TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY

AND

BV-W5 ITHACA PROPERTY OWNER, LLC

SECOND AMENDMENT TO TAX AGREEMENT

Dated as of February 1, 2025

Affected Tax Jurisdictions:
Tompkins County
City of Ithaca
Ithaca City School District

Tax Map No.
69.-6-3.1

SECOND AMENDMENT TO PAYMENT IN LIEU OF TAX AGREEMENT

THIS SECOND AMENDMENT TO PAYMENT IN LIEU OF TAX AGREEMENT (the "Amendment"), dated as of the 1st day of February, 2025, is by and between **TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY,** a public benefit corporation duly existing under the laws of the State of New York with its registered offices located at 119 E. Seneca Street, Suite 200, Ithaca, New York 14850 (the "Agency") and **BV-W5 ITHACA PROPERTY OWNER, LLC,** a limited liability company duly organized and validly existing under the laws of the State of Delaware, with offices located at 353 N. Clark Street, Suite 730, Chicago, Illinois 60654 (the "Company").

W I T N E S S E T H :

WHEREAS, the Company and Agency entered into a certain Tax Agreement, dated as of December 1, 2021, as amended pursuant to that certain First Amendment to Tax Agreement, dated as of June 21, 2023 (as so amended, the "Tax Agreement") pursuant to which the Company receives certain real property tax benefits relating to the Project Facility (as defined in the PILOT Agreement"); and

WHEREAS, the Company and Agency desire to amend the Tax Agreement for the purposes of extending the term of the Tax Agreement by one (1) year to account for unanticipated delays in the construction of the Project Facility (as defined in the Tax Agreement).

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. Section 1.5 of the PILOT Agreement is hereby amended to read as follows:

1.5 Period of Benefits. The tax benefits provided for herein should be deemed to include (i) the **2028/2029** School District tax year through the **2037/2038** School District tax year, and (ii) the **2029** County and Town tax years through the **2038** County and Town tax years. This Tax Agreement **shall expire on December 31, 2038**; *provided, however*, the Company shall pay the 2038/2039 School District tax bill and the 2039 County and Town tax bills on the dates and in the amounts as if the Agency were not in title on the tax status date with respect to said tax years. In no event shall the Company be entitled to receive tax benefits relative to the Facility for more than the periods provided for herein, unless the period is extended by amendment to this Agreement executed by both parties after any applicable public hearings. The Company agrees that, during the term hereof, it will not seek any tax exemption for the Facility which could provide benefits for more than the periods provided for herein and specifically agrees that the exemptions provided for herein, to the extent actually received (based on the number of lease years elapsed), supersede and are in substitution of the exemptions provided by Section 485-b of the New York Real Property Tax Law ("RPLT"). It is hereby agreed and understood that the Affected Tax Jurisdictions can rely upon and enforce the above waiver to the same extent as if they were signatories hereto.

2. **Schedule A** is hereby replaced in its entirety with **Schedule A** attached hereto as **Exhibit A**.

3. Section 7(c) and new Section 7(d) of the Tax Agreement are hereby amended to read as follows:

(c) Notwithstanding anything in this Tax Agreement to the contrary, Permitted Transfers shall be permitted without notice to (except as set forth below) or consent from the Agency and without any changes in any terms of this Tax Agreement. "Permitted Transfers" shall mean: (a) any transfer, directly as a result of the death of a natural person, of stock, membership interests or other ownership interests previously held by the decedent in question to the person or persons lawfully entitled thereto; (b) a transfer by an individual of any direct or indirect interest in the Company in connection with the estate planning of such individual transferor to (1) an immediate family member (*i.e.*, a sibling, parent, spouse, child (or step-child), grandchild or other lineal descendant of the related person) of such interest holder, (2) a trust established for the benefit of such immediate family member, or (3) partnerships or limited liability companies of which the partners or members, respectively, are comprised entirely of the transferor and immediate family members of the transferor; (c) transfers or pledges of direct or indirect interests in the Company to a wholly owned subsidiary of the transferor; (d) transfers of direct or indirect interests in the Company resulting solely from the sale, transfer or issuance of shares of common stock in a publicly traded entity, provided such shares of common stock are listed on the New York Stock Exchange or another recognized stock exchange; ~~and~~ (e) other transfers or pledges of direct or indirect interests in the Company, provided that if any such transfer under this clause (e) would cause any transferee to hold a 30% or greater direct or indirect ownership interest (cumulative) in the Company (which transferee did not previously hold a 30% or greater ownership interest), the Company shall give notice to the Agency of such transfer not less than ten (10) days prior to the date of such transfer; so long as, in each case of clauses (a) through (e) above, after giving effect to any and all such transfers, there is not a Change of Control; **(f) transfer of this Tax Agreement, the Lease Agreement, the Leaseback Agreement and Project Agreement by foreclosure or deed in lieu of foreclosure (a "<u>Mortgage Transfer</u>") by a Lender with respect to a mortgage loan providing financing for the Project so long as the party so acquiring the Project (a "<u>Mortgage Transferee</u>") assumes the Company's obligations under this Tax Agreement, the Lease Agreement, the Leaseback Agreement and the Project Agreement arising from and after the date of acquisition and provided that, subject to the terms of any separate agreement between a Lender and the Agency, any amounts unpaid under this Tax Agreement, Project Agreement, the Lease Agreement and the Leaseback Agreement have been paid in full and any Event of Default that has occurred and is continuing shall have been cured in a timely fashion, (g) pledges, assignments and grants of security interests in, direct or indirect interests in the Company to a lender in the business of making mezzanine real estate loans providing financing for the Project and (h) transfer of the direct or indirect membership interests in the Company (including Control of the Company) by UCC sale or assignment in lieu thereof ("<u>Mezzanine Transfer</u>") by a mezzanine lender providing financing for the Project (the party so acquiring such interests, a "<u>Mezzanine Transferee</u>"; any Mortgage Transferee or Mezzanine Transferee referred to herein as a "<u>Foreclosure Owner</u>"). The occurrence of one or more Mezzanine Transfers or Mortgage**

