

First Reading: June 3, 2030
Second Reading: dispensed

RESOLUTION NO. 2010 - 36

**A RESOLUTION APPROVING AND AUTHORIZING A SERVICE AGREEMENT
WITH PH CINCINNATI, LLC, DISPENSING WITH THE SECOND READING AND
DECLARING AN EMERGENCY**

WHEREAS, the Board of Township Trustees of Sycamore Township wishes to approve entering into a Service Agreement with PH CINCINNATI, LLC for the GSA Real Estate Development;

NOW THEREFORE, BE IT RESOLVED by the Board of Township Trustees of Sycamore Township, State of Ohio:

SECTION 1. That the Service Agreement, in substantially the same form as set forth on the attached Exhibit A, is hereby approved and the Township Administrator is hereby authorized and directed to execute the Service Agreement on behalf of the Board of Trustees. In the alternative, the President of the Board and the Fiscal Officer are also authorized to sign the Service Agreement

SECTION 2. That the Township Administrator is, or in the alternative, the President of the Board and the Fiscal Officer are, authorized and directed to execute all other documents necessary in order to fully implement the terms of the Service Agreement on behalf of the Board of Trustees.

SECTION 3. The Trustees of Sycamore Township upon a unanimous vote do hereby dispense with the requirement that this resolution be read on two separate days, and hereby authorize the adoption of this resolution upon its first reading.

SECTION 4. This resolution shall take effect on the earliest date allowed by law.

SECTION 5. Upon the unanimous vote of the Sycamore Township Trustees, this Resolution is hereby declared to be an emergency measure necessary for immediate preservation of the public peace, health, safety and welfare of Sycamore Township. The reason for the emergency is for a timely execution of the Service Agreement so that construction of roadways and necessary detention basins can commence as soon as possible.

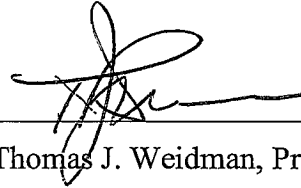
VOTE RECORD:

Mr. Bishop Aye

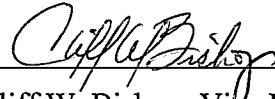
Mr. Kent Aye

Mr. Weidman Aye

Passed at a meeting of the Board of Township Trustees of Sycamore Township this 3rd day of June, 2010.



Thomas J. Weidman, President



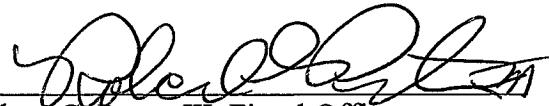
Cliff W. Bishop, Vice President



Richard C. Kent, Trustee

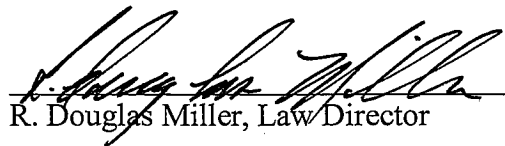
AUTHENTICATION

This is to certify that this resolution was duly passed and filed with the Township Fiscal Officer of Sycamore Township this 3rd day of June, 2010.



Robert C. Porter III, Fiscal Officer
Sycamore Township, Ohio

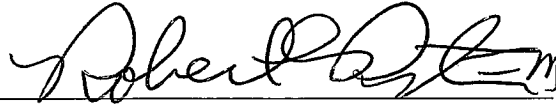
APPROVED AS TO FORM:



R. Douglas Miller, Law Director

PROOF OF PUBLICATION

I hereby certify that I have published this Resolution on _____ by posting in the five most public places as established by the Board of Township Trustees such places being the Sycamore Township Government Complex, Bob Meyer Park, Bechtold Park, the Robert L. Schuler Sports Complex, and the Clete McDaniel Sports Complex.

A handwritten signature in black ink, appearing to read "Robert C. Porter III", written over a horizontal line.

Robert C. Porter III, Fiscal Officer

SERVICE AGREEMENT

THIS SERVICE AGREEMENT (the "Agreement"), made and entered into as of the _____ day of June, 2010, between the Board of Township Trustees of SYCAMORE TOWNSHIP, HAMILTON COUNTY, OHIO (the "Township"), a township and political subdivision organized and existing under the Constitution and the laws of the State of Ohio (the "State"), its successors and assigns as herein permitted, and PH CINCINNATI, LLC, a Nevada limited liability company, and its successors and assigns ("PH"). PH may also be referred to as "Developer", or "Owner".

WITNESSETH:

WHEREAS, the Board of Township Trustees of the Township (the "Board") pursuant to Section 5709.73(B) of the Ohio Revised Code (O.R.C.) has adopted a Township Resolution (the "Resolution"), declaring to be a public purpose certain commercial improvements, described in Exhibit "A" hereto (collectively, the "Improvements"), to a parcel or parcels of real property located within the boundaries of the Township, and designating as public improvements in addition to other public improvements, a certain road and related improvements described in Exhibit "B" hereto (the "Public Improvements"), that will benefit the Improvements to be made on the Site, as defined below; and

WHEREAS, the Developer owns or will acquire certain parcels of real property located within the boundaries of the Township and described in Exhibit "C" hereto (the "Site"), which Site contains a total of approximately 6.3071 acres, more or less, which Site will be developed by the construction of the Improvements; and

WHEREAS, pursuant to Section 5709.74, Ohio Revised Code, having declared the Improvements to be a public purpose, the Township shall require the Developers and the Owners

to agree, for itself and for all future owners of all or any portion of the Site (the owners of all or a portion of the Site during the period such owner owns the Site, or portion thereof, including the Developer so long as it owns all or a portion of the Site, are hereinafter referred to as the "Owners" and individually as an "Owner"), to pay annually to the Township an amount equal to the amount of real property taxes that would have been paid on the increased value of the land and Improvements had an exemption with respect thereto not been applied for and allowed under Section 5709.73(B), O.R.C. (such amount being hereinafter referred to as the "Statutory Service Payments") or any other section of the O.R.C.; and

WHEREAS, it is acknowledged by the parties to this Agreement that one hundred percent (100%) of the assessed increased value of the land comprising the Site and the assessed value of the Improvements on the Site will be exempt from real property taxation; and

WHEREAS, the Township and the Board of Education of the Indian Hill Exempted Village School District (the "School District") have entered into a Tax Incentive Agreement (the "Tax Incentive Agreement") whereby the School District will be compensated for one hundred percent (100%) of the real property taxes that would have been paid to it but for the aforesaid exemption; and

WHEREAS, the Township has agreed that it will issue Bonds (as defined in Section 5 hereof) in order to pay a portion of the cost of constructing or acquiring the Public Improvements and that the debt service on the Bonds will be paid from the Service Payments which means the Statutory Service Payments, Minimum Service Payments and Mandatory Service Payments (as hereinafter defined) to be paid pursuant to this Service Agreement; and

WHEREAS, the Developer intends that the obligation to supplement the Statutory Service Payments in order to meet the schedule of Minimum Service Payments hereunder, if

necessary, will be borne by the Owner of the Site when the Minimum Service becomes due and if all or a portion of the Site is transferred thereafter, to such subsequent Owner or Owners in which case the obligation will be transferred to such subsequent Owner or Owners; and

WHEREAS, the Parties hereto have agreed that the obligation to make Statutory Service Payments and Minimum Service Payments hereunder will be borne by the respective Owners (in accordance with the terms hereof) based upon the increased value of the land and the value of the Improvements constructed on the Site owned by each such Owner; and

WHEREAS, the parties intend that this Agreement, as amended and supplemented from time to time, shall constitute the agreement contemplated by Section 5709.74, Ohio Revised Code, and shall define the obligation of the Owners with respect to the Service Payments.

