

Development Agreement
(Simon Kenton Garage – Vertical Development Rights)

This **DEVELOPMENT AGREEMENT** (“**Agreement**”), dated as of the 28th day of March, 2025 (“**Effective Date**”), is between **KENTON COUNTY, KENTUCKY** (“**Grantor**”); and, together, **MERUS LLC**, an Ohio limited liability company and **URBAN SITES CAPITAL ADVISORS, LLC**, an Ohio limited liability company (collectively, “**Grantee**”).

1. PROPERTY DESCRIPTION AND CONDITION.

- A. **Property Description.** Grantor is the owner of the real property and improvements having the address 1840 Simon Kenton Way, Covington, Kentucky 41011 (the “**Administrative Building**”) together with those contiguous, residential parcels (the “**Assemblage Parcels**”) described on **Exhibit A** attached hereto and made a part hereof, with all appurtenant rights, privileges, and easements (the **Administrative Building** and the **Assemblage Parcels**, together, the “**Property**”). Grantor intends to erect, on the **Property**, an approximately two hundred and forty-seven (247) stall garage (the “**County Garage**”), having the address 1111 Main Street, Covington, Kentucky, suitable to serve the parking requirements of the **Administrative Building**. Grantor shall transfer to **Grantee**, for real and valuable consideration, a 99-year leasehold right to develop, use, occupy, and construct improvements upon the **County Garage** and **Grantee** agrees to pay for such right on the terms and subject to the conditions contained in this **Agreement**.

2. GRANTOR’S WARRANTIES AND COVENANTS. Grantor represents, warrants, and covenants to **Grantee** as to the following matters, and shall be deemed to remake all of the following representations, warranties, and covenants to **Grantee** as of the **Closing Date**:

- A. The execution and delivery of this **Agreement** by **Grantor**, the execution and delivery of every other document and instrument delivered pursuant hereto by or on behalf of **Grantor**, and the consummation of the transactions contemplated hereby will not constitute or result in the breach of or default under any oral or written agreement to which **Grantor** is a party or which affects the **Property**; constitute or result in a violation of any order, decree, or injunction with respect to which **Grantor** and/or the **Property** is bound; and/or cause or entitle any party to have a right to declare a default under any oral or written agreement which affects the **Property**. This **Agreement** and every other document and instrument delivered pursuant hereto have been validly executed and delivered by, and are binding obligations of, **Grantor**. The party executing this **Agreement** on behalf of **Grantor** is legally authorized to do so.
- B. To the best of **Grantor**’s knowledge, the **Property** and the **County Garage** are, or will be prior to conveyance of **Grantee**’s vertical development right, in full compliance, with regard to the existing use and the intended residential use described herein, with applicable building codes, environmental, zoning and land use laws and other local, state and federal laws and regulations. To the best of **Grantor**’s knowledge, there is no condition existing with respect to the maintenance, operation, use, or occupancy of the **Property** which violates any statute, ordinance, law, or code or detrimentally affects the use and operation of the **Property** or the value of the **Property**, nor has **Grantor** received any notice, written or otherwise, from any governmental agency alleging violations of any law, statute, ordinance, or regulation relating to the **Property**. **Grantor** shall oversee, at its expense: (i) the demolition of improvements upon the **Assemblage Parcels**; (ii) engineering, design, and construction of the **County Garage**; and (iii) any such governmental approvals as are necessary for the **County Garage** to be erected.
- C. There are no existing leases, tenancy rights and/or other contracts or arrangements with respect to the **County Garage**. Prior to the **Closing**, **Grantor** shall not lease, encumber, or transfer all or any part of the **County Garage**. **Grantor** warrants that, except for this **Agreement** there are no purchase contracts, options, leases, or any other agreements of any kind, oral or written, formal or informal, which are unrecorded whereby any person or entity other than **Grantor** will have acquired or will have any basis to assert any right, title, or interest in, or right to possession, use, enjoyment or proceeds of, any part or all of the **County Garage**.

