

SECOND AMENDMENT
to
Community Reinvestment Area Tax Exemption Agreement

THIS SECOND AMENDMENT TO COMMUNITY REINVESTMENT AREA TAX EXEMPTION AGREEMENT (this "**Amendment**") is entered into on the Effective Date (as defined on the signature page hereof) by and between the CITY OF CINCINNATI, an Ohio municipal corporation (the "**City**"), and TRACTION PARTNERS, LLC, a Delaware limited liability company (the "**Company**").

Recitals:

A. The City and the Company are parties to a *Community Reinvestment Area Tax Exemption Agreement (LEED or Living Building Challenge)* dated July 28, 2020, as amended by that *First Amendment to Community Reinvestment Area Tax Exemption Agreement* dated January 4, 2025, (as amended, the "**Agreement**") where the Company agreed to remodel the historic 15-story office building located at 432 Walnut Street, Cincinnati, Ohio 45202 (the "**Property**") into a hotel with approximately 147 standard hotel rooms and 5 specialty hotel rooms, and a restaurant space on the first floor, as more particularly described in the Agreement (the "**Project**"). Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Agreement.

B. The Company has represented to the City that the Company has been working towards completing the Project with the intent to certify compliance of the remodeling with LEED standards, but the U.S. Green Building Council's LEED standards have changed since the Company and the City first executed the Agreement, and the Company will not obtain a LEED certification for the Project as currently proposed. The Company has requested that the City agree to amend the Agreement to remove the requirement that the Company certify compliance of the remodeling with LBC standards or LEED Silver, Gold, or Platinum standards.

C. The City, upon the recommendation of the Department of Community and Economic Development, is willing to amend the Agreement to remove the language requiring the Company to comply with LBC standards or LEED Silver, Gold, or Platinum standards in the Agreement, on and subject to the conditions of this Agreement.

D. This Amendment has been authorized by Ordinance No. ____-2025, passed by Cincinnati City Council on _____, 2025.

NOW, THEREFORE, the parties agree as follows:

1. **Removal of LEED Certified Abatement Eligibility.** Recital D. is hereby deleted and replaced with the following: "This recital is left intentionally blank."

2. **Removal of LEED Standards from Project Definition.** Recital F. is hereby deleted and replaced with the following:

F. The Company has proposed the remodeling of a building located on the Property within the boundaries of the City of Cincinnati, as more fully described in Section 1 herein (the "**Project**"); provided that the appropriate development incentives are available to support the economic viability of the Project.

3. **Amendment to Project and Real Property Tax Exemption.** Section 1 and Section 2 of the Agreement are hereby deleted in their entirety and replaced with the following:

Section 1. Project. Upon issuance of the necessary zoning and building approvals, the Company agrees to remodel the historic 15-story office building located on the Property into a hotel with approximately 147 standard hotel rooms and 5 specialty hotel

rooms, and a restaurant space on the first floor, containing in aggregate approximately 122,000 square feet of commercial space (the "Improvements") at an estimated aggregate cost of \$47,000,000 to commence after the execution of this Agreement and to be completed no later than December 31, 2026; *provided*, however, that the Director of the Department of Community and Economic Development (the "Housing Officer") may, in his or her discretion, extend such deadline for a period of up to 12 months by written notice if, in the Director's judgment, the Company is proceeding in good faith towards completion. The remodeling shall be in compliance with applicable building code requirements and zoning regulations. In addition to the foregoing, (A) the Project shall comply with the Americans with Disabilities Act, together with any and all regulations or other binding directives promulgated pursuant thereto (collectively, the "**ADA**"), and (B) if (i) any building(s) within the Project is subject to the accessibility requirements of the ADA (e.g., by constituting a "place of public accommodation" or another category of structure to which the ADA is applicable) and (ii) such building(s) is not already required to meet the Contractual Minimum Accessibility Requirements (as defined below) pursuant to the ADA, applicable building code requirements, or by any other legal requirement, then the Company shall cause such building(s) to comply with the Contractual Minimum Accessibility Requirements in addition to any requirements pursuant to the ADA and the applicable building code or legal requirement. As used herein, "**Contractual Minimum Accessibility Requirements**" means that a building shall, at a minimum, include (1) at least one point of entry (as used in the ADA), accessible from a public right of way, with respect to which all architectural barriers (as used in the ADA) to entry have been eliminated, and (2) if such accessible point of entry is not a building's primary point of entry, conspicuous signage directing persons to such accessible point of entry.

Section 2. Real Property Tax Exemption. Subject to the satisfaction of the conditions set forth in this Agreement, the City approves exemption from real property taxation, pursuant to and to the fullest extent authorized by the Statute, of 100% of the amount by which the Improvements increase the assessed value of the Property as determined by the Hamilton County Auditor, for a period of 15 years, provided that the Company shall have entered into the Board of Education Agreement. Within 120 days after completion of the Project (unless otherwise extended in writing by the City's Housing Officer), the Company must file the appropriate application for tax exemption with the City's Housing Officer. The Company is solely responsible to take this action. Upon receipt of the application for tax exemption, the City will proceed with the exemption authorized by this Agreement. In accordance with Ohio Revised Code Section 3735.67, the exemption is conditioned on verification by the Housing Officer of (A) the completion of **Error! Reference source not found.**, (B) the cost of **Error! Reference source not found.**, (C) the facts asserted in the application for exemption, and (D) if a remodeled structure is a structure of historical or architectural significance as designated by the City, state or federal government, that the appropriateness of the **Error! Reference source not found.** has been certified in writing by the appropriate agency. If the required verification is made, the Housing Officer will forward the exemption application to the Hamilton County Auditor with the necessary certification by the Housing Officer. Subject to the conditions set forth in this Agreement, the exemption commences the first tax year for which the Improvements would first be taxable were the Improvements not exempted from taxation. The dates provided in this paragraph refer to tax years in which the subject property is assessed, as opposed to years in which taxes are billed. No exemption shall commence after tax year 2027 nor extend beyond the earlier of (i) tax year 2041 or (ii) the end of the 15th year of exemption.

4. **Release**. In consideration of the City's execution of this Amendment, the Company hereby waives any and all defaults or failures to observe or perform any of the City's obligations under the Agreement and any other liability of any kind on the part of the City to the extent any such default, failure or liability occurred or arose before the Effective Date.

5. **Reaffirmation.** All terms of the Agreement not amended hereby or not inconsistent herewith shall remain in full force and effect, and the Agreement, as amended hereby, is hereby ratified and reaffirmed by the parties.

6. **Counterparts and Electronic Signatures.** This Amendment may be executed by the parties hereto in two or more counterparts and each executed counterpart shall be considered an original. This Amendment may be executed and delivered by electronic signature.

[Signature Page Follows]

Executed by the parties on the dates indicated below, effective as of the later of such dates (the "Effective Date").

CITY OF CINCINNATI

TRACTION PARTNERS, LLC

By: _____
Sheryl M. M. Long, City Manager

Date: _____, 2025

By: _____

Printed Name: _____

Title: _____

Date: _____, 2025

Approved as to Form:

Assistant City Solicitor

Certified Date: _____

Fund/Code: _____

Amount: _____

By: _____
Steve Webb, City Finance Director