

FIRST AMENDMENT
to
Community Reinvestment Area Tax Exemption Agreement
(*LEED or Living Building Challenge*)

THIS FIRST AMENDMENT TO COMMUNITY REINVESTMENT AREA TAX EXEMPTION AGREEMENT (this "Amendment") is made and entered into on the Effective Date (as defined on the signature page hereof) by and among the **CITY OF CINCINNATI**, an Ohio municipal corporation (the "City"), **PARAMOUNT SQUARE, LLC**, an Ohio limited liability company (the "Company"), and the **PORT OF GREATER CINCINNATI DEVELOPMENT AUTHORITY d/b/a GREATER CINCINNATI REDEVELOPMENT AUTHORITY**, an Ohio port authority (the "Owner").

Recitals:

A. The City, the Company, and the Owner are parties to a *Community Reinvestment Area Tax Exemption Agreement* dated January 30, 2018 (the "Agreement"), pertaining to the remodeling of an existing building at 900 E. McMillan Street, Cincinnati, Ohio 45206 (the "Property") into approximately 24,671 square feet of commercial space and approximately 15 residential units, as more particularly described therein (the "Project"), which Project was to be completed no later than May 31, 2019. Capitalized terms used herein but not defined herein shall have the meanings ascribed to them in the Agreement.

B. The Company completed the Improvements to the Property as required by the terms of the Agreement.

C. Pursuant to the Statute, and more particularly Ohio Revised Code ("ORC") Section 3735.67(D)(1), a legislative authority may extend a period of exemption from real property taxation for up to 10 years if the property is a structure of historical or architectural significance, is a certified historic structure that has been subject to federal tax treatment under 26 U.S.C. 47 and 170(h), and the residential units within the structure have been leased to individual tenants for 5 consecutive years.

D. The Company has represented to the City that the Property satisfies the aforementioned criteria and is eligible for an extension of real property tax exemption under ORC Section 3735.67(D)(1), and has requested the City grant an extension of the real property tax exemption, which was initially for a period of 15 years.

E. The City, upon the recommendation of the Department of Community and Economic Development, is willing to amend the Agreement to extend the real property tax exemption provided under the Agreement for a period of 10 years in consideration of the Company's commitment to lease and make available 40% of the residential units on the Property to families at or below 80% Area Median Income ("AMI") for Cincinnati, as established by the U.S. Department of Housing and Urban Development, and as may be updated from time to time, all as further described herein. The City is agreeable to doing so on and subject to the terms and conditions of this Amendment.

F. Following the execution of the Agreement, the City and the Board of Education entered into that certain *Tax Incentive Agreement*, executed on April 28, 2020, pursuant to which the Board of Education approved exemptions of up to 100% of Community Reinvestment Area projects on and after April 28, 2020, waived advance notice and right to review such projects, and waived sharing or allocation of municipal income taxes in connection with such projects.

G. Execution of this Amendment was authorized by Ordinance No. ____ - ____, passed by City Council on _____, ____.

NOW, THEREFORE, the parties agree as follows:

1. Board of Education of the Cincinnati School District. Recital N. and Recital O. are hereby deleted and replaced with the following:

N. The Board of Education of the Cincinnati School District (the "Board of Education"), pursuant to an agreement with the City entered into on July 2, 1999 (as amended), and that certain *Tax Incentive Agreement*, effective as of April 28, 2020, has approved exemptions of up to 100% of Community Reinvestment Area projects, waived advance notice and right to review such projects, and waived sharing or allocation of municipal income taxes in connection with such projects.

O. The Company has entered into an agreement with the Board of Education for the Initial Term (as defined below), which requires the Company to pay the Board of Education amounts equal to 25% of the full amount of exempt real property taxes that would have been paid to Hamilton County if this Agreement were not in effect (the "1999 Board of Education Agreement"). The Company will enter into an agreement with the Board of Education for the term of the Historic Extension (as defined below), which will require the Company to pay the Board of Education amounts equal to 33% of the full amount of exempt real property taxes that would have been paid to Hamilton County if this Agreement were not in effect (the "2020 Board of Education Agreement"). The 1999 Board of Education Agreement and the 2020 Board of Education Agreement are collectively referred to herein as the "Board of Education Agreement".

2. Reporting. Section 17 of the Agreement is hereby deleted in its entirety and replaced with the following:

Section 17. Annual Review and Report; Affordability Reporting Requirements.