- D. Grantor has not engaged in any activity which has caused the Property or any part thereof to be contaminated by any hazardous or toxic waste materials, nor has Grantor knowingly permitted any other person or entity to engage in any such activity on the Property, nor does Grantor have any knowledge of any such activity or contamination, nor has Grantor received any notice, written or otherwise, from any governmental agency alleging such contamination, except for the site contamination being mitigated through Phase II environmental remediation, as described in item 2L below.
- E. To the best of Grantor's knowledge, no fact or conditions exists which would result in the termination or impairment of access to the Property from adjoining public or private streets or ways of which could result in discontinuation of necessary sewer, water, electric, gas, telephone, or other utilities or services.
- F. To the best of Grantor's actual knowledge, as of the Effective Date, the Property is free from any and all city, county, and state orders.
- G. On the Closing Date, title to the Property shall be free, clear, and unencumbered, excepting those restrictions, conditions, and easements of record.
- H. On the Closing Date, any outstanding taxes or orders relating to the Property, if any, shall be settled from proceeds of the sale by Grantor.
- I. Grantor covenants that it shall reasonably cooperate with Grantee to provide such information and approvals as are required in Grantee's pursuit of public financing, including but not limited to Tax Increment Financing and Industrial Revenue Bonds and to execute the Plans, as hereinafter defined, at the Property.
- J. Grantor covenants that it shall reasonably assist Grantee in securing necessary third-party approvals required for the redevelopment of the Property, including but not limited to zoning approval for an apartment development, with a unit mix and anticipated square footage consistent with the Plans, as hereinafter defined..
- K. Grantor covenants that it shall reasonably accommodate Grantee's subdivision of the Property so as to create a new vertical property ID number for Grantee's land lease, to the extent such subdivision is required by Grantee's lender or for Grantee's attainment of a tax abatement.
- L. Grantor covenants that it shall reasonably cooperate with Grantee to develop a Phase II environmental remediation plan that is conducive to utilizing the portion of the Property containing the garage for a vertical residential development.
- M. Grantor represents, warrants, and covenants that the garage shall be engineered and designed so as to accommodate a five-story, approximately 125 residential unit vertical development as further defined in the Plans. Grantor, and its consultants, shall coordinate with Grantee to share design drawings and information related to the Property and the County Garage upon Grantee's reasonable request. Grantor represents, warrants, and covenants that it shall be solely responsible for the cost, design, and construction of the County Garage, including its roof slab, and Grantee shall be permitted to rely on Grantor's design and construction of the County Garage. Grantor shall design the roof slab of the garage to enable Grantee's penetrations and, in accordance with Section 3 of this Agreement, access to utilities. Grantee is permitted to monitor construction, including, as necessary, to provide field supervision of Grantor's podium construction to verify that it is completed in accordance with Grantor and Grantee's mutually developed plans.

The foregoing representations, warranties and covenants shall survive the Closing.

- 3. **ACCESS TO UTILITIES.** Grantor shall ensure that, for the term of its vertical lease, Grantee has reasonable access: (i) to Grantee's vertical improvements from the County Garage; (ii) to the street from the County Garage; and (iii) to the County Garage from the street; and (iv) to/from any such shared utilities as are agreed to by the parties in writing. Grantor shall involve Grantee in its engineering of the County Garage so as to enable Grantee's access to utilities across the Property and Grantee's reasonable penetration through the County Garage to tie into

utilities in a time and cost-efficient manner. Grantor shall grant Grantee any such reasonable contractual rights as are necessary to ensure access to and maintenance of its utility connections across the Property, provided that such rights do not interfere with Grantor's operation of the Administrative Building. For the term of its vertical lease, Grantee shall be responsible for the costs of maintaining utility connections that benefit its improvements and the costs of repairing any damage to the Property in the course of repairing or maintaining its utility connections.

