

**BOARD OF DIRECTORS
MIDDLETOWN PORT AUTHORITY**

The Board of Directors (the "Board") of the Middletown Port Authority (the "Port Authority"), met on February 3, 2025, at 2:00 p.m., at One Donham Plaza, Middletown, Ohio 45042, with the following members participating:

It was moved by Nathan Cahall and seconded by Ken Cohen that the following resolution be adopted:

RESOLUTION NO. 2025-1

A RESOLUTION (I) APPROVING THE EXECUTION AND DELIVERY OF A FIRST AMENDMENT TO PROJECT LEASE WITH KPG MIDDLETOWN, LLC; (II) APPROVING THE PROVISION OF OHIO SALES AND USE TAX EXEMPTION CERTIFICATES FOR THE PURCHASE OF BUILDING AND CONSTRUCTION MATERIALS INCORPORATED INTO PHASE II OF THE PROJECT AND (III) AUTHORIZING AND APPROVING RELATED MATTERS.

WHEREAS, the Middletown Port Authority (the "Authority"), by virtue of the laws of the State of Ohio, particularly Ohio Revised Code Sections 4582.21 through 4582.59 (the "Act") and the authorities therein mentioned, as well as Resolution No. 2022-01 entered into a transaction with KPG Middletown, LLC dated on or about November 10, 2022 (i) to acquire a leasehold interest in certain real property in the City of Middletown, Ohio, consisting of approximately 39.6 acres (the "Project Site") by operation of a Ground Lease (the "Ground Lease") between KPG Middletown, LLC (collectively, with its affiliates, subsidiaries, and related entities, the "Developer"), as ground lessor, and the Authority, as ground lessee; (ii) to acquire title to one or more structures and other site improvements to be located on the Project Site consisting primarily of up to 21 multi-family buildings and an approximately 3,500 square-foot club house facility and related improvements, together with appurtenances related thereto, consisting of approximately 15 multi-family buildings and the club house ("Phase 1" as defined in the Project Lease) to be leased to KPG Middletown, LLC for its operations (collectively, the "Project") and to lease the Project and the Project Site to the Developer by operation of a Project Lease (the "Project Lease") between the Authority, as lessor, and the Developer, as lessee; (iii) to provide one or more Recognition and Attornment Agreements and Acknowledgments of Mortgage (collectively, the "Recognition Agreement") to support the Developer's private financing of the initial acquisition of the Project Site and construction of the Project; (iv) to enter into a Construction Manager At-Risk Agreement (the "Construction Manager At-Risk Agreement") with the Developer relating to the Project; and (v) to enter into an Indemnification Agreement (the "Indemnification Agreement") with the Developer relating to the Project; and

WHEREAS, the Project Lease contemplated the future construction by Developer of approximately 6 additional multi-family buildings (“Phase 2” as defined in the Project Lease) and allowed Developer to request sales tax exemption certificates with respect to construction of Phase 2 upon the provision to the Authority of certain certifications, payment of a “Supplemental Closing Fee” to the Authority of \$93,240, and agreement by the Board to allow an amendment to the Project Lease so that Phase 2 becomes part of the “Project” identified therein; and

WHEREAS, the Developer delivered notice that it desires to proceed with Phase 2 and has requested that the Board issues sales tax exemption certificates in support of the same; and

WHEREAS, the Project is expected (i) to enhance the availability of adequate housing in the State of Ohio and to improve the general well-being of the State of Ohio, and (ii) to enhance, foster, aid, provide, or promote housing and economic development within the City of Middletown, Ohio;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Middletown Port Authority that:

Section 1. This Board does hereby find and determine, based upon the representations of the Developer, that:

(a) The Project, inclusive of Phase 2, is a “port authority facility” within the meaning of that term as defined in Ohio Revised Code Section 4582.21; and

(b) The Project, inclusive of Phase 2, is consistent with the purposes of (i) Ohio Constitution, Article VIII, Section 16, to enhance the availability of adequate housing in the State of Ohio and to improve the general well-being of the State of Ohio and (ii) Ohio Revised Code Section 4582.21(B)(1), to enhance, foster, aid, provide, or promote housing within the City of Middletown and Warren County.

