



Department of
Environmental
Conservation

BROWNFIELD CLEANUP PROGRAM (BCP) APPLICATION TO AMEND BROWNFIELD CLEANUP AGREEMENT AND AMENDMENT

PART I. BROWNFIELD CLEANUP AGREEMENT AMENDMENT APPLICATION

Check the appropriate box below based on the nature of the amendment modification requested:

☐ Amendment to [check one or more boxes below]

- ☐ Add
- ☐ Substitute
- ☐ Remove
- ☐ Change in Name

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applicant(s) to the existing Brownfield Cleanup Agreement [*Complete Section I-IV below and Part II*]

Does this proposed amendment involve a transfer of title to all or part of the brownfield site? ☐ Yes ☐ No

If yes, pursuant to 6 NYCRR Part 375-1.11(d), a Change of Use form should have been previously submitted. If not, please submit this form with this Amendment. See <http://www.dec.ny.gov/chemical/76250.html>

☐ Amendment to modify description of the property(ies) listed in the existing Brownfield Cleanup Agreement [*Complete Sections I and V below and Part II*]

☐ Amendment to Expand or Reduce property boundaries of the property(ies) listed in the existing Brownfield Cleanup Agreement [*Complete Section I and V below and Part II*]

☒ **Sites in Bronx, Kings, New York, Queens, or Richmond counties ONLY:** Amendment to request determination that the site is eligible for the tangible property credit component of the brownfield redevelopment tax credit. Please answer questions on the supplement at the end of the form.

☐ Other (explain in detail below)

Please provide a brief narrative on the nature of the amendment:

Please refer to the attached instructions for guidance on filling out this application

| | | | |
|--|-----|--------------------------|--|
| Section I. Existing Agreement Information | | | |
| BCP SITE NAME: Bedford Union Armory | | BCP SITE NUMBER: C224252 | |
| NAME OF CURRENT APPLICANT(S): See Schedule A | | | |
| INDEX NUMBER OF EXISTING AGREEMENT: C224252-06- DATE OF EXISTING AGREEMENT: 8/24/17 (| | | |
| Section II. New Requestor Information (if no change to Current Applicant, skip to Section V) | | | |
| NAME | | | |
| ADDRESS | | | |
| CITY/TOWN | | ZIP CODE | |
| PHONE | FAX | E-MAIL | |
| Is the requestor authorized to conduct business in New York State (NYS)? <input type="checkbox"/> Yes <input type="checkbox"/> No | | | |
| <ul style="list-style-type: none"> If the requestor is a Corporation, LLC, LLP or other entity requiring authorization from the NYS Department of State to conduct business in NYS, the requestor's name must appear, exactly as given above, in the NYS Department of State's (DOS) Corporation & Business Entity Database. A print-out of entity information from the DOS database must be submitted to DEC with the application, to document that the applicant is authorized to do business in NYS. | | | |
| NAME OF NEW REQUESTOR'S REPRESENTATIVE | | | |
| ADDRESS | | | |
| CITY/TOWN | | ZIP CODE | |
| PHONE | FAX | E-MAIL | |
| NAME OF NEW REQUESTOR'S CONSULTANT (if applicable) | | | |
| ADDRESS | | | |
| CITY/TOWN | | ZIP CODE | |
| PHONE | FAX | E-MAIL | |
| NAME OF NEW REQUESTOR'S ATTORNEY (if applicable) | | | |
| ADDRESS | | | |
| CITY/TOWN | | ZIP CODE | |
| PHONE | FAX | E-MAIL | |
| Requestor must submit proof that the party signing this Application and Amendment has the authority to bind the Requestor. This would be documentation from corporate organizational papers, which are updated, showing the authority to bind the corporation, or a Corporate Resolution showing the same, or an Operating Agreement or Resolution for an LLC. Is this proof attached? <input type="checkbox"/> Yes <input type="checkbox"/> No | | | |
| Describe Requestor's Relationship to Existing Applicant: | | | |

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Section III. Current Property Owner/Operator Information (only include if new owner/operator or new existing owner/operator information is provided, and highlight new information)

OWNER'S NAME (if different from requestor)

ADDRESS

CITY/TOWN

ZIP CODE

PHONE

FAX

E-MAIL

OPERATOR'S NAME (if different from requestor or owner)

ADDRESS

CITY/TOWN

ZIP CODE

PHONE

FAX

E-MAIL

Section IV. Eligibility Information for New Requestor (Please refer to ECL § 27-1407 for more detail)

If answering "yes" to any of the following questions, please provide an explanation as an attachment.

1. Are any enforcement actions pending against the requestor regarding this site? ☐ Yes ☐ No
2. Is the requestor presently subject to an existing order for the investigation, removal or remediation relating to contamination at the site? ☐ Yes ☐ No
3. Is the requestor subject to an outstanding claim by the Spill Fund for this site? ☐ Yes ☐ No
Any questions regarding whether a party is subject to a spill claim should be discussed with the Spill Fund Administrator.
4. Has the requestor been determined in an administrative, civil or criminal proceeding to be in violation of i) any provision of the subject law; ii) any order or determination; iii) any regulation implementing ECL Article 27 Title 14; or iv) any similar statute, regulation of the state or federal government? If so, provide an explanation on a separate attachment. ☐ Yes ☐ No
5. Has the requestor previously been denied entry to the BCP? If so, include information relative to the application, such as name, address, Department assigned site number, the reason for denial, and other relevant information. ☐ Yes ☐ No
6. Has the requestor been found in a civil proceeding to have committed a negligent or intentionally tortious act involving the handling, storing, treating, disposing or transporting of contaminants? ☐ Yes ☐ No
7. Has the requestor been convicted of a criminal offense i) involving the handling, storing, treating, disposing or transporting of contaminants; or ii) that involves a violent felony, fraud, bribery, perjury, theft, or offense against public administration (as that term is used in Article 195 of the Penal Law) under federal law or the laws of any state? ☐ Yes ☐ No
8. Has the requestor knowingly falsified statements or concealed material facts in any matter within the jurisdiction of the Department, or submitted a false statement or made use of or made a false statement in connection with any document or application submitted to the Department? ☐ Yes ☐ No
9. Is the requestor an individual or entity of the type set forth in ECL 27-1407.9(f) that committed an act or failed to act, and such act or failure to act could be the basis for denial of a BCP application? ☐ Yes ☐ No
10. Was the requestor's participation in any remedial program under DEC's oversight terminated by DEC or by a court for failure to substantially comply with an agreement or order? ☐ Yes ☐ No
11. Are there any unregistered bulk storage tanks on-site which require registration? ☐ Yes ☐ No

THE NEW REQUESTOR MUST CERTIFY THAT IT IS EITHER A PARTICIPANT OR VOLUNTEER IN ACCORDANCE WITH ECL §27-1405 (1) BY CHECKING ONE OF THE BOXES BELOW:

☐ PARTICIPANT

A requestor who either 1) was the owner of the site at the time of the disposal of contamination or 2) is otherwise a person responsible for the contamination, unless the liability arises solely as a result of ownership, operation of, or involvement with the site subsequent to the disposal of contamination.

☐ VOLUNTEER

A requestor other than a participant, including a requestor whose liability arises solely as a result of ownership, operation of or involvement with the site subsequent to the disposal of hazardous waste or discharge of petroleum.

NOTE: By checking this box, a requestor whose liability arises solely as a result of ownership, operation of or involvement with the site certifies that he/she has exercised appropriate care with respect to the hazardous waste found at the facility by taking reasonable steps to: i) stop any continuing discharge; ii) prevent any threatened future release; iii) prevent or limit human, environmental, or natural resource exposure to any previously released hazardous waste.

If a requestor whose liability arises solely as a result of ownership, operation of or involvement with the site, submit a statement describing why you should be considered a volunteer – be specific as to the appropriate care taken.

Requestor's Relationship to Property (check one):

☐ Prior Owner ☐ Current Owner ☐ Potential /Future Purchaser ☐ Other _____

If requestor is not the current site owner, **proof of site access sufficient to complete the remediation must be submitted.** Proof must show that the requestor will have access to the property before signing the BCA and throughout the BCP project, including the ability to place an easement on the site Is this proof attached? ☐ Yes ☐ No

Note: a purchase contract does not suffice as proof of access.

Section V. Property description and description of changes/additions/reductions (if applicable)

ADDRESS

CITY/TOWN

ZIP CODE

TAX BLOCK AND LOT (TBL) (in existing agreement)

| Parcel Address | Parcel No. | Section No. | Block No. | Lot No. | Acreage |
|----------------|------------|-------------|-----------|---------|---------|
| | | | | | |
| | | | | | |
| | | | | | |

Check appropriate boxes below:

☐

Changes to metes and bounds description or TBL correction

☐

Addition of property (may require additional citizen participation depending on the nature of the expansion – see attached instructions)

Approximate acreage added: _____

ADDITIONAL PARCELS:

| Parcel Address | Parcel No. | Section No. | Block No. | Lot No. | Acreage |
|----------------|------------|-------------|-----------|---------|---------|
| | | | | | |
| | | | | | |
| | | | | | |

☐

Reduction of property

Approximate acreage removed: _____

PARCELS REMOVED:

| Parcel Address | Parcel No. | Section No. | Block No. | Lot No. | Acreage |
|----------------|------------|-------------|-----------|---------|---------|
| | | | | | |
| | | | | | |
| | | | | | |

If requesting to modify a metes and bounds description or requesting changes to the boundaries of a site, please attach a revised metes and bounds description, survey, or acceptable site map to this application.

Supplement to the Application To Amend Brownfield Cleanup Agreement And Amendment - Questions for Sites Seeking Tangible Property Credits in New York City ONLY.

| | |
|---|---|
| Property is in Bronx, Kings, New York, Queens, or Richmond counties. | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Requestor seeks a determination that the site is eligible for the tangible property credit component of the brownfield redevelopment tax credit. | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Please answer questions below and provide documentation necessary to support answers. | |
| 1. Is at least 50% of the site area located within an environmental zone pursuant to Tax Law 21(6)? Please see DEC's website for more information. | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| 2. Is the property upside down as defined below? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| <p>From ECL 27-1405(31):</p> <p>"Upside down" shall mean a property where the projected and incurred cost of the investigation and remediation which is protective for the anticipated use of the property equals or exceeds seventy-five percent of its independent appraised value, as of the date of submission of the application for participation in the brownfield cleanup program, developed under the hypothetical condition that the property is not contaminated.</p> | |
| 3. Is the project an affordable housing project as defined below? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| <p>From 6 NYCRR 375- 3.2(a) as of August 12, 2016:</p> <p style="text-align: right; color: blue;">See Attachment A</p> <p>(a) "Affordable housing project" means, for purposes of this part, title fourteen of article twenty seven of the environmental conservation law and section twenty-one of the tax law only, a project that is developed for residential use or mixed residential use that must include affordable residential rental units and/or affordable home ownership units.</p> <p>(1) Affordable residential rental projects under this subdivision must be subject to a federal, state, or local government housing agency's affordable housing program, or a local government's regulatory agreement or legally binding restriction, which defines (i) a percentage of the residential rental units in the affordable housing project to be dedicated to (ii) tenants at a defined maximum percentage of the area median income based on the occupants' households annual gross income.</p> <p>(2) Affordable home ownership projects under this subdivision must be subject to a federal, state, or local government housing agency's affordable housing program, or a local government's regulatory agreement or legally binding restriction, which sets affordable units aside for home owners at a defined maximum percentage of the area median income.</p> <p>(3) "Area median income" means, for purposes of this subdivision, the area median income for the primary metropolitan statistical area, or for the county if located outside a metropolitan statistical area, as determined by the United States department of housing and urban development, or its successor, for a family of four, as adjusted for family size.</p> | |

PART II. BROWNFIELD CLEANUP PROGRAM AMENDMENT

| Existing Agreement Information | |
|--|--------------------------|
| BCP SITE NAME: Bedford Union Armory | BCP SITE NUMBER: C224252 |
| NAME OF CURRENT APPLICANT(S): See Schedule A | |
| INDEX NUMBER OF EXISTING AGREEMENT: C224252-06-17 (as amended) | |
| EFFECTIVE DATE OF EXISTING AGREEMENT: August 24, 2017 | |

Declaration of Amendment:

By the Requestor(s) and/or Applicant(s) signatures below, and subsequent signature by the Department, the above application to amend the Brownfield Cleanup Agreement described above is hereby approved. This Amendment is made in accordance with and subject to all of the BCA and all applicable guidance, regulations and state laws applicable thereto. All other substantive and procedural terms of the Agreement will remain unchanged and in full force and effect regarding the parties to the Agreement.

Nothing contained herein constitutes a waiver by the Department or the State of New York of any rights held in accordance with the Agreement or any applicable state and/or federal law or a release for any party from any obligations held under the Agreement or those same laws.

Statement of Certification and Signatures: New Requestor(s) (if applicable)

(Individual)

I hereby affirm that information provided on this form and its attachments is true and complete to the best of my knowledge and belief. I am aware that any false statement made herein is punishable as a Class A misdemeanor pursuant to section 210.45 of the Penal Law. My signature below constitutes the requisite approval for the amendment to the BCA Application, which will be effective upon signature by the Department.

Date: _____ Signature: _____

Print Name: _____

(Entity)

I hereby affirm that I am (title _____) of (entity _____); that I am authorized by that entity to make this application; that this application was prepared by me or under my supervision and direction; and that information provided on this form and its attachments is true and complete to the best of my knowledge and belief. I am aware that any false statement made herein is punishable as a Class A misdemeanor pursuant to Section 210.45 of the Penal Law.

_____ signature below constitutes the requisite approval for the amendment to the BCA Application, which will be effective upon signature by the Department.

Date: _____ Signature: _____

Print Name: _____

SUBMITTAL INFORMATION:

- **Two (2)** copies, one hard copy with original signatures and one electronic copy in Portable Document Format (PDF) must be sent to:

Chief, Site Control Section
New York State Department of Environmental Conservation
Division of Environmental Remediation
625 Broadway
Albany, NY 12233-7020

FOR DEPARTMENT USE ONLY

BCP SITE T&A CODE:_____ **LEAD OFFICE:**_____

PROJECT MANAGER:_____

Statement of Certification and Signatures: Existing Applicant(s) (an authorized representative of each applicant must sign)

(Individual)

I hereby affirm that I am a party to the Brownfield Cleanup Agreement and/or Application referenced in Section I above and that I am aware of this Application for an Amendment to that Agreement and/or Application. My signature below constitutes the requisite approval for the amendment to the BCA Application, which will be effective upon signature by the Department.

Date: _____ Signature: _____

Print Name: _____

(Entity)

I hereby affirm that I am authorized signatory (title) of Bedford Courts LLC (entity) which is a party to the Brownfield Cleanup Agreement and/or Application referenced in Section I above and that I am aware of this Application for an Amendment to that Agreement and/or Application. My _____ signature below constitutes the requisite approval for the amendment to the BCA Application, which will be effective upon signature by the Department.

Date: 10/8/20 Signature: _____

Print Name: BRANDON LARON

REMAINDER OF THIS AMENDMENT WILL BE COMPLETED SOLELY BY THE DEPARTMENT

Status of Agreement:

| | |
|---|--|
| <input type="checkbox"/> PARTICIPANT A requestor who either 1) was the owner of the site at the time of the disposal of contamination or 2) is otherwise a person responsible for the contamination, unless the liability arises solely as a result of ownership, operation of, or involvement with the site subsequent to the disposal of contamination. | <input checked="" type="checkbox"/> VOLUNTEER A requestor other than a participant, including a requestor whose liability arises solely as a result of ownership, operation of or involvement with the site subsequent to the contamination. |
|---|--|

Effective Date of the Original Agreement: 8/24/17

Signature by the Department:

DATED: 10/28/20

NEW YORK STATE DEPARTMENT OF
ENVIRONMENTAL CONSERVATION

By:

Michael J. Ryan
Michael J. Ryan, P.E., Director
Division of Environmental Remediation

Statement of Certification and Signatures: Existing Applicant(s) (an authorized representative of each applicant must sign)

(Individual)

I hereby affirm that I am a party to the Brownfield Cleanup Agreement and/or Application referenced in Section I above and that I am aware of this Application for an Amendment to that Agreement and/or Application. My signature below constitutes the requisite approval for the amendment to the BCA Application, which will be effective upon signature by the Department.

Date: _____ Signature: _____

Print Name: _____

(Entity)

I hereby affirm that I am authorized signatory (title) of Bedford Courts I LLC (entity) which is a party to the Brownfield Cleanup Agreement and/or Application referenced in Section I above and that I am aware of this Application for an Amendment to that Agreement and/or Application. My _____ signature below constitutes the requisite approval for the amendment to the BCA Application, which will be effective upon signature by the Department.

Date: 10/8/20 Signature: 

Print Name: BRANDON BAROU

REMAINDER OF THIS AMENDMENT WILL BE COMPLETED SOLELY BY THE DEPARTMENT

Status of Agreement:

☐ PARTICIPANT

A requestor who either 1) was the owner of the site at the time of the disposal of contamination or 2) is otherwise a person responsible for the contamination, unless the liability arises solely as a result of ownership, operation of, or involvement with the site subsequent to the disposal of contamination.

☒ VOLUNTEER

A requestor other than a participant, including a requestor whose liability arises solely as a result of ownership, operation of or involvement with the site subsequent to the contamination.


Effective Date of the Original Agreement: 8/24/17

Signature by the Department:

DATED: 10/28/20

NEW YORK STATE DEPARTMENT OF
ENVIRONMENTAL CONSERVATION

By:



Michael J. Ryan, P.E., Director
Division of Environmental Remediation

Statement of Certification and Signatures: Existing Applicant(s) (an authorized representative of each applicant must sign)

(Individual)

I hereby affirm that I am a party to the Brownfield Cleanup Agreement and/or Application referenced in Section I above and that I am aware of this Application for an Amendment to that Agreement and/or Application. My signature below constitutes the requisite approval for the amendment to the BCA Application, which will be effective upon signature by the Department.

Date: _____ Signature: _____

Print Name: _____

(Entity)

I hereby affirm that I am authorized signatory (title) of Bedford Courts III LIHTC LLC (entity) which is a party to the Brownfield Cleanup Agreement and/or Application referenced in Section I above and that I am aware of this Application for an Amendment to that Agreement and/or Application. My _____ signature below constitutes the requisite approval for the amendment to the BCA Application, which will be effective upon signature by the Department.

Date: 10/8/20 Signature: _____

Print Name: BRANDON BARON

REMAINDER OF THIS AMENDMENT WILL BE COMPLETED SOLELY BY THE DEPARTMENT

Status of Agreement:

☐

PARTICIPANT

A requestor who either 1) was the owner of the site at the time of the disposal of contamination or 2) is otherwise a person responsible for the contamination, unless the liability arises solely as a result of ownership, operation of, or involvement with the site subsequent to the disposal of contamination.

☒

VOLUNTEER

A requestor other than a participant, including a requestor whose liability arises solely as a result of ownership, operation of or involvement with the site subsequent to the contamination.

Effective Date of the Original Agreement: 8/24/17

Signature by the Department:

DATED: 10/28/20

NEW YORK STATE DEPARTMENT OF
ENVIRONMENTAL CONSERVATION

By: _____

Michael J. Ryan, P.E., Director
Division of Environmental Remediation

Statement of Certification and Signatures: Existing Applicant(s) (an authorized representative of each applicant must sign)

(Individual)

I hereby affirm that I am a party to the Brownfield Cleanup Agreement and/or Application referenced in Section I above and that I am aware of this Application for an Amendment to that Agreement and/or Application. My signature below constitutes the requisite approval for the amendment to the BCA Application, which will be effective upon signature by the Department.

Date: _____ Signature: _____

Print Name: _____

(Entity)

I hereby affirm that I am authorized signatory (title) of Bedford Courts III LLC (entity) which is a party to the Brownfield Cleanup Agreement and/or Application referenced in Section I above and that I am aware of this Application for an Amendment to that Agreement and/or Application. My _____ signature below constitutes the requisite approval for the amendment to the BCA Application, which will be effective upon signature by the Department.

Date: 10/8/20 Signature: _____

Print Name: BRANDON BARON

REMAINDER OF THIS AMENDMENT WILL BE COMPLETED SOLELY BY THE DEPARTMENT

Status of Agreement:

| | |
|---|--|
| <input type="checkbox"/> PARTICIPANT A requestor who either 1) was the owner of the site at the time of the disposal of contamination or 2) is otherwise a person responsible for the contamination, unless the liability arises solely as a result of ownership, operation of, or involvement with the site subsequent to the disposal of contamination. | <input checked="" type="checkbox"/> VOLUNTEER A requestor other than a participant, including a requestor whose liability arises solely as a result of ownership, operation of or involvement with the site subsequent to the contamination. |
|---|--|

Effective Date of the Original Agreement: 8/24/17

Signature by the Department:

DATED: 10/28/20

NEW YORK STATE DEPARTMENT OF
ENVIRONMENTAL CONSERVATION

By: _____

Michael J. Ryan, P.E., Director
Division of Environmental Remediation

Statement of Certification and Signatures: Existing Applicant(s) (an authorized representative of each applicant must sign)

(Individual)

I hereby affirm that I am a party to the Brownfield Cleanup Agreement and/or Application referenced in Section I above and that I am aware of this Application for an Amendment to that Agreement and/or Application. My signature below constitutes the requisite approval for the amendment to the BCA Application, which will be effective upon signature by the Department.