4. **PARKING ARRANGEMENT.** All of the parking in the County Garage shall be non-exclusive and may be shared by the employees and guests of the Administrative Building and by residents and guests of the Grantee's intended use, provided that from 6:00 PM – 8:00 AM ("Evening Hours"), Grantee and its licensees shall have the exclusive right to park in the County Garage. Grantee anticipates requiring approximately 140 parking stalls each month and shall notify Grantor of the number of parking spaces needed for the following month at least thirty (30) days in advance of the first day of the following month. Grantor shall issue passes that Grantee can share with its licensees, evidencing the right of licensees to park in the Garage (including on weekends and during Evening Hours). Grantee shall charge its licensees a commercially reasonable, market rate for access to parking (to be no less than 50% and no more than 100% of the monthly rate at the parking garage located at 220 Madison Ave, Covington, KY). 100% of the parking revenue that Grantee collects from its tenants on behalf of Grantor shall be remanded to Grantor within thirty (30) days of collection (this provision, the "**Parking Arrangement**"). Grantor shall keep the County Garage insured and reasonably clean, safe, and in good repair for the term of the lease between Grantor and Grantee. Grantor shall, at Grantor's expense, procure and maintain, throughout the term of the lease, comprehensive general liability insurance, worker's compensation insurance and any additional insurance required under applicable law for ownership and maintenance of a parking garage. Grantor shall name Grantee as additional insured.

Grantor's and Grantee's rights and obligations related to the Parking Arrangement shall survive the Closing. At Closing, Grantor and Grantee agree to record a memorandum evidencing the rights and obligations associated with the Parking Arrangement.

5. **LAND LEASE TERMS.** Grantor shall grant Grantee a ninety-nine (99) year leasehold right to build, develop, and operate a residential development upon the county Garage at an annual rate of Ten and xx/100 Dollars (\$10.00), subject to the terms and conditions contained in Section 8 of this Agreement. Upon expiration of Grantee's initial leasehold right, the term of the land lease shall be renewable on such reasonable terms as are agreed to by the parties.
6. **INSPECTION PERIOD.** Grantee shall have three hundred and sixty five (365) days from the date of this Agreement ("**Inspection Period**") to engage with Grantor's County Garage design team regarding engineering and design of the garage, to develop its own drawings sufficient to obtain a GMP construction contract and construction financing, to subdivide the Property as necessary (subject to Grantor's approval) for a vertical development project, and to pursue and obtain tax abatements and other project financing. During the Inspection Period, Grantee shall be permitted to conduct such reasonable inspections, investigations, title examinations, and verifications of the Property as are necessary to determine if the County Garage is suitable for Grantee's intended vertical use. Grantee may enter the Property during reasonable business hours to conduct tests and inspections, provided that Grantee is not permitted to disrupt operation of the Administrative Building. Grantee shall promptly repair any damage to the Property resulting from its inspections and Grantee shall hold Grantor harmless from any loss or expense arising out of Grantee's activities on the Property. Grantor shall cooperate with Grantee in Grantee's inspections, studies, and in obtaining all required approvals. In the event that Grantee is not satisfied with the condition of the Property or the results of any of the inspections and reviews referred to above in Grantee's sole and absolute discretion, Grantee may notify the Grantor in writing to that effect within the Inspection Period, and this Agreement shall be null and void and the parties shall be released from all further obligations hereunder. At Grantee's option, Grantee may, no later than thirty (30) days prior to the expiration of the Inspection Period, notify Grantor of any conditions identified during Grantee's examination of the Property that negatively impact the proposed development or are otherwise unsatisfactory to Grantee. Grantor shall notify Grantee of its intent to cure such unsatisfactory conditions at least seven (7) days prior to expiration of the Inspection Period. It shall be in Grantee's sole discretion to determine if the actions taken by Grantor to remedy such conditions identified during Grantee's examination are sufficient to permit Grantee to proceed to Closing.

7. **MUTUAL BENEFIT.** Grantor and Grantee acknowledge that Grantor's support is critical to the success of Grantee's project. The value provided by Grantor, which may include the extension of a long-term land lease, funding the construction of the podium above the garage, supporting IRB financing, and/or providing bridge funding for the project, alleviates substantial financial barriers for Grantee's development and makes the project financially feasible.

