

**SECOND AMENDMENT
to the
Job Creation Tax Credit Agreement**

This Second Amendment to the Job Creation Tax Credit Agreement (this “**Amendment**”) is entered into as of the Effective Date (as defined on the signature page hereof) by and between the CITY OF CINCINNATI (the “**City**”), and CORE SPECIALTY INSURANCE SERVICES, INC. (formerly known as Starstone US Intermediaries, Inc.), a New Jersey corporation (“**Grantee**”).

Recitals:

A. The City and Grantee are currently parties to a *Job Creation Tax Credit Agreement* dated November 1, 2021, amended by a *First Amendment to the Job Creation Tax Credit Agreement* dated February 6, 2024 (as amended, the “**Agreement**”), pursuant to which the City agreed to provide Grantee a four-year, 35% tax credit applicable to the City’s tax on net profits under Cincinnati Municipal Code Chapter 311 to facilitate the creation and retention of jobs in Cincinnati by Grantee at its 201 E. Fifth Street, Cincinnati, Ohio location (the “**Project Site**”). Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Agreement.

B. Grantee has informed the City of its intent to expand its operations by making an additional investment of no less than \$1,500,000 in leasehold improvements at the Project Site and creating 50 additional new jobs at the Project Site with an associated \$4,750,000 annual payroll, in addition to the 80 initial new jobs Grantee committed to hiring as required under the terms of the Agreement (before giving effect to this Amendment).

C. In order to facilitate this expansion, the parties desire to amend the Agreement to (i) extend the City Tax Credit Term from 4 years to 7 years, (ii) provide for additional Minimum Expenditures that Grantee will expend to accomplish the Project of no less than \$1,500,000 to be expended by December 31, 2026, for a total amount of Minimum Expenditures of no less than \$4,425,000, (iii) provide that Grantee will, within 6 years of the Determination Date, employ an additional Number of New Employees at the Project Site equal to at least 50, with an annual aggregate payroll for said New Employees of no less than \$4,750,000, (iv) modify the Employment Retention Period to commence in Tax Year 2024 and continue for a 13-year period thereafter, and (v) modify the City Income Tax Credit’s annual refund cap available to Grantee from the lesser of \$45,000 or 35% of the New Income Tax Revenue, to be the lesser of \$60,000 or 45% of the New Income Tax Revenue.

D. The City is willing to amend the Agreement accordingly, subject to the terms and conditions of this Amendment.

NOW THEREFORE, in consideration of the mutual covenants and agreements herein, the parties agree to amend the Agreement as follows, effective as of the Effective Date:

1. **Amendment to Definitions – City Tax Credit Term.** Section 2(B) of the Agreement is hereby deleted in its entirety and replaced with the following:

(B) “**City Tax Credit Term**” means the 7-year period commencing in Tax Year 2024 and continuing through Tax Year 2030.

2. **Amendment to Definitions – Employment Retention Period.** Section 2(D) of the Agreement is hereby deleted in its entirety and replaced with the following:

(D) **“Employment Retention Period”** means a 13-year period commencing as of the start of the City Tax Credit Term.

3. **Amendment to Minimum Expenditures.** Section 3(B) of the Agreement is hereby deleted in its entirety and replaced with the following:

(B) **Minimum Expenditures.** The Grantee agrees to expend a minimum of \$2,925,000 (the **“Initial Minimum Expenditure”**) on or before December 31, 2025 to accomplish the Project, and agrees to expend a minimum of \$1,500,000, in addition to the Initial Minimum Expenditure, on or before December 31, 2026 for the Project.

4. **Amendment to Minimum Number of New Employees.** Section 3(C) of the Agreement is hereby deleted in its entirety and replaced with the following:

(C) **Minimum Number of New Employees.** Grantee agrees to employ, no later than (i) May 18, 2024 (being the date that is three (3) years from the Determination Date), a Number of New Employees at the Project Site equal to at least fifty-five (55) with the aggregate annual payroll of said New Employees being equal to at least \$7,960,000 and with the minimum average annual salary of no less than \$144,727, (ii) May 18, 2026 (being the date that is five (5) years from the Determination Date), an additional Number of New Employees at the Project Site equal to at least twenty-five (25) with the aggregate annual payroll of said additional New Employees being equal to at least \$2,288,000 and with the minimum average annual salary of no less than \$91,520, and (iii) May 18, 2027 (being the date that is five (6) years from the Determination Date), an additional Number of New Employees at the Project Site equal to at least fifty (50) with the aggregate annual payroll of said additional New Employees being equal to at least \$4,750,000 and with the minimum average annual salary of no less than \$95,000. Each aforementioned minimum Number of New Employees being, with respect to its applicable time period, the **“Minimum Number of New Employees”**.

5. **Amendment to Amount of City Income Tax Credit.** Section 4(B) of the Agreement is hereby deleted in its entirety and replaced with the following:

(B) **Amount of Credit.** The amount of the City Income Tax Credit shall be the lesser of \$60,000 or forty-five percent (45%) of any New Income Tax Revenue in a given Tax Year. The City Income Tax Credit shall be applied against net profits tax due to the City (pursuant to CMC Chapter 3111) from the Grantee for such Tax Year. The City Income Tax Credit shall be allowed only after the allowance of all other credits and deductions under CMC Chapter 311. If the City Income Tax Credit exceeds the Grantee's tax liability for such Tax Year, the City Income Tax Credit shall be fully refundable.

6. **Grantee's Representations and Warranties.** Grantee hereby represents and warrants to the City that, after giving effect of this Amendment, no event of default has occurred or is continuing under the Agreement.

7. **Release.** In consideration of the City's execution of this Amendment, Grantee 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.

8. **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.

9. **Waiver.** In consideration of the City's execution of this Amendment, Grantee hereby waives any and all defaults or failures on the part of the City to observe or perform the City's obligations under the Agreement to the extent any such default or failure occurred on or prior to the Effective Date of this Amendment.

10. **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 but all of which together shall constitute one and the same instrument. This Amendment may be executed and delivered by electronic signature; any original signatures that are initially delivered electronically shall be physically delivered as soon as reasonably possible.

[Signature Page Follows]

The parties have executed this Amendment on the dates indicated below, effective as of the later of such dates (the "**Effective Date**").

CITY OF CINCINNATI
an Ohio municipal corporation

CORE SPECIALITY INSURANCE SERVICES, INC.
(formerly known as Starstone US Intermediaries,
Inc.)
a New Jersey corporation

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

Date: _____

By: _____

Name: _____

Title: _____

Date: _____

Approved as to Form:

Assistant City Solicitor

Certified Date: _____

Fund/Code: _____

Amount: _____

By: _____
Steve Webb, City Finance Director