

RESOLUTION NO. 2003 – 8

A RESOLUTION AUTHORIZING THE EXECUTION OF AN AGREEMENT WITH THE ROLL GOODS MANUFACTURING SUBSIDIARY OF H & L TECHNOLOGIES, INC. PERTAINING TO THE FINANCING OF THE ACQUISITION, CONSTRUCTION, IMPROVEMENT AND EQUIPPING OF REAL AND PERSONAL PROPERTY FOR THE MANUFACTURE, PROCESSING AND PACKAGING OF CONSUMER AND INDUSTRIAL PRODUCTS AND CONSTITUTING AN ECONOMIC DEVELOPMENT PROJECT AND PORT AUTHORITY FACILITY TO BE LOCATED ON STEGER DRIVE IN THE CITY OF CINCINNATI.

WHEREAS, the Port of Greater Cincinnati Development Authority (“Issuer”), by virtue of the laws of the State of Ohio, particularly Sections 4582.21 through 4582.59, Ohio Revised Code (the “Act”), and the authorities therein mentioned, wishes to take the necessary actions for the issuance of revenue obligations of the Issuer in order to assist H & L Nonwovens, L.L.C., the roll goods manufacturing subsidiary of H & L Technologies, Inc. (“Borrower”), an Ohio limited liability company, in the financing of the acquisition, construction, improvement and equipping of real and personal property for the manufacture, processing and packaging of consumer and industrial products (the “Project”) constituting an economic development project and port authority facility to be located within the City of Cincinnati's Empowerment Zone; and

WHEREAS, United States Treasury Regulations Section 1.150-2 (the “Reimbursement Regulations”) prescribe conditions under which proceeds of bonds, notes or other obligations used to reimburse advances made for certain expenditures paid before the issuance of such obligations will be deemed to be expended (or properly allocated to expenditures) for purposes of Sections 103 and 141-150 of the Internal Revenue Code of 1986, as amended (the “Internal Revenue Code”) so that upon such reimbursement the proceeds so used will not further be subject to requirements or restrictions under those sections of the Internal Revenue Code; and

WHEREAS, certain provisions of the Reimbursement Regulations require that there be a Declaration of Official Intent not later than 60 days following payment of the expenditure expected to be reimbursed from proceeds of such obligations, and that the reimbursement occur within prescribed time periods after the expenditure is paid or after the property is placed in service; and

WHEREAS, the Issuer wishes to take steps for compliance with those Regulations in connection with the Project and to take other preliminary actions in connection with the Bonds;

NOW, THEREFORE, BE IT RESOLVED by the Board of the Port of Greater Cincinnati Development Authority:

Section 1. This Board does hereby find and determine, based upon the representations of the Borrower, that:

(a) The Project will be an “economic development project” and a “port authority facility” within the meaning of those terms as defined in Section 4582.21, Ohio Revised Code; and

(b) The Project is consistent with the purpose of Section 13 of Article VIII, Ohio Constitution, to create or preserve jobs and employment opportunities and to improve the economic welfare of the people of the State of Ohio.

Section 2. In order to assist the Borrower in financing the Project, this Board hereby agrees to exercise its best efforts to authorize and issue revenue obligations of the Issuer, in one or more series, in the maximum aggregate face amount of \$23,000,000 (the "Bonds"), pursuant to the Act, and to lend the proceeds of the Bonds to the Borrower, subject to satisfaction of the conditions and pursuant to the provisions contained in the form of Agreement to Issue Bonds by and between the Issuer and the Borrower attached hereto as Exhibit I (the "Agreement"), which is hereby approved. The Chairperson, the Vice Chairperson or the President are hereby authorized and directed to execute the Agreement substantially in such form with such changes as are not adverse to the Issuer as the officer executing the Agreement may approve, such execution being conclusive evidence of approval of any such changes.

Section 3. This resolution constitutes a Declaration of Official Intent under the Reimbursement Regulations. This Board declares that it reasonably expects, based upon the representations of the Borrower, that the expenditures to be incurred by the Borrower will be reimbursed by the Issuer with proceeds of the Bonds.

Section 4. The President of the Issuer is hereby authorized to designate a Prevailing Wage Coordinator for the Project pursuant to the requirements of Section 4115.032, Ohio Revised Code, and to perform the duties therein specified.

Section 5. The Issuer retains the law firm of Squire, Sanders & Dempsey L.L.P. ("Squire Sanders") and Gonzalez, Saggio & Harlan, LLP ("Gonzalez") to provide legal services in connection with the authorization, sale, issuance and delivery of the Bonds. In providing those legal services, as an independent contractor and in an attorney-client relationship, Squire Sanders nor Gonzalez shall not exercise any administrative discretion on behalf of this Board in the formulation of public policy, expenditure of public funds, enforcement of laws, rules and regulations of the State or any political subdivision, or the execution of public trusts. The fees and expenses of Squire Sanders and Gonzalez for those legal services shall be paid by the Borrower pursuant to the provision in the Agreement obligating the Borrower to indemnify the Issuer against any and all loss, cost, expense, claims or actions arising out of or connected with the issuance or sale of the Bonds.

Section 6. This Board finds and determines that all formal actions of this Board concerning and relating to the adoption of this resolution were taken in an open meeting of this Board and that all deliberations of this Board and of any committees that resulted in those formal actions were in meetings open to the public in compliance with the law.

Section 7. This resolution shall take effect and be in force immediately upon its adoption.

Adopted: May 28, 2003

Yeas: 10

Nays: 0

Abstentions: 1

Chairperson

Attest: _____
Secretary