Grantor and Grantee further agree that Grantor's support and funding for the project is intended to produce benefits for Grantor including but not limited to:

- Return On/Of Direct Bridge Funding - Returns made available to Grantor with its support and funding for the project are intended to deliver significant risk-adjusted financial benefit to Grantor. Upon a sale event, the return of and on Grantor's Bridge Funding shall be structured in accordance with Exhibit B of this Agreement.
- Parking Revenue: Revenue generated from Grantee and its tenants' use of the garage shall be paid to Grantor per the terms of this Agreement. This parking revenue is anticipated to create approximately \$1.5MM in value to Grantor.
- Economic Impact: The dense, high-quality apartment development will support local employment and retail and address a critical housing shortage, with potential to catalyze further investment in the neighborhood as the bridge project reaches completion.
- Tax Revenue: By activating a currently tax-exempt property, the project will generate new property tax revenue via a Payment in Lieu of Taxes during the IRB term. After the term of the IRB, the Property will generate property tax revenue pursuant to applicable law and local ordinance(s). The project will also generate payroll tax revenue during its construction, and longer term will likely create new full-time jobs in Kenton County.
- Community Benefits: Beyond the financial and economic returns, the project will generate significant community benefits by meeting community housing needs, enhancing the neighborhood's profile, increasing local spending, and creating long-term positive outcomes for residents and businesses.

Speculative items in this Section 7 are provided for illustrative purposes and do not constitute guarantees.

8. **GRANTEE'S PLANS.** Within thirty (30) days of execution of this Agreement, Grantee shall provide Grantor with preliminary plans for the construction and development of the Property as generally illustrated on Exhibit A-1 attached hereto ("**Plans**"). The Plans shall be subject to Grantor's approval, not to be unreasonably withheld, conditioned or delayed. Grantor shall have thirty (30) days to review and approve the Plans or submit its objections to Grantee. Should Grantor fail to respond within such thirty (30) day period, the Plans shall be deemed approved by Grantor. The Plans shall be subject to reasonable modification and shall include the following: approximately one hundred twenty-five (125) – residential units, to be constructed of high-quality materials and in a manner consistent with industry standards for commercial mixed-use projects. The Plans shall propose a high-quality development consistent with similar projects in Kenton County, Kentucky. Grantee shall keep its improvements reasonably clean, safe, and in good repair for the term of its lease from Grantor. Grantee shall, at Grantee's expense, procure and maintain, throughout the term of the lease, comprehensive general liability insurance, worker's compensation insurance and any additional insurance required under applicable law for ownership and maintenance of an apartment building. At Grantor's request, Grantee shall name Grantor as additional insured.
9. **GRANTEE'S CONSTRUCTION.** Subject to any delay caused by force majeure events, Grantee agrees that it shall use reasonable efforts to ensure that construction (including site work and demolition of the existing structure on the Property) shall commence no later than sixty (60) days after the Closing Date, as such term is defined herein ("**Construction Commencement Date**"). Grantee's obligation under this Section 9 shall survive the Closing. Grantor shall allow Grantee to use the garage for staging and parking and to implement reasonably necessary safety measures during Grantee's construction of the Plans.
10. **GRANTEE'S CONTINGENCIES.** Grantee's performance of this Agreement is contingent upon and subject to the satisfaction of all of the following conditions:

A. Grantor's authorization to: (i) enter into a land lease of portion of the Property above the to-be-constructed County Garage; (ii) enter into this Agreement; and (iii) authorize the County Judge Executive to complete all necessary documentation related to and necessary to facilitate a lease arrangement between Grantor and Grantee, including but not limited to, the execution of this Agreement and Grantor's approval of the Plans to the extent required by this Agreement.

B. Grantee's procurement of debt, equity and public financing sufficient to acquire and develop its intended vertical improvements upon the County Garage, for an approximately \$26,000,000 (and NTE \$30,000,000) project use ("**Project Financing**") in accordance with the Plans. Should Grantee procure Project Financing, but the availability of such financing necessitate delaying the Construction Commencement Date, Grantee may extend the Construction Commencement Date by up to one hundred twenty (120) days.

C. If any contingency set forth in this Section 10 is not satisfied or waived by Grantee, in Grantee's sole and absolute discretion within the time periods stated herein, Grantee may terminate this Agreement without further liability or obligation to Grantor or anyone claiming by, through, or under Grantor, by providing written notice to Grantor of such termination.

