

determined by the Lessee within sixty (60) days following such condemnation, the Redeveloper may terminate this Lease by giving written notice of termination to the City, and termination shall be effective upon the giving of such notice. If this Lease terminates pursuant to this paragraph, all damages and other compensation for such condemnation shall be apportioned between the City and the Lessee in relationship to the value of the leased land and the value of the buildings thereon to the condemnation proceeds, with the City receiving the value of the leased land and the Lessee receiving the value of any buildings.

(B) Partial or Temporary Condemnation. In the event of a partial or temporary condemnation of all or part of the Property which does not result in the termination of this Lease under paragraph (A) above, the City shall be entitled to all damages and compensation for such condemnation. In such event, this Lease shall continue unaffected and the Lessee shall restore the balance of the Property for use by and operation by the Lessee.

Section 16. Miscellaneous.

A. Notices. A notice, demand, or other communication under this Lease by either party to the other shall be sufficiently given or delivered if it is dispatched by reputable overnight courier registered or certified mail, postage prepaid, return receipt requested, or delivered personally, and

(1) in the case of the Lessee is addressed to or delivered personally to the Lessee at:

5301 Grant Avenue
Suite 100
Cleveland, Ohio 44125

with a copy to:
2618 N. Moreland Boulevard
Cleveland, Ohio 44120

(2) in the case of the City, is addressed to or delivered personally to the City at:

City Manager
Municipal Building
325 S. Depeyster Street
Kent, Ohio 44240

with a copy to the Law Director, at the same address.

B. Representatives Not Individually Liable; Successor and Assigns. No member, official, or employee of the City shall be personally liable to the Lessee, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to the Lessee or successor or on any obligations under the terms of this Lease. The covenants of the parties in this Lease shall be binding upon their respective successors and assigns.

C. Approvals by the City. Any provision of this Lease requiring the approval of the City, the satisfaction or evidence of satisfaction of the City, certificate or certification by the City or the opinion of the City shall be interpreted as requiring action by the City Manager (or such

other official as the City Manager may from time to time designate in writing) granting, authorizing or expressing such approval, satisfaction certificate, certification or opinion, as the case may be, unless such provision expressly provides otherwise.

D. **Counterparts**. This Lease may be executed in several counterparts, each of which shall be an original but all of which shall constitute but one and the same instrument.

E. **Estoppel Certificates**. The Lessee and the City, as the case may be, shall, at any time and from time to time upon not less than fifteen (15) days prior request by the other party, execute, acknowledge and deliver to such other party a written statement evidencing whether or not (i) this Lease is in full force and effect; (ii) this Lease has been modified or amended and attaching a conformed copy of such modification or amendments and (iii) there are any existing defaults under this Lease to the knowledge of the party executing the certificate and specifying the nature of such defaults.

F. **Severability**. If any provision of this Lease, or any covenants, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder or any application thereof, is for any reason held to be illegal or invalid, such illegality or invalidity shall not affect any other provision or any other covenant, stipulation, obligation, agreement, act or action or part thereof, made, assumed, entered into, or taken, each of which shall be construed and enforced as if such illegal or invalid portion were not contained herein, and each other provision, covenant, stipulation, obligation, agreement, act or action, or part shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

G. **Captions**. The captions and headings in this Lease are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Lease.

H. **Governing Law**. This Lease shall be governed exclusively by and construed in accordance with the laws of the State of Ohio.

I. **Complete Agreement**. All negotiations, considerations, representations and understandings between the parties as to the Property are incorporated herein and in the Development Agreement, and may be modified or altered only by agreement in writing signed by both parties to this Lease.

J. **Guaranty of Lessee's Obligations**. At the same time that the parties hereto entered into this Lease, there was also entered into with the City a guaranty of completion pursuant to Section 1(b)(6) of the Development Agreement.

K. **No Partnership or Agency**. Nothing in this Lease is intended, or shall in any way be construed, so as to create any form of partnership or agency relationship between the parties. The parties hereby expressly disclaim any intention of any kind to create any partnership or agency relationship between themselves. Nothing in this Lease shall be construed to make either party liable for any of the indebtedness of the other.

L. **Real Estate Commission.** The City and the Lessee each warrant and represent to the other that neither has engaged or dealt with any real estate agent or broker in connection with the transaction contemplated by this Lease.

M. **Third Party Rights.** Nothing contained in the Lease, express or implied, is intended or shall be construed to confer upon or give any person, firm, corporation or other legal entity, other than a party hereto and Permitted Leasehold Mortgages, any rights, remedies or other benefits under or by reason of this Lease; all third party rights being hereby expressly negated.

IN WITNESS WHEREOF, the City of Kent has caused this Lease to be duly executed in its behalf; and PF Downtown Kent LLC has caused the same to be duly executed in its behalf, on or as of the date and year first above written.