NOW, THEREFORE, in consideration of the premises and mutual covenants hereinafter contained, the Township and the Developer covenant, agree, and bind themselves, and subsequent Owners, as follows:

1. Construction of Improvements.

The Developer hereby agrees to construct or cause to be constructed the Improvements set forth on Exhibit A, attached hereto. All Improvements constructed on the Site shall be developed and re-developed in accordance with applicable zoning requirements and building codes and such other requirements as are set forth in Exhibit A, and shall be used principally for commercial purposes.

2. Construction and Acquisition of Public Improvements.

The Township hereby agrees to acquire and/or construct the Public Improvements set forth on Exhibit B attached hereto, in accordance with the schedule attached hereto as Exhibit B-1 and made a part hereof (the "Schedule") and in accordance with the plans and specifications

described on Exhibit B-2 attached hereto and made a part hereof (the "Plans"). Subject to Paragraph 21 below, the finally approved Plans shall be known as the "Final Plans". Any material changes to the Plans that would affect Developer's access to the road shall be subject to the mutual agreement of the Township and the Developer. The Public Improvements shall be constructed in accordance with the Township's requirements for construction of public improvements. Such Public Improvements shall be constructed after the receipt of competitive bids solicited in accordance with the Ohio Revised Code. The Township shall require prevailing wages to be paid for all construction of the Public Improvements on which prevailing wage must be paid. The Township shall pay for such Public Improvements a price equal to the total of the costs of acquiring land, the accepted construction bids and additional reasonable costs for general conditions, soft costs, land value, necessary utilities, and interest carry in an amount not to exceed \$7,000,000.00. In addition, the Developer hereby agrees to use good faith efforts to cooperate with the Township, at no cost to the Township, with respect to any and all necessary easements for ingress and egress for vehicular and pedestrian traffic for the construction of the Public Improvements (collectively, the "Access Easements"). The parties agree to work in close concert throughout the bidding and construction process to ensure compliance with applicable legal requirements.

The Parties acknowledge and agree that the construction of the Public Improvements is subject to the prevailing wage requirements of Ohio Revised Code Chapter 4115 and all wages paid to laborers and mechanics employed in the construction of the Public Improvements shall be paid at not less than the prevailing rates of wages of laborers and mechanics for the classes of work called for to construct the Public Improvements, which wages shall be determined in accordance with the requirements of that Chapter 4115. In the event the Developer takes on the

responsibility for the construction of the Public Improvements in accordance with the procedure set forth herein, Developer shall require compliance by all contractors, and shall require all contractors to require compliance by all subcontractors constructing the Public Improvements, with all applicable requirements of Chapter 4115, generally known as the Ohio Prevailing Wage Law. The Developer agrees that, upon written request of the Township, the Developer shall promptly provide to the Township written evidence that the Developer and all contractors and subcontractors constructing the Public Improvements have complied in all respects with this provision.

All traffic control devices shall be furnished, erected, maintained and removed in accordance with the "Ohio Manual of Traffic Control Devices for Construction and Maintenance Operation."

In the event the Developer takes on the responsibility for construction of the Public Improvements, any acceptance of the Public Improvements by the Township shall not relieve the Developer of its responsibilities for defects in material and workmanship.

3. Obligation to Make Service Payments.

A. The parties hereby agree that one hundred percent (100%) of the increased assessed value of the land comprising the Site and the assessed value of the Improvements on the Site will be exempt from real property taxation under Section 5709.73(B) of the O.R.C.; therefore, the Statutory Service Payments to be made under this Agreement will equal that portion of the real property taxes that would have been payable had the exemptions described in this paragraph above not been granted with respect to each parcel identified in Exhibit "C" hereto. The Owners shall commence Statutory Service Payments on the first tax payment due date, as determined by the County Treasurer, of the collection year with respect to which any of

the Improvements would first have been assessed for real property taxes had an exemption with respect to such Improvements not been applied for by the Developer, Owner or Township and allowed under Section 5709.73(B), O.R.C., and shall continue to make Statutory Service Payments on each tax payment date, as the County Treasurer determines property taxes are due ("Payment Date") thereafter until termination or expiration of the exemption. The responsibility for supplementing the Statutory Service Payments in order to meet the Annual Debt Service, if necessary, shall be borne by the then current Owners through Minimum Service Payments. It is agreed that any necessary supplements to the Statutory Service payments will be made from Minimum Service Payments. The parties have made an in depth financial study of the project and have determined that the Statutory Service Payments will be sufficient to fund the portion of the Public Improvements funded by the Bonds. It is not anticipated that the payment of Minimum Service Payments will be necessary.

Subject to paragraph C of this Section 3, each Statutory Service Payment shall be in an amount equal to one-half ($\frac{1}{2}$) of the annual amount which would have been payable as real property taxes with respect to the increased value of the land comprising the Site and the Improvements for the real property tax year next preceding the calendar year of payment had an exemption with respect to the increased value of the land comprising the Site and the Improvements not been applied for and allowed as aforesaid. In the event that as of the date any Statutory Service Payment is due and the real property taxes on the exempted increased value of the land and Improvements cannot be or have not been finally determined for the real property tax year next preceding the due date, the amount of such taxes shall be determined from the Hamilton County Treasurer's tax duplicate if available, and, if said duplicate is not available, the same shall be estimated (even though such taxes may be subject to contest, later determination,

or adjustment because of revaluation of the Site and Improvements) for such year. In the event that the sum of Statutory Service Payments so calculated and paid with respect to the Site in any year is subsequently determined not to be equal to the total amount of real property taxes which would have been paid with respect to the real property tax year next preceding such payments had an exemption not been applied for and allowed as aforesaid in the first clause of paragraph A of this Section 3, the Owner of the Site at the time such underpayment would have been due shall promptly pay the Township any deficiency, or the Township shall promptly repay the Owner of the Site at the time such excess was paid any excess, as appropriate; provided, however, that nothing in this sentence shall be construed to require the Township to repay any Minimum Service Payments or Mandatory Service Payments required to be paid under this Agreement or any other agreement or procedure relating to the Site in any year. The Developer and Owners further agree that the obligation to make Service Payments will have the same priority as the obligation to pay real estate taxes in the event of any bankruptcy, foreclosure or similar proceeding instituted by or against the Developer or any Owner.