A. Annual Review and Report. As required by Ohio Revised Code Sections 3735.671(C)(7) and 5709.85, the Company shall provide to the City's Tax Incentive Review Council (or to the City Manager if so requested by the City) any information reasonably required by the Council or the City Manager to evaluate the Company's compliance with this Agreement, including returns filed pursuant to Ohio Revised Code Section 5711.02 if requested by the Council or City Manager. The performance of the Company's obligations stated in this Agreement shall be subject to annual review by the City's Tax Incentive Review Council (the "Annual Review and Report"). The Company shall submit information for the Annual Review and Report to the City no later than March 1 of each year.

B. Affordability Reporting Requirements. In addition to the Annual Review and Report, commencing on March 1, 2026, and continuing each year thereafter, the Company shall verify its continued compliance with the affordability terms contained in Exhibit C (Affordability Requirements) hereto, by certifying project rents and verifying tenant eligibility by submitting to the City a *Tenant Profile Income Verification Form* for all households occupying Affordable Units. The *Tenant Profile Income Verification Form* must be signed by and certified by each tenant and indicate that the information is complete and accurate.

3. Affordability Requirements. The following new Section 38 shall be added and incorporated into the Agreement:

Section 38. Affordability Requirements. The Company shall lease and make available at least [] residential units on the Property (the "Affordable Units") to qualifying households with a household income that is at or below 80% AMI for comparably sized households (the "Affordability Requirements") for a period beginning on January 1, 2025, and continuing through the end of the abatement period provided pursuant to this Agreement,

including the term of the Historic Extension (the "Affordability Period"). During the Affordability Period, the Company shall: (i) maintain the Affordable Units and the Property as decent, safe, and sanitary housing in good repair and in compliance with all City of Cincinnati Building Code requirements, (ii) lease the Affordable Units to qualifying households at affordable rents in accordance with those requirements set forth in Exhibit C, and (iii) comply with all other Affordability Requirements set forth in Exhibit C. The Company shall execute an affidavit of facts relating to title memorializing the Company's commitment to abide by the Affordability Requirements in the form of Exhibit D (Form of Affidavit) hereto (the "Affordability Affidavit"), or in such other form as may be required by the City. The Affordability Affidavit shall be recorded at the Company's sole expense with a copy delivered to the City within 3 days of recording.

4. Historic Extension. The following new Section 39 shall be added and incorporated into the Agreement:

Section 39. Historic Extension. The parties acknowledge that the Company is eligible for an extension of the abatement term because of the historical significance of the Property for up to ten years pursuant to the Statute, as may be amended from time to time, based upon the Company's representations that the Property (a) is a structure of historical or architectural significance, (b) is a certified historic structure that has been subject to federal tax treatment under 26 U.S.C. 47 and 170(h), and (c) has residential units within the structure located thereon that have been leased to individual tenants for at least 5 consecutive years. Based upon the Company's aforementioned representations and the City's review of documentation evidencing compliance with the Statute, following the end of the initial abatement term provided pursuant to this Agreement (the "Initial Term"), the City approves the 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 an additional period of 10 years (the "Historic Extension"), provided that the Company has entered into the 2020 Board of Education Agreement. Notwithstanding the last sentence of Section 2 hereof, no exemption shall extend beyond the earlier of (i) tax year 2043 or (ii) the end of the 25th year of exemption (being the 10th year of the Historic Extension).

5. General Indemnity. The following new Section 40 shall be added and incorporated into the Agreement:

Section 40. General Indemnity. Notwithstanding anything in this Agreement to the contrary, as a material inducement to the City to enter into this Agreement, the Company shall defend, indemnify, and hold the City, its officers, council members, employees, and agents (collectively, the "Indemnified Parties") harmless from and against any and all actions, suits, claims, losses, costs (including, without limitation, attorneys' fees), demands, judgments, liability, and damages (collectively, "Claims") suffered or incurred by or asserted against the Indemnified Parties as a result of or arising from the acts of the Company, its agents, employees, contractors, subcontractors, licensees, invitees, or anyone else acting at the request of the Company in connection with the Project. The Company's indemnification obligations under this paragraph shall survive the termination or expiration of this Agreement with respect to Claims arising prior thereto.

6. Exhibits. Exhibit C (Affordability Requirements) and Exhibit D (Form of Affidavit) attached hereto, are hereby incorporated into and made a part of the Agreement and, on and after the Effective Date hereof, shall be deemed to be Exhibit C and Exhibit D for all purposes of the Agreement.

7. General Provisions.

(A) Release. In consideration of the City's execution of this Amendment, the Company and the Owner each hereby waive 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 of this Amendment.

(B) Ratification. 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.

(C) Counterparts; 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.