CITY OF KENT, OHIO

APPROVED AS TO FORM AND
CORRECTNESS:

By _____
City Manager

Law Director

LESSEE: PF DOWNTOWN KENT LLC

By _____
Title:

ACKNOWLEDGMENTS

STATE OF OHIO)
) SS:
COUNTY OF PORTAGE)

On this ____ day of _____, before me, a Notary Public in and for said County and State, personally appeared David Ruller, City Manager of the City of Kent, Ohio, and acknowledged the execution of the foregoing instrument as the authorized officer of said City on behalf of said City, and that the same is his voluntary act and deed as said officer on behalf of the City and the voluntary and corporate act and deed of the City.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal on the day and year aforesaid.

Notary Public

[SEAL]

STATE OF OHIO)
) SS:
COUNTY OF _____)

On this ____ day of _____, before me, a Notary Public in and for said County and State, personally appeared PF Downtown Kent LLC, by _____, a _____ of the _____, and acknowledged the execution of the foregoing instrument as the duly authorized officer thereof, and that the same is his voluntary act and deed as said officer and the voluntary act and deed of the said company.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal on the day and year aforesaid.

Notary Public

[SEAL]

This instrument was prepared by: Pamela I. Hanover, Esq.
 Squire, Sanders & Dempsey L.L.P.
 4900 Key Tower
 127 Public Square
 Cleveland, Ohio 44114

CERTIFICATE OF DIRECTOR OF BUDGET AND FINANCE

The undersigned, fiscal officer of the City of Kent, Ohio, hereby certifies that the moneys required to meet the obligations of the City during the year _____ under the Lease have been lawfully appropriated by the Council of the City for such purposes and are in the treasury of the City or in the process of collection to the credit of an appropriate fund, free from any previous encumbrances. This Certificate is given in compliance with Sections 5705.41 and 5705.44, Ohio Revised Code.

Date

Director of Budget and Finance

EXHIBIT A

LEGAL DESCRIPTION OF SITE

EXHIBIT B

DESCRIPTION OF THE PROJECT

- Fairmount Properties, LLC and Premier Development Partners, LLC together have formed an entity to design, lease, finance, construct and manage a \$26 million mixed-use development (the “Project”) in Downtown Kent, Ohio.
- Project consists of three mixed-use buildings: two (2) three-story buildings comprised of two levels of office above ground level retail and restaurants and one (1) four-story buildings comprised of three levels of residential above ground floor restaurant.
- The total Project shall include at least 155,400 total square feet, expected to include 47,600 square feet of retail, 87,448 square feet of office and 20,400 square feet of market-rate rental residential uses.
- Generally, the Project will be constructed with structural steel and the exterior will consist of a mixture of earth tone brick, stone, mica sandstone, EIFS, stucco, metal, hard canopies and fabric awnings.
- The district-wide master plan was developed in conjunction with key stakeholders including Kent State University (“KSU”), the City of Kent (“City”), Portage Area Regional Transit Authority (“PARTA”), downtown business owners and residents and other private partners.
- Project is scheduled for ground breaking in November, 2010, with Project scheduled opening in September 2012.
- Project is a public-private partnership which will establish a physical and contextual connectivity between KSU and downtown Kent while helping to recruit and retain the best and brightest minds in an engaging college-town environment.
- Office anchors are expected to include Ametek Inc. and the Davey Tree Resource Group; combined have signed commitments to occupy 47,000 square foot of brand new class A office space while retaining 130+ well paying jobs in Northeast Ohio.
- Retail space is 83 percent committed and includes new restaurants and entertainment venues as well as clothing, home goods, gifts and other specialty merchants which represent tens of million of additional dollars in economic stimulus to the regional economy.

EXHIBIT C

PUBLIC IMPROVEMENTS

The Public Improvements to be constructed by the City shall consist of the construction of the following:

- Two floors of parking on the top of the multi-modal parking deck facility to be constructed by PARTA, which two floors will contain approximately ~~271~~250 parking spots.
- A surface parking lot to be located in the middle of the block upon which the Project will be built, containing ~~approximately 105~~a minimum of 115 parking spots.
- Improvements to Erie Street from State Route 59 to Water Street.

EXHIBIT D

PERMITTED ENCUMBRANCES

EXHIBIT E

FORM OF MEMORANDUM OF LEASE

EXHIBIT F

FORM OF CERTIFICATE OF COMPLETION

The Agreement for Lease of Land for Private Redevelopment between the City of Kent, Ohio (the "City"), and _____ (the "Lessee"), dated as of _____, provides for the certification by the City of the completion of certain Improvements identified in the Lease by the Lessee, its successors and assigns, in accordance with those provisions of the Lessee relating to the obligations of the Lessee to construct the Project, including the dates for the beginning and completion thereof; and

The Lessee has satisfactorily completed the Project, in accordance with the Lease, to be constructed on the Property:

NOW THEREFORE, pursuant to and in accordance with the terms and provisions of the Lease, particularly Section 2 thereof, the City hereby certifies that the Project has been completed in accordance with all terms and provisions of the Lessee relating to the obligations of the Lessee, its successors and assigns, to construct the Project including the time periods for beginning and completion of such construction; and this certification shall be and hereby is a conclusive determination of satisfaction and termination of the agreements and covenants in the Lease with respect to the obligations of the Lessee, and its successors and assigns, to construct the Improvements and the dates for the beginning and completion thereof.