Transfers shall not preclude any subsequent Mezzanine Transfer or Mortgage Transfer from constituting a Permitted Transfer as set forth herein.

(d) A resale of title to the Project or the direct or indirect membership interests in the Company, as applicable, by a Foreclosure Owner shall not require the consent of the Agency so long as the purchaser is a Qualified Buyer. The Foreclosure Owner shall provide the Agency with not less than thirty (30) days prior written notice of such resale accompanied by a detailed description of such Qualified Buyer and its proposed plan for use and operation of the Project. The Qualified Buyer shall upon timely request furnish any other information and documents which are reasonably required by the Agency in connection with the requested sale. The Qualified Buyer shall at closing assume the Company's obligations under this Tax Agreement, the Lease Agreement, Project Agreement and the Leaseback Agreement.

As used herein, the following defined terms shall have the meanings ascribed to them below:

"Blue Vista Entity" shall mean Blue Vista Capital Management, LLC, or any entity that is directly or indirectly Controlled by Blue Vista Capital Management, LLC, or its successor by merger or similar business reorganization event.

"Change of Control" shall mean the failure of a Blue Vista Entity to Control the Company.

"Control" shall mean the power, directly or indirectly, to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling", "controlled by" and "under common control with" have meanings correlative thereto.

"Lease Agreement" shall mean that certain Lease Agreement, dated as of December 1, 2021 between BVSHF III Ithaca, LLC, as lessor and Agency, as lessee, as modified by the Omnibus Agreement (the "Initial Over-Lease"), a memorandum of which was recorded in the Office of the Tompkins County Clerk on June 6, 2023 as Instrument Number 2023-04703, which memorandum was modified by the Omnibus Agreement (the "Lease Memorandum"), as amended by that certain First Amendment to Lease Agreement and Memorandum of Lease Agreement dated as of February 27, 2025 and to be recorded in such Clerk's Office (the "First Amendment to Over-Lease"), as lessor's interest therein has been assigned by BVSHF III Ithaca, LLC to the Company.

"Person" shall mean an individual, sole proprietorship, joint venture, association, trust, estate, business trust, corporation, nonprofit corporation, partnership, sovereign government or agency, instrumentality, or political subdivision thereof, or any similar entity or organization.

"Project Agreement" shall mean that certain Project Agreement, dated as of December 29, 2021 (the "Initial Project Agreement") by and between BVSHF III Ithaca, LLC and the Agency, as amended by that certain First Amendment to Project Agreement,

dated as of March 31, 2022 (the "First Amendment to Project Agreement"), as amended by that certain Omnibus Amendment Agreement dated as of June 21, 2023 and recorded in the Office of the Tompkins County Clerk on July 20, 2023 as Instrument Number 2023-06216 (the "Omnibus Agreement") and as further amended by that certain Second Amendment to Project Agreement dated as of February 27, 2025 (the "Second Amendment to Project Agreement"), as assigned by BVSHF III Ithaca, LLC to the Company.

"Qualified Buyer" shall mean a transferee of the Project or the direct or indirect membership interests in the Company which satisfied the following parameters:

(a) such transferee (together with its affiliates) has experience owning not less than 1000 residential housing units;

(b) such transferee has retained a Qualified Manager as property manager of the Project; and

(c) the Agency shall have received: (x) evidence that such proposed transferee and each party controlling or owning thirty (30%) percent or more of the proposed transferee (1) has never been indicted or convicted of, or pled guilty or no contest to, a felony, (2) has never been indicted or convicted of, or pled guilty or no contest to, a Patriot Act Offense and is not on any Government List, (3) has never been the subject of a voluntary or involuntary (to the extent the same has not been discharged) bankruptcy proceeding and (4) has no material outstanding judgments against it and (y) with respect to each party that is a natural person who will obtain Control or thirty (30%) percent or more ownership of the Company as a result of such proposed transfer, a credit check against such proposed transferee that is reasonably acceptable to the Agency; and

(d) the proposed transferee (and any party controlling same) shall not have been involved in litigation adverse to the Agency in the preceding five (5) years.