Date: _____ Signature: _____

Print Name: _____

(Entity)

Bedford Courts Local
Development

I hereby affirm that I am authorized signatory (title) of Corporation (entity) which is a party to the Brownfield Cleanup Agreement and/or Application referenced in Section I above and that I am aware of this Application for an Amendment to that Agreement and/or Application. My _____ signature below constitutes the requisite approval for the amendment to the BCA Application, which will be effective upon signature by the Department.

Date: 10/8/20 Signature: 

Print Name: Lee Warshavsky

REMAINDER OF THIS AMENDMENT WILL BE COMPLETED SOLELY BY THE DEPARTMENT

Status of Agreement:

☐

PARTICIPANT

A requestor who either 1) was the owner of the site at the time of the disposal of contamination or 2) is otherwise a person responsible for the contamination, unless the liability arises solely as a result of ownership, operation of, or involvement with the site subsequent to the disposal of contamination.

☒

VOLUNTEER

A requestor other than a participant, including a requestor whose liability arises solely as a result of ownership, operation of or involvement with the site subsequent to the contamination.

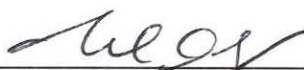
Effective Date of the Original Agreement: 8/24/17

Signature by the Department:

DATED: 10/28/20

NEW YORK STATE DEPARTMENT OF
ENVIRONMENTAL CONSERVATION

By:



Michael J. Ryan, P.E., Director
Division of Environmental Remediation

Statement of Certification and Signatures: Existing Applicant(s) (an authorized representative of each applicant must sign)

(Individual)

I hereby affirm that I am a party to the Brownfield Cleanup Agreement and/or Application referenced in Section I above and that I am aware of this Application for an Amendment to that Agreement and/or Application. My signature below constitutes the requisite approval for the amendment to the BCA Application, which will be effective upon signature by the Department.

Date: _____ Signature: _____

Print Name: _____

(Entity)

Bedford Courts III
Housing Development

I hereby affirm that I am authorized signatory (title) of Fund Corporation (entity) which is a party to the Brownfield Cleanup Agreement and/or Application referenced in Section I above and that I am aware of this Application for an Amendment to that Agreement and/or Application. My _____ signature below constitutes the requisite approval for the amendment to the BCA Application, which will be effective upon signature by the Department.

Date: 10/8/20 Signature: _____

Print Name: Lee Warshavsky

REMAINDER OF THIS AMENDMENT WILL BE COMPLETED SOLELY BY THE DEPARTMENT

Status of Agreement:

☐

PARTICIPANT

A requestor who either 1) was the owner of the site at the time of the disposal of contamination or 2) is otherwise a person responsible for the contamination, unless the liability arises solely as a result of ownership, operation of, or involvement with the site subsequent to the disposal of contamination.

☒

VOLUNTEER

A requestor other than a participant, including a requestor whose liability arises solely as a result of ownership, operation of or involvement with the site subsequent to the contamination.

Effective Date of the Original Agreement: 8/24/17

Signature by the Department:

DATED: 10/20/20

NEW YORK STATE DEPARTMENT OF
ENVIRONMENTAL CONSERVATION

By: _____

Michael J. Ryan, P.E., Director
Division of Environmental Remediation

BROWNFIELD CLEANUP PROGRAM (BCP)
INSTRUCTIONS FOR COMPLETING A BCP AMENDMENT APPLICATION

This form must be used to add a party, modify a property description, or reduce/expand property boundaries for an existing BCP Agreement and/or Application. **NOTE: DEC requires a standard application to request major changes to the description of the property set forth in the BCA (e.g., adding a significant amount of new property, or adding property that could affect an eligibility determination due to contamination levels or intended land use). The application must be submitted to DEC in the same manner as the original application to participate.**

SECTION II NEW REQUESTOR INFORMATION

Requestor Name

Provide the name of the person(s)/entity requesting participation in the BCP. (If more than one, attach additional sheets with requested information. If an LLC, the members/owners names need to be provided on a separate attachment). The requestor is the person or entity seeking DEC review and approval of the remedial program.

If the requestor is a Corporation, LLC, LLP or other entity requiring authorization from the NYS Department of State to conduct business in NYS, the requestor's name must appear, exactly as given above, in the [NYS Department of State's Corporation & Business Entity Database](#). A print-out of entity information from the database must be submitted to DEC with the application, to document that the applicant is authorized to do business in NYS.

Requestor Address, etc.

Provide the requestor's mailing address, telephone number; fax number and e-mail address.

Representative Name, Address, etc.

Provide information for the requestor's authorized representative. This is the person to whom all correspondence, notices, etc will be sent, and who will be listed as the contact person in the BCA. Invoices will be sent to the representative unless another contact name and address is provided with the application.

Consultant Name, Address, etc.

Provide information for the requestor's consultant.

Attorney Name, Address, etc.

Provide information for the requestor's attorney.

SECTION III CURRENT PROPERTY OWNER/OPERATOR INFORMATION - only include if new owner/operator or new existing owner/operator information is provided, and highlight new information in form.

Owner Name, Address, etc.

Provide information for the new owner of the property. List all new parties holding an interest in the property.

Operator Name, Address, etc.

Provide information for the new operator (if different from the new requestor or owner).

SECTION IV**NEW REQUESTOR ELIGIBILITY INFORMATION**

As a separate attachment, provide complete and detailed information in response to any eligibility questions answered in the affirmative. It is permissible to reference specific sections of existing property reports; however, it is requested that such information be summarized. For properties with multiple addresses or tax parcels, please include this information for each address or tax parcel.

SECTION V PROPERTY DESCRIPTION AND DESCRIPTION OF CHANGES / ADDITIONS / REDUCTIONS (IF APPLICABLE)

NOTE: DEC requires a standard application to request major changes to the description of the property set forth in the BCA (e.g., adding a significant amount of new property, or adding property that could affect an eligibility determination due to contamination levels or intended land use). The application must be submitted to DEC in the same manner as the original application to participate.

Property Address

Provide a street address, city/town, and zip code. For properties with multiple addresses, provide information for all.

Tax Parcel Information

Provide the tax parcel/section/block/lot information. If requesting to modify a metes and bounds description or requesting changes to the boundaries of a site, please attach a revised metes and bounds description, survey, and/or acceptable site map to this application. Tax map information may be obtained from the tax assessor's office for all tax parcels that are included in the property boundaries. Attach a county tax map with identifier numbers, along with any figures needed to show the location and boundaries of the property. Include a USGS 7.5 minute quad map on which the property appears.

Schedule A

Section I: Name of current applicants:

- Bedford Courts LLC
- Bedford Courts I LLC
- Bedford Courts III LLC
- Bedford Courts III LIHTC LLC
- Bedford Courts III Housing Development Fund Corporation
- Bedford Courts Local Development Corporation

Attachment A

**NYC DEPARTMENT OF FINANCE
OFFICE OF THE CITY REGISTER**

This page is part of the instrument. The City Register will rely on the information provided by you on this page for purposes of indexing this instrument. The information on this page will control for indexing purposes in the event of any conflict with the rest of the document.



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RECORDING AND ENDORSEMENT COVER PAGE

PAGE 1 OF 66

Document ID: 2019020601033014

Document Date: 01-31-2019

Preparation Date: 02-07-2019

Document Type: AGREEMENT

Document Page Count: 64

PRESENTER:

BELLROW TITLE AGENCY, LLC (200066)BL/MB
125 PARK AVENUE, SUTE 1610
NEW YORK, NY 10017
212-376-0900
MERLYB@BELLROWTITLE.COM

RETURN TO:

BELLROW TITLE AGENCY, LLC (200066)BL/MB
125 PARK AVENUE, SUTE 1610
NEW YORK, NY 10017
212-376-0900
MERLYB@BELLROWTITLE.COM

| | | | | PROPERTY DATA | |
|-----------------------------|--------------|------------|------------|----------------------|---------------------|
| Borough | Block | Lot | | Unit | Address |
| BROOKLYN | 1274 | 1 | Entire Lot | | 1555 BEDFORD AVENUE |
| Property Type: OTHER | | | | | |

| Borough | Block | Lot | | Unit | Address |
|-----------------------------|--------------|------------|------------|-------------|-----------------------|
| BROOKLYN | 1274 | 2 | Entire Lot | 0 | 1089 PRESIDENT STREET |
| Property Type: OTHER | | | | | |

☒ Additional Properties on Continuation Page

CROSS REFERENCE DATA

CRFN _____ or DocumentID _____ or _____ Year _____ Reel _____ Page _____ or File Number _____

PARTIES

PARTY 1:

BEDFORD COURTS III LLC
C/O BFC PARTNERS, 150 MYRTLE AVENUE, 2ND
FLOOR
BROOKLYN, NY 11201

PARTY 2:

THE CITY OF NEW YORK
HPD, 100 GOLD STREET
NEW YORK, NY 10038

☒ Additional Parties Listed on Continuation Page

FEES AND TAXES

Mortgage :

Mortgage Amount: \$ 0.00

Taxable Mortgage Amount: \$ 0.00

Exemption:

TAXES: County (Basic): \$ 0.00

City (Additional): \$ 0.00

Spec (Additional): \$ 0.00

TASF: \$ 0.00

MTA: \$ 0.00

NYCTA: \$ 0.00

Additional MRT: \$ 0.00

TOTAL: \$ 0.00

Recording Fee: \$ 363.00

Affidavit Fee: \$ 0.00

Filing Fee:

\$ 0.00

NYC Real Property Transfer Tax:

\$ 0.00

NYS Real Estate Transfer Tax:

\$ 0.00

**RECORDED OR FILED IN THE OFFICE
OF THE CITY REGISTER OF THE**

CITY OF NEW YORK

Recorded/Filed 02-14-2019 10:03

City Register File No.(CRFN):

2019000051568



Annette McMill

City Register Official Signature

NYC DEPARTMENT OF FINANCE
OFFICE OF THE CITY REGISTER



2019020601033014001C8057

RECORDING AND ENDORSEMENT COVER PAGE (CONTINUATION)

PAGE 2 OF 66

Document ID: 2019020601033014

Document Date: 01-31-2019

Preparation Date: 02-07-2019

Document Type: AGREEMENT

PROPERTY DATA

| Borough | Block Lot | Unit | Address |
|----------------------|---------------------|------|-----------------------|
| BROOKLYN | 1274 101 Entire Lot | 0 | 1101 PRESIDENT STREET |
| Property Type: OTHER | | | |

PARTIES

PARTY 1:

BEDFORD COURTS III LIHTC LLC
C/O BFC PARTNERS, 150 MYRTLE AVENUE, 2ND
FLOOR
BROOKLYN, NY 11201

PARTY 1:

BEDFORD COURTS III HOUSING DEVELOPMENT
FUND
CORPORATION, C/O SETTLEMENT HOUSING FUND,
INC., 247 WEST 37TH STREET, 4TH FLOOR

PARTY 1:

BEDFORD COURTS LOCAL DEVELOPMENT
CORPORATION
C/O SETTLEMENT HOUSING FUND, INC., 247 WEST
37TH STREET, 4TH FLOOR

PARTY 1:

NEW YORK CITY HOUSING DEVELOPMENT
CORPORATION
110 WILLIAM STREET
NEW YORK, NY 10038

(14)

200066
BELLROW TITLE AGENCY, LLC
125 Park Avenue, Suite 1610
New York, N.Y. 10017
(212) 376-0900

REGULATORY AGREEMENT

among

BEDFORD COURTS III LLC,

BEDFORD COURTS III LIHTC LLC,

BEDFORD COURTS III HOUSING DEVELOPMENT FUND CORPORATION,

BEDFORD COURTS LOCAL DEVELOPMENT CORPORATION,

NEW YORK CITY HOUSING DEVELOPMENT CORPORATION

and

**THE CITY OF NEW YORK, ACTING BY AND THROUGH ITS DEPARTMENT OF
HOUSING PRESERVATION AND DEVELOPMENT**

January 31, 2019

BLOCK: 1274

LOT: 1, 2, & 101

COUNTY: Kings

RECORD AND RETURN TO:

New York City Housing Development Corporation
110 William Street
New York, NY 10038
Attention: General Counsel

REGULATORY AGREEMENT (as may be amended, this "Agreement"), entered into as of January 31, 2019, among **BEDFORD COURTS III LLC** (the "Non-Tax Code Borrower"), a New York limited liability company with an address at c/o BFC Partners, 150 Myrtle Avenue, 2nd Floor, Brooklyn, New York 11201, **BEDFORD COURTS III LIHTC LLC** (the "Tax Code Borrower" and together with the Non-Tax Code Borrower, jointly and severally, the "Beneficial Owner"), a New York limited liability company with an address at c/o BFC Partners, 150 Myrtle Avenue, 2nd Floor, Brooklyn, New York 11201, **BEDFORD COURTS LOCAL DEVELOPMENT CORPORATION** (the "LDC"), a New York not-for-profit corporation with an address at c/o Settlement Housing Fund, Inc., 247 West 37th Street, 4th Floor, New York, New York 10018, **BEDFORD COURTS III HOUSING DEVELOPMENT FUND CORPORATION** (the "Legal Owner" or "HDFC", and together with the Beneficial Owner and the LDC, jointly and severally, the "Sponsor"), a New York not-for-profit corporation with an address at c/o Settlement Housing Fund, Inc., 247 West 37th Street, 4th Floor, New York, New York 10018, **NEW YORK CITY HOUSING DEVELOPMENT CORPORATION** ("HDC"), a New York public benefit corporation with its address at 110 William Street, New York, NY 10038, and **THE CITY OF NEW YORK** (the "City"), acting by and through its **DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT** ("HPD"), with its address at 100 Gold Street, New York, NY 10038.

PRELIMINARY STATEMENT

WHEREAS, HDC and HPD have agreed to provide a portion of the acquisition, construction and permanent financing for a rental housing development and related facilities, to be constructed on the premises identified in Schedule A (the "Premises"), as further described in Schedule B (the "Project");

WHEREAS, the Premises consists of three separate tax lots, located at 1561 Bedford Avenue, 1089 and 1101 President Street, Brooklyn, New York and designated as Block 1274 Lots 1, 2, and 101, respectively, on the Tax Map of the City of New York, Kings County (individually, "Lot 1", "Lot 2" and "Lot 101");

WHEREAS, the Project will consist of three (3) buildings as follows: the existing Armory Drill Shed converted into a new recreation center and the former Head House into community space ("Building 1"), a newly constructed eight-story building containing a total of 60 affordable rental units and approximately 25,000 square feet of community facility space ("Building 2"), and a newly constructed fifteen-story building containing a total of 355 rental units including 190 affordable rental units, 164 market-rate rental units and one superintendent's unit as well as a parking garage with 118 parking spaces ("Building 3");

WHEREAS, The City of New York ("Fee Owner") has conveyed leasehold title to the Premises to the New York City Land Development Corporation pursuant to (x) a ground lease for Building 1, dated as of the date of this Agreement ("Ground Lease 1"), (y) a ground lease for Building 2, dated as of the date of this Agreement ("Ground Lease 2"), and (z) a ground lease for Building 3, dated as of the date of this Agreement ("Ground Lease 3");

WHEREAS, as of the date of this Agreement, the New York City Land Development Corporation (the "NYCLDC") has assigned its leasehold interest in (i) Ground Lease 1 to the LDC as nominee for the Non-Tax Code Borrower, and (ii) Ground Lease 2 and Ground Lease 3 to Non-Tax Code Borrower;

WHEREAS, with respect to Lot 1, LDC and Non-Tax Code Borrower have entered into a Declaration of Interest and Nominee Agreement (the "NMTC Nominee (Leasehold)"), pursuant to which Non-Tax Code Borrower is the beneficial owner of the leasehold interest in Lot 1;

WHEREAS, as of the date of this Agreement, LDC as record sublessor and Non-Tax Code Borrower as beneficial sublessor have subleased Lot 1 to LDC as record sublessee and nominee for Bedford Courts I LLC as holder of the equitable and beneficial Subleasehold interest in Lot 1 pursuant to a sublease (the "NMTC Sublease");

WHEREAS, with respect to Lot 1, LDC and Bedford Courts 1 LLC have entered into a Declaration of Interest and Nominee Agreement (the "NMTC Nominee (Subleasehold)"), pursuant to which LDC hold the record subtenant interest and Bedford Courts I LLC holds the beneficial and equitable subtenant interest in Lot 1.

WHEREAS, as of the date of this Agreement, the Non-Tax Code Borrower has master leased the Tax Code Units (as defined below; capitalized terms used but not defined in this preliminary statement are defined in Section 1.01) to Legal Owner as record subleasehold owner and nominee for the Tax Code Borrower pursuant to a master lease (the "Master Lease");

WHEREAS, as of the date of this Agreement, the Legal Owner and the Tax Code Borrower have entered into a Declaration of Interest and Nominee Agreement (the "Nominee Agreement") pursuant to which the Tax Code Borrower is the beneficial owner of the subleasehold interest in Tax Code Units and Legal Owner retains the record subleasehold interest in the Tax Code Units;

WHEREAS, the Sponsor intends to create a commercial condominium on Lot 2 and Lot 101, pursuant to which a single six-unit condominium comprised of Building 2 and Building 3 as follows: (i) a condominium unit containing 60 Tax Code Units and the superintendent's unit (the "LIHTC Condo Unit A"), (ii) a condominium unit containing 119 Tax Code Units (the "LIHTC Condo Unit B"), (iii) a condominium unit containing 71 Tax Code Units (the "LIHTC Condo Unit C") and, together with LIHTC Condo Unit A and LIHTC Condo Unit B, the "Tax Code Units Condo Unit"), (iv) a condominium unit containing 164 Market Rate Units (the "Market Condo Unit"), (v) a condominium unit containing approximately 25,000 square feet of community facility space (the "Community Facility Condo Unit"), and (vi) a condominium unit containing approximately 22,212 square feet of parking space (the "Parking Condo Unit" and together with the LIHTC Condo Unit A, LIHTC Condo Unit B, LIHTC Condo Unit C, Market Condo Unit and the Community Facility Condo Unit, the "Condominium"); the Tax Code Units Condo Unit is expected to receive Tax Credits and comprise the "building" for purposes of Section 42 of the Tax Code; however, the Project shall include all condominium units, as provided in Schedule B, and, prior to [obtaining the TCO for Building 1] only, Building 1, as more fully set forth in Section 8.11 of this Agreement;

WHEREAS, upon the creation of a condominium on Lots 2 and 101, the Tax Code Borrower will retain the beneficial ownership of the subleasehold interest in the Tax Code Units Condo Unit and the Master Lease will remain in place for the term of the Ground Lease 2 and Ground Lease 3, and the Tax Code Borrower and the Legal Owner may enter into a new amended and restated separate Nominee Agreement pursuant to which the Tax Code Borrower will be the beneficial owner of the subleasehold interest in the Tax Code Units Condo Unit and the Legal Owner will be the record title owner of the subleasehold interest in the Tax Code Units Condo Unit; at the same time, the Non-Tax Code Borrower will retain the leasehold interest in the condominium units containing the Non-Tax Code market rate Units, consisting of the Market Condo Unit, the Parking Condo Unit and the Community Facility Condo Unit [CONFIRM];

WHEREAS, HDC has agreed to make, pursuant to the HDC Commitment (as defined below; capitalized terms used but not defined in this preliminary statement are defined in Section 1.01): (i) a first mortgage loan to the Beneficial Owner in the aggregate principal amount of \$53,500,000 (the "HDC Construction Loan"), which upon the Permanent Conversion will

become a permanent mortgage loan in the aggregate principal amount of \$75,500,000 (the "HDC Permanent Loan") and together with the HDC Construction Loan, the "HDC Loan") and (ii) a subordinate mortgage loan to the Beneficial Owner in the aggregate principal amount of \$15,000,000 (the "HDC Additional Loan"), (iii) a third-position mortgage loan to the Beneficial Owner in the aggregate principal amount of \$31,075,000, to be funded by a grant of City Capital funds from HPD to HDC pursuant to a grant agreement between HPD and HDC (the "Grant Agreement"), dated as of the date of this Agreement (the "HDC City Capital Loan"), (iv) a fourth-position mortgage loan to the Beneficial Owner in the aggregate principal amount of \$2,000,000, to be funded by a grant of Reso A funds from HPD to HDC pursuant to the Grant Agreement, dated as of the date of this Agreement (the "HDC Reso A Loan") and (v) a fifth-position mortgage loan to the Beneficial Owner in the aggregate principal amount of \$10,000,000, to be funded by a grant of HIF funds from HPD to HDC pursuant to the Grant Agreement, dated as of the date of this Agreement (the "HDC HIF Loan"); the HDC Financing (as defined below) will be evidenced by notes made by the Beneficial Owner and dated as of the date of this Agreement (collectively, and as may be amended, the "HDC Mortgage Note") and secured by mortgages made by the Sponsor and dated as of the date of this Agreement (collectively, and as may be amended, the "HDC Mortgage");

WHEREAS, HDC will originate, and Wells Fargo Bank, National Association (the "Credit Provider") will purchase a 100% participation interest in a co-first mortgage loan to the Beneficial Owner in the aggregate principal amount of \$56,768,007 (the "Bank Loan"), which upon Permanent Conversion will be partially prepaid and will become a permanent loan in the aggregate principal amount of \$22,000,000 (the "Permanent Bank Loan") and together with the HDC Loan, the HDC Additional Loan, the HDC City Capital Loan, the HDC HIF Loan, and the HDC Reso A Loan, the "HDC Financing");

WHEREAS, the Beneficial Owner has requested that Wells Fargo Bank, National Association (the "Credit Provider") extend a stand-by letter of credit (the "Credit Instrument") for the benefit of HDC to further secure the Beneficial Owner's obligation to HDC under the HDC Construction Loan; the Credit Provider will service the HDC Financing while the Credit Instrument is in place, pursuant to a Servicing and Release Agreement dated as of the date of this Agreement among the Beneficial Owner, the Credit Provider and HDC (as may be amended, the "Servicing and Release Agreement");

WHEREAS, the Beneficial Owner has applied to receive an allocation of Tax Credits from HPD by reason of the issuance of the Obligations by HDC, and an extended low income housing commitment is required pursuant to the Tax Code; the Tax Credits equity investor in the Beneficial Owner will be Wells Fargo Affordable Housing Community Development Corporation (the "Tax Credit Investor");

WHEREAS, the Sponsor expects to receive Real Property Tax Benefits;

WHEREAS, HPD requires that the Project and the Sponsor comply with marketing, occupancy and operating requirements and shall require that a Mandatory Inclusionary Housing Restrictive Declaration (the "MIH Restrictive Declaration") be recorded against the Lot 2 and Lot 101;

WHEREAS, HDC requires that the Project and the Sponsor comply with marketing, occupancy and operating requirements as a condition to the provision of the HDC Financing, in order to fulfill HDC's statutory purpose of providing housing for people and families for whom the ordinary operations of private enterprise cannot provide an adequate supply of safe, sanitary and affordable housing;

WHEREAS, HPD requires that the Project and the Sponsor comply with marketing, occupancy and operating requirements as a condition to the making of the HDC City Capital Loan, HDC Reso A Loan and the HDC HIF Loan and the allocation of the Tax Credits;

WHEREAS, in order for the Project to have the benefit of the HDC Financing and the Tax Credits, HDC and HPD require that the Sponsor (i) agree to operate the Project in accordance with this Agreement and (ii) agree that the restrictions in this Agreement shall run with the Premises and bind all of the successors and assigns of the Sponsor, for so long as set forth in this Agreement;

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the parties agree as follows:

ARTICLE I. DEFINITIONS

SECTION 1.01 Definitions. In this Agreement, the following terms shall have the meanings set forth below:

"Actual Rent" shall have the meaning set forth in Section 5.03.

