cause injury or damage to the Property.

Taxes:

For the period November 10, 2015 to March 31, 2016, County will pay all real property taxes and assessments on the Property, provided, however, that in the event HDM's or HDM's subtenant's use of the fourth floor of Building 2 would increase the amount of the real property taxes on the Property, then HDM will reimburse to County the amount of the increase. Commencing April 1, 2016, HDM will pay directly to the Summit County Fiscal Officer all real property taxes and assessments for the Premises on or before the date due.

Utilities:

The Lease and the Sublease will provide that commencing April 1, 2016 HDM will transfer into its name all utilities for the Property and will pay directly to all utility providers any utility costs related to the Property. For the period of November 10, 2015 to March 31, 2016, HDM will pay to the County the amount of \$8,418.60 , which the parties agree is a reasonable estimation of the utility costs, and pro-rata for costs maintenance contracts for the various mechanical systems that service the Property, that will be incurred by HDM during its possession of the fourth floor of Building 2. Said sum will be paid by HDM to County with the rent payment due April 1, 2016.

Insurance:

HDM will be required to maintain liability and property and casualty insurance covering the Premises and will be required to name the County and DFA as additional insured parties under its policies. The limits of the insurance will be set forth in the lease and will be consistent with the market and practice of the Greater Akron area.

The Lease and Sublease will contain language whereby HDM agrees to indemnify and hold the County and DFA harmless for any liability resulting HDM or its subtenants' use of the Property.

Option to Purchase:

The Lease and Sublease will confer upon HDM the option to purchase the Property as set forth herein. Upon election of HDM's option, the County and DFA will enter into a real estate purchase agreement and the DFA and HDM will enter into a real estate purchase agreement, which will close simultaneously. The real estate purchase agreements will provide that the Property will be sold "As-Is", conveyed by limited warranty deed, and will contain a waiver by DFA and HDM of any right to inspect the Property prior to closing of the purchase. Prior to closing the purchase, HDM will be entitled to obtain a survey, title commitment and environmental assessment of the Property, all at the sole cost of HDM, and all of which may be preformed prior to the execution of the Lease and Sublease, in HDM's sole discretion. Additionally, HDM will pay all closing costs pertaining to the transaction, including, but not limited to, escrow fees, recording of the deed and mortgage and any transfer taxes and conveyance fees, provided, however, that the parties believe that both contemplated transactions are exempt from transfer taxes under Ohio law. HDM and County will each be responsible for their own legal fees associated with the purchase.

Discounted Option: HDM will have the option to purchase the Property at a discounted price no later than November 30, 2016, and will be required to notify County and DFA of its election to purchase the property pursuant to the discounted option no later than September 15, 2016. If HDM elects to purchase the property pursuant to the discounted option, the purchase price for the property will be \$1,032,325.00. Additionally, for each monthly rent payment paid prior to the closing of the purchase, the

purchase price will be reduced by the amount set forth on Exhibit A.

Standard Option: In addition to the discounted option, HDM will have the option to purchase the Property during the term of the Lease and Sublease at full price, and will be required to notify County and DFA of its election to purchase the property under the standard option at least 45 days prior to the date HDM intends to close the purchase, which notice date will be no later than February 15, 2019. If HDM elects to purchase the property pursuant to the standard option, the purchase price for the property will be \$1,232,325.00. Additionally, for each monthly rent payment paid prior to the closing of the purchase, the purchase price will be reduced by the amount set forth on Exhibit A.

In the event HDM elects to purchase the Property pursuant to the standard option, and only the standard option, HDM will have the further option to elect that County finance the transaction as follows:

The purchase price will be paid pursuant to a Promissory Note ("Promissory Note") and Loan Agreement ("Loan Agreement") payable from HDM to County and secured by a Mortgage on the Property in the amount of the purchase price. The Promissory Note and Loan Agreement will be delivered by HDM to DFA and then delivered from DFA to County at the closing of the purchase of the Property. The Promissory Note will bear interest at the rate of 4% and will be payable in 84 monthly payments of \$12,476.69, commencing on the 1st day of the first month following the closing of the purchase of the Property, and payable thereafter on the 1st day of each month in advance

The Loan Agreement and Promissory Note will be secured by the Mortgage against the Property for the benefit of the County, which will also be executed by HDM at the Closing. The Mortgage will be a first mortgage on the property. Additionally, the Loan Agreement and Mortgage will contain provisions requiring HDM to remain current on its real estate taxes and assessments on the Property and any other real property owned by HDM and any affiliated company in Summit County, with cure provisions matching those set forth in the Lease (outlined below).

**Improvements, Alterations,
Repairs, Maintenance**

The Lease and Sublease will specifically authorize HDM to undertake improvements and alterations of the fourth floor of Building 2 immediately upon taking possession of the Premises. Additionally, the Lease and Sublease will authorize HDM to make further improvements and alterations to the Premises upon taking possession as set forth above, subject to the approval of the County, which approval will be timely and not unreasonably withheld, with the primary consideration of the County being that the improvements and/or alterations do not diminish the value of the Property and without regard to the prospective subtenant for whom the improvements or alterations are being made, provided the subtenant's use of the Premises will comply with the permitted uses under the Lease and Sublease.

Additionally, the Lease and Sublease will obligate HDM to make any and all necessary repairs to the Property and to properly maintain the Property during the term of the Lease and Sublease. Between November 10, 2015 and March 31, 2016, County will continue to maintain maintenance contracts for the various mechanical systems in the Property and HDM will pay to the County the amount set forth in the Section entitled "Utilities" for a portion of those maintenance contract costs that will be attributed to the fourth floor of Building 2 during that time. Commencing April 1, 2016, HDM will either assume maintenance contracts for the various mechanical systems in the building or will enter into new maintenance contracts for said systems.