Section 2. This Board hereby authorizes an amendment to the Project Lease to allow Phase 2 to become part of the Project (as defined therein) and consequently entitled to the issuance of sales tax exemption certificates, upon the same terms and conditions as are set forth in the Project Lease (the “Proposed Transaction”).

Section 3. This Board hereby authorizes the Chairperson of the Board, the Executive Director of the Authority, or the Fiscal Officer of the Authority, or any of them individually, and such officers are hereby authorized and directed to execute and deliver, for and in the name and on behalf of the Authority, an Amendment to the Project Lease and Memorandum of Amendment to Project Lease, in such form as shall not be materially adverse to the Authority and not otherwise inconsistent with this Resolution and the terms of the Project Lease. The execution of these documents by a duly authorized officer or officers of the Authority shall evidence conclusively that such form is not materially adverse to the Authority and that any conditions to its execution and delivery have been satisfied.

Section 4. The Chairperson of the Board, the Executive Director of the Authority, or the Fiscal Officer of the Authority, or any of them, are each authorized and directed to take such further actions and execute any certifications, financing statements, assignments, agreements,

instruments, and other documents that are necessary or appropriate to consummate the Proposed Transaction in accordance with this Resolution and the Project Lease. The Authority shall, at any and all times, cause to be done all such further acts and things and cause to be executed and delivered all such further instruments as may be necessary or appropriate to consummate the Proposed Transaction in accordance with this Resolution and the Project Lease or as may be required by the Act and shall comply with all requirements of law applicable to the Proposed Transaction.

Section 5. This Board hereby authorizes the Chairperson of the Board, the Executive Director of the Authority, or the Fiscal Officer of the Authority, or any of them, in anticipation of amendment to the Project Lease to include Phase 2 within the Project, to provide the Developer or its nominees with one or more appropriate certificates ("Exemption Certificates") to support the claim of an exemption from Ohio and Warren County sales and uses taxes that might otherwise apply with respect to the purchase of building and construction materials incorporated into structures or improvements to real property, within the meaning of Section 5739.02(B)(13), Ohio Revised Code, that constitute Project improvements ("Building Materials"). Upon completion of the Proposed Transaction, or at such other time as shall be determined by the Executive Director of the Authority, the Authority will (a) provide Exemption Certificates to the Developer for so long as shall be necessary to purchase all of the Building Materials for Phase 2.

Section 6. This Board finds and determines that all formal actions of this Board concerning and relating to the adoption of this Resolution were taken in an open meeting of this Board and that all deliberations of this Board and of any committees that resulted in those formal actions were in meetings open to the public in full compliance with applicable legal requirements.

Section 7. This Resolution shall be in full force and effect upon its adoption.

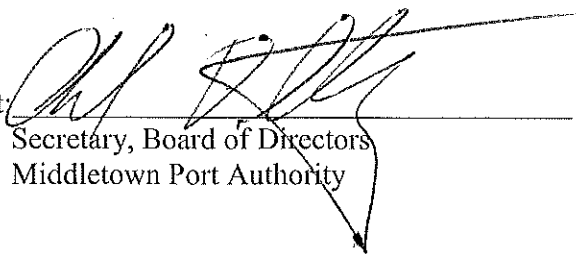
The foregoing motion having been put to vote, the result of the roll call was as follows:

Voting Aye: Nathan Cahall, Benjamin Woo, Ken Cohen, Mike Startberg, Greg Martin, Jim Kleingers
Voting Nay: N/A
Abstain: Elizabeth Slanka

The undersigned, Secretary of the Board of Directors of the Middletown Port Authority, does hereby certify that the foregoing is a true and correct copy of a resolution of the Middletown Port Authority, duly adopted Feb 3, 2025, and appearing upon the official records of that Board.

Adopted: Feb 3, 2025
Dated: Feb 3, 2025

Attest:


Secretary, Board of Directors
Middletown Port Authority