"Agreement" shall have the meaning set forth in the preamble.

"AMI" shall mean the area median income for the New York metropolitan area, as determined by HUD from time to time, for a family of four, as adjusted for family size. All percentage of AMI numbers provided in this Agreement shall be calculated as the appropriate percentage adjustment to the income levels, as determined by HUD from time to time, for 50% of AMI families (also known as "very low income" families), as adjusted for family size. For example, 60% of AMI is equal to 120% of the 50% of AMI figure published by HUD, and 100% of AMI is equal to 200% of the 50% of AMI figure. If HUD publishes the income levels for a percentage of AMI number other than 50% of AMI, then HDC and HPD may determine, in their sole discretion, to use the HUD-published numbers for that income level rather than the calculation described above. For the purposes of determining rents for Income-Restricted Units, incomes shall be adjusted for family size as follows: Units with no bedrooms shall be treated as being occupied by a one-person family, and units with one or more bedrooms shall be treated as being occupied by 1.5 people per bedroom, regardless of the actual number of people occupying the unit.

"Annual Income" shall mean the current gross income of the Household, calculated in a manner consistent with the determination of low income families under Section 8 of the United States Housing Act of 1937, as amended (or, if such program is terminated, under such program as was in effect immediately before such termination).

"Applicable AMI Limit" shall mean for any Tax Code Unit, the percentage of AMI specified as the income restriction for occupancy of the unit, as set forth in Section 4.02, such that, by way of example, the Applicable AMI Limit for a 60% of AMI Unit is 60% of AMI.

"Beneficial Owner" shall have the meaning set forth in the preamble.

"Bond Counsel" shall mean an attorney or firm of attorneys of nationally recognized standing in the law of municipal, state and public agency financing, as selected by HDC.

"City" shall have the meaning set forth in the preamble.

"Community Facility Condo Unit" shall have the meaning set forth in the WHEREAS clauses.

"Compliance Period" shall have the meaning set forth in Section 6.02.

"Condominium" shall have the meaning set forth in the WHEREAS clauses.

"Construction Loan Closing" shall mean the closing of the HDC Financing

"Credit Instrument" shall have the meaning set forth in the WHEREAS clauses.

"Credit Provider" shall have the meaning set forth in the WHEREAS clauses.

"Default Rate" shall mean the U.S. prime rate of interest as reported from day to day in The Wall Street Journal, plus 4% per annum, or, if such prime rate is no longer available, the base rate or prime rate of interest of any "Money Center" bank designated by HDC or HPD, in each case in its sole discretion, plus 4% per annum.

"EDC" shall have the meaning set forth in Section 3.01

"Eligible Tenant" shall mean a tenant who meets the income restrictions and other requirements set forth in this Agreement and the Tax Code, as applicable.

"Event of Default" shall have the meaning set forth in Section 10.01.

"Extended Use Period" shall have the meaning set forth in Section 6.02.

"Fee Owner" shall have the meaning set forth in the WHEREAS clauses.

"FMR" shall mean the fair market rent as determined by HUD for the New York metropolitan area and in effect as of the date of the relevant rent determination.

"HDC" shall have the meaning set forth in the preamble.

"HDC Act" shall mean the New York City Housing Development Corporation Act, Article XII of the New York Private Housing Finance Law, as may be amended, and any rules, regulations, policies or procedures promulgated under the statute.

"HDC Additional Loan" shall have the meaning set forth in the WHEREAS clauses.

"HDC City Capital Loan" shall have the meaning set forth in the WHEREAS clauses.

"HDC Commitment" shall mean the Construction and Permanent Financing Commitment and Agreement with respect to the HDC Financing, among the Beneficial Owner, the Legal Owner, HDC and the guarantors of certain obligations of the Beneficial Owner, as may be amended.

"HDC Construction Loan" shall have the meaning set forth in the WHEREAS clauses.

"HDC Financing" shall have the meaning set forth in the WHEREAS clauses.

"HDC HIF Loan" shall have the meaning set forth in the WHEREAS clauses.

"HDC Loan" shall have the meaning set forth in the WHEREAS clauses.

"HDC Mortgage" shall have the meaning set forth in the WHEREAS clauses.

"HDC Mortgage Note" shall have the meaning set forth in the WHEREAS clauses.

"HDC Permanent Loan" shall have the meaning set forth in the WHEREAS clauses.

"HDC Reso A Loan" shall have the meaning set forth in the WHEREAS clauses.

"Homeless Unit" shall have the meaning set forth in Section 4.02.

"Household" shall mean all of the occupants of a unit whether or not legally related.

"HPD" shall have the meaning set forth in the preamble.

"HUD" shall mean the U.S. Department of Housing and Urban Development (and any successor agency).

"Income-Restricted Unit" shall mean a Tax Code Unit.

"Legal Owner" shall have the meaning set forth in the preamble.

"Legal Rent" shall have the meaning set forth in Section 5.02.

"LIHTC Condo Unit A" shall have the meaning set forth in the WHEREAS clauses.

"LIHTC Condo Unit B" shall have the meaning set forth in the WHEREAS clauses.

"LIHTC Condo Unit C" shall have the meaning set forth in the WHEREAS clauses.

"Loan Agreement" shall mean the Building Loan Agreement, and the Project Loan Agreement, if any, among HDC, the Beneficial Owner and the Legal Owner, dated as of the date of this Agreement and as may be amended.

"Loan Documents" shall mean, collectively, the HDC Mortgage, the HDC Mortgage Note and all other documents delivered in connection with the HDC Financing.

"MIH Restrictive Declaration" shall have the meaning set forth in the WHEREAS clauses.

"Management Agreement" shall have the meaning set forth in Section 7.01.

"Managing Agent" shall have the meaning set forth in Section 7.01.

"Market Condo Unit" shall have the meaning set forth in the WHEREAS clauses.

"Market-Rate Unit" shall mean any unit that is not a Superintendent Unit, Income-Restricted Unit or Over-Income Unit.

"Master Lease" shall have the meaning set forth in the WHEREAS clauses.

"NMTC Nominee (Leasehold)" shall have the meaning set forth in the WHEREAS clauses.

"NMTC Nominee (Subleasehold)" shall have the meaning set forth in the WHEREAS clauses.

"NMTC Sublease" shall have the meaning set forth in the WHEREAS clauses.

"Nominee Agreement" shall have the meaning set forth in the WHEREAS clauses.

"Non-Permanently Affordable Unit" shall have the meaning set forth in Section 4.02.

"Obligations" shall mean that portion of the obligations issued by HDC to fund both the HDC Loan and the HDC Additional Loan, in whole or in part, pursuant to the Resolution.

"Occupancy Restriction Period" shall have the meaning set forth in Section 2.01.

"Parking Condo Unit" shall have the meaning set forth in the WHEREAS clauses.

"Permanent Conversion" shall mean the conversion of the HDC Financing to the permanent phase.

"Permanently Affordable Units" shall have the meaning set forth in Section 4.02(b).

"Permitted Mortgages" shall mean the HDC Mortgage and any other mortgage affecting the Premises incurred with the prior written consent of HDC and HPD.

"Premises" shall have the meaning set forth in the WHEREAS clauses.

"Project" shall have the meaning set forth in the WHEREAS clauses.

"Public Assistance" shall mean Temporary Assistance for Needy Families, Family Assistance or Safety Net Assistance, each as administered by the New York City Human Resources Administration (or any successor agency), or any other public assistance program approved by HPD and HDC.

"Real Property Tax Benefits" shall mean the exemption from or abatement of real property tax with regard to the Project pursuant to the payment in lieu of taxes provisions of the Ground Leases.

"Rent Stabilization" shall mean Title 26, Chapter 4 of the New York City Administrative Code (and any successor statute) and the rules and regulations promulgated under the statute.

"Rental Assistance" shall mean rental subsidies provided through Section 8, the Living in Communities rental assistance program administered by the New York City Human Resources Administration (or any successor agency), or any similar rental subsidy program approved by HDC and HPD in their sole discretion. For purposes of this Agreement, Rental Assistance shall not include any Shelter Allowance payments.

"Rental Assistance Rent" shall mean the maximum rent for a unit that is eligible to be subsidized under the applicable Rental Assistance program. For example, in the case of any unit occupied by a tenant with a Rental Assistance voucher, the unit will be deemed a Rental Assistance Unit and the Rental Assistance Rent shall be the voucher payment standard as authorized by the government agency issuing the voucher.

"Rental Assistance Unit" shall mean a unit receiving a form of Rental Assistance.

"Resolution" shall mean HDC's Multi-Family Housing Revenue Bonds Bond Resolution adopted on July 27, 1993, as amended or supplemented.

"Section 8" shall mean a federal rental subsidy pursuant to the Section 8 housing choice voucher program, the Section 8 rental certificate program, the Section 8 project-based rental assistance program, or any successor programs under the United States Housing Act of 1937, as amended.

"Servicing and Release Agreement" shall have the meaning set forth in the WHEREAS clauses.

"Shelter Allowance" shall mean the monthly portion of Public Assistance intended and used for housing expenses, as adjusted for household size.

"Social Services Contract" shall have the meaning set forth in Section 4.09.

"Social Services Plan" shall have the meaning set forth in Section 4.09.

"Social Services Reserve" shall have the meaning set forth in Section 4.10.

"Sponsor" shall have the meaning set forth in the preamble.

"State" shall mean the State of New York.

"Student Unit" shall mean a unit where all of the occupants of the unit are students, as defined in Section 152(f)(2) of the Tax Code, subject to the exceptions given in Section 42(i)(3)(D) of the Tax Code.

"Superintendent Unit" shall mean a unit occupied by a resident superintendent or porter of the Project.

"Tax Code" shall mean the Internal Revenue Code of 1986, as may be amended, and any rules or regulations promulgated under the statute.

"Tax Code Unit" shall mean any unit that is occupied by a tenant who qualified under this Agreement as an Eligible Tenant pursuant to Sections 42 and 142 of the Tax Code, as applicable, prior to initial occupancy. This category includes any units designated in Section 4.02 as having income restrictions for occupancy at any level at or below 60% of AMI. No Market-Rate Unit, Student Unit or Superintendent Unit shall qualify as a Tax Code Unit.

"Tax Code Unit Percentage" shall mean the percentage of units (excluding any Superintendent Unit) that are Tax Code Units.

"Tax Code Units Condo Unit" shall have the meaning set forth in the WHEREAS clauses.

"Tax Credit Investor" shall have the meaning set forth in the WHEREAS clauses.

"Tax Credits" shall mean the low income housing tax credits available to the Sponsor due to the inclusion of Tax Code Units in the Project pursuant to Sections 42 and 142 of the Tax Code and any related rules and regulations.

"Unit" or "unit" shall mean a residential apartment located in the Project.

SECTION 1.02 References to this Agreement. References in this Agreement to specific articles, sections, schedules, etc. refer to provisions in this Agreement unless otherwise noted.

SECTION 1.03 Headings. Headings are for reference only and shall not control the interpretation of this Agreement.

SECTION 1.04 Preliminary Statement; Schedules. The recitals in the preliminary statement and all schedules to this Agreement are a part of the agreement of the parties and are incorporated in this Agreement for all purposes.

ARTICLE II. TERM OF RESTRICTIONS

SECTION 2.01 Occupancy Restriction Period. The Project and the Sponsor shall be subject to the requirements of this Agreement during the Occupancy Restriction Period (as defined in this section), except as may be specifically provided otherwise in this Agreement. The "Occupancy Restriction Period" shall mean a period lasting in perpetuity from the date that is the later of (i) the date that 10% of the units are first occupied and (ii) the date of issuance of the Obligations. Notwithstanding that the Occupancy Restriction Period is intended to last in perpetuity, the following provisions are included in this Agreement to satisfy requirements of the Tax Code and other financing requirements. This Agreement contains these and other provisions referring to the end of the Occupancy Restriction Period and the Period after the Occupancy Restriction Period ends. Any such provisions are included out of caution only and shall not apply barring unforeseen amendment of this Agreement, change in law or court order. In no event shall the Occupancy Restriction Period end prior to the latest of the following dates: The Occupancy Restriction Period may be longer than this minimum period, and shall end on the latest of the following dates:

- (a) the date that is 15 years after the date on which 50% of the units are first occupied;
- (b) the first day on which no Obligation or other tax-exempt private activity obligation with respect to the Project is outstanding;
- (c) the date on which any assistance provided with respect to the Project under Section 8 of the United States Housing Act of 1937, as amended, terminates;
- (d) the date of the end of the Extended Use Period (see Section 6.02);
- (e) the date on which the Real Property Tax Benefits expire;
- (f) the date on which the HDC Mortgage and any other mortgage held by HDC or HPD with respect to the Project have been satisfied; and
- (g) 60 years from the date of the Permanent Conversion

Notwithstanding the foregoing, with respect to the Non-Permanently Affordable Units (as

defined in Section 4.02 below and delineated in Schedule B) and the Market Rate Units, the Occupancy Restriction Period is intended to end earlier and shall end on the latest of the following dates:

- (i) the date that is 15 years after the date on which 50% of the units are first occupied;
- (ii) the first day on which no Obligation or other tax-exempt private activity obligation with respect to the Project is outstanding;
- (iii) the date on which any assistance provided with respect to the Project under Section 8 of the United States Housing Act of 1937, as amended, terminates;
- (iv) the date of the end of the Extended Use Period (see Section 6.02);
- (v) the date on which the Real Property Tax Benefits expire;
- (vi) the date on which the HDC Mortgage and any other mortgage held by HDC or HPD with respect to the Project have been satisfied; and
- (vii) 60 years from the date of the Permanent Conversion.
- (viii) Post-Occupancy Restriction Period. Any provisions of this Agreement (i) necessary to preserve the exclusion from gross income for purposes of federal income taxation of interest on the Obligations and (ii) governing the rental of units after the Occupancy Restriction Period ends, and the enforcement of such provisions, shall remain in effect for as long as may be necessary to preserve and enforce such provisions.

SECTION 2.02 Unforeseen Events. This Agreement shall cease to apply in the event, to the extent and for the duration of any involuntary non-compliance caused by fire, seizure, requisition, condemnation, change in federal law or any action of a federal agency after the date of issuance of the Obligations that prevents HDC and HPD from enforcing some or all of this Agreement, or any similar event, if in any such event (i) the Obligations used to provide the Project are retired within a reasonable period, or (ii) the amounts received as a result of the unforeseen event, subject to the rebate requirement of Section 148 of the Tax Code, are used to provide a project that meets the requirements of Section 142(d) of the Tax Code.

SECTION 2.03 Termination; Release.

- (a) Consent of HDC and HPD Required. This Agreement shall not be terminated without the prior written consent of HDC and HPD, except as provided otherwise in this section.
- (b) Foreclosure. In the event of a foreclosure or deed in lieu of foreclosure of the HDC Construction Loan mortgage or after Permanent Conversion, the HDC Permanent Loan mortgage, this Agreement shall terminate only (i) upon written request of the owner of the applicable mortgage, and (ii) with the prior written consent of the Credit Provider and (iii) if, within a reasonable period, the Obligations are retired (it being agreed that HDC shall cause the Obligations to be retired within a reasonable period pursuant to the terms of the Resolution) and the HDC Additional Loan, HDC City Capital Loan, HDC Reso A Loan and the HDC HIF Loan are paid in full. However, if the Sponsor or a related person obtains an ownership interest in the Project after any such foreclosure or deed in lieu of foreclosure, but during the Occupancy Restriction Period, this Agreement shall be reinstated in full force and effect.
- (c) Release. At the request of the Sponsor, HDC and HPD shall provide the Sponsor with a release of this Agreement in recordable form upon termination of this

Agreement.

- (d) Conversion to Co-Op or Condo. After the Occupancy Restriction Period ends, the Sponsor may convert the Project to cooperative or condominium ownership of individual units. Such a conversion shall not be made pursuant to an eviction plan, as defined by Section 352-eeee of the New York General Business Law, as may be amended.

ARTICLE III. GENERAL COMPLIANCE

SECTION 3.01 Compliance with Laws and Regulations. The Sponsor shall do all things necessary to ensure the following:

- (a) HDC and HPD Financing. The Sponsor shall comply, and shall cause the Project to comply, with (i) this Agreement, (ii) the Loan Documents, (iii) the HDC Act and (iv) any rules adopted by HDC or HPD relating to the HDC Financing or the operation of the Project as may be necessary to enforce this Agreement. Any violation of the requirements of the Loan Documents may be declared an Event of Default under this Agreement.
- (b) Tax-Exempt Obligations. The Sponsor shall comply, and shall cause the Project to comply, with the applicable provisions of the Tax Code and this Agreement in order to preserve the exclusion from gross income for purposes of federal income taxation of interest on the Obligations.
- (c) Tax Credits. The Sponsor shall comply, and shall cause the Project to comply, with (i) the provisions of the Tax Code governing the Tax Credits, (ii) the extended low income housing commitment provisions of this Agreement (Article VI) and (iii) HDC's monitoring procedures with respect to the Tax Credits.
- (d) Real Property Tax Benefits; Other Agreements and Permits. The Sponsor shall do all things necessary: (i) to maintain the Real Property Tax Benefits, (ii) to maintain any permits or agreements with government agencies, including HDC, HPD and the New York City Economic Development Corporation ("EDC"), in good standing and (iii) to comply with the requirements of such agencies. Any violation of the requirements of the Real Property Tax Benefits, or any permits or agreements with or requirements of any government agencies, may be declared an Event of Default under this Agreement.

SECTION 3.02 More Restrictive Provisions Control. If this Agreement conflicts with any other applicable agreement, law, regulation or permit, or if any provision of this Agreement conflicts with any other provision of this Agreement, the more restrictive provision (as determined by HDC and HPD) shall control.

ARTICLE IV. PROJECT OCCUPANCY

SECTION 4.01 General Compliance. The Sponsor agrees that the occupancy requirements for the Project shall comply with (i) the HDC Act and the rules and regulations of HDC and HPD, including any requirements pertaining to Eligible Tenants or Income-Restricted Units, (ii) all provisions of the Tax Code that may or shall affect (1) the exclusion from gross income for purposes of federal income taxation of interest on the Obligations or (2) the Tax Credits, (iii) any applicable requirements of Rental Assistance and (iv) any other provisions of federal, state or local law or regulation that may be applicable, including the Loan Documents

(so long as they remain in effect).

SECTION 4.02 Distribution of Units. The Sponsor shall lease the units (excluding any Superintendent Unit) to Eligible Tenants as provided in this section. In calculating the number of units in each category below, no unit may be counted multiple times unless specifically stated otherwise.