[Signature Page Follows]

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

CITY OF CINCINNATI

PARAMOUNT SQUARE, LLC,
an Ohio limited liability company

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

By: _____
Robert L. Maly, Managing Member

Date: _____, 2024

Date: _____, 2024

**PORT OF GREATER CINCINNATI
DEVELOPMENT AUTHORITY d/b/a GREATER
CINCINNATI REDEVELOPMENT AUTHORITY**

By: _____
Laura Brunner, President & CEO

Date: _____, 2024

Approved as to Form:

Assistant City Solicitor

Certified Date: _____

Fund/Code: _____

Amount: _____

By: _____
Karen Alder, City Finance Director

Exhibit C

Affordability Requirements

The Company shall abide by the following requirements during the Affordability Period:

1. Maintenance. Throughout the Affordability Period, the Company shall maintain the Property as decent, safe and sanitary housing in good repair in compliance with the ongoing property condition standards of the Cincinnati Building Code, and any other applicable laws, as demonstrated by an on-site inspection which shall occur upon written request by the City and shall keep all dwelling units available for rent during that period. The Company shall give special attention to preventive maintenance of the Property and purchase the materials, equipment, tools, appliances, supplies and services necessary to maintain the Property in good and safe condition and repair. The Company shall receive and investigate systematically and promptly all service requests from tenants and City officials, take action as may be justified, and keep records of the same.

2. Reserved.

3. Leasing of Affordable Units to Qualifying Households. Throughout the Affordability Period, the Company shall ensure that all the completed Affordable Units at the Property are leased to households with an annual household income (as defined in 24 CFR 5.609) that is equal to or below the applicable area median income limits set forth in Section 38 of this Agreement.

4. Income Recertification.

(A) Verification Procedure. The Company shall verify an occupant's income (i) annually (including, without limitation, at the time of lease renewal or changes in income) through a statement and certification from the occupant, and (ii) at least once every 6 years during the Affordability Period using third party source documentation supplied by the occupant. On an annual basis, the Company shall verify its continued compliance with the affordability terms of this Exhibit by certifying project rents and verifying tenant eligibility by submitting to the City a *Tenant Profile Income Verification Form* for all households occupying Affordable Units. The *Tenant Profile Income Verification Form* must be signed by and certified by each tenant and indicate that the information is complete and accurate.

(B) Changes in Income and Over-income Households. In the event that a tenant's household income exceeds the applicable income limits during a tenancy, the tenant who becomes over income after initial income certification will be allowed to stay in the unit. Such change in annual income shall not prohibit an extension to the original lease term with the same occupant, so long as the occupant complied with the household income requirements at the execution of the initial lease agreement. A qualifying or low-income household that is not low-income at the time of income recertification (i.e., whose income is above 80% AMI must pay as rent the lesser of the amount payable by the tenant under State or local law or 30% of the family's adjusted income. If a household's current annual income exceeds the eligibility limit, the unit continues to qualify as an Affordable Unit as long as the Company fills the next available unit with an eligible, qualifying household. The next available unit would be one of similar or larger size than the one occupied by the over-income tenant. The Company shall collect such compliance documentation in such form as required by DCED and which form may be updated from time to time throughout the Affordability Period. Throughout the Affordability Period, the Company shall comply with, and shall cause each tenant to comply with, all other City verification and compliance reporting requirements.

5. Terms for Tenancies; Tenant Protections.

(A) Written Rental Agreement. The Company shall rent all dwelling units pursuant to a written rental agreement approved by the City for compliance with Chapter 5321 of the Ohio Revised Code and Chapter 871 of the Cincinnati Municipal Code and shall submit its form of written rental agreement to the City on an annual basis, in accordance with its reporting requirements under this Agreement. The written rental agreement shall not contain any of the prohibited lease terms specified in Section 5321.13 of the Ohio Revised Code. The Company shall ensure that a copy of the written rental agreement must be signed by both the tenant and the Company (or the Company's property management entity); maintained in the Company's files and submitted to the City along with the *Tenant Profile Income Verification Form*.

(B) Limited Termination; Notice Requirements. The Company may not terminate the tenancy or refuse to renew the lease of a tenant except for serious or repeated violation of the terms and conditions of the rental agreement. The Company must give the tenant written notice of the termination, specifying the grounds therefor, no less than 30 days prior to the effective date of the termination. Nothing in this paragraph shall prevent the Company from terminating the tenancy of a tenant for nonpayment of rent (if applicable), provided that the Company has complied with the rent limitations of Section 7. To terminate or refuse to renew tenancy for any household occupying an Affordable Unit, the Company must serve written notice upon the tenant at least 30 days prior to terminating the tenancy, specifying the grounds for the termination or nonrenewal.