B. The obligation to perform and observe the agreements contained herein on the part of the Developer or any Owner shall be binding and enforceable by the Township, the holders from time to time of any of the Bonds hereinafter defined, and any trustee for any of the holders of such Bonds, against the Developer or any Owner with respect to its interest in the Site and Improvements, or any parts thereof or any interest therein.

C. Notwithstanding paragraph A of this Section 3, there is hereby established the "Minimum Service Amount," which shall be the amount necessary to pay the principal of and interest on the Bonds in that year (the "Annual Debt Service"), plus the amount due under the

Tax Incentive Agreement, any Auditor or Treasurer fees or other costs of collection, and any Trustee fees or other costs associated with the payment of the Bonds.

If and to the extent that on any Payment Date the total of (i) the Statutory Service Payments paid with respect to the Site, computed pursuant to paragraph A of this Section 3, plus (ii) any capitalized interest funded by the Bonds supported by the Service Payments required by this Agreement, is less than the Minimum Service Amount, the balance will be paid by the Owner (the "Minimum Service Payment") in either case an amount sufficient to make up the difference between the required Minimum Service Amount and the sum of (i) and (ii) above. Except as otherwise set forth herein, the Minimum Service Payments must be paid even in the event that the Statutory Service Payments, as described in paragraph A of this Section 3, never come due or are not paid. The responsibility for supplementing the Statutory Service Payments in order to meet the schedule of Minimum Service Payments shall be borne by the Owner through Minimum Service Payments.

D. After the first Payment Date on which the Statutory Service Payment computed pursuant to paragraph A of this Section 3 exceeds the Minimum Service Amount, and continuing for each successive year in which the Statutory Service Payment exceeds the Minimum Service Amount, such excess amount shall be used (in order of priority) (i) first, to reimburse the Township, for all amounts it has advanced (if any) to make payments of principal and/or interest on Bonds (as defined in Section 5 hereof); (ii) second, to reimburse any Owner to the extent such Owner paid Minimum Service Payments, (in the event more than one Owner has paid Minimum Service Payments, such amounts shall be reimbursed in chronologic order, i.e. the first Owner to pay Minimum Service Payments shall be reimbursed first, the second shall be reimbursed second, and so on); then (iii) to pay any amounts that may be due and payable pursuant to the

provisions of the Tax Incentive Agreement which relate to the Improvements; then, (iv) at the option of the Township, to reimburse the Township for all amounts it has expended for unforeseen project costs associated with the Public Improvements as described in Exhibit "B" (if any), until the Township has been fully reimbursed or to pay down the principal due on the Bonds or to pay the cost of additional public improvements pursuant to the Resolution.

E. Notwithstanding anything to the contrary set forth in this Agreement neither the Developer nor the Township, nor their respective heirs, successors, assigns or transferees shall take any action which may endanger the status of or cause the revocation of the exemption approved and granted by the State of Ohio (as described in Section 13 below).

F. Notwithstanding anything to the contrary set forth in this Agreement, if the Developer, and/or any Owner, or their heirs, successors, assigns, or transferees cause any Improvement, or portion thereof, once constructed to be voluntarily removed from the Site or demolished prior to the date the Bonds issued pursuant to Section 5 herein have been paid in full, until the later of (i) the date the bonds issued pursuant to Section 5 have been paid in full; or (ii) the Improvement is replaced at an equal or greater value, the Owner causing the Improvement, or portion thereof, to be removed or demolished shall, until such Improvement shall have been replaced and the corresponding values restored to the tax duplicate, be required to make payments with respect to the portion of the Site upon which such Improvement, or portion thereof, was removed or demolished in the same amounts and on the same dates as the Statutory Service Payments which were due and payable with respect to that portion of the Site upon which such Improvement, or portion thereof, was removed or demolished in the year immediately preceding the removal of demolition, said payments to be the "Mandatory Service Payments".

G. Until the expiration of this Agreement, if for any reason, the real property tax policy in the State of Ohio or Hamilton County should change such that real property taxes and/or Statutory Service Payments are significantly reduced or eliminated, the Owners of the Site, or any portion thereof, shall be required to make Minimum Services Payments on the same dates as the Statutory Service Payments which were due and payable with respect to their owned portion of the Site.

H. Should the Developer or any Owner fail to make any payment required hereunder, the party failing to make such payment shall pay, in addition to the Statutory Service Payments, Minimum Service Payments, and Mandatory Service Payments the Developer or any Owner was required to pay hereunder, such amount as is required to reimburse the Township for any and all reasonably and actually incurred costs, expenses and amounts (including reasonable attorneys' fees) required by the Township to enforce the provisions of this Agreement against such Owner.

4. Additional Obligations.

A. The Developer shall cause this Agreement to be recorded in the Hamilton County, Ohio real estate records, and the Developer and each subsequent Owner shall cause all instruments of conveyance of interests in the Improvements and Site (or portions thereof), to subsequent successors, assigns or transferees (except leases of space in the Improvements and mortgages) to be subject to this Agreement.

In the event that Developer or any subsequent Owner transfers to a third party any portion (less than all) of the property owned by Developer or such Owner within the Site, then the Statutory Service Payments, Minimum Service Payments, and Mandatory Service Payments shall be allocated between the property conveyed (the "Transferred Portion") and the property retained by Developer or such Owner (the "Retained Portion"). Said allocation shall be based

upon the relative values of the Retained Portion and the Transferred Portion (including improvements thereon), as assessed from time to time on the records of the Hamilton County, Ohio Auditor, without reference to any exemption under Section 5709.73, O.R.C. Prior to the date that such separate assessment appears of record, the relative values of the Retained Portion and the Transferred Portion shall be determined by a qualified real estate appraiser selected by the Owner making the transfer and approved by the Township, or by another method mutually agreed to by such Owner and Township.

B. The obligation to perform and observe the agreements contained herein on the part of the Owners shall be binding and enforceable by the Township, the holders from time to time of any of the Bonds hereinafter defined, and any trustee for any of the holders of such Bonds, against the Owners with respect to their respective interest in the Site and Improvements, or any parts thereof or any interest therein.

C. Notwithstanding anything herein to the contrary, (i) from and after the date that any person or entity transfers to any third party all or any portion of the Site, then such third party (i.e., the new Owner) shall be responsible for payment of all Statutory Service Payments, Minimum Service Payments, and Mandatory Service Payments with respect to the portion of the Site so transferred, (ii) the transferring party shall be relieved of all future liability hereunder with respect to the portion of the Site transferred (but shall remain responsible for any payments that were unpaid while the transferring party was the owner of the Site, or portion thereof, and (iii) the Township, the holders from time to time of any of the Bonds hereinafter defined, and any trustee for any of the holders of such Bonds shall have a cause or right of action against only the new Owner with respect to the Statutory Service Payments, Minimum Service Payments, and Mandatory Service Payments attributable to the portion of the Site so transferred.