- (a) Tax Code Units. In accordance with the distribution set forth in Schedule B, 250 units shall be Tax Code Units.
 - (i) The Sponsor shall lease no fewer than 50 Tax Code Units solely to Eligible Tenants whose Annual Income upon initial occupancy does not exceed 30% of AMI ("30% of AMI Units") of which 25 units will be Homeless Units (as defined below).
 - (ii) The Sponsor shall lease no fewer than 25 Tax Code Units solely to Eligible Tenants whose Annual Income upon initial occupancy does not exceed 40% of AMI ("40% of AMI Units").
 - (iii) The Sponsor shall lease no fewer than 25 Tax Code Units solely to Eligible Tenants whose Annual Income upon initial occupancy does not exceed 50% of AMI ("50% of AMI Units").
 - (iv) The Sponsor shall lease no fewer than 150 Tax Code Units solely to Eligible Tenants whose Annual Income upon initial occupancy does not exceed 60% of AMI ("60% of AMI Units").
- (b) Permanently Affordable Units. In accordance with the distribution set forth in Schedule B, 38 of the Income-Restricted Units shall be Permanently Affordable Units. In accordance with the distribution set forth in Schedule B, an additional 109 of the Income-Restricted Units shall be subject to the requirements of the MIH Declaration (as hereinafter defined). Income-Restricted Units that are not Permanently Affordable Units shall be "Non-Permanently Affordable Units."
- (c) Disability Set-Asides. The Sponsor shall ensure that a minimum of 5% of the units, or one unit, whichever is greater, is accessible and set aside for Households with a person with a mobility disability. The Sponsor shall ensure that an additional minimum of 2% of the units, or one unit, whichever is greater, is accessible and set aside for Households with a person with a hearing or vision disability.
- (d) Homeless Units. The Sponsor shall lease no fewer than 25 of the 30% of AMI Units solely to tenants who are referred by the New York City Department of Homeless Services, HPD or an alternate referral source acceptable to HPD and HDC ("Homeless Units"). The distribution of Homeless Units shall be as set forth in Schedule B. This distribution may be adjusted at initial rent-up with the prior written consent of HDC and HPD. This requirement will terminate on the last day of the 30th year of the Occupancy Restriction Period.
- (e) Market-Rate Units. In accordance with the distribution set forth in Schedule B, 164 units shall be Market-Rate Units.

SECTION 4.03 Changes to Distribution of Units. Except by reason of an involuntary change caused by unforeseen events such as fire, seizure, requisition or condemnation:

- (a) Changes Violating Certifications. The Sponsor shall make no changes in the amount of residential and non-residential space or in the number of units, which in the opinion of Bond Counsel, would cause a violation of the certifications presented

to HDC with respect to such space or units and adversely affect the exclusion from gross income for purposes of federal income taxation of interest on the Obligations; and

- (b) Tax Code Unit Percentage. The Sponsor shall not reduce the Tax Code Unit Percentage for the Project below 60.24%, unless the Sponsor receives the prior written consent of HDC and HPD, which may be granted in the sole discretion of HDC and HPD.

SECTION 4.04 General Requirements for Units.

- (a) Rental to the General Public; Non-Transient Units. Each unit (excluding any Superintendent Unit) shall be rented or made available for rental on a continuous basis to the general public, subject to any preferences required under this Agreement. None of the units shall be used on a transient basis or as a hotel, motel, dormitory, fraternity or sorority house, rooming house, hospital, nursing home, sanitarium, rest home or trailer park.
- (b) Primary Residence. Units may only be occupied as a primary residence, as defined by Rent Stabilization, pursuant to a one- or two-year lease and by natural people or families who are otherwise eligible to occupy the unit pursuant to this Agreement. The Sponsor shall only offer a vacant Income-Restricted Unit for occupancy by natural people or families intending to occupy the unit as their primary residence pursuant to a one- or two-year lease, and shall not cause or permit the sublease or assignment of any Income-Restricted Unit for transient occupancy, for occupancy by any Household that is not eligible, or to any corporation or other entity. The Sponsor shall only offer a vacant Market-Rate Unit for occupancy by natural people or families and shall not cause or permit the sublease or assignment of any Market-Rate Unit for transient occupancy or to any corporation or other entity.
- (c) Condition of Units. The units shall be suitable for occupancy and similarly constructed and shall contain living, sleeping, eating, cooking and sanitation facilities for a single person or family. The Homeless Units must be furnished in a manner that is satisfactory to HPD.
- (d) Integration of Tax Code Units. The Sponsor shall not segregate or physically isolate Tax Code Units from any other units in the Project, and Tax Code Units shall be reasonably dispersed throughout the Project.

SECTION 4.05 Marketing Guidelines. The Sponsor shall comply with the procedures and requirements of HDC and HPD pertaining to the marketing and rent-up of all Income-Restricted Units, including the use of HDC's forms for verifying Annual Income and Household size. HDC and HPD reserve the right to require that all Income-Restricted Units that become vacant at a future date are marketed pursuant to marketing guidelines provided by HDC or HPD.

SECTION 4.06 Qualification of Eligible Tenants. The Sponsor shall comply with the procedures and requirements of HDC and HPD and any applicable provisions of the Tax Code pertaining to the initial and ongoing qualification of Eligible Tenants.

- (a) Applicant Certifications. Prior to the initial rental of any Income-Restricted Unit or the rental of any Income-Restricted Unit after vacancy, the Sponsor shall determine whether each applicant for the unit qualifies as an Eligible Tenant. The Sponsor shall obtain a certification of Annual Income and Household size from each applicant, along with the documentation necessary to verify the certification. The Sponsor shall verify each certification in a manner consistent with the verification of

Annual Income under Section 8. If an applicant is receiving assistance under Section 8, the verification requirement is satisfied if the public housing agency providing the assistance gives the Sponsor a statement indicating that the applicant qualifies as an Eligible Tenant. The Sponsor may consult with HDC and HPD to obtain guidance on the applicant certification process.

- (b) Agency Review Prior to Initial Rental. Prior to the initial rental of any Income-Restricted Unit or the rental of any Income-Restricted Unit after vacancy, the Sponsor shall furnish to HDC (and to HPD, if requested by HPD in writing) the certification of Annual Income and Household size provided by the applicant selected for the unit, along with verification documentation as may be required by HDC, HPD or under the Tax Code in order to review the qualifications of the applicant. No lease for any Income-Restricted Unit shall be executed until the Sponsor has received approval from HDC (and HPD, if applicable).
- (c) Annual Tenant Certifications (Tax Code Units). Upon the establishment of the Tax Code Units Condo Unit as a "building" as defined in Section 42 of the Tax Code, the Sponsor shall certify to HDC as to the Household size and student status of each tenant residing in a Tax Code Unit based on certifications obtained from such tenants. Otherwise, on an annual basis, the Sponsor shall (i) obtain a certification of Annual Income, Household size and student status from each tenant residing in a Tax Code Unit, along with verification documentation, and (ii) determine whether each such tenant continues to qualify as an Eligible Tenant. The Sponsor shall verify each certification as provided in paragraph (a) above.
- (d) Annual Agency Reviews (Tax Code Units). The Sponsor shall furnish to HDC (and to HPD, if requested by HPD in writing), on an annual basis or more frequently if required in writing by HDC or HPD in order to ensure compliance with this Agreement, a certification by the Sponsor documenting the annual tenant certifications provided in accordance with paragraph (c) above, along with verification documentation (if requested by HDC or HPD). The Sponsor shall also furnish any reports or other documents that HDC or HPD reasonably determine are necessary to establish compliance with this Agreement and the Tax Code.
- (e) Tenant's Failure to Certify; Fraud. If a tenant residing in an Income-Restricted Unit fails to provide the Sponsor with certifications and documentation as required within 60 days of the Sponsor's request, or if such a tenant provides false or fraudulent materials at any time, then the Sponsor may, or at the request of HDC or HPD shall, refuse to offer a lease renewal and/or commence legal action to terminate the lease of the tenant.

SECTION 4.07 Changes in Tenant Income. An Eligible Tenant shall be entitled to remain in occupancy and to obtain a lease renewal to the extent provided under Rent Stabilization even if the tenant's Annual Income, after initial occupancy, exceeds the maximum for initial eligibility. No Eligible Tenant may be evicted or have his or her tenancy terminated except for good cause.

SECTION 4.08 Next Available Unit Rules.

- (a) Non-Deep Rent Skewing Project. The Sponsor has not elected to "deep rent skew" the Project. Upon the establishment of the Tax Code Units Condo Unit as a "building" as defined in Section 42 of the Tax Code, if the Annual Income of a tenant in a Tax Code Unit exceeds 140% of the Applicable AMI Limit, then the Sponsor shall lease the next available vacant unit of comparable or smaller size in the Tax Code Units Condo Unit to a tenant whose Annual Income does not exceed the

Applicable AMI Limit required by the Tax Code. Otherwise, if the Annual Income of a tenant in a Tax Code Unit exceeds 140% of the Applicable AMI Limit, then the Sponsor shall lease the next available vacant unit of comparable or smaller size that is not a Tax Code Unit to a tenant in the Project whose Annual Income does not exceed the Applicable AMI Limit required by the Tax Code.

- (b) Tenant's Failure to Certify; Fraud. If the Sponsor fails to commence legal action to terminate the lease of a tenant described in Section 4.06(e) and residing in a Tax Code Unit in a prompt manner, or does not diligently pursue the legal action to the satisfaction of HDC and HPD, then the Sponsor shall lease the next available vacant unit of comparable or smaller size to a tenant who qualifies as an Eligible Tenant for a Tax Code Unit (with an income restriction for occupancy at the same level as the unit occupied by the tenant described in Section 4.06(e), if such level is below the income restriction for occupancy that would otherwise apply to the next available unit) prior to renting any other unit of comparable or smaller size.

SECTION 4.09 Social Services for Homeless Units.

- (a) Social Services Plan. Prior to the initial rent-up of the units, the Sponsor shall submit to HPD (and to HDC, if requested by HDC in writing) a plan detailing the services to be provided to tenants of Homeless Units and the provider of such services (the "Social Services Plan"). The Sponsor shall obtain the written approval of HPD for the Social Services Plan (and the written approval of HDC, if HDC has requested to review the plan) prior to the initial rent-up of the units.
- (b) Implementation of Plan. After the Social Services Plan is approved by HPD (and HDC, if applicable), the Sponsor shall enter into a contract, subject to approval by HPD (and by HDC, if HDC has requested to review the contract), with the approved provider documenting the Social Services Plan (the "Social Services Contract") and shall cause the provider to implement the approved Social Services Plan on a continuous basis. Any amendments to the Social Services Plan or to the Social Services Contract shall require the prior written consent of HPD (and HDC, if requested by HDC in writing).

SECTION 4.10 Reserves for Homeless Units.

- (a) Social Services Reserve.
 - (i) At or prior to the Permanent Conversion, the Sponsor shall deposit with HDC a social services reserve in the amount of \$262,500, to be administered by HDC (the "Social Services Reserve"). The Sponsor may deduct from this deposit any amount previously advanced to the Sponsor by the Credit Provider, as servicer of the HDC Loan, prior to the Permanent Conversion and under the social services reserve line item in the Project's budget in order to implement the Social Services Plan and to furnish Homeless Units. Amounts advanced prior to the Permanent Conversion to implement the Social Services Plan shall not exceed \$187,500, and amounts advanced to furnish Homeless Units shall not exceed \$75,000, which amount shall be equally distributed among all Homeless Units based on the number of rooms. Proposed furnishings are subject to the prior approval of HPD.
 - (ii) At the Permanent Conversion, and monthly thereafter, the Sponsor shall deposit \$1,583.33 into the Social Services Reserve. On the first anniversary of the Permanent Conversion and on each anniversary thereafter, this monthly deposit amount shall increase by 3%, compounding annually.

- (iii) The Sponsor may withdraw funds from the Social Services Reserve only upon the approval of HPD and HDC and to implement the approved Social Services Plan and Social Services Contract.
- (iv) The requirement to fund the Social Services Reserve shall terminate on the last day of the 30th year of the Occupancy Restriction Period and any remaining funds in the Social Services Reserve must stay with the Project.

ARTICLE V. RENTS AND LEASES

SECTION 5.01 Compliance with Rent Stabilization.

- (a) All Units Subject to Rent Stabilization. All units (excluding any Market-Rate Units) shall be subject to Rent Stabilization and shall remain subject to Rent Stabilization after the Occupancy Restriction Period ends. The Sponsor shall follow all procedures and guidelines of New York State Homes & Community Renewal ("HCR") (or any successor agency enforcing Rent Stabilization) and all relevant requirements of Rent Stabilization. However, pursuant to a special agreement on rent regulation with the New York State Division of Housing and Community Renewal (a predecessor of HCR), HCR will not regulate the Project in a manner that is inconsistent with the Tax Code or with this Agreement. Where there may be inconsistencies, the more restrictive provisions of the Tax Code and this Agreement shall prevail.
- (b) No Exemptions from Rent Stabilization. The Sponsor shall not claim any exemption or exclusion from Rent Stabilization to which the Sponsor might be entitled with respect to any unit. This includes any exemption or exclusion from the rent limits, lease renewal requirements, registration requirements or other provisions of Rent Stabilization due to (i) the vacancy of a unit where the rent exceeds a prescribed maximum amount, (ii) the fact that the tenant's income or rent exceeds prescribed maximum amounts, (iii) the nature of the tenant or (iv) any other factor. This section shall continue to apply to Income-Restricted Units after the Occupancy Restriction Period ends until any such unit becomes vacant (except for any vacancy resulting from a breach of the warranty of habitability, harassment, constructive eviction or any similar action caused by the Sponsor).
- (c) Permitted Increases under Rent Stabilization.
 - (i) In General. Where this Agreement allows rent increases under Rent Stabilization for Income-Restricted Units (subject to the other restrictions on increases contained in this Agreement), such language shall permit only those increases that are based on the percentage increases for one- and two-year lease renewals approved annually by the New York City Rent Guidelines Board (or any successor). Subject to the exceptions given in this paragraph (c), rents shall not be increased or registered at a greater amount for any other reason typically allowed under Rent Stabilization, including vacancy lease increases, major capital improvement ("MCI") increases or individual apartment improvement ("IAI") increases. This prohibition applies to both Legal Rents (the registered legal regulated rents) and Actual Rents (which are to be registered as preferential rents). To be clear, this section shall not apply after the Occupancy Restriction Period ends.
 - (ii) Exception for Certain Vacancy Lease Increases. Upon vacancy of an Income-

Restricted Unit, if the Legal Rent is less than 30% of the Applicable AMI Limit (adjusted for a monthly rent), then the Sponsor may increase the Legal Rent by the lesser of (1) the vacancy lease increase permitted by Rent Stabilization and (2) the amount required to increase the Legal Rent up to 30% of the Applicable AMI Limit (adjusted for a monthly rent).

(d) Contractual Rent Regulation. If Destabilization (as defined in this paragraph) occurs during the Occupancy Restriction Period, then all units that have undergone Destabilization shall be subject to Contractual Rent Regulation (as defined in this paragraph). If some units remain subject to Rent Stabilization while other units have undergone Destabilization, Contractual Rent Regulation will only apply to the units that have undergone Destabilization. For purposes of this paragraph:

- (i) "Destabilization" shall mean any set of facts that causes Rent Stabilization to no longer apply to the units, whether by expiration, legislative repeal, judicial invalidation or any other reason.
- (ii) "Contractual Rent Regulation" shall mean the following after Destabilization: (1) The Sponsor shall be required to offer new and renewal leases on the same terms and conditions as had been required by Rent Stabilization at the time of Destabilization (subject however to the provisions in subparagraphs (2) and (3) below) as if the unit were still subject to and not excluded or exempted from any provision of Rent Stabilization, including, but not limited to, any exemption or exclusion regarding rent limits, renewal lease requirements, or any other provision due to (w) the vacancy of a unit where the rent exceeds a prescribed maximum amount, (x) the fact that tenant income or unit rent exceeds prescribed maximum amounts, (y) the nature of the tenant or (z) any other factor. (2) The "Legal Rent," as such term is used in this Agreement, shall be limited by percentage increases calculated based on a method or index established by HPD for determining the maximum increase to Legal Rent upon lease renewal or vacancy. Such method or index shall be based on inflation or on factors substantially equivalent to the factors considered in calculating such increases under Rent Stabilization at the time of Destabilization, and shall incorporate a method for determining and implementing increases to Legal Rent by reason of major capital improvements performed by the Sponsor, to the extent that such increases, if any, are not prohibited under this Agreement. HPD will publish such methodology in the City Record and will provide a copy of the methodology to the Sponsor upon request. (3) Wherever this Agreement limits increases in rent by increases as permitted by Rent Stabilization (or language of similar import), such increases shall be limited by the percentage increases established by HPD as described in subparagraph (2) above.

SECTION 5.02 Registration in Accordance with Rent Stabilization. The Sponsor shall register the rents for each unit in accordance with Rent Stabilization as follows:

- (a) Legal Rents. The initial legal regulated rent for each unit shall be the amount set forth in Schedule B. This amount may increase upon lease renewal or vacancy in accordance with Rent Stabilization (as limited by Section 5.01). This amount, as adjusted from time to time as permitted, shall be the "Legal Rent".
- (b) Registered Preferential Rents. If the Actual Rent (as defined in the following section) for a unit is less than the Legal Rent for the unit, then the Actual Rent shall be registered as a preferential rent.

- (c) Registration of Rents. The Sponsor shall provide a copy of the initial registration form for all units to HDC (and to HPD, if requested in writing by HPD) prior to the Permanent Conversion.
- (d) Annual Rent Registration. After initial registration, on an annual basis and in accordance with Rent Stabilization, the Sponsor shall register the Legal Rent then in effect as the legal regulated rent and the Actual Rent in effect as a preferential rent.

SECTION 5.03 Actual Rents. The Sponsor shall lease each Income-Restricted Unit for a monthly rent that does not exceed the maximum amount permitted below (such amount shall be the "Actual Rent"). The Actual Rent shall be the rent that appears on the lease and that may be collected by the Sponsor (i.e., it shall include the rent paid by the tenant and any rental subsidy, but not the applicable utility allowance). Certain limits given below may in practice equal the same amount.

(a) Tax Code Units.

- (i) Initial Rents. The initial Actual Rent for a Tax Code Unit that is not a Rental Assistance Unit shall not exceed the least of:

- 1) the Legal Rent (as set forth in Schedule B);
- 2) the initial Actual Rent set forth in Schedule B; and
- 3) 30% of the Applicable AMI Limit (adjusted for a monthly rent).

If the unit is a Rental Assistance Unit, the initial Actual Rent shall not exceed the least of:

- 1) the Legal Rent (as set forth in Schedule B);
- 2) the Rental Assistance Rent; and
- 3) for Rental Assistance Units that are not Homeless Units, 90% of FMR, or for Rental Assistance Units that are Homeless Units, 100% of FMR.

If the unit is a Homeless Unit that is not a Rental Assistance Unit, the initial Actual Rent shall not exceed the least of:

- 1) the Legal Rent (as set forth in Schedule B);
- 2) 30% of 30% of AMI (adjusted for a monthly rent); and
- 3) if the tenant receives Shelter Allowance, the Shelter Allowance.

- (ii) Lease Renewal. Upon lease renewal for a Tax Code Unit that is not a Rental Assistance Unit, the new Actual Rent shall not exceed the least of:

- 1) the Legal Rent;
- 2) the prior Actual Rent increased as permitted by Rent Stabilization (as limited by Section 5.01); and
- 3) 30% of the Applicable AMI Limit (adjusted for a monthly rent).

If the unit is a Rental Assistance Unit, the Actual Rent upon lease renewal shall not exceed the least of:

- 1) the Legal Rent;
- 2) the Rental Assistance Rent; and
- 3) for Rental Assistance Units that are not Homeless Units, 90% of FMR, or for Rental Assistance Units that are Homeless Units, 100% of FMR.

If the unit is a Homeless Unit that is not a Rental Assistance Unit, the Actual Rent upon lease renewal shall not exceed the least of:

- 1) the Legal Rent (as set forth in Schedule B);
- 2) 30% of 30% of AMI (adjusted for a monthly rent); and
- 3) if the tenant receives Shelter Allowance at the time of a lease renewal and received Shelter Allowance during the prior lease period, or if the tenant did not receive Shelter Allowance during the prior lease period, then the prior Actual Rent increased as permitted by Rent Stabilization (as limited by Section 5.01).

- (iii) Vacancy. Upon vacancy of a Tax Code Unit that is not a Rental Assistance Unit, the Actual Rent for the new Eligible Tenant shall not exceed the lesser of:

- 1) the Legal Rent; and
- 2) 30% of the Applicable AMI Limit (adjusted for a monthly rent).

If the unit is a Rental Assistance Unit, the Actual Rent upon vacancy shall not exceed the least of:

- 1) the Legal Rent;
- 2) the Rental Assistance Rent; and
- 3) for Rental Assistance Units that are not Homeless Units, 90% of FMR or for Rental Assistance Units that are Homeless Units, 100% of FMR.

If the unit is a Homeless Unit that is not a Rental Assistance Unit, the Actual Rent for the new Eligible Tenant shall not exceed the least of:

- 1) the Legal Rent;
- 2) 30% of 30% of AMI (adjusted for a monthly rent); and
- 3) if the tenant receives Shelter Allowance, the Shelter Allowance.