"Qualified Manager" shall mean a property manager of the Facility that (A) is a reputable, nationally or regionally recognized management company having at least five (5) years' experience in the management of multifamily rental properties , (B) at the time of its engagement as property manager has under management at least 1000 residential housing units and (C) is not the subject of a bankruptcy or similar insolvency proceeding.

4. Pursuant to Section 7 of the Tax Agreement, the Agency hereby consents to the assignment thereof from BVSHF III Ithaca, LLC to the Company.

5. Unless otherwise amended pursuant to the terms contained herein, the terms of the Tax Agreement shall remain unchanged.

6. All terms used but not defined herein shall have that meaning given to them in the Tax Agreement.

7. To the extent of any inconsistencies between this Amendment and the Tax

Agreement, the terms of this Amendment shall control.

8. This Amendment may be simultaneously executed in several counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument.

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[Signature Page to Second Amendment to Tax Agreement]

IN WITNESS WHEREOF, the Company and the Agency have caused this Second Amendment to Payment In Lieu of Tax Agreement to be executed in their respective names, all as of the date first above written.

BV-W5 ITHACA PROPERTY OWNER, LLC

By: ______________________________
Name: Jason Schwartz
Title: Authorized Signatory

TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY

By: ______________________________
Name: Kellea Bauda
Title: Co-Administrative Director

[Signature Page to Second Amendment to Tax Agreement]

IN WITNESS WHEREOF, the Company and the Agency have caused this Second Amendment to Payment In Lieu of Tax Agreement to be executed in their respective names, all as of the date first above written.

BV-W5 ITHACA PROPERTY OWNER, LLC

By: ______________________________
Name: Jason Schwartz
Title: Authorized Signatory

TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY

By: ______________________________
Name: Kellea Bauda
Title: Co-Administrative Director

EXHIBIT A

SCHEDULE A
TO
TAX AGREEMENT DATED AS OF
DECEMBER 1, 2021, AS AMENDED JUNE 1, 2023, AS FURTHER AMENDED FEBRUARY 1, 2025 BY AND BETWEEN
TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY
AND
BV-W5 ITHACA PROPERTY OWNER, LLC

"Total Tax Payment" shall mean an amount equal to the following:

Tax Year	City and County Tax Year	School District Tax Year	Total Taxable Valuation
Interim	2022; 2023; 2024; 2025; 2026; 2027; and 2028	2021/2022; 2022/2023; 2023/2024; 2024/2025; 2025/2026; 2026/2027; and 2027/2028	Base Valuation multiplied by the respective tax rate for each Affected Tax Jurisdiction (after application of any applicable equalization rate
1	2029	2028/2029	Base Valuation, plus (Added Value of Improvements x .00)
2	2030	2029/2030	Base Valuation, plus (Added Value of Improvements x .00)
3	2031	2030/2031	Base Valuation, plus (Added Value of Improvements x .10)
4	2032	2031/2032	Base Valuation, plus (Added Value of Improvements x .20)
5	2033	2032/2033	Base Valuation, plus (Added Value of Improvements x .30)
6	2034	2033/2034	Base Valuation, plus (Added Value of Improvements x .40)
7	2035	2034/2035	Base Valuation, plus (Added Value of Improvements x .40)
8	2036	2035/2036	Base Valuation, plus (Added Value of Improvements x .50)
9	2037	2036/2037	Base Valuation, plus (Added Value of Improvements x .60)
10	2038	2037/2038	Base Valuation, plus (Added Value of Improvements x .70)
11	2039	2038/2039	100% (no abatement; full taxes paid)

During the term of this Tax Agreement, the Base Valuation shall be frozen at $1,595,463.

The Total Tax Payment shall be calculated such that a graduated abatement factor ("Abatement Factor") shall be applied to the increased assessed valuation attributable to the Improvements made to the Facility by the Company, as an agent of the Agency (the "Added Value"). The abatement schedule shall allow for a one-hundred percent (100%) exemption from taxation for the Added Value of the Improvements in Tax Years 1 through 2; a ninety percent (90%) exemption from taxation for the Added Value of the Improvements in Tax Year 3; an eighty percent (80%) exemption from taxation for the Added Value of the Improvements in Tax Year 4; a seventy percent (70%) exemption from taxation for the Added Value of the Improvements in Tax Year 5; a sixty percent (60%) exemption from taxation for the Added Value of the Improvements in Tax Years 6 through 7; a fifty percent (50%) exemption from taxation for the Added Value of the Improvements in Tax Year 8; a forty percent (40%) exemption from taxation for the Added Value of the Improvements in Tax Year 9; and a thirty percent (30%) exemption from taxation for the Added Value of the Improvements in Tax Year 10.

Once the Total Taxable Valuation of the Facility is established using the Abatement Factor, the Total Tax Payment for the Facility shall be determined by multiplying the Total Taxable Valuation of the Facility by the respective tax rate for each affected tax jurisdiction (after application of any applicable equalization rate). After Tax Year 10, the Facility shall be subject to full taxation by the Affected Tax Jurisdictions.

Total Taxable Valuation = Base Valuation + (Added Value of Improvements x Abatement Factor)

Total Tax Payment = Total Taxable Valuation of the Facility (after equalization) x Tax Rate