5. Issuance of Bonds.

A. As used in this Agreement, the term "Bonds" means one or more issues or series of bonds (or notes in anticipation thereof) issued by the Township under Chapter 133 of the O.R.C. with terms and provisions with respect to principal and interest to be determined by the Township. The Township will issue Bonds in the amount of not to exceed \$3,015,000.00 to finance a portion of the cost of acquisition and/or construction of the Public Improvements, including without limitation land acquisition, related construction costs, soft costs, capitalized interest (in an amount sufficient to meet debt service through June 1, 2012) and issuance costs. If possible, the interest credit rebate may be used to cover debt service for the payment due December 1, 2012.

B. Bonds shall be issued under this Agreement at such times as are necessary to provide timely funding for the acquisition and/or construction of the Public Improvements, and at such other times as may be feasible to provide for the acquisition, construction and equipping of other public improvements, provided that (i) unless and to the extent specifically otherwise agreed in writing by an Owner, no Owner shall be responsible for Minimum Service Payments or any other costs for any public improvements other than that portion of the Public Improvements funded by the Bonds, and (ii) to the extent Statutory Service Payments exceed the Minimum Service Amount, such excess is applied in accordance with Section 4(D). The Bonds may be issued in one or more series. All Bonds shall finally mature not later than December 31, 2039.

6. Binding Nature of Obligations; Security for Payment.

The obligations of the Developer and the Owners to pay the Statutory Service Payments, Minimum Service Payments, and Mandatory Service Payments and to perform and observe the other agreements on their part contained herein shall, subject to the terms of this Agreement, be

absolute and unconditional, and shall be covenants running with the land, and shall be binding and enforceable by the Township, the holders from time to time of any of the Bonds, and any trustee for any of the holders of the Bonds, against the Developer and the Owners (as the same exist from time to time), but only with respect to their respective interests in the Site and Improvements, or any parts thereof or any interest therein, subject to the provisions set forth in Section 4(A) of this Agreement with respect to the allocation of the Statutory Service Payments, Minimum Service Payments, and Mandatory Service Payments.

Except to the extent otherwise provided in this Agreement, the obligations of the Owners under this Agreement will not be terminated for any cause, including, without limiting the generality of the foregoing, but by way of example, failure to complete the Improvements; any acts or circumstances that may constitute failure of consideration, destruction of or damage to the Improvements; commercial frustration of purpose; any change in the constitution, tax or other laws or judicial decision or administrative rulings of or administrative action by or under authority of the United States of America, or of the State or any political subdivision thereof, or, other than the construction of the Public Improvements, the failure of the Township to perform and observe any agreement, whether expressed or implied, or any duty, liability or obligation arising out of or connected with this Agreement. In the event the tax exemption sought for the Site is not obtained, the Developer and Owners shall not be liable to pay the Statutory Service Payments. In the event the Township fails to complete the Public Improvements in accordance with the terms of this Agreement, the Developer shall be obligated to pay only Statutory Service Payments and shall be excused from obligation to pay Minimum Service Payments hereunder, until such time as the Public Improvements are completed in accordance with the Plans. However, except as specifically provided herein, nothing contained in this Section shall relieve

the Developer or Owner from the obligation to pay the Minimum Service Payments or Mandatory Service Payments or the real estate taxes otherwise normally due and payable.

Failure to use or to occupy the Improvements shall not relieve the Developer or any Owners of their obligations to make Service Payments, Minimum Service Payments, or Mandatory Service Payments as required hereunder. Notwithstanding anything in this Agreement to the contrary, the obligations of any person or entity that is or becomes an Owner hereunder shall apply during such period, and only during such period, that such person or entity owns real property or Improvements which are a part of or which are located on any portion of the Site.

Nothing contained in this Agreement shall be construed to release any Owner from the performance of any of the agreements or obligations on its part contained in this Agreement other than (a) a transfer of the portion of the Site owned by such Owner to a third party which shall release the transferring Owner, from all further obligations hereunder, including without limitation the obligation to make Statutory Service Payments, Minimum Service Payments, and Mandatory Service Payments hereunder or (b) a failure of the Township to complete the Public Improvements as provided in the second paragraph of this Section 6 which shall release the Developer and Owner from its obligation to pay Minimum Service Payments for the duration of the failure (which failure shall be deemed cured and of no effect upon completion of the Public Improvements in accordance with the Plans).

7. Payment of Taxes; Contests.

A. The Developer, the Owners and each future Owner shall pay or cause to be paid, as the same become due, all taxes, assessments, whether general or special, and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against, or

with respect to, the property of such Owners which is a part of the Site or the Improvements or any personal property or fixtures of such Owners installed or brought therein or thereon (including, without limiting the generality of the foregoing, but by way of example, any taxes levied against such Owners with respect to the Improvements, receipts, income or profits from the operations of such Owners at the Site and Improvements, which, if not paid, may become or be made a lien on all or a portion of the Site or the Improvements) and all utility and other charges incurred by such Owners in the operation, maintenance, use, occupancy and upkeep of that portion of the Site and the Improvements owned by such Owners, respectively; provided, however, that nothing herein is intended to prevent such Owners, at their respective expense and in good faith, from contesting any such taxes, assessments or other charges, and in the event of any such contest, the Owners pursuing such contest may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom, unless the Township shall notify such Owners that, in the opinion of independent counsel selected by the Township and paid for by such Owner, by non-payment of such items, the interest of such owner in the Improvements and the Site shall be materially endangered or subject to loss or forfeiture, in which event such items shall be paid by such Owners in a timely manner, but without prejudice to the rights of such Owners to contest the same. No special tax shall be imposed upon any Owner due to a sale of such Owner's property to another party. Nothing in this paragraph shall be construed to relieve the Developer or any subsequent Owner of the duty to make Minimum Service Payments, or Mandatory Service Payments as may be required by this Agreement.

B. Except for real property taxes, Statutory Service Payments, Minimum Service Payments, and Mandatory Service Payments, nothing in this Agreement shall require the

Developer, the Owners or any future Owner to pay or reimburse the payment by Township of any federal, state or local tax of any kind or character (whether based on gross or net income, gross receipts, or otherwise) which is imposed or levied on the Township or on any trustee serving as such under an indenture or trust agreement securing any of the Bonds, on funds held by the trustee or such bank or trust company, or on the holders of the Bonds.

8. Insurance Coverage and Proceeds.

A. The Developer and each of the Owners shall provide and maintain, or cause to be provided and maintained:

(1) Insurance coverage on the Improvements owned by such Owner and other improvements on the Site, or any replacements or substitutions therefor, against loss by fire and extended coverage perils, and against loss by such other insurable hazards, all as reasonably determined by such Owner.

(2) Comprehensive commercial general liability insurance covering bodily injury or death to persons in the minimum amounts as reasonably determined by such Owner.