- (iv) Tax Code Maximums. In no event shall any tenant of a Tax Code Unit, including those Rental Assistance Units that are also Tax Code Units, pay a rent that is greater than the amount permitted by the Tax Code or, for tenants of Rental Assistance Units, a tenant rent share that is greater than the amount required by the Rental Assistance program and allowed by the Tax Code, nor shall the Sponsor charge an Actual Rent or increase the Actual Rent for any Tax Code Unit except as permitted by the Tax Code.

- (b) 30% Limits Apply to Gross Rents. All provisions in this Agreement limiting a rent to 30% of the Applicable AMI Limit shall mean that the sum of the rent and the applicable utility allowance (i.e., the gross rent) shall not exceed 30% of the

Applicable AMI Limit.

- (c) Homeless Units. Actual Rents for Homeless Units shall be subject to the provisions of paragraph (a) above

SECTION 5.04 Additional Requirements for Rental Assistance Units.

- (a) Tenant's Loss of Rental Assistance. If a Rental Assistance tenant is occupying a Tax Code Unit and the tenant loses Rental Assistance at any time, then the Sponsor shall immediately revise the tenant's Actual Rent to an amount that does not exceed the maximum amount that may be collected under the Tax Code and this Agreement.
- (b) Vacancy; No New Rental Assistance. Upon vacancy of a Tax Code Unit that had been occupied by a tenant with Rental Assistance, if the next tenant identified for the unit does not have Rental Assistance, but the tenant is an Eligible Tenant for a Tax Code Unit, then the Sponsor shall set the Actual Rent for the new tenant in accordance with Section 5.03, and to an amount that does not exceed the maximum amount that may be collected under the Tax Code. The Sponsor shall register this revised Actual Rent as the new preferential rent for the unit.

SECTION 5.05 Post-Occupancy Restriction Period.

- (a) Rents for Income-Restricted Units at 80% of AMI and Below. After the Occupancy Restriction Period ends, but not less than 150 days prior to the end of each lease with an Eligible Tenant who occupies an Income-Restricted Unit having an income restriction for occupancy at 80% of AMI or below (including Tax Code Units), the Sponsor shall request that the tenant submit to the Sponsor a certification of Annual Income and Household size and verification documentation. Lease renewals for these tenants shall be offered as follows:
 - (i) Continuing Eligible Tenants. A tenant with a verified Annual Income and Household size that continues to qualify the tenant as an Eligible Tenant for the unit, as applicable, as of the date of the certification shall be entitled to a lease renewal and shall pay the Actual Rent that would be in effect for the succeeding lease renewal term. Thereafter, the tenant shall be entitled to continued lease renewals, and the rent shall be increased as permitted pursuant to Rent Stabilization for so long as the tenant continues to legally reside in the unit. The tenant shall not be required to provide further certifications of Annual Income and Household size pursuant to this Agreement.
 - (ii) Non-Qualifying Tenants. A tenant with a verified Annual Income and Household size that fails to qualify the tenant as an Eligible Tenant for the unit, as applicable, as of the date of the certification shall be entitled to a lease renewal, but the tenant's rent shall be revised to an amount that is the greater of (a) 30% of the tenant's Annual Income (adjusted for a monthly rent) or (b) the Actual Rent that would be in effect for the succeeding lease renewal term (the "Revised Rent"). The Revised Rent shall not exceed the Legal Rent, however. If the Revised Rent is less than the Legal Rent, the Revised Rent shall be registered with the agency administering Rent Stabilization as the new preferential rent for the unit. Thereafter, the tenant shall be entitled to continued lease renewals, and the rent shall be increased as permitted pursuant to Rent Stabilization for so long as the tenant continues to legally reside in the unit. The tenant shall not be required to provide further certifications of Annual Income and Household size pursuant to this Agreement.

- (iii) Tenant's Failure to Certify; Fraud. In addition to any rights granted to the Sponsor under Section 4.06(e) of this Agreement, if a tenant fails to supply the requested certification and documentation within 60 days of the Sponsor's request, or if a tenant provides false or fraudulent materials, the Sponsor may, at its option, (1) refuse to provide a lease renewal to the tenant or (2) provide such tenant a lease renewal at such rent as the Sponsor may legally establish.
- (b) Rents for Income-Restricted Units Above 80% of AMI. When the Occupancy Restriction Period ends, in-place tenants residing in any Income-Restricted Units having an income restriction for occupancy above 80% of AMI Units shall remain subject to Rent Stabilization and shall be entitled to continued lease renewals at rents not to exceed their Actual Rent then in effect, as may be adjusted pursuant to Rent Stabilization. Upon the vacancy of any such unit after the Occupancy Restriction Period ends, the unit will be subject to Rent Stabilization as further described in Section 5.01.

SECTION 5.06 Lease Requirements.

- (a) Subordination. In renting units to tenants, the Sponsor shall use a lease expressly subordinate to this Agreement and to the Permitted Mortgages. The lease and any riders shall comply with New York law and shall otherwise be satisfactory to HDC and HPD. To the extent legally permissible, this Agreement shall take precedence and shall control over any other requirements.
- (b) HDC Lease Riders. In renting Income-Restricted Units to tenants, and to the extent legally permissible, the Sponsor shall use a lease rider provided by HDC that sets forth the applicable occupancy and rental requirements of this Agreement (the "HDC Rider"). The HDC Rider shall, among other things, (i) require the tenant to meet HDC's and HPD's eligibility standards in accordance with this Agreement, (ii) prohibit or restrict sublets and (iii) permit the Sponsor to terminate or refuse to renew the tenant's lease if the tenant fails to provide the Sponsor with certifications and documentation as required within 60 days of the Sponsor's request, or if the tenant provides false or fraudulent materials. No lease or other rider for an Income-Restricted Unit shall contain any provision that conflicts with the terms of this Agreement or the HDC Rider (and no such provision shall be enforceable).
- (c) Subleases; Assignments. The Sponsor shall not consent to any sublease or assignment of lease by a tenant of an Income-Restricted Unit except as may be expressly required by law (and, in such event, only upon at least 30 days' prior written notice to HDC and HPD).

ARTICLE VI. EXTENDED LOW INCOME HOUSING COMMITMENT

SECTION 6.01 Extended Low Income Housing Commitment. This Agreement serves as the "extended low income housing commitment" required under Section 42(h)(6) of the Tax Code. Accordingly, the provisions of this Agreement will be interpreted in accordance with the requirements of the Tax Code, and to the extent that Section 42 of the Tax Code provides additional or stricter requirements or restrictions than this Agreement, the requirements or restrictions of Section 42 of the Tax Code will control and will become additional requirements or restrictions under this Agreement. When recorded against the Premises, this Agreement shall be a restrictive covenant with respect to the Premises as required under Section 42(h)(6)(B)(vi) of the Tax Code.

SECTION 6.02 Compliance Term for Tax Credits. The Project must be in compliance with all provisions of Section 42 of the Tax Code, any and all related regulations, the provisions of this extended low income housing commitment, and HDC's monitoring procedures with respect to the Tax Credits, in each case during the term of the Compliance Period and the Extended Use Period (and otherwise as provided in this Agreement). For purposes of this Agreement:

- (a) "Compliance Period" shall mean the period commencing upon the Compliance Period Commencement Date and ending on the Compliance Period Termination Date.
- (b) "Compliance Period Commencement Date" shall mean the date that is the first day of the first taxable year of the Credit Period.
- (c) "Compliance Period Termination Date" shall mean the date that is 15 years after the Compliance Period Commencement Date.
- (d) "Credit Period" shall mean the period of 10 taxable years beginning with (i) the taxable year in which the building is placed in service, or (ii) at the election of the Sponsor, the succeeding taxable year, but only if the Project is a qualified low income housing project under Sections 42(g) and 142(d) of the Tax Code.
- (e) "Extended Use Period" shall mean the period commencing upon the Compliance Period Commencement Date and terminating on the date that is 60 years after the Compliance Period Commencement Date, unless the Project is acquired by foreclosure (or instrument in lieu of foreclosure), in which case the Extended Use Period shall terminate at the request of the party acquiring the Project after such foreclosure, unless the Secretary of the Treasury determines that the acquisition is part of an arrangement with the Sponsor, a purpose of which is to terminate the Extended Use Period.

SECTION 6.03 Waiver of Right to Petition HPD. The Sponsor agrees for itself, and its successors and assigns, that the Project shall continue to be subject to the provisions of this Agreement throughout the Extended Use Period and that it has waived any right to request that HPD find a person to acquire the Sponsor's interest in the low income portion of the Project after the 14th year of the Compliance Period.

SECTION 6.04 Applicable Fraction. Upon the establishment of the Tax Code Units Condo Unit as a "building" as defined in Section 42 of the Tax Code, the Applicable Fraction (as defined in this section) for the Tax Code Units Condo Unit for each taxable year in the Extended Use Period shall be not less than 100%, excluding any Superintendent Unit. "Applicable Fraction" shall have the meaning set forth in Section 42(c)(1)(B) of the Tax Code.

SECTION 6.05 Condition of Units. Each Tax Code Unit shall be Suitable for Occupancy and shall be used on other than a Transient Basis (each as defined in this section). "Suitable for Occupancy" shall mean habitable and suitable for occupancy in accordance with all applicable federal, state and local laws, rules and regulations, including but not limited to local health, safety and building codes. "Transient Basis" shall mean a unit with occupants who have not entered into a lease for their initial occupancy or who have entered into a lease that has an initial term of less than six months or such other period of occupancy as may be required under rules and regulations promulgated under Section 42 of the Tax Code; provided, however, (i) a unit shall be considered to be used on other than a transient basis if the unit contains sleeping accommodations and kitchen and bathroom facilities and is located in a building (1) which is used exclusively to facilitate the transition of homeless individuals (within the meaning of Section 103 of the Stewart B. McKinney Homeless Assistance Act in effect on December 19,

1989) to independent living within 24 months and (2) in which a governmental entity or qualified non-profit organization (as defined in Section 42(h)(5)(C) of the Tax Code) provides such individuals with temporary housing and supportive services designed to assist such individuals in locating and retaining permanent housing, and (ii) a single-room occupancy unit shall not be treated as being used on a transient basis merely because it is rented on a month-to-month basis.

SECTION 6.06 No Eviction or Increase in Gross Rent. No existing tenant of any unit may be evicted, other than for good cause, nor shall any increase in the gross rent with respect to such unit be permitted except as may otherwise be permitted by this Agreement. The foregoing shall continue to apply to tenants of Tax Code Units for a three-year period following the end of the Extended Use Period (and Section 2.02 shall apply as well).

SECTION 6.07 Rental Assistance Status. The Sponsor shall not refuse to lease to a holder of a Rental Assistance voucher or certificate because of the status of the prospective tenant as such a holder.

SECTION 6.08 Enforcement by Certain Individuals. Any individual who meets the income limitation applicable to the Premises under the Tax Code (whether former, present or prospective occupants of the Premises) shall have the right to enforce in any state court the requirements and prohibitions of Section 42(h)(6)(B)(i) of the Tax Code. The Sponsor acknowledges that such individuals are intended third-party beneficiaries of the provisions of this section.

SECTION 6.09 No Retaliation. The Sponsor shall not retaliate against any tenant who notifies HDC or HPD of alleged violations of this Agreement.

SECTION 6.10 Transfers. No portion of a building (as defined in the Tax Code) in the Project shall be disposed of to any person unless all of the building is disposed of to such person. Transfers shall also be subject to Section 8.01.

ARTICLE VII. MANAGEMENT

SECTION 7.01 Approval of Managing Agent and Management Agreement. The managing agent and any sub-agent (collectively, the "Managing Agent"), and the arrangements for management of the Project, including all management agreements or management plans (collectively, the "Management Agreement"), shall require the prior written approval of HDC (and HPD, if requested by HPD in writing). In particular, the Sponsor shall obtain HDC's (and HPD's, if applicable) written approval of the Managing Agent and the Management Agreement prior to both the Construction Loan Closing and, notwithstanding any prior approval, the Permanent Conversion. Any changes to the Managing Agent or changes to the Management Agreement, other than renewals of its term, shall require the prior written approval of HDC (and HPD, if requested by HPD in writing). All approvals of the Managing Agent and the Management Agreement shall not be unreasonably withheld. HDC approves WMW Realty Co. as the Managing Agent for purposes of the Construction Loan Closing.

SECTION 7.02 Requirements for Management Agreement. The Management Agreement shall be acceptable to HDC (and HPD, if applicable) in all respects and shall provide (i) that it is subject to termination by the Sponsor on not more than 30 days' notice, without cause and without penalty, and (ii) that the Managing Agent shall carry fidelity insurance for the benefit of the Sponsor in the amount of no less than three months' gross rent for the Project.

SECTION 7.03 Removal of Managing Agent. At any time, HDC or HPD may determine, in either case in its sole discretion, that the Managing Agent is no longer acceptable (among

other reasons, because the Project is not being operated in compliance with this Agreement or because the Managing Agent is not operating another HDC- or HPD-supervised project in proper compliance). If so, HDC or HPD may provide a written demand to the Sponsor to terminate the Management Agreement. HDC or HPD may also provide a period for the Sponsor to cure any non-compliance, in the sole discretion of HDC or HPD as applicable. Upon receipt of a demand to terminate the Management Agreement, the Sponsor shall do so immediately, and the existing management services shall be fully discontinued within a period of not more than 30 days from the Sponsor's receipt of HDC's or HPD's demand. In addition, the Sponsor shall make timely arrangements to have the continuing management of the Project approved in writing by HDC (and by HPD, if requested by HPD in writing) and shall submit such arrangements to HDC (and HPD, if applicable) for prior review.

ARTICLE VIII. OWNERSHIP

SECTION 8.01 Transfers of Project by Sponsor.

- (a) In General. The Sponsor covenants that it shall not sell, lease, sublease, convey, transfer or otherwise dispose of all or any portion of the Project (each, a "Transfer") without the prior written consent of HDC and HPD, which shall not be unreasonably withheld. As a condition to a Transfer of all or substantially all of the Project, the transferee shall be required to assume all of the Sponsor's obligations under this Agreement from the date of such Transfer and to execute any document that HDC or HPD shall reasonably require in connection with the assumption.
- (b) Residential Leases. This covenant shall not require HDC's or HPD's consent for the Sponsor to enter into leases with residential tenants or users of the Project, if such leases (i) are consistent with this Agreement and (ii) do not contain an option to acquire all or any portion of the Project while this Agreement is in effect.
- (c) Other Consents. Nothing contained in this Agreement shall affect any provision of the Loan Documents that requires the Sponsor to obtain the consent of the holder of the HDC Mortgage (which may be HDC) or any other person as a condition to a Transfer.
- (d) Foreclosure. This covenant shall not require HDC's or HPD's consent to a Transfer in connection with the foreclosure or deed in lieu of foreclosure of the HDC Mortgage or a comparable conversion of the Project. Any subsequent Transfer, however, shall require the prior written consent of HDC and HPD.

SECTION 8.02 Non-Residential Lease Approval. The Sponsor shall obtain the prior written approval of HDC and HPD for all non-residential leases, subleases or occupancy agreements affecting any portion of the Project, subject to Section 8.11. An amendment of a non-residential lease, sublease or occupancy agreement that changes the permitted use or that otherwise alters a material term of the agreement shall also require the prior written consent of HDC and HPD. No portion of the Project shall consist of a store, a principal business of which is the sale of alcoholic beverages for consumption off-premises.

SECTION 8.03 Interests in Beneficial Owner. Except as may be expressly permitted by this article, the Beneficial Owner covenants that it shall not permit any change to its ownership at any tier, including admissions, withdrawals and acquisitions of additional interests, without the prior written consent of HDC and HPD.

SECTION 8.04 Interests in Tax Credit Investor. Notwithstanding the requirements of Section 8.03, and provided that the Tax Credit Investor has been approved by HDC and is a

passive investor in the Tax Code Borrower, transfers of (i) passive investment interests in the Tax Credit Investor and (ii) the Tax Credit Investor's passive investment interest in the Tax Code Borrower are permitted with written notice to HDC and HPD, so long as the manager, managing member or general partner of the Tax Credit Investor, or any transferee of the Tax Credit Investor's interest in the Tax Code Borrower, is an affiliate of, and is and remains controlled by or under common control with, Wells Fargo Affordable Housing Community Development Corporation. Any interest in the Tax Code Borrower of a special member or limited partner may be transferred only together with a permitted transfer of the Tax Credit Investor's interest in the Tax Code Borrower or of the interest of the manager, managing member or general partner of the Tax Credit Investor, and only to the same transferee or to a party that is an affiliate of, and is and remains controlled by or under common control with the transferee. Notwithstanding the foregoing, the prior approval of HDC and HPD shall not be required in connection with the transfer of 99.98% interest in LIHTC Borrower from Bedford Courts IV Developer LLC to the Tax Credit Investor prior to the Permanent Conversion.

SECTION 8.05 Interests in Legal Owner. The Legal Owner covenants that it shall not permit any change to its ownership at any tier, including admissions, withdrawals and acquisitions of additional interests, without the prior written consent of HDC and HPD.

SECTION 8.06 Previously Approved Entities. Interests in the Beneficial Owner or the Legal Owner (in either case, at any tier) may be transferred to entities that have been previously approved in writing by HDC and HPD. Prior to any such transfer, prompt notice must be given to HDC and HPD, and the transferee must comply with the applicable HDC and HPD disclosure procedures.

SECTION 8.07 Death or Incapacity. A direct or indirect transfer of an ownership interest to an executor, administrator or conservator of a deceased or incapacitated individual shall require written notice to, but not the consent or approval of, HDC and HPD. A subsequent transfer by such executor, administrator or conservator shall be subject to this article, however.

SECTION 8.08 No Other Liens or Financing. While the HDC Mortgage is outstanding, the Sponsor covenants that it shall not incur any additional debt secured by all or part of the Project, or any other subordinate financing, except for (i) the Permitted Mortgages and (ii) as may have been expressly approved by HDC and HPD in writing. Except as expressly permitted in this Agreement, assignments, transfers, encumbrances, granting of participation interests, hypothecations, or pledges of interests (or proceeds of such interests) of any of the direct or indirect ownership interests in the Sponsor shall not be permitted without the prior written consent of HDC and HPD.

SECTION 8.09 No Purchase of Obligations. Neither the Sponsor nor any "related person" to the Sponsor, as defined in Section 144(a)(3) of the Tax Code, shall purchase Obligations (other than Pledged Bonds or Bank Bonds (each as defined in the Resolution)) in an amount related to the amount of the HDC Loan or the HDC Additional Loan funded by the Obligations.

SECTION 8.10 No Distributions Upon Default. Upon written notice from HDC or HPD to Sponsor of (i) an Event of Default under this Agreement, or (ii) a material uncured default under any other Loan Document, the Sponsor covenants that it shall not make any distribution of any assets of, or any income of any kind from, the Project to its partners, members or shareholders, as applicable, until the cure of the Event of Default or default has been determined by HDC or HPD, as applicable.

SECTION 8.11 Release of Building 1. Pursuant to the terms of the HDC Commitment, HDC and HPD shall release Building 1 from the Project and from the HDC Financing and this

Agreement upon the issuance by the New York City Department of Buildings of a temporary certificate of occupancy for Building 1, provided that the Sponsor is not in default beyond applicable notice and cure periods, with respect to any obligations set forth in the Loan Documents.

SECTION 8.12 Outside Agreements with NYCLDC or EDC. The Sponsor shall not enter into any written agreement with NYCLDC or EDC in connection with the Project without HDC consent which shall not be unreasonably withheld.

SECTION 8.13 Permitted Transfers of Project by GS Sponsor

HDC and HPD consent to the following:

(a) Any transfers of (i) the direct or indirect interests in GS BFC Investor LLC ("GS Investor") and in GS Bedford Courts III Opportunity Fund LP ("GS Opportunity Investor") to an affiliate wholly owned or controlled directly or indirectly by the Goldman Sachs Group, Inc., (ii) GS Investor's and GS Opportunity Investor's direct or indirect interests in Sponsor to an affiliate wholly owned or controlled directly or indirectly by the Goldman Sachs Group, Inc. and (iii) GS Investor's and GS Opportunity Investor's direct or indirect interests in the Sponsor to an Institutional Investor (as defined below) (GS Investor is a non-managing member (with 19.3% interest) and GS Opportunity Investor is a non-managing member (with 55.7% interest) in Bedford Courts III Developer LLC, the sole member of Non-Tax Code Borrower, and GS Investor is a non-managing member (with 75% interest) in Bedford Courts IV Developer, and the managing member of Bedford Courts III Managers, the sole member of Bedford Courts III LIHTC MM LLC, the managing member of Tax Code Borrower.)