IN WITNESS WHEREOF, the CITY OF KENT, OHIO the Lessor, has signed and delivered this Deed this day of ____, _____.

CITY OF KENT, OHIO

City Manager

STATE OF OHIO)
) SS:
COUNTY OF PORTAGE)

BEFORE ME, a Notary Public in and for said County and State, personally appeared _____, City Manager of the City of Kent, who acknowledged to me that he signed the foregoing Certificate of Completion as the duly authorized officer of the City of Kent, a municipal corporation of the State of Ohio, and that the same is his free act and deed and his free act and deed individually and as such officer.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal at Kent, Ohio, this _____ day of _____, ____.

Notary Public

This instrument was prepared by: Pamela I. Hanover, Esq.
Squire, Sanders & Dempsey L.L.P.
4900 Key Tower
127 Public Square
Cleveland, Ohio 44114

EXHIBIT G

PROHIBITED USES

1. Truck stop or car wash
2. Automobile, mobile home or trailer dealership
3. Adult bookstore or other establishment primarily selling, leasing, loaning, or exhibiting pornographic materials
4. Funeral parlor
5. Drug paraphernalia store/head shop
6. Flea market or close-out store; provided that a national retailer which sells "distressed" second-hand merchandise as an incidental portion of its merchandising shall be permitted.
7. Billiard parlor except as a part of a first-class entertainment venue
8. Gambling facility or operation
9. Massage parlor (excluding a spa or legitimate therapeutic massage parlor such as a Massage Envy), topless bar, or other operation which provides striptease or other similar entertainment
10. A swap or pawn shop
11. Any activity involving the use of Hazardous Materials except in accordance with all laws
12. Check cashing facility (as its primary business)
13. Tattoo parlor

EXHIBIT H

DECLARATION OF RESTRICTIONS

Tax Increment Financing

This Declaration of Restrictions (the "Declaration") which is to be effective as of _____, _____, is entered into by the City of Kent, Ohio, ("Owner" or "City") having a mailing address of 325 S. Depeyster, Kent, Ohio 44240, under the circumstances summarized in the following recitals.

WITNESSETH:

WHEREAS, the Owner owns the parcels described on **Attachment I** attached hereto located in the City of Kent, Ohio (the "Property") and intends to lease the Property for the construction of certain commercial and residential facilities (the lessee or lessees of the projects are referred to herein collectively as "Lessee"); and

WHEREAS, the City has determined that it is necessary and in the best interests of the City to provide for the making of service payments in lieu of taxes by the Lessee and any successors in interest with respect to the Property, pursuant to and in accordance with Ohio Revised Code Sections 5709.40 (in particular, Section 5709.40(B)), 5709.42 and 5709.43 (the "Act"); and the City has passed its Ordinance No. _____ on _____, 2010 pursuant to the Act (the "TIF Ordinance"), and declared that 100% of the increase in assessed value of the Property and any individual parcels thereof that will result from the improvement of the Property is a public purpose and will be exempt from real property taxation commencing in tax year [2013], and ending on the earlier of the date on which the "Improvements" as defined in O.R.C. Section 5709.40 have been exempted for 30 years or on the date on which the City has paid all costs of, and all principal of and all interest on all financing for, the Public Improvements identified in the TIF Ordinance, which are to be paid from money deposited in the Municipal Public Improvement Tax Increment Equivalent Fund (the "Fund") established pursuant to the TIF Ordinance; and

NOW, THEREFORE, consistent with the TIF Ordinance, the Owner, as owner of the Property, hereby declares and agrees for itself and any of its successors, and for every successor in interest to the Property, or any individual parcel thereof or interest therein, as follows:

1. For the period that all or part of the "Improvements" with respect to the Property ("Improvements" shall have the meaning as defined in Ohio Revised Code Section 5709.40) are exempt from real property taxation (the "Exemption Period") pursuant to the Act and the TIF Ordinance and any amendments or supplements thereto heretofore or hereafter adopted relating to the Property, the Owner, or if the Owner is the City, the Lessee, for itself and any successors in interest to the Property, or any part thereof or interest therein, hereby agrees to make semiannual service payments in lieu of taxes (the "Service Payments") with respect to the exempted portion of the Improvements pursuant to and in accordance with the requirements of the Act, and pursuant to the TIF Ordinance and any amendments or supplements thereto. Such Service Payments shall be made semiannually to the Portage County Treasurer (or to his designated agent for collection of the Service Payments) on or before the date on which real property taxes would otherwise be due and payable for the Improvements.

