

FIRST AMENDMENT
to
Community Reinvestment Area Tax Exemption Agreement

THIS FIRST 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 among the CITY OF CINCINNATI, an Ohio municipal corporation (the "**City**"), and RHINEGEIST PROPERTIES, LLC, an Ohio limited liability company, and RHINEGEIST, LLC, an Ohio limited liability company (together, the "**Company**").

Recitals:

A. The City and the Company are parties to a *Community Reinvestment Area Tax Exemption Agreement* dated January 9, 2015 (the "**Agreement**"), where the Company agreed to remodel an existing building located at 1910 Elm Street, Cincinnati, Ohio 45202 (the "**Property**"), into a brewery manufacturing facility and bar 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 informed the City that the Project was not completed by the December 31, 2015, completion deadline set forth in the Agreement, but the Company completed the Project on October 4, 2016, as evidenced by a certificate of occupancy. The Company has requested that the City amend the Agreement to extend the completion deadline for the Project to October 4, 2016, and amend the commencement of the abatement to no later than 2016. The City is agreeable to amending the completion deadline and the abatement commencement deadline, on and subject to the terms and conditions of this Amendment.

C. The Company has represented to the City that the Project is in need of unexpected repairs. The Company has requested that the City agree to amend the Agreement to extend the tax abatement an additional 5 years to help the Company absorb the additional costs of repairs and continue to grow.

D. The Company has represented to the City that the roofing and façade improvements will create temporary construction jobs while retaining 265 existing full-time equivalent jobs at the Property and change the estimated cost of improvements to \$4,049,976.

E. The City, upon the recommendation of the Department of Community and Economic Development, is willing to amend the Agreement to extend the abatement term by 5 years to account for the additional improvements to the Property.

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. The Company has entered into (or will enter into) a second agreement with the Board of Education requiring the Company to pay the Board of Education amounts equal to thirty-three percent (33%) of the full amount of exempt real property taxes for the Additional Abatement Period (as defined below) that would have been paid to the Hamilton County Auditor if the Agreement, as amended hereby, was not in effect (the "Board of Education Agreement").

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

NOW, THEREFORE, the parties agree as follows:

1. **Board of Education of the Cincinnati School District.** Recital L. and Recital M. are hereby deleted and replaced with the following:

- L. The Board of Education of the Cincinnati School District (the "Board of Education"), pursuant to (i) an agreement with the City entered into on July 2, 1999 (as amended), and (ii) a *Tax Incentive Agreement*, effective as of April 28, 2020, each entered into between the Board of Education and the City, has approved exemptions of up to one hundred percent (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; and
- M. The Company has entered into (or will enter into) (i) during the Initial Abatement Period (as defined in Section 2), an agreement with the Board of Education requiring the Company to pay the Board of Education amounts equal to twenty-five percent (25%) of the full amount of exempt real property taxes that would have been paid to the Hamilton County Auditor if this Agreement were not in effect (the "1999 Board of Education Agreement"); and (ii) during the Additional Abatement Period (as defined in Section 2), an agreement with the Board of Education requiring the Company to pay the Board of Education amounts equal to thirty-three percent (33%) of the full amount of exempt real property taxes that would have been paid to the Hamilton County Auditor if this Agreement were not in effect (the "2020 Board of Education Agreement", and together with the 1999 Board of Education Agreement, the "Board of Education Agreement").

2. **Project Cost and Completion.** With reference to Section 1 of the Agreement, the phrase "at an estimated aggregate cost of Two Million Two Hundred Thousand Dollars (\$2,200,000) to commence after the execution of this Agreement and to be completed no later than December 31, 2015." is hereby deleted and the phrase "at an estimated aggregate cost of \$4,049,976 to commence after the execution of this Agreement and to be completed no later than October 4, 2016." is inserted in its place.

3. **Real Property Tax Exemption.** Section 2 of the Agreement is hereby deleted and replaced with the following:

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 one hundred percent (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 ten (10) years, provided that the Company shall have entered into the 1999 Board of Education Agreement. After completion of the Project, the Company must file the appropriate application for tax exemption with the City's Housing Officer for the City of Cincinnati, the Director of the City's Department of Community and Economic Development (the "Housing Officer"), to proceed with the exemption authorized by this Agreement. The Company is solely responsible to take this action. In accordance with Ohio Revised Code Section 3735.67, the exemption is conditioned on verification by the Housing Officer of (A) the completion of remodeling, (B) the cost of remodeling, (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 remodeling 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 2016 nor extend beyond the earlier of (i) tax year 2025 or (ii) the end of the tenth (10th) year of exemption (the "Initial Abatement Period"). Commencing at the end of the tenth (10th) year of the exemption, the exemption shall continue an additional five (5) years, to end no later than the end of tax year 2030 (the "Additional Abatement Period").

4. **Jobs.** Section 12 of the Agreement is hereby deleted and replaced with the following:

Section 12. **Jobs.** At the start of the Initial Abatement Period, the Company represents that the Company will have twenty-five (25) existing full-time employees with annual payroll of approximately one million dollars (\$1,000,000) at the Property or in the State. At the start of the Additional Abatement Period, the Company represents that the Company will have 265 existing full-time employees with annual payroll of approximately \$15,500,000 at the Property (the "Retained Jobs"). The Company agrees to use its best efforts to cause the Retained Jobs to be retained at the Property.

5. **Job Creation and Retention.** Section 13. A. and B. of the Agreement are hereby deleted and replaced with the following:

A. **Jobs to be Created by Company.** During the Initial Abatement Period, the Company agrees to use its best efforts to create thirty (30) full-time temporary construction jobs at the Property in connection with the Project. The job creation period during the Initial Abatement Period shall begin upon execution of this Agreement and shall end three (3) years thereafter.

B. **Company's Estimated Payroll Increase.** The Company's increase in the number of employees during the Initial Abatement Period will result in approximately Nine Hundred Thousand Dollars (\$900,000) of additional annual payroll, all of which shall be for the full-time temporary construction jobs described above. The Company's increase in the number of employees during the Additional Abatement Period will result in approximately \$600,000 of additional annual payroll, all of which shall be for the full-time temporary construction jobs described above.

6. **Annual Fee.** Section 18 of the Agreement is hereby deleted and replaced with the following:

Section 18. **Annual Fee.** The Company shall pay an annual fee of Five Hundred Dollars (\$500) or one percent (1%) of the annual taxes exempted under this Agreement, whichever is greater, but not to exceed Two Thousand, Five Hundred Dollars (\$2,500) per annum. This fee is due with submission of the information for Annual Review and Report by March 1 of each year.

7. **General Indemnity.** The following new Section 35 shall be added and incorporated into the Agreement:

35. **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.

8. **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.

9. **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.

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. 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
an Ohio municipal corporation

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

Date: _____, 2025

RHINEGEIST PROPERTIES, LLC,
an Ohio limited liability company

By: _____

Printed Name: _____

Title: _____

Date: _____, 2025

RHINEGEIST, LLC,
an Ohio limited liability company

By: _____

Printed Name: _____

Title: _____

Date: _____, 2025

Approved as to Form:

Assistant City Solicitor

Certified Date: _____

Fund/Code: _____

Amount: _____

By: _____
Steve Webb, City Finance Director