(b) The removal by GS Investor and/or GS Opportunity Investor of Bedford Courts III MM Developer LLC, as the managing member of (x) Bedford Courts III Developer LLC, in accordance with the terms of that certain Amended and Restated Operating Agreement of Bedford Courts III Developer LLC, dated as of December 28, 2018 and effective as of October 5, 2018 (as the same may be amended or modified from time to time (the "Operating Agreement") or (y) Bedford Courts IV Developer LLC in accordance with the terms of that certain Amended and Restated Operating Agreement of Bedford Courts IV Developer LLC, dated as of December 28, 2018 (as the same may be amended or modified from time to time (the "BC IV Operating Agreement")); provided that the replacement managing member is either (i) GS Investor or (ii) a Permitted Entity; and

(c) The purchase by GS Investor of the direct or indirect membership interests of (x) Bedford Courts III MM Developer LLC and/or of BFC Bedford Courts III Opportunity Fund LP in Bedford Courts III Developer LLC in accordance with the terms of the Operating Agreement upon written notice to HDC and HPD; provided that (i) GS Investor becomes the sole member of Bedford Courts III Developer LLC, or (ii) GS Investor replaces Bedford Courts III MM Developer LLC and BFC Bedford Courts III Opportunity Fund LP with a Permitted Entity, or (iii) GS Investor sells the membership interest of Bedford Courts III MM Developer LLC and BFC Bedford Courts III Opportunity Fund LP to a Permitted Entity or (y) Bedford Courts III MM Developer LLC in Bedford Courts IV Developer LLC in accordance with the terms of the BC IV Operating Agreement upon written notice to HDC and HPD; provided that (i) GS Investor becomes the sole member of Bedford Courts IV Developer LLC, or (ii) GS Investor replaces Bedford Courts III MM Developer LLC with a Permitted Entity, or (iii) GS Investor sells the membership interest of Bedford Courts III MM Developer LLC to a Permitted Entity.

(d) Notwithstanding the foregoing, with respect to any transfer of GS Investor's and GS Opportunity Investor's direct or indirect interests in the Sponsor to an individual or to a non-publicly traded entity, such transferees shall be subject to HDC's standard sponsor review

procedures to be performed by HDC on an expedited basis considering the same types of information and performing the same types of inquiries regarding the integrity and competence of the proposed transferee and its principals or officers as HDC customarily employs under their sponsor review procedure.

(e) For the purposes of this Agreement:

(i) "Institutional Investor" shall mean any entity controlled by a person or persons who (a) has individual or combined net assets of not less than Two Hundred Million Dollars (\$200,000,000), (b) has liquid assets (including, without limitation, unfunded capital commitments) of at least Fifteen Million Dollars (\$15,000,000) and (c) is subject to the jurisdiction of the courts of the State of New York.

(ii) "Permitted Entity" shall mean, following the submission of all required disclosure statements and related documents to HDC and HPD, any person or entity that HDC and HPD shall have approved in writing on an expedited basis pursuant to HDC and HPD's sponsor review procedures considering the same types of information and performing the same types of inquiries regarding the integrity and competence of the proposed transferee and its principals or officers as HDC and HPD customarily employs under their sponsor review procedure.

ARTICLE IX. RECORDS AND REPORTING

SECTION 9.01 Requests for Information. The Sponsor shall promptly furnish any reports, records, documents or information reasonably requested by HDC or HPD, in a form satisfactory to HDC or HPD, as the case may be, with respect to the construction, marketing, occupancy, maintenance or operation of the Project.

SECTION 9.02 Financial Statements. Audited financial statements for the Project shall be prepared at least annually in accordance with generally accepted accounting principles. Financial statements may be modified in accordance with government auditing standards as set forth by the Comptroller General of the United States, to the extent and in a manner approved by HDC in its sole discretion (and by HPD in its sole discretion, if requested by HPD in writing).

SECTION 9.03 Retention of Records. The Sponsor shall maintain and keep current all books, documents, plans and records concerning the Project (the "Records"). The Sponsor shall retain (i) those Records pertaining to the rental or occupancy of each Tax Code Unit, and the rent roll for all units, for a minimum of six years after the end of the Occupancy Restriction Period and (ii) all other Records for a minimum of six years after the end of the fiscal or calendar year for which the Record was produced. Upon reasonable notice, HDC and HPD may, during normal business hours, (x) audit and examine the Records and (y) inspect the buildings, grounds, equipment and offices of the Project. The Sponsor shall use its best efforts to facilitate inspections.

SECTION 9.04 Annual Tax-Exempt Obligations Certification. The Sponsor shall submit (or shall cause the operator of the Project to submit) to the Secretary of the Treasury, at such time and in such manner as the Secretary of the Treasury shall prescribe, an annual certification (IRS Form 8703, as may be amended) as to whether the Project continues to comply with the requirements of Section 142(d)(7) of the Tax Code. Any failure to submit this certification shall not affect the exclusion from gross income for purposes of federal income taxation of interest on the Obligations but shall subject the Sponsor and/or such operator to a penalty pursuant to Section 6652(j) of the Tax Code.

SECTION 9.05 Annual Tax Credits Certification. On an annual basis, the Sponsor shall submit to HDC as HPD's designee (i) a certified rent roll for the Premises and (ii) a written

certification that the Tax Code Units are owned and operated in compliance with the Tax Code.

SECTION 9.06 Notice of Material Non-Compliance. The Sponsor covenants to notify HDC and HPD promptly if the Sponsor discovers any material non-compliance with any restriction or covenant in this Agreement, including any occurrence or event that adversely affects (i) the exclusion from gross income for purposes of federal income taxation of interest on the Obligations or (ii) the Tax Credits.

SECTION 9.07 Building Benchmarking. Upon the issuance of a temporary certificate of occupancy for any space in the Project by the City's Department of Buildings, the Sponsor shall contract, at the Beneficial Owner's expense, with a qualified benchmarking software provider on the HDC-approved list (the "Qualified Software Provider") to collect monthly and annual data on the heating, electric and water usage at the Premises (the "Utility Performance Information") in accordance with HPD's building benchmarking protocol. Not later than May 1 of each year during the Occupancy Restriction Period, the Qualified Software Provider retained by the Sponsor shall input the Utility Performance Information for the immediately preceding year into the U.S. Environmental Protection Agency's ENERGY STAR Portfolio Manager system, or such other system as may be designated by HDC and HPD ("Portfolio Manager"). The Sponsor agrees and acknowledges that (i) the Utility Performance Information will be made available to HDC and HPD through an account located on Portfolio Manager, and (ii) HDC and HPD may receive the Utility Performance Information directly from the Qualified Software Provider. HDC and HPD reserve the right to require the Sponsor to replace the Qualified Software Provider if the provider is no longer on the HDC-approved list. During the Occupancy Restriction Period, the Sponsor shall at all times abide by the requirements of this section and the HPD building benchmarking protocol, as may be amended.

ARTICLE X. ENFORCEMENT

SECTION 10.01 Events of Default; Remedies.

- (a) In the event of a breach of any of the covenants or agreements contained in this Agreement, either HDC or HPD may, by written notice to all parties, declare an "Event of Default". If the Credit Instrument has not been released, notice of an Event of Default shall be given to the Credit Provider as well. Upon the occurrence of an Event of Default, HDC and HPD shall have the right to take one or more of the following actions:
 - (i) Institute and prosecute any proceeding for an injunction or for specific performance of the Sponsor's obligations under this Agreement.
 - (ii) Extend the term of this Agreement by the period of non-compliance upon the recording of an appropriate document, executed solely by HDC and HPD, against the Premises. The period of non-compliance shall be presumed to be the period running from the date of this Agreement to the date that HDC or HPD declares an Event of Default, which presumption may be rebutted by the Sponsor.
 - (iii) Upon written notice of HDC or HPD, prohibit the Sponsor and/or any of its principals from doing business with HDC or HPD, as the case may be, for a period of not less than three years from the date of violation. This prohibition shall not extend to any as-of-right benefits.
 - (iv) Cure the violation and charge the Sponsor for any costs or expenses incurred to remedy the violation plus interest at the Default Rate from the date of demand

until paid.

- (v) Rent any un-leased or vacant unit in order to comply with this Agreement (in such event, HDC and HPD shall use reasonable efforts to obtain the highest rent permitted by this Agreement).
 - (vi) Prohibit the occupancy of any unoccupied unit in order to comply with this Agreement.
 - (vii) Prohibit distributions to partners, members or shareholders, as applicable, of the Sponsor and/or take any action to seek restitution to the Project's account for any distributions made in violation of this Agreement, if the distribution was made after notice was given pursuant to Section 8.10.
 - (viii) Declare an event of default under any Loan Document and pursue any applicable remedies, including commencing a foreclosure of the HDC Mortgage.
 - (ix) Require the removal of any partner, member or shareholder, as applicable, responsible for the violation.
 - (x) Seek appointment of HDC, HPD or a receiver to take possession of and operate the Project, collect all rents, and pay all necessary costs of the Project in accordance with the terms of this Agreement and any other Loan Documents, until the Sponsor has cured the violation and given satisfactory evidence that it can operate the Project in compliance with this Agreement.
 - (xi) Seek any other relief that may be appropriate or desirable at law or in equity.
- (b) In the event of a threatened breach of any of the covenants or agreements contained in this Agreement, HDC and HPD shall have the right to the remedy described in paragraph (a)(i) above.

SECTION 10.02 Cure Period; Waiver. Either HDC or HPD, with the prior written consent of the other agency, but otherwise in the sole discretion of HDC or HPD, may by written notice to all parties to this Agreement, (i) give the Sponsor a period of up to 30 days to cure an Event of Default (provided the Event of Default can be cured without affecting the rights of any bona fide tenants who have executed leases with the Sponsor) or (ii) waive an Event of Default. If the Credit Instrument has not been released, written notice of any cure period or waiver shall also be given to the Credit Provider. HDC and HPD agree that any cure of any Event of Default made or tendered by one or more of the Sponsor's members, partners or shareholders, as applicable, shall be deemed to be a cure by the Sponsor and shall be accepted or rejected on the same basis as if made or tendered by the Sponsor.

SECTION 10.03 Reporting of Non-Compliance to IRS. The Sponsor acknowledges that actions taken or authorized to be taken by HDC or HPD following an Event of Default are in addition to HDC's obligations under the Tax Code to report acts of non-compliance to the Internal Revenue Service pursuant to HDC's monitoring procedures with respect to the Tax Credits.

SECTION 10.04 Indemnity. The Sponsor agrees to pay all reasonable costs and expenses of HDC and HPD (including fees of attorneys and experts), in addition to any other loss, claim, damage or liability that may be incurred by HDC or HPD or awarded by any court, arising out of any proceeding or action that is brought or taken in connection with this Agreement (including those brought or taken by HDC, HPD or the Sponsor). The Sponsor shall pay any such amount regardless of whether a legal action is finally decided by a court. The Sponsor shall not be obligated to pay any costs or expenses of HDC or HPD that are

attributable to any action or proceeding brought by HDC or HPD in bad faith. If the Sponsor fails to pay any amount due under this section within 10 days of demand by HDC or HPD, the unpaid amount shall bear interest at the Default Rate from the date of demand until paid.

SECTION 10.05 Non-Recourse Liability; Carve-Out. Except as provided in this section, in enforcing this Agreement, neither HDC nor HPD will seek a money judgment against the Sponsor or any related officer, director, member, partner or shareholder. HDC and HPD may seek a money judgment against the Beneficial Owner and its members, partners or shareholders, as applicable, in order to enforce the obligations or liabilities of the Beneficial Owner and its present or future members, partners or shareholders pursuant to Section 10.01(a)(iv) (concerning the Sponsor's responsibility for the costs and expenses of HDC or HPD in curing any violations of this Agreement, and any interest on such amounts), Section 10.01(a)(vii) (concerning the prohibition on distributions after default) or Section 10.04 (concerning the Sponsor's indemnification of HDC and HPD). HDC and HPD may also seek a money judgment against the Beneficial Owner and its members, partners or shareholders to the extent of any deficiency, loss, damage or non-compliance with this Agreement resulting from (i) fraud, (ii) misappropriation or diversion of funds or other property or (iii) intentional damage to the Project inflicted by the Beneficial Owner or any of its members, partners, shareholders, agents or employees. HDC and HPD agree that they will seek to collect any money judgment obtained against the Beneficial Owner's members, partners or shareholders only from (a) their capital contributions actually paid in at the time HDC or HPD seeks a judgment, or to be paid in pursuant to the Beneficial Owner's organizational documents, and (b) any distributions to such members, partners or shareholders made in violation of the HDC Act or this Agreement. The provisions of this section shall not affect the validity or enforceability of any provision of the HDC Mortgage or any guaranty or indemnity agreement made in connection with the issuance of the Obligations, the HDC Commitment or the funding of the HDC Financing.

SECTION 10.06 Cumulative Rights and Remedies. All rights and remedies of HDC and HPD shall be cumulative and may be exercised singularly or concurrently, at HDC's or HPD's option. The exercise or enforcement of any one right or remedy shall neither be a condition to nor bar the exercise or enforcement of any other right or remedy. The enumeration of rights and remedies in this Agreement shall not preclude the exercise or enforcement by HDC or HPD of any other rights or remedies available to HDC or HPD.

SECTION 10.07 Cross-Default under Mortgages. The HDC Mortgage shall provide that an Event of Default under this Agreement shall also be a default under such mortgages. So long as this Agreement is in effect, any mortgage on the Project funded by HDC or HPD shall provide that an Event of Default under this Agreement shall be a default under the mortgage and that HDC or HPD, as applicable, or the holder of the mortgage if not HDC or HPD, may prosecute a foreclosure in accordance with the mortgage, subject to any other written agreements that may have been made by HDC or HPD and any other holder of the mortgage.

SECTION 10.08 Prior Owner Liability. The Sponsor (including any subsequent owner of the Project) shall be liable for (i) the breach of any obligation or any Event of Default under this Agreement caused by any prior owner and (ii) any related payment or indemnification obligation. During any period in which the Credit Provider or its designee owns the Project, however, or if any subsequent owner acquires the Project from the Credit Provider or its designee, neither the Credit Provider, its designee, nor the subsequent owner shall be liable for the breach or Event of Default of a prior owner, or any related payment or indemnification obligation. In such a case, the owner of the Project at the time of the breach or Event of Default shall remain liable for any and all related damages. Any party seeking to collect damages from the liable prior owner in such a case shall, to that extent, have no recourse to the Project and no right to levy against or

otherwise collect on any judgment from the Project. The liable prior owner shall bear no liability under this Agreement, however, for any damages caused by any subsequent breach or Event of Default occurring after the entity no longer owned the Project.

SECTION 10.09 Enforcement by Credit Provider. Except as expressly provided in the Servicing and Release Agreement, the Credit Provider shall not be obligated or have any right to enforce this Agreement.

ARTICLE XI. MISCELLANEOUS

SECTION 11.01 Fees.

- (a) Tax Credits Monitoring Fee. Pursuant to the Tax Code, HDC is entitled to a reasonable fee for monitoring the Project's compliance with respect to the Tax Credits. During the Compliance Period, the Beneficial Owner shall pay to HDC an annual monitoring fee that is equal to the sum of (i) an annual fee of \$100 per building in the Project, not subject to an annual cap (the "Building Fee"); and (ii) 0.75% of the maximum annual tax credit rent for the Tax Code Units, subject to an annual cap of \$12,500, if there are 150 or fewer Tax Code Units in the Project, or \$17,500, if there are more than 150 Tax Code Units in the Project (such fee, the "Unit Fee", and together with the Building Fee, the "Tax Credits Monitoring Fee"). If the HDC Loan is paid in full prior to the end of the Compliance Period, the Beneficial Owner shall pay to HDC an amount that is equal to the present value (based on the Daily Treasury Yield Curve Rates, as published by the U.S. Department of the Treasury) of the Tax Credits Monitoring Fee at the time of the prepayment for each year remaining in the Compliance Period. After such a payment, no additional Tax Credits Monitoring Fee shall be due.
- (b) HDC Monitoring Fee (Prepayment in Full). To compensate HDC for continued monitoring of the Project after a prepayment in full of the HDC Loan, upon such a prepayment and on an annual basis thereafter, the Beneficial Owner shall pay to HDC an amount equal to \$50 per unit, subject to an annual cap of \$12,500, if there are 150 or fewer units in the Project, or \$17,500, if there are more than 150 units in the Project, such amount to be increased annually in accordance with any increase in the New York City Consumer Price Index. If the Beneficial Owner transfers its interest in the Project (subject to the requirements of this Agreement), HDC reserves the right, in its sole discretion, to charge a one-time monitoring fee or to revise the annual fee for continued monitoring.
- (c) Compliance Escrow. If the Project is not in compliance with this Agreement on the date that the Beneficial Owner gives notice of a prepayment to HDC, then unless the Beneficial Owner withdraws the notice until the Project is in compliance, the Beneficial Owner shall enter into a compliance escrow agreement with HDC and deposit \$20,000, such amount to be increased at the time in accordance with any increase in the New York City Consumer Price Index. This compliance escrow shall be in addition to the monitoring fee required by paragraph (b) above. The compliance escrow shall be applied ratably by HDC to monitor compliance with this Agreement. Once the Project is restored to compliance, any balance of the compliance escrow will be refunded to the Beneficial Owner, without interest.

SECTION 11.02 Equal Opportunity. The Sponsor shall use reasonable efforts to ensure that businesses owned by women and by members of traditionally disadvantaged minority groups are afforded equal opportunity to participate in any development and construction

contracts entered into in connection with the Project.

SECTION 11.03 Waivers. No delay or failure to act or give notice shall waive any provision of this Agreement or preclude the enforcement of any rights or remedies of HDC or HPD. All waivers must be in writing and must be signed by the waiving parties. No waiver shall apply to any instance other than the specific instance in connection with which it is delivered.

SECTION 11.04 Amendments. This Agreement shall not be amended or otherwise modified except by an instrument in recordable form signed by all of the parties. This Agreement shall not be amended without first obtaining, if required by HDC in its sole discretion, an opinion of Bond Counsel that such amendment will not adversely affect the exclusion from gross income for purposes of federal income taxation of interest on the Obligations. The Sponsor shall agree to amend this Agreement if any amendments are required to obtain mortgage insurance for the HDC Mortgage. In addition, if after the execution of this Agreement, there are amendments to (i) the HDC Act, (ii) the Tax Code or (iii) Rent Stabilization, or any related rules or regulations, and if such amendments are applicable to the Project and inconsistent with this Agreement, as determined by HDC and HPD, then upon written request of HDC and HPD, this Agreement shall be amended to the extent necessary.

SECTION 11.05 Severability. The invalidity of any provision of this Agreement shall not affect the validity of the remaining provisions of the Agreement.

SECTION 11.06 Action and Consents. Except where the granting of HDC's or HPD's consent or approval is expressly stated to be in HDC's or HPD's discretion (or words of similar import), HDC, HPD and the Sponsor shall use reasonable promptness, reasonable diligence, reasonable judgment and reasonable discretion in exercising any duty or right, providing any consent or approval, or making any determination required by this Agreement. HDC, HPD and the Sponsor shall use their reasonable efforts to effectuate the purposes of this Agreement.

SECTION 11.07 Successors and Assigns. All references in this Agreement to any party, entity or person shall be deemed to include the successors and assigns of the party, entity or person. Successors to HDC or HPD shall include any body, agency or instrumentality of the State or the City that succeeds to the powers, duties or functions of HDC or HPD, as the case may be.

SECTION 11.08 Covenants Run with the Land. This Agreement shall be recorded against the Premises. The parties agree that, during the term of this Agreement, all provisions shall run with the Premises and shall be enforceable by both HDC and HPD against the Sponsor and its successors, assigns, heirs, grantees and lessees. The parties declare their understanding and intent that the burden of the covenants set forth in this Agreement touch and concern the land in that the Sponsor's legal interest in the Project is rendered less valuable by them. The parties further declare their understanding and intent that the benefit of such covenants touch and concern the land by enhancing and increasing the enjoyment and use of the Project by people and families for whom the ordinary operations of private enterprise cannot provide an adequate supply of safe, sanitary and affordable housing, the intended beneficiaries of such covenants. During the term of this Agreement, the covenants of the Sponsor in this Agreement are enforceable by both HDC and HPD as contract beneficiaries whether or not the Sponsor is or remains indebted to HDC or HPD.

SECTION 11.09 Notices. Any notice, demand, direction, request or other instrument authorized or required to be given or filed under this Agreement shall be deemed to have been sufficiently given or filed if and when sent (i) by certified mail, return receipt requested, (ii) by fax or other electronic means with notice of receipt or (iii) by hand delivery. All notices sent by mail

or hand delivery shall be sent to the addresses given above or to any other address of any party that it has notified the other parties of in writing. Notices to HDC or HPD shall be sent to the attention of the General Counsel. Notices required to be given to the Credit Provider shall be sent to Wells Fargo Bank, National Association, Community Lending and Investment, 150 East 42nd Street, 36th Floor, New York, New York 10017, Attention: Page Travelstead, with a copy to Sidley Austin LLP, 787 Seventh Avenue, New York, New York 10019, Attention: Aviva Yakren, Esq.. HDC and HPD shall make an effort to send copies of all notices that are sent to the Beneficial Owner to the Beneficial Owner's counsel at Hirschen Singer & Epstein LLP, 902 Broadway, 13th Floor, New York, NY 10010, Attention: Russell Kivler, Esq., and to the Tax Credit Investor at Wells Fargo Affordable Housing Community Development Corporation, c/o MAC D1053 170, 301 South College Street, Charlotte, NC 28288, Attention: Director of Tax Credit Asset Management and to its counsel at Nixon Peabody LLP, 799 9th Street NW, Suite 500, Washington DC 20001-5327, Attention: Richard Goldstein, Esq. Failure to send any copy, however, shall not affect the effectiveness of the notice.