2. Each semiannual Service Payment shall be in the same amount as the real property taxes that would have been charged and payable against the Improvements had an exemption from taxation not been granted. The Owner and the Lessee agree that any late Service Payments shall bear interest and shall be subject to penalties at the same rate and in the same amount and payable at the same time as delinquent taxes.

3. If requested by the City, the Owner or the Lessee shall cooperate with the filing of all necessary applications and supporting documents required of them to obtain the exemption from real property taxation for the Improvements authorized by the Act and the TIF Ordinance to enable Portage County to collect Service Payments thereunder and disburse such payments to the City. The Lessee further agrees to timely pay all property taxes and assessments on the Property necessary to permit the County Auditor to submit the exemption application for approval by the State Department of Taxation. If requested by the City, the Owner or the Lessee shall further prepare and file the notice with the County Recorder described in Revised Code Section 5709.911(C) promptly upon approval by the Tax Commissioner of any exemption related to the TIF Ordinance. The Owner and the Lessee hereby authorize the City, at the City's discretion, to prepare and file such required exemption applications and, upon request of the City, shall sign the State form of power of attorney related to that filing.

4. The obligations of the Owner or the Lessee (and its successors in interest) to make the aforesaid Service Payments shall be absolute and unconditional, and shall not be terminated for any cause, and the Owner (if other than the City) and the Lessee agree that there shall be no right to suspend or set off such Service Payments for any cause, including without limitation failure to complete the private improvements on the Property, any acts or circumstances that may constitute failure of consideration, destruction of or damage to those private improvements, commercial frustration of purpose, any change in the tax or other laws or administrative rulings of or by or under authority of the State, or any failure of the City to perform and observe any agreement,

whether express or implied, or any duty, liability or obligation arising out of or connected with the lease of the property.

5. It is intended and agreed that the covenants provided in this Declaration shall be covenants running with the land and that they shall, in any event and without regard to technical classification or designation, legal or otherwise, be binding to the fullest extent permitted by law and equity, for the benefit and in favor of and enforceable by, the City, against the Owner or if the Owner is the City, against the Lessee and its successors in interest, to all of the Property or any part hereof or interest therein, including, without limitation, any grantee in a conveyance of the Property or any part thereof through judicial process, whether or not the lease remains in effect or whether or not such provision is included by the Owner or Lessee in any succeeding sublease or deed to its successors in interest to the Property. It is further intended and agreed that these agreements and covenants shall remain in effect for the full period of exemption permitted in accordance with the requirements of the Act and the City's TIF Ordinance and any other ordinances enacted pursuant thereto.

Consistent with Revised Code Section 5709.91, the covenant to pay Service Payments shall have the same lien priority as taxes.

6. The Owner and the Lessee acknowledges and agrees that during and with respect to the Exemption Period, other than pursuant to the TIF Ordinance, it shall not file an application for or otherwise request a real property tax exemption for the Property, including under the City's community reinvestment area ("CRA") tax abatement program, and that the TIF Ordinance provides that the Property is not eligible for a CRA tax exemption during the Exemption Period. The Owner and the Lessee further acknowledge and agree that with the City's reasonable cooperation, as necessary, it shall take all actions permitted under Section 5709.87 of the Ohio Revised Code, as amended from time to time, to ensure that a property tax exemption under the State's Voluntary Action Program under Ohio Revised Code Chapter 3746 is not imposed on any of the Property.

7. This Declaration shall terminate upon the expiration of the Exemption Period referred to in Section 1 hereof or as of the date that the full payment of all Service Payments payable with respect to such Exemption Period are made. This Declaration will terminate no later than December 31, 2045.

IN WITNESS WHEREOF, the Owner has caused this Declaration to be executed and delivered by its duly authorized officers as of the _____ day of _____, ____.

CITY OF KENT, OHIO

By: _____
City Manager

STATE OF OHIO)
) SS:
COUNTY OF PORTAGE)

On this ____ day of _____, _____, before me a Notary Public in and for said County and State, personally appeared David Ruller, being the City Manager of the City of Kent, Ohio, who acknowledged the execution of the foregoing instrument as the duly authorized officer thereof, and that the same is his voluntary act and deed as said officer and the voluntary act and deed of said City.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal at _____, Ohio, on the day and year aforesaid.

[SEAL]

Notary Public

This Instrument Prepared by:

Pamela I. Hanover, Esq.
Squire, Sanders & Dempsey L.L.P.
4900 Key Tower
127 Public Square
Cleveland, Ohio 44114-1304