6. Documentation. At the time of executing an initial lease agreement with a tenant of an Affordable Unit, the Company shall collect documentation of family size and household income from tenants of all of the Affordable Units in order to document compliance with the affordability requirements herein. The Company shall collect such compliance documentation in such form as required by DCED and which form may be updated from time to time. The Company is also responsible for ensuring that the lease terms for Affordable Units at all times comply with the Affordability Requirements. The Company shall provide documentation to the City demonstrating compliance with the Affordability Requirements in accordance with this Agreement.

7. Rent Limitation. The Company shall not charge rent to any tenant occupying an Affordable Unit that exceeds 30% of the annual income of a family whose annual income equals 80% of the median income for the Cincinnati metropolitan area, as determined and established by the U.S. Department of Housing and Urban Development, with adjustments for the number of bedrooms in the unit.

8. Project Occupancy. The Company shall use its best efforts to ensure all Affordable Units are occupied by eligible, qualifying households on or before the commencement of the Affordability Period and submit information to the City on its efforts to fill such units for qualifying households.

9. Condominium Conversion. During the Affordability Period, the Company shall not convert any dwelling units in the Project to condominium ownership or to any form of cooperative ownership.

10. Third-Party Beneficiaries. The Company and the City acknowledge that the tenants of the Affordable Units are intended third-party beneficiaries of the Affordability Requirements, and such tenants shall have the ability, but not the obligation, to enforce the terms of the Affordability Requirements against the Company; *provided however*, nothing herein shall permit the City and the Company from amending the terms of the Agreement, including the Affordability Requirements, in their sole discretion and without consent of the tenants of Affordable Units and no City liability or obligations to tenants of Affordable Units is intended to be created by this section. The Company shall be liable for all costs and damages, including without limitation attorneys' fees, suffered or incurred by a tenant of an Affordable Unit in connection with enforcement of the Affordability Requirements.

Exhibit D

Form of Affidavit

SEE ATTACHED

_____ space above for Recorder's office _____

AFFIDAVIT OF FACTS RELATING TO TITLE

(memorializing the Affordability Requirements contained in a Community Reinvestment Area Tax Exemption Agreement among the City of Cincinnati, Paramount Square, LLC, and Port of Greater Cincinnati Development Authority)

STATE OF OHIO)
) SS:
COUNTY OF HAMILTON)

The undersigned affiant, _____, the _____ of Paramount Square, LLC (the "**Company**"), and on behalf of the Company, being first duly cautioned and sworn, deposes and says that:

1. The Company has entered into that certain *Community Reinvestment Area Tax Exemption Agreement* with the City of Cincinnati (the "**City**") dated _____, 20____ (as the same may hereafter be amended, restated, or replaced from time to time, the "**Agreement**"), pertaining to the remodeling of the property described on Exhibit A (*Legal Description*) hereto (the "**Property**").

2. The Port of Greater Cincinnati Development Authority is the sole owner of the Property and has entered into a lease agreement with the Company pursuant to a certain _____, dated _____.

3. Pursuant to the terms of the Agreement, the Company agreed to hold the Property upon the following terms for a period beginning on January 1, 2025, and continuing until the end of the term of the Agreement and corresponding abatement period, with occupancy of the residential units to decent, safe, and sanitary occupancy standards, as more particularly described on Exhibit B (*Affordability Requirements*) hereto (the "**Affordability Restrictions**").

4. The Company executes this Affidavit for the purpose of memorializing the existence of the Agreement and providing notice that successors in interest to the Property may be subject to the Affordability Restrictions while the abatement provided for pursuant to the Agreement remains in place.

SIGNATURE PAGE FOLLOWS

Executed on the dates of acknowledgment set forth below.

COMPANY:

PARAMOUNT SQUARE, LLC,
an Ohio limited liability company

By: _____
Name: _____
Title: _____

STATE OF OHIO,
COUNTY OF HAMILTON, SS:

The foregoing instrument was acknowledged before me this ____ day of _____, 2024, by _____, the _____ of Paramount Square, LLC, an Ohio limited liability company.

Notary Public
My Commission Expires: _____

Approved as to Form:

Assistant City Solicitor

This instrument prepared by:
City of Cincinnati Law Department
City Hall, Suite 214
801 Plum Street
Cincinnati, Ohio 45202

Exhibit A
to Affidavit of Facts Relating to Title
Legal Description

Property Address: 900 E. McMillan Avenue, Cincinnati, Ohio 45206

Auditor Parcel No.: 067-0003-0001-00

Exhibit B
to Affidavit of Facts Relating to Title
Affordability Requirements

TO BE ATTACHED TO EXECUTION VERSION