SECTION 11.10 Governing Law; Jurisdiction; Service of Process. The parties unconditionally and irrevocably agree that this Agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to its conflict of laws principles. The parties unconditionally and irrevocably accept the jurisdiction of any state or federal court sitting in the State and New York County or the county in which the Project or any portion of the Project is located, waive any objection to the bringing of an action, suit or other legal proceeding in such jurisdiction, and consent to venue in any such court. The parties agree that service of process may be by hand or certified mail, return receipt requested or otherwise as permitted by law. The Beneficial Owner and the Legal Owner each irrevocably consent to the service of any and all process in any such action, suit or proceeding to its then-current address or such other address permitted by law as may be agreed to in writing by HDC and HPD. HDC's designated agent for service of process shall be its General Counsel at its offices. HPD's designated agent for service of process shall be its General Counsel at its offices.

SECTION 11.11 Loan Agreement. The Beneficial Owner shall pay all amounts due to HDC pursuant to the Loan Agreement. If the Beneficial Owner does not pay any such amounts, HDC may declare an Event of Default under this Agreement.

SECTION 11.12 Counterparts. This Agreement may be executed in counterparts, and all counterparts shall collectively constitute a single instrument. An executed signature page to one counterpart may be attached to another counterpart that is identical (except for additional signature pages) without impairing the legal effect of the signatures. Any counterpart containing the signatures of each of the parties shall be sufficient proof of this Agreement.

SECTION 11.13 Investigations. The Sponsor shall be bound by the provisions of the investigations clause attached as Schedule C.

SECTION 11.14 Further Assurances. The Sponsor shall, at the Sponsor's expense, promptly execute and deliver any further documents, and take any further action, as may be reasonably requested by HDC or HPD to ensure that the Project complies with all applicable provisions of the Tax Code and this Agreement.

SECTION 11.15 Concerning the Legal Owner.

- (a) Nominee Agreement. The Legal Owner and the Beneficial Owner each represent that they have delivered to HDC and HPD a true copy of the Nominee Agreement, and each agrees that it shall observe the terms of the Nominee Agreement. The Legal Owner and the Beneficial Owner agree that the Nominee Agreement shall not be amended, nor shall a new Nominee Agreement affect the Premises, without the

prior written consent of HDC and HPD, which shall not be unreasonably withheld. Any notice of a default or event of default required under the Nominee Agreement shall simultaneously be provided to HDC and HPD, and any default that remains uncured beyond the applicable cure period shall constitute a breach under this Agreement and shall be subject to the enforcement procedures of this Agreement.

- (b) Right to Enter and Cure. Notwithstanding anything contained in the Nominee Agreement to the contrary, the Nominee Agreement shall be deemed to provide (if it does not already provide) that if there is an event of default under any City, State or federal loan document, including but not limited to any mortgage, regulatory agreement or financing commitment, the Legal Owner shall have the right to enter the Premises to cure the default as agent for and on behalf of the Beneficial Owner, unless the Beneficial Owner is acting diligently to cure the default.
- (c) Must Remain in Project for Term of Mortgages. The Legal Owner (including any successor or permitted assign) shall remain in the Project's ownership structure for the entire term of the HDC Mortgage.

SECTION 11.16 HireNYC. The Sponsor shall comply, and shall cause the Project's general contractor and all applicable subcontractors to comply, with the requirements of HireNYC as more particularly set forth in the HireNYC Rider attached as Schedule D, as may be modified by the City from time to time.

SECTION 11.16 Environmental Requirements. The Sponsor shall comply with the requirements contained in that certain Decision Document by the New York State Department of Environmental Conservation, Division of Environmental Remediation, dated January 3, 2019, with regard to the Premises.

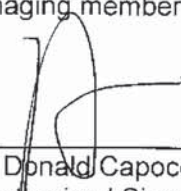
SECTION 11.17 Living Wage Law. The Sponsor shall comply with the Living Wage Law Contract Provisions attached to this Agreement as Schedule E, where applicable.

[Signatures follow]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date set forth above.

BEDFORD COURTS III LLC,
a New York limited liability company

By: Bedford Courts III Developer LLC,
its managing member

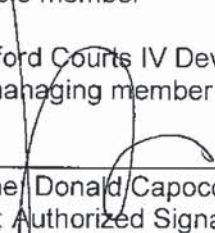
By: 
Name: Donald Capoccia
Title: Authorized Signatory

BEDFORD COURTS III LIHTC LLC,
a New York limited liability company

By: Bedford Courts III LIHTC MM LLC,
its managing member

By: Bedford Courts III Managers LLC,
its sole member


By: Bedford Courts IV Developer LLC,
its managing member

By: 
Name: Donald Capoccia
Title: Authorized Signatory

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On the 30 day of January, 2019, before me, the undersigned, a notary public in and for said state, personally appeared DONALD CAPOCCIA, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument, and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person on behalf of which the individual acted, executed the instrument.

ROBERT P. SCHROEDER
Notary Public, State of New York
No. 01SC4803179
Qualified in New York County
Commission Expires 7-31-22



Notary Public
Commission expires:

**BEDFORD COURTS III HOUSING
DEVELOPMENT FUND CORPORATION**

By: _____

Name: Lee Warshavsky
Title: Secretary/Treasurer

**BEDFORD COURTS LOCAL
DEVELOPMENT CORPORATION**

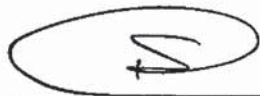
By: _____

Name: Lee Warshavsky
Title: Secretary/Treasurer

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On the 30th day of January, 2019 before me, the undersigned, a notary public in and for said state, personally appeared LEE WARSHAVSKY, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument, and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person on behalf of which the individual acted, executed the instrument.

ROBERT P. SCHROEDER
Notary Public, State of New York
No. 01SC4803179
Qualified in New York County
Commission Expires 7-31-22



Notary Public
Commission expires:

NEW YORK CITY HOUSING
DEVELOPMENT CORPORATION

By:



Anthony R. Richardson
Executive Vice President

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On the 30th day of January, 2019, before me, the undersigned, a notary public in and for said state, personally appeared **ANTHONY R. RICHARDSON**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument, and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person on behalf of which the individual acted, executed the instrument.



Notary Public
Commission expires:

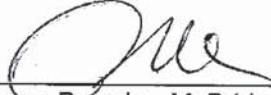
Sylvia Martinez
Notary Public - State of New York
No. 01MAG116841
Qualified in Queens County
Commission Expires October 12, 2020

APPROVED AS TO FORM BY STANDARD
TYPE OF CLASS FOR USE UNTIL January 31, 2019:

By: /s/ Amrita Barth
Acting Corporation Counsel

THE CITY OF NEW YORK, acting by and
through its DEPARTMENT OF HOUSING
PRESERVATION AND DEVELOPMENT

By:


Name: Brendan McBride
Title: Associate Commissioner

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On the 30th day of January, 2019, before me, the undersigned, a notary public in and for said state, personally appeared **BRENDAN MCBRIDE**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument, and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person on behalf of which the individual acted, executed the instrument.


Notary Public
Commission expires: 8-26-2022



SCHEDULE A

LEGAL DESCRIPTION OF PREMISES

LOT 1:

ALL THAT CERTAIN plot, piece or parcel of land, situate, lying and being in the Borough of Brooklyn, County of Kings, City and State of New York, bounded and described as follows:

BEGINNING at the intersection of the easterly side of Bedford Avenue (mapped 80 feet wide), and the northerly side of President Street (mapped 70 feet wide);

THENCE northerly along the easterly side of Bedford Avenue, forming an interior angle of 78 degrees, 41 minutes, 42 seconds on its southeasterly side with said northerly side of President Street, a distance of 260.64 feet (260 feet 7-5/8 inches) to the southerly line of Union Street (mapped 70 feet wide);

THENCE easterly, along said southerly line of Union Street, forming an interior angle of 101 degrees, 18 minutes, 18 seconds with the previous course, a distance of 331.99 feet to a point on the westerly line of Block 1274 Lot 101;

THENCE southerly, along said westerly line of Block 1274 Lot 101, forming an interior angle of 90 degrees, 00 minutes, 08 seconds with the previous course, a distance of 200.92 feet to a point on the northerly line of Block 1274 Lot 2;

THENCE westerly, along said northerly line of Block 1274 Lot 2, forming an interior angle of 89 degrees 59 minutes 52 seconds with the previous course, a distance of 265.64 feet to a point;

THENCE southerly, forming an exterior angle of 90 degrees, 00 minutes, 00 seconds with the previous course, a distance of 54.66 feet to a point on said northerly line of President Street;

THENCE westerly, along said northerly line of President Street, forming an interior angle of 90 degrees, 00 minutes, 00 seconds with the previous course, a distance of 117.45 feet to a point, said point being the point or place of BEGINNING.

Together with the benefits and subject to the burdens, if any, of an Egress Easement Agreement made between Bedford Courts III LLC, Bedford Courts Local Development Corporation and Bedford Courts I LLC dated 1/31/2019 and intended to be recorded.

LOT 101

ALL THAT CERTAIN plot, piece or parcel of land, situate, lying and being in the Borough of Brooklyn, County of Kings, City and State of New York, bounded and described as follows:

BEGINNING at a point on the southerly line of Union Street (mapped 70 feet wide), said point being distance 331.99 feet easterly from the intersection of said southerly line of Union Street and the easterly line of Bedford Avenue (mapped 80 feet wide);

THENCE easterly along said southerly line of Union Street, a distance of 120.41 feet to a point;

THENCE southerly, forming an interior angle of 90 degrees 00 minutes 00 seconds with the previous course, a distance of 255.58 feet to a point on the northerly line of President Street (mapped 70 feet wide);

THENCE westerly, along said northerly line of President Street, forming an interior angle of 90 degrees, 00 minutes, 00 seconds with the previous course, a distance of 120.40 feet to a point on the easterly line of Block 1274 Lot 2;

THENCE northerly, along said easterly line of Block 1274 Lot 2 and the easterly line of Block 1274 Lot 1, forming an interior angle of 90 degrees 00 minutes 08 seconds with the previous course, a distance of 255.58 feet to a point on the southerly line of Union Street, said point being the point or place of BEGINNING.

LOT 2:

ALL THAT CERTAIN plot, piece or parcel of land, situate, lying and being in the Borough of Brooklyn, County of Kings, City and State of New York, bounded and described as follows:

BEGINNING at a point on the northerly line of President Street (mapped 70 feet wide), said point being distant 117.45 feet easterly from the intersection of said northerly line of President Street and the easterly line of Bedford Avenue (mapped 80 feet wide);

THENCE northerly, forming an interior angle of 90 degrees, 00 minutes, 00 seconds with said northerly side of President Street, a distance of 54.66 feet to a point;

THENCE easterly, forming an interior angle of 90 degrees, 00 minutes, 00 seconds with the previous course, a distance of 265.64 feet to a point on the westerly line of Block 1274 Lot 101;

THENCE southerly, along said westerly line of Block 1274 Lot 101, forming an interior angle of 90 degrees, 00 minutes, 08 seconds with the previous course, a distance of 54.66 feet to a point on said northerly line of President Street;

THENCE westerly, along said northerly line of President Street, forming an interior angle of 89 degrees, 59 minutes, 52 seconds with the previous course, a distance of 265.65 feet to a point, said point being the point or place of BEGINNING.

SCHEDULE B

DISTRIBUTION OF UNITS AND INITIAL RENTS

Project: **Bedford Union**
1101 and 1089 President Street and 1561 Bedford Avenue
Brooklyn, NY
Block 1274, Lots 1, 2, and 101

The Project shall contain 415 units in total (including 1 Superintendent Unit).

Note: The applicable utility allowance is deducted from the Legal Rents and Actual Rents set forth in this Schedule B (i.e., they are "net" rents), except in the case of the Legal Rents for units occupied initially by tenants with Rental Assistance vouchers or certificates, which are based on the FMR percentages given with no deduction for the utility allowance.

Tax Code Units

1101 President Street

30% of AMI Units (Permanently Affordable Units, Homeless Units)

| | No. of Units | Legal Rent (initial) | Actual Rent (initial) |
|-----------|--------------|-----------------------|--------------------------------|
| Studio | 0 | \$1,559 (100% of FMR) | \$215 (Shelter Rent Allowance) |
| 1-Bedroom | 0 | \$1,599 (100% of FMR) | \$283 (Shelter Rent Allowance) |
| 2-Bedroom | 10 | \$1,831 (100% of FMR) | \$425 (Shelter Rent Allowance) |
| 3-Bedroom | 10 | \$2,324 (100% of FMR) | \$512 (Shelter Rent Allowance) |
| TOTAL | 20 | | |

30% of AMI Units (MIH Restrictive Declaration Units)

| | No. of Units | Legal Rent (initial) | Actual Rent (initial) |
|-----------|--------------|----------------------|-----------------------|
| Studio | 2 | \$414 (30% of AMI) | \$367 (27% of AMI) |
| 1-Bedroom | 4 | \$530 (30% of AMI) | \$471 (27% of AMI) |
| 2-Bedroom | 4 | \$646 (30% of AMI) | \$575 (27% of AMI) |
| 3-Bedroom | 2 | \$739 (30% of AMI) | \$658 (27% of AMI) |
| TOTAL | 12 | | |

SCHEDULE B (continued)30% of AMI Units (Permanently Affordable Units)

| | No. of Units | Legal Rent (initial) | Actual Rent (initial) |
|--------------|--------------|----------------------|-----------------------|
| Studio | 2 | \$414 (30% of AMI) | \$367 (27% of AMI) |
| 1-Bedroom | 6 | \$530 (30% of AMI) | \$471 (27% of AMI) |
| 2-Bedroom | 1 | \$646 (30% of AMI) | \$575 (27% of AMI) |
| 3-Bedroom | 0 | \$739 (30% of AMI) | \$658 (27% of AMI) |
| TOTAL | 9 | | |

40% of AMI Units (MIH Restrictive Declaration Units)

| | No. of Units | Legal Rent (initial) | Actual Rent (initial) |
|--------------|--------------|----------------------|-----------------------|
| Studio | 3 | \$571 (40% of AMI) | \$524 (37% of AMI) |
| 1-Bedroom | 10 | \$726 (40% of AMI) | \$667 (37% of AMI) |
| 2-Bedroom | 4 | \$881 (40% of AMI) | \$810 (37% of AMI) |
| 3-Bedroom | 2 | \$1,011 (40% of AMI) | \$929 (37% of AMI) |
| TOTAL | 19 | | |

50% of AMI Units (Non-MIH Restrictive Declaration Units and Non-Permanently Affordable Units)

| | No. of Units | Legal Rent (initial) | Actual Rent (initial) |
|--------------|--------------|----------------------|-----------------------|
| Studio | 3 | \$727 (50% of AMI) | \$680 (47% of AMI) |
| 1-Bedroom | 10 | \$921 (50% of AMI) | \$863 (47% of AMI) |
| 2-Bedroom | 4 | \$1,115 (50% of AMI) | \$1,045 (47% of AMI) |
| 3-Bedroom | 2 | \$1,282 (50% of AMI) | \$1,200 (47% of AMI) |
| TOTAL | 19 | | |

SCHEDULE B (continued)60% of AMI Units (MIH Restrictive Declaration Units)

| | No. of Units | Legal Rent (initial) | Actual Rent (initial) |
|--------------|--------------|----------------------|-----------------------|
| Studio | 8 | \$884 (60% of AMI) | \$837 (57% of AMI) |
| 1-Bedroom | 37 | \$1,117 (60% of AMI) | \$1,058 (57% of AMI) |
| 2-Bedroom | 9 | \$1,350 (60% of AMI) | \$1,280 (57% of AMI) |
| 3-Bedroom | 8 | \$1,553 (60% of AMI) | \$1,472 (57% of AMI) |
| TOTAL | 62 | | |

60% of AMI Units (Non-MIH Restrictive Declaration Units and Non-Permanently Affordable Units)

| | No. of Units | Legal Rent (initial) | Actual Rent (initial) |
|--------------|--------------|----------------------|-----------------------|
| Studio | 10 | \$884 (60% of AMI) | \$837 (57% of AMI) |
| 1-Bedroom | 36 | \$1,117 (60% of AMI) | \$1,058 (57% of AMI) |
| 2-Bedroom | 0 | \$1,350 (60% of AMI) | \$1,280 (57% of AMI) |
| 3-Bedroom | 3 | \$1,553 (60% of AMI) | \$1,472 (57% of AMI) |
| TOTAL | 49 | | |

Market-Rate Units

A total of 164 units shall be Market Rate Units. The Market Rate Units shall be distributed as follows:

| | No. of Units |
|--------------|--------------|
| Studio | 25* |
| 1-Bedroom | 89* |
| 2-Bedroom | 23* |
| 3-Bedroom | 27* |
| TOTAL | 164 |

*Rent for the Market Rate Units shall be set by the Beneficial Owner. The Market Rate Units are not subject to Rent Stabilization.

SCHEDULE B (continued)**1189 President Street**30% of AMI Units (Permanently Affordable Units, Homeless Units)

| | No. of Units | Legal Rent (initial) | Actual Rent (initial) |
|--------------|--------------|-----------------------|--------------------------------|
| Studio | 0 | \$1,559 (100% of FMR) | \$215 (Shelter Rent Allowance) |
| 1-Bedroom | 0 | \$1,599 (100% of FMR) | \$283 (Shelter Rent Allowance) |
| 2-Bedroom | 3 | \$1,831 (100% of FMR) | \$425 (Shelter Rent Allowance) |
| 3-Bedroom | 2 | \$2,324 (100% of FMR) | \$512 (Shelter Rent Allowance) |
| TOTAL | 5 | | |

30% of AMI Units (Permanently Affordable Units)

| | No. of Units | Legal Rent (initial) | Actual Rent (initial) |
|--------------|--------------|----------------------|-----------------------|
| Studio | 2 | \$414 (30% of AMI) | \$367 (27% of AMI) |
| 1-Bedroom | 0 | \$530 (30% of AMI) | \$471 (27% of AMI) |
| 2-Bedroom | 2 | \$646 (30% of AMI) | \$575 (27% of AMI) |
| 3-Bedroom | 0 | \$739 (30% of AMI) | \$658 (27% of AMI) |
| TOTAL | 4 | | |

40% of AMI Units (MIH Restrictive Declaration Units)

| | No. of Units | Legal Rent (initial) | Actual Rent (initial) |
|--------------|--------------|----------------------|-----------------------|
| Studio | 2 | \$571 (40% of AMI) | \$524 (37% of AMI) |
| 1-Bedroom | 2 | \$726 (40% of AMI) | \$667 (37% of AMI) |
| 2-Bedroom | 2 | \$881 (40% of AMI) | \$810 (37% of AMI) |
| 3-Bedroom | 0 | \$1,011 (40% of AMI) | \$929 (37% of AMI) |
| TOTAL | 6 | | |

SCHEDULE B (continued)50% of AMI Units (Non-MIH Restrictive Declaration Units and Non-Permanently Affordable Units)

| | No of Unitts | Legal Rent (initial) | Actual Rent (initial) |
|-----------|--------------|----------------------|-----------------------|
| Studio | 2 | \$727 (50% of AMI) | \$680 (47% of AMI) |
| 1-Bedroom | 4 | \$921 (50% of AMI) | \$863 (47% of AMI) |
| 2-Bedroom | 0 | \$1,115 (50% of AMI) | \$1,045 (47% of AMI) |
| 3-Bedroom | 0 | \$1,282 (50% of AMI) | \$1,200 (47% of AMI) |
| TOTAL | 6 | | |

60% of AMI Units (MIH Restrictive Declaration Units)

| | No. of Units | Legal Rent (initial) | Actual Rent (initial) |
|-----------|-----------------|----------------------|-----------------------|
| Studio | 1 | \$884 (60% of AMI) | \$837 (57% of AMI) |
| 1-Bedroom | 6 | \$1,117 (60% of AMI) | \$1,058 (57% of AMI) |
| 2-Bedroom | 2 | \$1,350 (60% of AMI) | \$1,280 (57% of AMI) |
| 3-Bedroom | 1 | \$1,553 (60% of AMI) | \$1,472 (57% of AMI) |
| TOTAL | 10 | | |

60% of AMI Units (Non-MIH Restrictive Declaration Units and Non-Permanently Affordable Units)

| | No. of Units | Legal Rent (initial) | Actual Rent (initial) |
|-----------|-----------------|----------------------|-----------------------|
| Studio | 5 | \$884 (60% of AMI) | \$837 (57% of AMI) |
| 1-Bedroom | 18 | \$1,117 (60% of AMI) | \$1,058 (57% of AMI) |
| 2-Bedroom | 6 | \$1,350 (60% of AMI) | \$1,280 (57% of AMI) |
| 3-Bedroom | 0 | \$1,553 (60% of AMI) | \$1,472 (57% of AMI) |
| TOTAL | 29 | | |

SCHEDULE B (continued)

Legal Rents for Tax Code Units Initially Occupied by Tenants with Rental Assistance Vouchers or Certificates

At the initial rent-up of the Project, the Sponsor shall determine the Tax Code Units, if any, that will be occupied by Rental Assistance tenants with vouchers or certificates. For any such Tax Code Unit, the initial Legal Rent shall not exceed the amount given in this section.

| | Legal Rent (initial) |
|---------------------------|-----------------------|
| Studio | \$1,403 (90% of FMR) |
| 1-Bedroom | \$1,439 (90% of FMR) |
| 2-Bedroom | \$1,648 (90% of FMR) |
| 3-Bedroom | \$2,092 (90% of FMR) |
| | |
| Studio (Homeless Unit) | \$1,559 (100% of FMR) |
| 1-Bedroom (Homeless Unit) | \$1,599 (100% of FMR) |
| 2-Bedroom (Homeless Unit) | \$1,831 (100% of FMR) |
| 3-Bedroom (Homeless Unit) | \$2,324 (100% of FMR) |

Rent Increases at Initial Rent-Up

In certain circumstances, Legal Rents and Actual Rents specified in this Schedule B may be increased at initial rent-up with the prior written consent of HDC and HPD (and at the sole discretion of HDC and HPD). In the case of any increase, the parties shall amend this Agreement at the Permanent Conversion to document Schedule B as modified.