B. From time to time, upon request by the Township or any trustee for the holder or holders of any of the Bonds, each of the Owners shall furnish such evidence or confirmation of the insurance required under this Section 10 as the Township or such trustee may reasonably request. The proceeds of any insurance claim which is the result of substantial damage to the Site or the Improvements shall, unless otherwise agreed to between any Owner and such Owner's mortgagee, be used first, to pay the principal amount and all other sums owed to all mortgage lenders holding loans for the Site and Improvements; second, for the purpose of restoring the Site and Improvements to substantially the same condition as they existed prior to such damage or destruction; third, for the purpose of effecting defeasance, purchase or

redemption of such Owner's pro rata share of the Bonds, based on the valuation of the land and the Improvements, and fourth, any excess over the amounts required for such purposes shall be the property of, and shall be paid to the Owner. The Owners agree that in each case they will use commercially reasonable efforts to negotiate with or require, as the case may be, applicable mortgagees to use insurance proceeds for the purpose of restoring the Site and Improvements to substantially the same condition as they existed prior to such damage or destruction.

9. Condemnation.

The Owners agree that in the event any portion of the Site Improvements shall be taken as a result of the exercise of eminent domain by any governmental entity or other person, association or corporation possessing the right to exercise the power of eminent domain, the proceeds shall be applied in the same manner as casualty insurance proceeds in Section 8 hereof. Any excess condemnation proceeds over the amounts required for the above purposes shall be the property of, and shall be paid to the Owner. The Owners agree that in each case they will use commercially reasonable efforts to negotiate or require, as the case may be, applicable mortgagees to use condemnation proceeds for the purpose, if practicable, of restoring the balance of the Site and the Improvements to substantially the same condition as they existed prior to such condemnation.

The term "condemnation" as used in this Agreement shall be deemed to include any voluntary or involuntary transfer of the Site or any parcel therein, or any portion thereof or interest therein, by private sale to the condemning authority upon threat of condemnation or by petition for appropriation in accordance with Ohio condemnation law.

10. Tax-Exemption.

The Township, the Developer and any future Owner shall refrain from any and all activities, including, but not limited to, failure to comply with the provisions of the Internal Revenue Code of 1986, as amended, and all regulations, rulings and decisions thereunder, which would cause the interest on the Bonds to be includable in the gross income of any holder of the Bonds for federal income tax purposes. The responsibilities of the Township and the Developer in this regard shall be further set out in the Letter of Instructions Regarding Rebate, to be delivered to the Township at the times of issuance of the Bonds.

11. Notices.

All notices, designations, certificates, requests or other communications under this Agreement shall be sufficiently given and shall be deemed given when mailed by registered or certified mail, postage prepaid, addressed to the Township at 8540 Kenwood Road, Cincinnati, Ohio 45236, Attn: Township Administrator; to the Developer, PH CINCINNATI, LLC, at c/o The Molasky Group of Companies, 100 N. City Parkway, Suite 1700, Las Vegas, Nevada 89106, Attn: Bradley J. Scher or brads@molaskyco.com; and to any other Owner at the tax mailing address for the property owned by such Owner in the Site. The Township, the Developer and any other Owner may, by notice given under this Agreement, designate any further or different addresses to which subsequent notices, designations, certification, requests or other communications shall be sent.

12. Representation and Warranties.

PH represents and warrants that it is a duly organized and existing Nevada limited liability company, is in good standing under the laws of the State of Nevada, and is qualified to do business in the State of Ohio.

13. Exemption Application.

Developer shall have primary responsibility to prepare and execute at the appropriate time after this Agreement is signed such applications, documents and other information with the appropriate officials of the State, County of Hamilton, Ohio, or other public body as may be required to effect the exemption from real property taxation described in Section 5709.73, O.R.C. for the entire Site. Developer will use commercially reasonable efforts to get any subsequent Owners to sign any necessary DTE applications if subsequent applications are required by the State. The Township shall cooperate in such preparation by Developer, including, without limitation, executing such applications and documents as may be appropriate in assisting the Developer in obtaining such exemption. Township and Developer intend that such exemption from real property taxation will apply to the 2010 tax year, and shall use due diligence and best efforts to that end. Both parties agree to use due diligence to cause the application for exemption from real property taxation to be filed with the appropriate officials. The Developer shall continuously use due diligence and employ commercially reasonable efforts to keep such exemption in force, not permitting the same to lapse or be suspended or revoked for any reason within Developer's control. In the event that the exemption with respect to the Improvements contemplated by Section 5709.73(B) O.R.C. is not allowed, or in the event that subsequent to allowance of such exemption, the same is at any time revoked or suspended, the Developer and/or Owners are nonetheless required to pay the Minimum Service Payments and Mandatory Service Payments that shall be levied on the Site in an amount sufficient to cover debt service on the portion of the Bonds allocated to (i) the Public Improvements as set forth in Exhibit "B" attached hereto, (ii) the prorate issuance costs of the Bonds, and (iii) the prorate capitalized interest on the Bonds.

14. Duration of Agreement.

This Agreement shall become effective on the date that it is executed and delivered, by the parties, and unless sooner terminated, shall expire on the earlier of: (i) December 31, 2039, or (ii) the day following the date on which the final payment of principal of and premium, if any, and interest on the Bonds or any refunding issue thereof is made, or deemed to be made to a trustee for the benefit of the holder or holders thereof.

15. Application of Payment.

Service Payments shall initially be made by the Developer and/or Owners, as appropriate, to the Hamilton County Treasurer on or before the respective dates required in this Agreement. Upon distribution of such Service Payments to the Township, such Service Payments shall be deposited in the appropriate Sycamore Township Improvement Tax Increment Equivalent Fund established by the Resolution or a similar fund or funds as required by any Trust Indenture.

16. Reporting Requirements.

On or before January 31 of each year during which the tax exemption granted pursuant to O.R.C. 5709.73 remains in effect, Developer and its successors, assigns and transferees, including any Owner, shall provide a report to the Township regarding the progress of the Improvements. Such report shall include a summary of the Service Payments made in lieu of taxes along with any other information that may be required to be reported to the State of Ohio, including a quantitative summary of changes in employments and private investment resulting from the project. In the event the Developer or Owner, or their heirs, successors, assigns, or transferees rent or lease all or a portion of the Improvements to third parties, the Developer, Owner, successors, assigns, or transferees shall include the such rental agreement or lease, a provision requiring such information from such renter or lease, or their subrenters or sublessees.

The parties acknowledge that a failure to provide such information could result in a loss of the tax exemption under O.R.C. 5709.73 and failure to comply with the requirements of this Section would constitute a breach of this Agreement. The parties acknowledge that such information may be statutorily protected from disclosure, in which case the parties shall comply with the legal requirements for the disclosure or non-disclosure of such information.

