



January 1, 2014
CONFIDENTIAL

Rick Novak
Executive Director
Lorain Port Authority
422 Broadway
Lorain, OH 44052

Dear Rick:

On behalf of Long Economic Development Advisors, LLC ("LongEDA"), I am pleased to confirm the arrangements ("Engagement") under which LongEDA has, as of the execution date hereof, been engaged by the Lorain Port Authority (the "Port") to provide certain economic development advisory services as described herein (the "Economic Development Advisory Services") in connection with any public or private project that the Port's requests LongEDA's assistance.

The Port's economic development effort includes reviewing and recommending future projects to potential stakeholders. Therefore, the Port has engaged LongEDA to assist the Port in reviewing potential projects, preparing financial analysis, recommending projects and securing funding for such projects.

LongEDA will commit its full resources and over 34 years of economic development experience in assisting the Port in creating jobs and increasing the tax base within the City.

The Economic Development Advisory Services provided by LongEDA to the Port during the term of this Engagement shall include:

General Economic Development Services:

- **General Advice:** Provide on-going advice about relevant issues on maintaining the best possible economic development effort within the Port.
- **Tax Increment Projects:** Assist the Port in creating and managing tax increment projects, including preparing tax increment projections, defining use of proceeds, preparing term sheets and structuring tax increment bonds.
- **Assist in Creation, Funding and Operating Loan Programs:** Provide on-going advice about creating financing programs, including working with local, state and federal entities to provide funding for such programs. LongEDA will also assist in maintaining such programs.
- **Assist Port in Seeking Revenues:** Assist the Port in generating new revenues to help continue its economic development efforts.

- **Reduce Financial Liability to Port:** LongEDA will use its best efforts to minimize any financial exposure to the Port related to its economic development efforts.

Project Related Services:

- **Meet with the Port and Other Stakeholders:** As directed, meet with the Port, and other economic development stakeholders, to prioritize existing economic development projects that require review and follow-up analysis.
- **Recommend Action on each Project:** Once each project is reviewed, develop an action plan to address concerns, options or opportunities.
- **Meet Prospective Borrowers/Developers:** Attend meetings and teleconferences related to existing and potential projects as requested.
- **Coordinate Conference Calls and Meetings:** Coordinate and schedule working group sessions via conference calls or meetings.
- **Review Potential Projects:** Review pertinent project information, including financial statements, flow of funds, feasibility studies, projections and other financial and project information.
- **Prepare Debt Schedules:** Prepare required debt schedules, source and use of funds schedules, including TIF schedules, when appropriate;
- **Seek Public Funding Sources:** Assist in securing public funding sources including local, state and federal loans, tax credits and grants.
- **Prepare Applications:** Assist in the preparation of loan applications and presentations for any public funding sources.
- **Structure Financings:** Recommend various financing options, complete with quantitative and qualitative analysis to identify a financing structure that best suits the objectives for proposed projects.
- **Prepare and Negotiate Term Sheets:** Prepare and assist in negotiating acceptable term sheets between the borrower, Port, and respective counsels for potential projects.
- **Prepare Timetables:** Prepare timetables for completing the project financing and help maintain such schedule with the working group.
- **Assist in Selection of Underwriters for Bonds:** If requested, LongEDA will assist the Port in selecting the best and lowest cost underwriter to underwrite or privately place bonds issued by the Port, including preparing an RFP for each transaction.

As consideration for LongEDA's services in connection with this Engagement, the Port agrees to:

- **Advisory Fee:** The Port will pay LongEDA an on-going advisory fee of \$1,500 per month to pay for out of pocket expenses and to help pay for part of the on-going advisory work ("Advisory Fee"). Such monthly fee will be due on the 15th of each month, commencing January 15, 2014 and ending on December 15, 2015, unless extended or terminated as described herein. **The maximum Advisory fee payable under this contract is \$18,000 per year.** However, if the Port executes a cooperative agreement with the City to help manage the City's TIF projects, the Advisory Fee is expected to be adjusted based upon revenues received by the Port, subject to Port approval.

- **Closing Fee:** LongEDA's closing fee, if any, shall not be a liability of the Port, but rather will be paid at the closing by each individual borrower/recipient of any bond, loan or grant proceeds ("Closing Fee"). The amount of the Closing Fee will be negotiated for each transaction and will be paid at the closing of such transaction.

Terms of the Engagement: The Economic Development Advisory Services will commence on January 1, 2014 and end on December 31, 2015. The Port may elect to extend the Engagement at anytime. The Port may terminate the Engagement at any time after receipt of a 30 day written notice if any of the events occur:

- In the reasonable opinion of the Port, LongEDA's work is not to their satisfaction; or
- The Port does not reasonably expect to have sufficient funds to make future payments under the Engagement.

Upon termination of the Engagement, the Port will not have any liability or continuing obligation hereunder, except for any pending projects that have executed term sheets.

Confidentiality: The Port will use its best efforts to keep LongEDA's work product, including term sheets and other financial analysis, confidential.

The Engagement shall be governed by and construed in accordance with the laws of the State of Ohio.

I look forward to acting as the Port's economic development advisor and thereby assist in the creation of jobs and tax base for the City. If the Engagement accurately sets forth the understanding between the Port and LongEDA, please sign below and return an original to LongEDA, at which time this Engagement will become a mutually binding obligation.

Regards,

Long Economic Development Advisors, LLC

By: Timothy P. Long

Its: President

Date:

Accepted by Lorain Port Authority:

By: Rick Novak

Its: Executive Director

Date: