

MEMORANDUM OF UNDERSTANDING

The County of Cuyahoga, Ohio (the “**County**”) and Merchandise Mart Properties, Inc. (together with its affiliates, “**MMPI**”) desire to enter into a Development Agreement regarding the terms on which the County and MMPI will cooperate in planning, designing, financing, constructing and operating the facilities described below. The purpose of this Memorandum of Understanding (“**MOU**”) is to enable the County and MMPI to signify their concurrence on the basic terms on which a Development Agreement will be negotiated.

Project

The Project will consist of an integrated facility that will provide facilities for (i) a permanent exhibition hall for medical devices and equipment (the “**Medical Mart**”), and (ii) temporary exhibition, tradeshow and conference facilities, and back-of-house functions (the “**Convention Facilities**”). The Medical Mart, the Convention Facilities, their site and related parking are collectively referred to in this Agreement as the “**Facility**.” The construction and development of the Facility, the securing of medical device and equipment manufacturers as tenants for the Medical Mart, the securing of trade shows, conferences and conventions for the Convention Facilities, and the operation of the Facility are collectively referred to as the “**Project**.”

Initial Project Development

Upon being notified by the County that the County has selected the site for the Facility, MMPI will use commercially reasonable efforts to obtain binding agreements from (i) at least 10 manufacturers of medical devices or equipment to locate permanent showrooms in the Medical Mart, and (ii) at least five organizations in the medical field to conduct trade shows or conferences in the Convention Facilities. The quality and the level of activity represented by those tenants and trade shows or conferences must be reasonably acceptable to the County. If such agreements are not obtained within 12 months from the signing and delivery of this MOU (the “**Initial Project Development Phase**”), then the County may terminate MMPI’s participation in the Project without any penalty or payment to MMPI.

Facility Development

The County will proceed expeditiously to select the site for the Facility (subject to MMPI’s right reasonably to determine that the Project is not physically or economically feasible on the selected site), and, upon its doing so, the Initial Project Development Phase (described below) will commence.

The County and MMPI will cooperate in the development of the Facility and will have joint control of the design and construction program.

The size of the Facility and its components will meet the County’s requirements, subject to the commercially reasonable consent of MMPI as to cost and design.

MMPI will contract for and manage the design and construction of the Facility. Any construction management or owner's representative fees to be received by MMPI in connection with the construction of the Facility will be commensurate with industry standards for design/build arrangements.

The Project will focus primarily on the medical industry, but the design of the Facility will permit the Convention Facilities to host a full range of trade shows, conferences and conventions.

Contracts and work force arrangements for the design and construction of the Facility will include mutually agreed-upon standards and practices for inclusion of minorities, women and local residents. Construction workers will be paid prevailing wages under applicable Ohio law.

Project Funding

A special purpose entity to be owned and controlled by MMPI (the "**Operator**") and the County will enter into the Lease (defined below) prior to commencement of the design of the Project and prior to issuance of the Bonds (defined below). The Operator will be capitalized or its obligations will be assured sufficiently for the County to be reasonably satisfied that the Operator will be able to meet its obligations under the financing agreements described below. The Lease will be the primary security for the Bonds and will be structured so as to provide an investment grade rating for the Bonds. Under no circumstances will the full faith or credit of any party be pledged for the repayment of the Bonds or the loan, but the Project may be mortgaged as security.

The County will issue revenue bonds ("**Bonds**") and loan the proceeds from the sale of the Bonds to the Operator under a plan of finance that will be mutually agreeable to the Operator and the County and will permit the Operator to own and operate the Facility as contemplated in this Memorandum of Understanding. At the time of issuance of the Bonds, the County and MMPI will reasonably anticipate that the proceeds of the Bonds will be adequate to pay all costs of acquisition, construction, project management, design and equipping of the Project, including interest and other costs during design, construction and development.

The financing agreements will obligate the Operator: (a) to make loan payments sufficient to pay the debt service on the Bonds, (b) to use the Bond proceeds to pay costs of designing, constructing, furnishing and equipping the Facility, and (c) to pay any of those Facility costs in excess of the proceeds of the Bonds loaned to the Operator.

In addition to its agreement to be responsible for Facility construction costs in excess of the proceeds of the Bonds, MMPI will contribute \$20 million in the form of cash (not in-kind services) to paying the costs of the Project and to enhancing and expediting the successful completion, opening and operation of the Facilities. That contribution will be made and expended after the end of the Initial Project Development Phase and during the initial tenant lease-up period for the Project, provided that MMPI will be entitled to reimburse itself from up to \$1.5 million of that contribution for out-of-pocket expenses incurred by MMPI for the purpose of furthering the Project and meeting the goals of the Initial Project Development Phase.