17. **Defaults and Remedies.**

A. The following shall be events of default under this Agreement:

(1) the failure of any Developer, its successors, assigns or transferees including any Owner, to pay, within 5 days after written notice by the Township to Owner that such amount is due, any Statutory Service Payment, Minimum Service Payment, or Mandatory Service Payment, or any installment thereof, including any applicable late payment charges; or

(2) the failure of the Developer, its successors, assigns or transferees, including any Owner, to provide any disclosable information required under Section 16 herein; which failure shall continue for more than thirty (30) days following written notice thereof by the Township; provided that such thirty (30) day period may be extended for a reasonable period of time necessary or appropriate (but in no event later than March 15th) to cure such default provided the Developer is diligently pursuing such cure; or

(3) the failure of the Developer, its successors, assigns or transferees including any Owner, to perform or observe any other covenant made by it in this Agreement, which failure shall continue for more than thirty (30) days following written notice thereof by the Township; provided that such thirty (30) days period may be extended for a reasonable time as necessary or appropriate to cure a default.

B. Provided the Developer or Owner has complied with all its requirements contained in this Agreement or any other Agreement between the parties, in the event the Township fails to comply with its obligations under this Agreement, including without limitation its obligation to construct the Public Improvements in accordance with the Schedule and the Final Plans, and such failure continues uncured for a period of 30 days after written notice by an Owner to the Township, the Owner may: (i) enter onto the property on which the Public Improvements are being constructed and complete the construction of the Public Improvements in accordance with all requirements applying thereto, using the proceeds of the Bonds to pay for the costs and the Township agrees to cooperate fully with the Owner and promptly reimburse the Owner for costs of construction of the Public Improvements in excess of the available proceeds of the Bonds; (ii) obtain a writ of mandamus to require the Township to complete the Public Improvements in accordance with the requirements of this Agreement; and (iii) exercise any and all other rights of the Owner at law or in equity. All such rights and remedies shall be cumulative and not exclusive.

Upon the occurrence and continuation of any event of default by any Owner or Developer, the Township shall be entitled to exercise any and all remedies available to it to compel performance of such Owner's or Developer's obligations, or to recover damages for non-performance. Waiver by the Township of any event of default shall not be deemed to extend to any subsequent or other event of default under this Agreement.

18. Counterparts; Captions.

This Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute but one and the same Agreement. Captions have

been provided herein for the convenience of the reader and shall not affect the construction of this Agreement.

19. Severability.

In case any section or provision of this Agreement, or any covenant, agreement, stipulation, obligation, act or action, or part thereof, made, assumed, entered into or taken under this Agreement, or any application thereof, is held to be illegal or invalid for any reason, or is inoperable at any time, that illegality, invalidity or inoperability shall not affect the remainder thereof or any other section or provision of this Agreement or any other covenant, agreement, stipulation, obligation, act or action, or part thereof, made, assumed, entered into or taken under this Agreement, all of which shall be construed and enforced at the time as if the illegal, invalid or inoperable portion were not contained therein.

All illegality, invalidity or inoperability shall not affect any legal, valid and operable section, provision, covenant, agreement, stipulation, obligation, act, action, part or application, all of which shall be deemed to be effective, operative, made, assumed, entered into or taken in the manner and to the full extent permitted by law from time to time.

20. Additional Documents; Amendment.

The Township and the Developer, and their respective successors, assigns and transferees, agree to execute any further agreements, documents or instruments as may be reasonably necessary to fully effectuate the purpose and intent of this Service Agreement, provided that such agreements, documents or instruments do not increase, or potentially increase, the obligations or liabilities of the Township or the Owners hereunder. To the extent permitted by this Agreement, and in compliance with all laws and ordinances controlling this Agreement, the Township and the Developer, and their respective successors, assigns and transferees, agree

that any amendment to this Agreement must be in writing and signed by all parties. Upon the request of any party to this Agreement, the other party shall execute an estoppel certificate to evidence (i) that this Agreement is in full force and effect, (ii) the existence or non-existence of a default hereunder, to the knowledge of the certifying party, and (iii) such other facts reasonably requested by the requesting party.

21. Road Realignment

A. The Township intends to construct a public road and related improvements (the "New Road") as approximately shown on Exhibit B-2 (the "Road Plan A").

B. In order to construct the New Road pursuant to Road Plan A, the Township needs to acquire approximately 700-800 square feet of real estate as approximately shown as Parcel A (the Duke Property) from its current owner.

C. The Township is willing to make good faith efforts to obtain the Duke Property, but, if the Township is not able to acquire the Duke Property, needs Owner to contribute certain other real property to the Township in order that the Township can construct the New Road pursuant to the alternate plan as shown on Exhibit B-2 attached hereto and made a part hereof ("Road Plan B").

With regard to these premises, the parties agree:

1. The Township shall utilize good faith efforts to acquire the Duke Property as necessary to construct the New Road in conformance with Road Plan A by a time which will permit the New Road to be constructed pursuant to the agreed to construction schedule for the same.

2. If, after making good faith efforts to do so, the Township is unable to acquire the Duke Property when and as necessary in order to construct the New Road in conformance with Road Plan A pursuant to the agreed to construction schedule, then, upon the Township's request, Owner shall contribute to the Township that portion of the real property owned by Owner and necessary for the Township to construct the New Road in conformance with Road Plan B.

The rest of this page is intentionally left blank; Signatures follow on the next page

IN WITNESS WHEREOF, the Township and the Developer have caused this Agreement to be executed in their respective names by their duly authorized officers, all as of the date hereinbefore written.

THE TOWNSHIP:
Sycamore Township, Hamilton County,
Ohio

By: _____
Robert Molloy, Township Administrator

DEVELOPER:
PH CINCINNATI, LLC, a Nevada limited
liability company

By: **PH CINCINNATI, MM, Inc., a**
Nevada corporation, its Manager

By: _____

Name: _____

Its: _____

STATE OF _____)
) ss:
COUNTY OF HAMILTON)

On this ____ day of _____, 2010, personally appeared before me, a Notary Public in and for the State of Ohio, Sycamore Township, Hamilton County, Ohio, by Robert Molloy, known and known to be the Township Administrator of said Township and duly authorized in the premises, who acknowledged the signing and sealing of the said Service Agreement for himself and on behalf of said Township, to be his voluntary act and deed, and the voluntary act and deed of said Township.

Notary Public

My commission expires: _____

[NOTARY SEAL]

STATE OF _____)
) ss:
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of June, 2010, by _____, its _____ of PH Cincinnati MM, Inc., a Nevada corporation, on behalf of the corporation as manager, on behalf of PH Cincinnati, LLC, a Nevada limited liability company.

Notary Public

My commission expires: _____

[NOTARY SEAL]

This instrument prepared by R. Douglas Miller, Attorney at Law.

EXHIBIT "A"

COMMERCIAL IMPROVEMENTS

Private Development

1. A government services complex to house the Federal Bureau of Investigation offices and facilities. These improvements shall be constructed on approximately 6.26 acres and the structure shall have a gross square footage (including garage) of no less than 150,000 square feet and an estimated valuation of \$22,500,000.