Default:

The Lease and Sublease will provide that the following will constitute events of default under the lease: non-payment of rent, non-payment of property taxes and assessments, utilities or insurance for the Property, failure to perform any other obligation under the Lease and Sublease, use of the Property in a manner not permitted under the Lease and Sublease and the failure of HDM and/or any affiliate company to timely pay any real property taxes and assessments for any other property owned in Summit County by appropriate due date or, in the case of any property covered by a real property tax and assessment payment contract, by the dates set forth in that contract. The Lease and Sublease will provide HDM 30 days to cure

any such default, with the exception of non-payment of rent or property taxes and assessments on the Property.

General:

The Lease and Sublease will contain other terms and provisions that are customary for commercial leases in the Greater Akron area.

HDM will pay to DFA (a) \$12,323.00 as its fee to facilitate this transaction, which is due upon the execution of the Lease and Sublease, and (b) up to \$5,000.00 towards DFA's legal fees incurred for this transaction. Upon the execution of this term sheet, HDM will pay to DFA the sum of \$5,000.00 as a non-refundable deposit to be applied to the foregoing fees.

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

The Summit County Executive has the authority to sign this non-binding Term Sheet and will obtain the approval of the Summit County Council to execute all agreements and other documents necessary to consummate the transactions outlined in this term sheet upon terms consistent with those set forth herein.

The President of DFA has the authority to sign this Term Sheet and will obtain the approval of the Board of the DFA to execute all agreements and other documents necessary to consummate the transactions outlined in this term sheet upon terms consistent with those set forth herein.

[Signatures on Following Page]

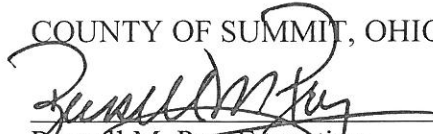
HISTORIC DISTRICT MANAGEMENT, LLC

By: Tony Troppe, Managing Member Date

DEVELOPMENT FINANCE AUTHORITY
OF SUMMIT COUNTY

Chris Burnham, President Date

COUNTY OF SUMMIT, OHIO



Russell M. Fry, Executive

10/26/15
Date

HISTORIC DISTRICT MANAGEMENT, LLC

By: Tony Troppe, Managing Member _____ Date

DEVELOPMENT FINANCE AUHTORITY
OF SUMMIT COUNTY

 _____ 10-26-15
Chris Burnham, President _____ Date

COUNTY OF SUMMIT, OHIO

Russell M. Pry, Executive _____ Date

HISTORIC DISTRICT MANAGEMENT, LLC

Anthony Troppa, Managing Member
By: Tony Troppa, Managing Member Date

DEVELOPMENT FINANCE AUTHORITY
OF SUMMIT COUNTY

Chris Burnham, President Date

COUNTY OF SUMMIT, OHIO

Russell M. Pry, Executive Date

EXHIBIT A

Payment	Monthly Reduction	Cumulative Reduction	Discounted Option Net Purchase Price	Standard Option Net Purchase Price
April 2016	8,368.94	8,368.94	1,023,956.06	1,223,956.06
May 2016	8,396.84	16,765.78	1,015,559.22	1,215,559.22
June 2016	8,424.83	25,190.61	1,007,134.39	1,207,134.39
July 2016	8,452.91	33,643.52	998,681.48	1,198,681.48
August 2016	8,481.09	42,124.61	990,200.39	1,190,200.39
September 2016	8,509.36	50,633.97	981,691.03	1,181,691.03
October 2016	8,537.72	59,171.69	973,153.31	1,173,153.31
November 2016	8,566.18	67,737.87	964,587.13	1,164,587.13
December 2016	8,594.73	76,332.60		1,155,992.40
January 2017	8,623.38	84,955.98		1,147,369.02
February 2017	8,652.13	93,608.11		1,138,716.89
March 2017	8,680.97	102,289.08		1,130,035.92
April 2017	8,709.90	110,998.98		1,121,326.02
May 2017	8,738.94	119,737.92		1,112,587.08
June 2017	8,768.07	128,505.99		1,103,819.01
July 2017	8,797.29	137,303.28		1,095,021.72
August 2017	8,826.62	146,129.90		1,086,195.10
September 2017	8,856.04	154,985.94		1,077,339.06
October 2017	8,885.56	163,871.50		1,068,453.50
November 2017	8,915.18	172,786.68		1,059,538.32
December 2017	8,944.90	181,731.58		1,050,593.42
January 2018	8,974.71	190,706.29		1,041,618.71
February 2018	9,004.63	199,710.92		1,032,614.08
March 2018	9,034.64	208,745.56		1,023,579.44
April 2018	9,064.76	217,810.32		1,014,514.68
May 2018	9,094.97	226,905.29		1,005,419.71
June 2018	9,125.29	236,030.58		996,294.42
July 2018	9,155.71	245,186.29		987,138.71
August 2018	9,186.23	254,372.52		977,952.48
September 2018	9,216.85	263,589.37		968,735.63
October 2018	9,247.57	272,836.94		959,488.06
November 2018	9,278.40	282,115.34		950,209.66
December 2018	9,309.32	291,424.66		940,900.34
January 2019	9,340.36	300,765.02		931,559.98
February 2019	9,371.49	310,136.51		922,188.49
March 2019	9,402.73	319,539.24		912,785.76