11. **CLOSING.** The above Inspection Period notwithstanding, provided the contingencies set forth in this Agreement are satisfied or waived as provided for herein and subject to any delays caused by force majeure events, the parties agree to close the purchase and sale of the Property ("**Closing**") on or before the later of (10) business days after Grantee's securing of Project Financing (including any required state ratification of locally-provided public incentives and as evidenced by Grantee's execution of loan documents) or 12/31/2025 (the "**Closing Date**").

12. **NOTICE.** Any notice required or permitted under this Agreement shall be in writing and deemed to have been given upon (a) the date of recipient's signature if sent by certified mail, postage prepaid, return receipt requested, (b) the next day if given by Federal Express/Next Day Delivery service with proof of delivery; or (c) the date of delivery if given by hand delivery to the parties at the following addresses:

Grantee:

Merus LLC
302 W. 3rd Street
Suite 300
Cincinnati, Ohio 45202
Attn: John Bumgarner

Merus LLC
302 W. 3rd Street
Suite 300
Cincinnati, Ohio 45202
Attn: Legal Services

Urban Sites Capital Advisors, LLC
1209 Sycamore St.
Cincinnati, OH 45202
Attn: Greg Olson

Grantor:

Office of the County Judge Executive
Kenton County, Kentucky
303 Court Street
Covington, Kentucky 41011

13. **CONVEYANCE.** At Closing, Grantor and Grantee shall enter into a land lease permitting Grantee to occupy the property for a term of ninety-nine (years).

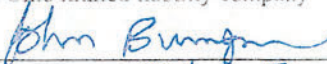
14. **PRO-RATIONS.** Real estate taxes, utility costs and any other assessments, if any, shall be prorated as of the Closing Date. Grantor shall pay all installments of assessments, if any, which may become due and payable prior to Closing Date. Grantor shall pay for the transfer tax, if any, and deed preparation. Grantee shall pay all costs

and expenses associated with securing financing, Grantee's Due Diligence, and Closing (including, but not limited to, Grantee's attorneys' fees).

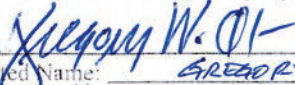
15. **POSSESSION.** Grantee's rights under this Agreement, including execution of a vertical lease on the terms contemplated herein, shall be given to Grantee at Closing. If prior to Closing, the Property is taken or made subject to condemnation, eminent domain, or is substantially damaged or destroyed, then Grantor shall promptly notify Grantee and Grantee may elect to either terminate this Agreement or proceed to Closing.
16. **SOLE CONTRACT.** This Agreement constitutes the entire agreement of the parties with regard to the Property and no oral or implied agreements exist. Any amendments to this Agreement shall be made in writing, signed by both parties, and copies shall be attached to all copies of this original Agreement.
17. **ASSIGNMENT.** Grantee may assign its rights and obligations under this Agreement upon written approval from Grantor, not to be unreasonably withheld. Grantee intends to assign its rights and obligations to an affiliated investment entity at or prior to Closing.
18. **BINDING EFFECT.** This Agreement shall be binding on the parties, their respective heirs, administrators, executors, successors, and permitted assigns.
19. **CLARIFICATION OF DATES.** Any date specified in this Agreement which falls on a Saturday, Sunday or legal holiday shall be extended to the first regular business day after such date which is not a Saturday, Sunday or legal holiday. The term "legal holiday" shall mean any day on which state or national banks are not open for business.
20. **COUNTERPARTS.** This Agreement may be executed by the parties in counterparts, each of which shall be deemed an original, but all of such counterparts, taken together, shall constitute one and the same Agreement.

SIGNED as of the Effective Date.


GRANTEE:
MERUS LLC,
an Ohio limited liability company


Printed Name: John Bumgarner
Title: SVP, Cincinnati Market Leader

URBAN SITES CAPITAL ADVISORS, LLC,
an Ohio limited liability company


Printed Name: GREGORY W. OLSON
Title: MANAGER

GRANTOR:
KENTON COUNTY, KENTUCKY


Printed Name: Lisa A. Hedelmann
Title: Title Fund Mgr