EXHIBIT "B"

THE "PUBLIC IMPROVEMENTS"

TIF BUDGET

	Amount
1. A public roadway running generally from Hosbrook Road to Montgomery Road providing access for adjoining properties to access Hosbrook Road and Montgomery Road (includes land acquisition costs.	\$4,600,000
TOTAL	\$4,600,000

EXHIBIT "B-1"
(SCHEDULE)

B-1

SCHEDULE OF CONSTRUCTION

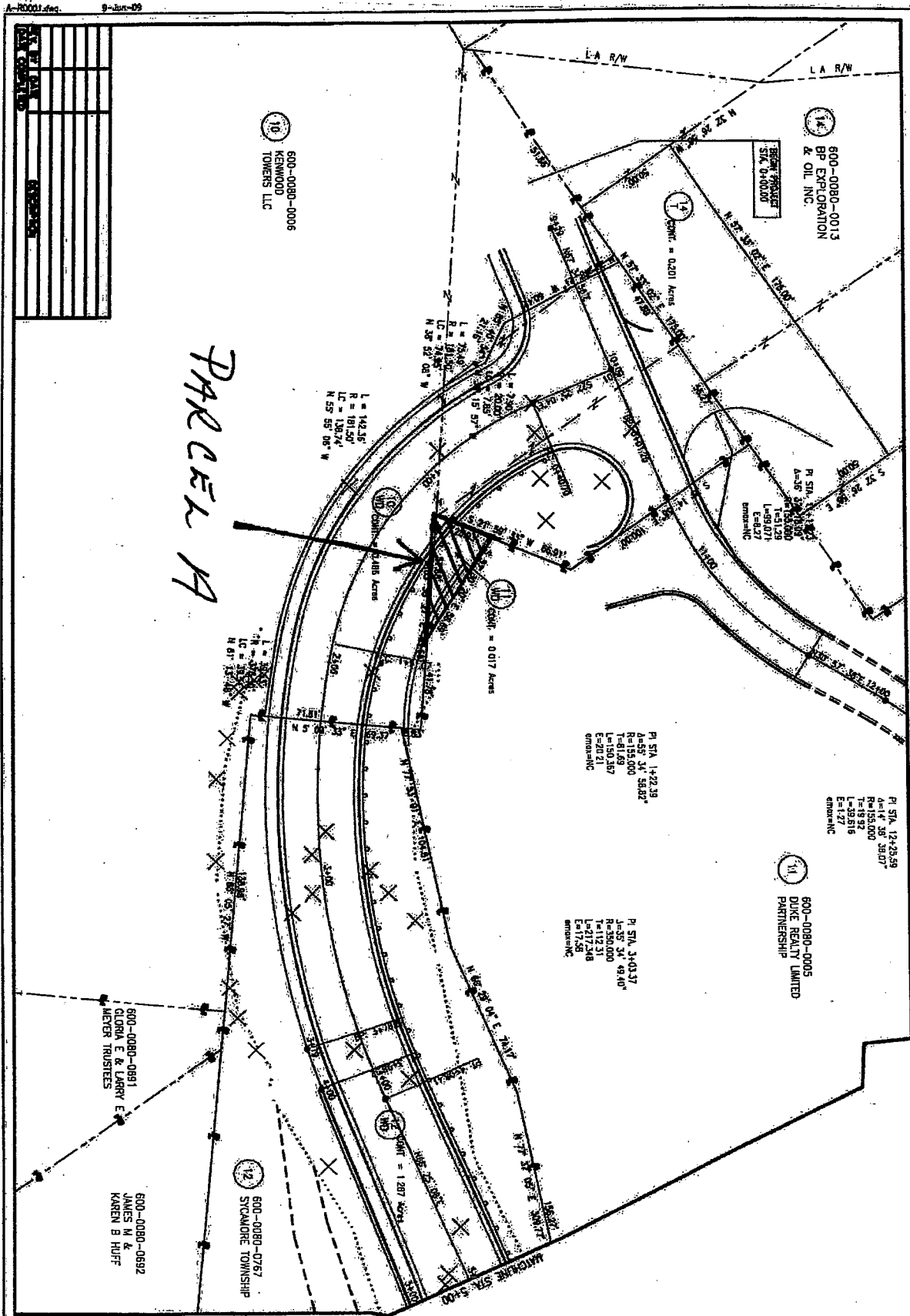
June 17, 2010	Authorize Engineer to begin
December 10, 2010	Final Design Approval of Engineering Plans
April 1, 2011	Begin Clearing and Grubbing
April 15, 2011	Begin Excavation
July 1, 2011	Begin Asphalt Base
July 22, 2011	Begin Asphalt Intermediate Course
July 30, 2011	Complete Asphalt Intermediate Course
August 15, 2011	Complete Retaining Wall
September 15, 2011	Complete Landscaping
September 31, 2011	Complete Traffic Signalization

Surface Course to be installed upon completion of the private improvements

EXHIBIT "B-2)

(PLANS)

EXHIBIT B-2 "ROAD PLAN A"



PARCEL A

NO.	DESCRIPTION
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	
11	
12	
13	
14	
15	
16	
17	
18	
19	
20	

TOWNSHIP ACCESS ROAD

RIGHT OF WAY PLAN SHEET
STA. 0+00 TO STA. 5+00

DESIGNED BY	DES
CHECKED BY	DES
HORIZONTAL SCALE IN FEET	

16 600-0080-0006
KENWOOD
TOWERS LLC

14 600-0080-0013
BP EXPLORATION
& OIL INC.

10 600-0080-0005
DUKE REALTY LIMITED
PARTNERSHIP

800-0080-0881
CLORA E & LARRY E
MEYER TRUSTEES

600-0080-0692
JAMES M &
KAREN B HUFF

12 600-0080-0767
STANFORD TOWNSHIP

PI STA. 1+22.39
A=55' 3" 58.82°
R=155.000
T=81.69
L=150.587
E=20.21
enc=ENC

PI STA. 3+03.37
A=35' 3" 49.40°
R=350.000
L=112.318
E=17.298
enc=ENC

PI STA. 12+23.59
A=14' 38" 39.07°
T=153.000
L=39.816
E=1.27
enc=ENC

L=142.35
R=191.50°
LC=128.74°
N 55° 55' 08" W

L=74.86
R=181.75°
LC=74.86°
N 38° 52' 08" W

GOVT = 0.017 Acres

GOVT = 0.201 Acres

GOVT = 1.287 Acres

MATCHLINE STA. 5+00

EXHIBIT B-2
"ROAD PLAN B"