The Operator will lease the Facility to the County under a 20-year lease-purchase agreement (the “Lease”) obligating the County to pay annual rent in an amount equal to (a) \$40 million during a period commencing with the signing of the Lease and ending on September 30, 2027 or on such earlier date as the financing agreements may permit such rent payments to end, plus (b) the Supplemental Payments (defined below) on a monthly basis during such term. The County understands that it is the intention of MMPI that the rentals to be paid under the Lease will be qualified income for REIT purposes. The County will sublease the Facility to the Operator under a sublease agreement that will entitle the Operator to all revenues derived from the Project and will obligate the Operator to operate and maintain the Facility under agreed-upon terms and conditions set forth in that sublease. In lieu of payment of rent to the County under the sublease, the Operator will be responsible for payment of all operating expenses and capital repairs.

The rentals payable under the Lease will include amounts in excess of the \$40 million described above (such additional amounts being referred to as “Supplemental Payments”) equal to \$6 million in years one through three and \$5 million in the remaining years of the initial Lease term. Each Supplemental Payment amount shall escalate by 3% per year subject to reduction of the escalation factor if certain financial targets are not met.

The Operator will use the rent paid to it by the County (a) as a source of funds for the loan payments owed by the Operator to the County under the financing agreements relating to the Bonds, and (b) in furtherance of the development and operation of the Project in accordance with the financing agreements.

Operation and Maintenance of Facility

The Operator will operate the Facility. The County and the Operator will jointly agree upon performance benchmarks for each five-year period during the 20-year lease/sublease with respect to the level and quality of Medical Mart tenants and trade show and conference activities in the Convention Facilities. Failure by the Operator to achieve benchmarks will permit the County to exercise remedies to be agreed upon in the lease/sublease agreements.

The Operator will be responsible for payment of all expenses of operating and maintaining the Facility in excess of the Supplemental Payments and will be entitled to retain any profits from the operation of the Facility.

The County will cooperate with MMPI to maximize other development incentives for the Project, to maximize the economic competitiveness of the Project with comparable facilities, to minimize financial burdens on the Project, and to obtain the benefits or assistance of any other available federal, state, regional or local programs.

The Operator will maintain the Facility during the term of the lease as a first-class trade show and convention facility. The Operator will be responsible for payment for all capital repairs and replacements needed to meet that standard. The County will have the right to inspect the Facility and to agree upon a reasonable capital improvements budget for the Facility.

Naming Rights

The County will control the sale of the naming rights to the Facility, and the Operator will use commercially reasonable efforts to assist the County in achieving that sale on the most advantageous available terms.

The County will use the proceeds from the sale of naming rights for Project purposes to be determined by the County in its sole discretion.

Options to Extend Public/Private Partnership

At the conclusion of the 20-year lease/sublease agreements between the County and the Operator, or upon any earlier termination of the lease/sublease agreements, ownership of the Facility and its site will transfer to the County.

If the Operator has performed all of its obligations under the financing and the lease/sublease agreements, at the conclusion of the initial term of the lease/sublease agreements, the Operator will have the option to enter into a management agreement with the County for the management of the Facility on mutually agreeable terms for up to an additional 40 years for a rental amount that is commercially reasonable under then prevailing market conditions.

Costs

Each party will pay its own internal costs at all times.

No Partnership

This MOU shall not be construed as creating a partnership or joint venture between parties.

Modification

The MOU may not be modified, amended, added to or otherwise varied except by a document in writing signed by each of the parties.

Term

This MOU commences on the date of execution and expires one year from the date hereof unless that date is amended by consent of the parties.

(Signature page follows)

The execution of this MOU on behalf of the County and MMPI signifies each party's confirmation that it considers the foregoing outline to be a workable set of premises on which the County and MMPI may proceed to negotiate and enter into a Development Agreement for the Project.

COUNTY OF CUYAHOGA, OHIO

By: _____
Commissioner

Date: _____, 2008

By: _____
Commissioner

Date: _____, 2008

By: _____
Commissioner

Date: _____, 2008

MERCHANDISE MART PROPERTIES, INC.

By: _____

Title: _____

Date: _____, 2008