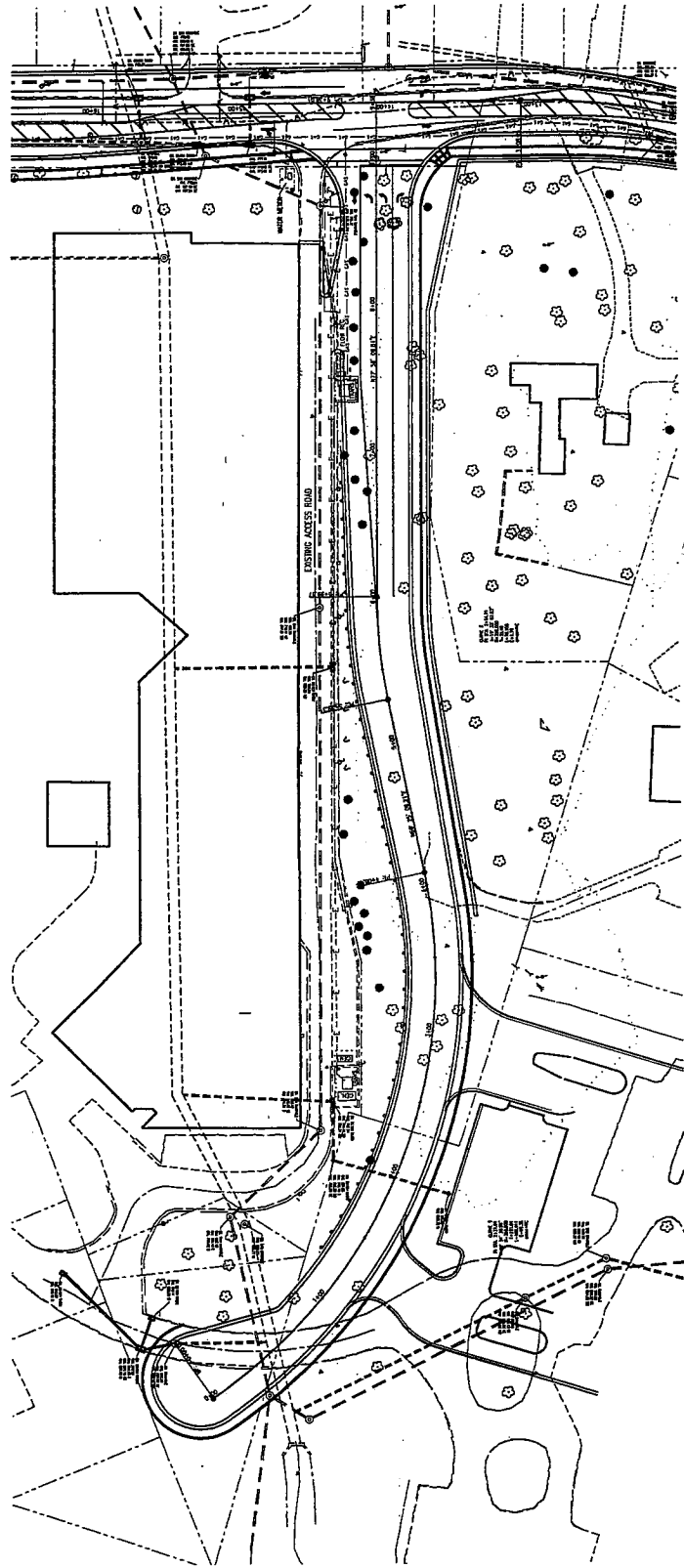


EXHIBIT "C"
THE SITE

LEGAL DESCRIPTION OF THE SITE

**SURVEY OF ACREAGE PARCEL
6.3071 ACRES**

Situate in the State of Ohio, County of Hamilton, Township of Sycamore, lying in Section 7, Township 4, Entire Range 1, Symmes Purchase, being part of Hamilton County Auditor Parcel Number 0600-0080-0031, further being part of Registered Land No. 198702 of the Hamilton County, Ohio, Registered Land Records, and being out of the tract conveyed as Parcel I to Kenwood Towers, LLC by deed of record in Official Record 9327, Page 903, of the Hamilton County Recorder's Office, being more particularly described as follows:

BEGINNING at the southwesterly corner of Lot 1 of the subdivision plat entitled "Kenwood Village Block 'H'" of record in Plat Book 25, Pages 41 & 42, of the Registered Land Records of Hamilton County, Ohio, and in Plat Book 151, Pages 23 & 24, of the Hamilton County Recorder's Office, being in the northerly right-of-way line of Lynnfield Court (60') of record in Plat Book 128, Page 55 of the Hamilton County Recorder's Office, and Plat Book 17, Page 19, of the Registered Land Records of Hamilton County, Ohio, reference a 1 inch iron pipe found 0.44 feet west;

thence with said northerly right-of-way line, the following courses and distances;

South 89° 35' 00" West, (passing at 0.44 feet a 1 inch iron pipe found) a total distance of 150.02 feet to 5/8 inch rebar capped "SMITH" found;

South 00° 25' 00" East, a distance of 10.00 feet to a magnetic nail set;

South 89° 35' 00" West, a distance of 329.98 feet to an iron pin set;

Thence across said Parcel I, the following courses and distances;

North 00° 25' 07" West, a distance of 403.22 feet to an iron pin set;

North 46° 35' 28" East, a distance of 82.26 feet to an iron pin set;

North 89° 34' 53" East, a distance of 84.84 feet to an iron pin set;

North 00° 25' 07" West, a distance of 112.62 feet to an iron pin set;

North 44° 23' 43" East, a distance of 90.58 feet to an iron pin set;

North 19° 34' 07" East, a distance of 34.05 feet to an iron pin set on the arc of a curve;

With the arc of said curve to the left, having a central angle of 27°36'35", a radius of 181.50 feet, an arc length of 87.46 feet and a chord bearing and distance of South 69° 55' 36" East, 86.62 feet to an iron pin set at a point of compound curvature;

With the arc of said curve to the left, having a central angle of 06°00'56", a radius of 376.50 feet, an arc length of 39.53 feet and a chord bearing and distance of South 86° 44' 21" East, 39.51 feet to an iron pin set on the westerly line of that 1.494 acre tract conveyed to The Board of Township Trustees of Sycamore Township by deed of record in Official Record 11033, Page 695;

Thence South 00° 11' 00" East, with the line common to said Parcel I and 1.494 acre tract, a distance of 6.39 feet to a 3/4 inch iron pin found;

Thence North 89°34'00" East, continuing with said common line, a distance of 138.98 feet to the northwesterly corner of Lot 6 of said "Kenwood Village Block 'H'", referenced by a 1 inch iron pin found 0.28 feet south;

6.3071 ACRES

Thence South 00° 25' 00" East, with the westerly line of said "Kenwood Village Block 'H'", (passing at 0.28 feet a 1 inch iron pin found), a total distance of 618.99 feet to the POINT OF BEGINNING and containing 6.3071 acres of land more or less.

The bearings herein are based on westerly line of Kenwood Village Block "H", a subdivision of record in Plat Book 25, Pages 41 & 42, of the Registered Land Records of Hamilton County, Ohio, and in Plat Book 151, Pages 23 & 24, of the Hamilton County Recorder's Office, having a bearing of North 0° 25' West.

Subject, however, to all legal rights-of-way and/or easements, if any, of previous record.

Iron pins set, where indicated, are iron pipes, thirteen sixteenths (13/16) inch inside diameter, thirty (30) inches long with a plastic plug placed in the top bearing the initials EMHT INC.



EVANS, MECHWART, HAMBLETON, & TILTON, INC.

Michael O. Wanchick 3/26/10

Michael O. Wanchick
Registered Surveyor No. 7854