SCHEDULE C

INVESTIGATIONS CLAUSE

a. The parties to this Agreement agree to cooperate fully and faithfully with any investigation, audit or inquiry conducted by a State or City governmental agency or authority that is empowered directly or by designation to compel the attendance of witnesses and to examine witnesses under oath, or conducted by the Inspector General of a governmental agency that is a party in interest to the transaction, submitted bid, submitted proposal, contract, lease, permit, or license that is the subject of the investigation, audit or inquiry.

b. If any person who has been advised that his or her statement, and any information from such statement, will not be used against him or her in any subsequent criminal proceeding refuses to testify before a grand jury or other governmental agency or authority empowered directly or by designation to compel the attendance of witnesses and to examine witnesses under oath concerning the award of or performance under any transaction, agreement, lease, permit, contract, or license entered into with the City, the State or any political subdivision or public authority thereof, or the Port Authority of New York and New Jersey, or any local development corporation within the City, or any public benefit corporation organized under the laws of the State; or

c. If any person refuses to testify for a reason other than the assertion of his or her privilege against self-incrimination in an investigation, audit or inquiry conducted by a City or State governmental agency or authority empowered directly or by designation to compel the attendance of witnesses and to take testimony under oath, or by the Inspector General of the governmental agency that is a party in interest in, and is seeking testimony governing the award of, or performance under, any transaction, agreement, lease, permit, contract, or license entered into with the City, the State, or any political subdivision thereof or any local development corporation within the City, then;

d. The commissioner or agency head whose agency is a party in interest to the transaction, submitted bid, submitted proposal, contract, lease, permit, or license shall convene a hearing upon not less than five days written notice to the parties involved to determine if any penalties should attach for the failure of a person to testify.

e. If any non-governmental party to the hearing requests an adjournment, the commissioner or agency head who convened the hearing may, upon granting the adjournment, suspend any contract, lease, permit, or license pending the final determination pursuant to Section (g) below without the City incurring any penalty or damages for delay or otherwise.

f. The penalties which may attach after a final determination by the commissioner or agency head may include but shall not exceed:

1. The disqualification for a period not to exceed five years from the date of an adverse determination of any person, or any entity of which such person was a member at the time the testimony was sought, from submitting bids for, or transacting business with, or entering into or obtaining any contract, lease, permit or license with or from the City; and/or

2. The cancellation or termination of any and all existing City contracts, leases, permits, or licenses that the refusal to testify concerns and that have not been assigned as permitted under this agreement, nor the proceeds of which pledged, to an unaffiliated and unrelated institutional lender for fair value prior to the issuance of the notice scheduling the hearing, without the City incurring any penalty or damages on account of such cancellation or termination;

monies lawfully due for goods delivered, work done, rentals, or fees accrued prior to the cancellation or termination shall be paid by the City.

g. The commissioner or agency head shall consider and address in reaching his or her determination and in assessing an appropriate penalty the factors in Sections (g)(1) and (g)(2). He or she may also consider, if relevant and appropriate, the criteria established in Sections (g)(3) and (g)(4) in addition to any other information which may be relevant and appropriate:

1. The party's good faith endeavors or lack thereof to cooperate fully and faithfully with any governmental investigation or audit, including but not limited to the discipline, discharge, or disassociation of any person failing to testify, the production of accurate and complete books and records, and the forthcoming testimony of all other members, agents, assignees or fiduciaries whose testimony is sought.

2. The relationship of the person who refused to testify to any entity that is a party to the hearing, including, but not limited to, whether the person whose testimony is sought has an ownership interest in the entity and/or the degree of authority and responsibility the person has within the entity.

3. The nexus of the testimony sought to the subject entity and its contracts, leases, permits or licenses with the City.

4. The effect a penalty may have on an unaffiliated and unrelated party or entity that has a significant interest in an entity subject to penalties under Section (f) above, provided that the party or entity has given actual notice to the commissioner or agency head upon the acquisition of the interest, or at the hearing called for in Section (d) above gives notice and proves that such interest was previously acquired. Under either circumstance the party or entity must present evidence at the hearing demonstrating the potential adverse impact a penalty will have on such person or entity.

h. 1. The term "license" or "permit" as used herein shall be defined as a license, permit, franchise or concession not granted as a matter of right.

2. The term "person" as used herein shall be defined as any natural person doing business alone or associated with another person or entity as a partner, director, officer, principal or employee.

3. The term "entity" as used herein shall be defined as any firm, partnership, corporation, association, or person that receives monies, benefits, licenses, leases, or permits from or through the City or otherwise transacts business with the City.

4. The term "member" as used herein shall be defined as any person associated with another person or entity as a partner, director, officer, principal or employee.

i. In addition to and notwithstanding any other provision of this agreement the commissioner or agency head may in his or her sole discretion terminate this agreement upon not less than three days written notice in the event contractor fails to promptly report in writing to the Commissioner of Investigation of the City any solicitation of money, goods, requests for future employment or other benefit or thing of value, by or on behalf of any employee of the City or other person, firm, corporation or entity for any purpose which may be related to the procurement or obtaining of this agreement by the contractor, or affecting the performance of this contract.

SCHEDULE D

HIRENYC RIDER

Introduction

This Rider sets forth the requirements of the HireNYC Program ("HireNYC") and certain other requirements imposed by law. The provisions of this Rider apply to the Sponsor, the Contractor, and all subcontractors for the Project having contracts of \$500,000 or more (each a "Covered Party"). A copy of this Rider shall be included in the Construction Contract and all such subcontracts.

In general, Covered Parties are required to

- (a) enroll with the HireNYC program by clicking on the "HPD Portal" link found at nyc.gov/hirenyc,
- (b) disclose all new entry to mid-level job opportunities (as defined below) created by the Project and located in New York City ("Covered Jobs"), and
- (c) evaluate or interview qualified candidates from HireNYC for Covered Jobs. Entry to mid-level jobs shall mean jobs requiring no more than an associate degree, as provided by the New York State Department of Labor (Note: See Column F at <https://labor.ny.gov/stats/2012-2022-NYS-Employment-Prospects.xls>).

A. Enrollment

Each Covered Party must enroll with the NYC Department of Small Business Services ("SBS") by clicking on the "HPD Portal" link found at nyc.gov/hirenyc (the linked page on the SBS website being the "HireNYC Portal"). The Sponsor and Contractor shall each enroll within thirty (30) days after the Construction Closing. Subcontractors must be enrolled by the earlier of (i) fifteen (15) days after the full execution of its subcontract or (ii) the start of work under such subcontract.

The Sponsor or Contractor shall engage with SBS to create a work plan for the Project detailing the planned subcontracting engagements and any expected hiring needs. The work plan should include information such as projected start dates for subcontractors, the anticipated date of commencement of the hiring process for any positions to be filled, and contact information for all Covered Parties.

The Sponsor and Contractor may designate a project coordinator to act as the main contact for the Covered Parties with regard to the matters contained in this Rider. The role of the project coordinator will be to manage the administrative enrollment requirements of subcontractors and to facilitate communication between the Covered Parties and SBS.

B. Recruitment Requirements

Once enrolled in HireNYC, the Covered Parties shall provide updated information to SBS regarding Covered Jobs as they become known. The Covered Parties or project coordinator must request candidates through the HireNYC Portal to fill any Covered Jobs no less than three weeks prior to the intended first day of employment for each new position, or as otherwise negotiated with SBS, whose consent will not be unreasonably withheld, and must also provide updates information through the HireNYC Portal as set forth below. If an employee is needed in an unexpected

situation to keep the Project on schedule, the Covered Party must notify SBS of this need and if SBS is not able to refer a candidate within three (3) business days, the Covered Party may proceed without further consideration.

After enrollment and submission of relevant information by Covered Parties or the project coordinator through the HireNYC Portal, SBS will work directly with the hiring manager for each Covered Party to develop a recruitment strategy for Covered Jobs. HireNYC will screen applicants based on employer requirements and refer qualified applicants to the appropriate Covered Party for evaluation or interviews. The Covered Parties must evaluate or interview referred applicants whom it believes are qualified. These requirements do not limit the Covered Party's ability to work with community partners who may also refer candidates for job opportunities, to assess the qualifications of prospective workers, or to make final hiring and retention decisions. No provision of this Rider shall be interpreted so as to require a Covered Party to employ any particular worker or to limit consideration to the prospective employees referred by HireNYC.

In addition, this Rider shall not apply to positions that a Covered Party intends to fill with employees employed pursuant to the job retention provision of Section 22-505 of the Administrative Code of the City of New York or to positions covered by Collective Bargaining Agreements or Project Labor Agreements. Covered Parties shall not be required to report such openings with HireNYC. However, Covered Parties shall enroll with the HireNYC system pursuant to Section A, above, and, if such positions subsequently become open, then the remaining provisions of this Rider will apply.

C. Reporting Requirements

After completing an evaluation or interview of a candidate referred by HireNYC, the Covered Party or project coordinator must provide feedback via the HireNYC Portal to indicate which candidates were evaluated or interviewed and hired, if any. For any individual hired through HireNYC, the Covered Party or project coordinator shall provide the expected start date, wage, and hours expected to work. The Covered Party or project coordinator shall provide such information on a monthly basis through the HireNYC Portal for any candidates referred by HireNYC that are evaluated, interviewed and/or hired in a particular month.

In the event a Covered Party does not have any Covered Jobs in any given year, the Covered Party or project coordinator shall be required to provide an annual update to HireNYC to that effect. For this purpose, the reporting year shall run from the date of the registration of the contract and each anniversary date.

Covered Parties or the project coordinator shall report to the City all information reasonably requested by the City that is necessary for the City to comply with any reporting requirements imposed by law or rule. In addition, Covered Parties shall comply with all reporting requirements imposed by law or rule, or as otherwise requested by the City.

D. Audit Compliance

Covered Parties shall permit the New York City Department of Housing Preservation and Development ("HPD") to inspect any and all records concerning or relating to job openings or the hiring of individuals for Covered Jobs. Covered Parties shall retain all such records for one (1) year from the date of contract completion and shall permit an inspection by HPD within seven (7) business days of the request.

E. Other Hiring Requirements

Covered Parties shall comply with all federal, state, and/or local hiring requirements as may be set forth elsewhere in this Agreement or other project documents.

SCHEDULE E

LIVING WAGE LAW CONTRACT PROVISIONS

Section 6-134 of title 6 of the Administrative Code of the City of New York ("Section 6-134") and the Mayor's Executive Order No. 7 dated September 30, 2014 (the "EO No. 7") regulate the wages of employees employed by Covered Employers (as such term as is defined under Section 6-134) and Additional Covered Employers (as such term is defined under EO No. 7) (Covered Employers and Additional Covered Employers, other than those entities exempted under Section 6-134 as modified by EO No. 7, shall collectively be referred to herein as "Covered Employers"). Therefore, in accordance with Section 6-134 and EO No. 67, the Covered Employers agrees:

A. The Covered Employer shall comply with the requirements of Section 6-134 and EO No. 7 and any rules promulgated thereunder (collectively, the "LW Laws"), including but not limited to, the payment of no less than a Living Wage (as defined in EO No. 7).

B. This Section [_____] shall remain in full force and effect for the term of the Financial Assistance (as such term is defined in Section 6-134) from The City of New York (the "City") or a City economic development entity (as such term is defined under Section 6-134 and EO No. 7), or ten (10) years, whichever period is longer.

C. (1) The covered Employer shall ensure that any (i) tenant, subtenant, leaseholder or subleaseholder of the Covered Employer that occupies property improved or developed with Financial Assistance, (ii) concessionaire that operates on the property improved or developed with Financial Assistance, and (iii) any person or entity that contracts or subcontracts with the Covered Employer to perform work for a period of more than 90 days on the premises of the property improved or developed with Financial Assistance, including temporary services or staffing agencies, food service contractors and other on-site service contractors, but (iv) excluding those persons or entities excluded from the

definition of "Additional Covered Employer" in EO No. 7 (all such persons or entities shall be collectively referred to herein as "covered occupants") pays employees no less than a Living Wage, and otherwise complies with the requirements of the LW Laws. The Covered Employer shall include in any contract or agreement with the covered occupant the attached covered occupants' rider ("Rider") to this Section, and take such additional steps as are reasonably necessary to ensure covered occupants are in compliance with the LW Laws, including inspecting the books and records of the covered occupant and confirming delivery of all required notices.

(2) If a covered occupant fails to comply with the LW Laws, the Covered Employer may be subject to imposition of a Compliance Fee as provided for in Paragraph H below.

D. The Covered Employer shall not retaliate, discharge, demote, suspend or take any adverse employment action in the terms and conditions of employment against employee for reporting or asserting a violation of this Agreement or of the LW Laws, for seeking or communicating information regarding rights conferred by the LW Laws, for exercising any rights protected under LW Laws, or for participating in any investigatory, administrative or court proceeding related thereto. The foregoing protections shall also apply to any employee or his or her representative who in good faith alleges a violation of the LW Laws, or who seeks or communicates information regarding rights conferred by the LW Laws in circumstances where he or she in good faith believes it applies. The Covered Employer acknowledges and agrees that taking adverse employment action against an employee or his or her representative within sixty (60) days of the employee engaging in any of the aforementioned activities shall raise a rebuttable presumption of the Covered Employer having done so in retaliation for those activities.

E. The Covered Employer shall maintain original payroll records for each of its covered employees reflecting the days and hours worked on contracts, projects or assignments that are subject to the requirements of Section 6-134, the wages paid and benefits provided for such hours worked, and the

delivery of required employee notices. The Covered Employer shall maintain these records for the duration of the term of this Agreement and shall retain them for a period of six (6) years after the later of completion of this Agreement or the project is completed. The Covered Employer acknowledges and agrees that failure to so retain such payroll records shall create a rebuttable presumption that the Covered Employer did not pay its employees the wages and benefits required under Section 6-134 and EO No. 7. Upon request, the Covered Employer shall provide a certified original payroll record to the [City or City economic development entity].

F. The Covered Employer shall maintain a current list of all its covered occupants and provide that list to the [City or City economic development entity] upon request.

G. No later than the day on which an employee begins work at a site subject to the requirements of Section 6-134 and/or EO No. 7, the Covered Employer shall post in a prominent and accessible place at every such work site and provide each employee with a copy of a written notice, in a form provided by the [City or City economic development entity], detailing the wages, benefits, and other protections to which covered employees are entitled under Section 6-134 and EO No. 7, providing the name, address and phone number of the Comptroller, and advising employees that if they have been paid less than the Living Wage they may notify the Comptroller and request an investigation. The Covered Employer shall promptly replace any posted notice that is damaged, defaced, illegible or removed for any reason. Such notices shall be provided in English, Spanish and any other language deemed appropriate in the area of the project site. The Covered Employer shall provide the aforementioned written notices to its covered occupants, and require each covered occupant to comply with this Paragraph G in the same manner as the Covered Employer.

H. The Covered Employer agrees that failure to comply with any of the requirements of the LW Laws shall constitute a material breach by the Covered Employer of the terms of this Agreement. The Covered Employer acknowledges and agrees that the [City or City economic development entity] shall

have the right, subject to any cure provisions provided for under Section 6-134, to pursue any rights or remedies available under this Agreement, Section 6-134 and EO No. 7 or under applicable law, including (i) termination of this Agreement, (ii) recovering from the Covered Employer the financial assistance disbursed or provided to the Covered Employer, including requiring repayment of any taxes abated or deferred, (iii) withholding of any payment due from the [City or City economic development entity] to the financial assistance recipient in order to safeguard the rights of employees [in a manner consistent with the withholding procedures established by subdivision 2 of section 235 of the New York Labor Law], and (iv) imposing any of the remedies provided for in subsection (g)(2) and (7) of Section 6-134, including payment of wages and benefits, interest, civil penalties and sums withheld at the commencement of an investigation, and directing reinstatement and/or filing and disclosure. No provision in this Agreement is intended to limit any right of any employee to seek legal and/or equitable relief from a court of competent jurisdiction as provided for in subsection (g) of Section 6-134.

In addition, if the Covered Employer fails to perform in accordance with any of the requirements of Section 6-134 and EO No. 7 and fails to cure such failure, and there is a continued need for the service, the City may obtain from another source the required service as specified in the original Agreement, or any part thereof, and may charge (including any administrative charge established by the [City or City economic development entity]), the Covered Employer for any difference in price resulting from the alternative arrangements, and may, as appropriate, invoke such other sanctions as are available under the Agreement and Applicable law.

For purposes of Section C of this Agreement, in the event that a covered occupant fails to pay a Living Wage or otherwise comply with Section 6-134 and/or EO No. 7, the [City or City economic development entity] may provide written notice of its intent to impose a Compliance Fee (defined below) on the Covered Employer unless, within [____] days of delivery of the notice, the Covered Employer provides sufficient evidence to the City of the Covered Employer's diligent efforts to enforce

the requirement that covered occupants comply with the LW Laws. For purposes of this subsection H, diligent efforts shall mean that (i) the Covered Employer has attached the Rider or included similar living wage language in any contract or agreement with a covered occupant; (ii) the Covered Employer has provided each covered occupant with written notices as set forth in subsection G herein; (iii) the Covered Employer shall obtain and maintain all certifications from the covered occupants certifying that is has paid its employees a Living Wage; (iv) The Covered Employer shall obtain an Employee Certification log in the form attached as Exhibit B; (v) The Covered Employer shall retain such documentation as is reasonably necessary to prove that it used diligent efforts to enforce the requirement that the covered occupant comply with the LW Laws, which may consist of signed copies of the notices, default letters, email receipts and/or logs; and (vi) the Covered Employer diligently pursues such action to remove the covered occupant and/or otherwise cure the violation.

In the event that the Covered Employer fails to timely deliver such evidence, the City or City development agency shall be entitled to collect liquidated damages in the amount of \$[] (the "Compliance Fee") from the Covered Employer.

I. On August 1st of each year during the Term of this Agreement, the Covered Employer shall submit to the [City or City economic development entity] an annual certification (in the form attached hereto and made a part hereof as Exhibit A), in a form provided by the [City or City economic development entity], executed under penalty of perjury, stating that all of its employees are paid no less than the Living Wage and are otherwise treated in accordance with the LW Laws, providing the names, addresses and telephone numbers of such employees and affirming the obligation of the Covered Employer to assist the [City or City economic development entity] to remedy any non-compliance by the Covered Employer. All such statements shall be certified by the chief executive or chief financial officer of the Covered Employer, or the designee of any such person.

J. The Covered Employer shall pay to the [City or City economic development entity] all fees, costs expenses, (including, without limitation, attorneys' fees and disbursements) incurred in connection with the enforcement of the terms of this Section by the [City or City economic development entity], or any investigation related thereto, within _____ (_____) days after demand therefor.

K. The Covered Employer shall cooperate with the Comptroller, Department of Consumer Affairs ("DCA"), the City in connection with their monitoring, investigation, inspection and enforcement efforts related to compliance with the LW Laws, and provide the Comptroller, the City with any and all records and information reasonably requested by such entities in connection with such efforts. In connection with any such activities, the Covered Employer shall permit the Comptroller, the City to observe work being performed at the job site, interview employees during and after work hours and examine the books and records related to the payrolls being investigated and the delivery of required notices. If the Covered Employer fails to comply with this subsection K, such failure to comply shall be deemed a default under this contract or agreement and the Covered Employer shall be subject to any and all remedies set forth in this Section. The Covered Employer acknowledges and agrees that the Comptroller, DCA, the City are each intended to be third party beneficiaries of the terms and provisions of this section.

L. Training provided by DCA in connection with LW Laws.

M. The provisions of this Section shall survive the Expiration of the Term and/or the termination of this Agreement.

COVERED OCCUPANTS' RIDER

All agreements between Covered Employer and covered occupants (as defined above) shall include the following provisions:

The Covered Occupant hereby agrees to:

1. comply with the requirements of Section 6-134 and EO No. 7, including but not limited to, the payment of no less than a living wage to each of its employees (as such term is defined under Section 6-134).
2. pay all employees a living wage for the term of the financial assistance (as such term is defined under Section 6-134) or ten (10) years, whichever period is longer.
3. maintain original payroll records for each of its covered employees reflecting the days and hours worked on contracts, projects or assignments that are subject to the requirements of Section 6-134 and EO No. 7, and the wages paid and benefits provided for such hours worked. The Covered Occupant shall maintain these records for the duration of the term of this Agreement and shall retain them for a period of six (6) years after the later of completion of this Agreement or the project is completed. The Covered Occupant acknowledges and agrees that failure to so retain such payroll records shall create a rebuttable presumption that the Covered Occupant did not pay its employees the wages and benefits required under Section 6-134 and EO No. 7. Upon request, the Covered Occupant shall provide a certified original payroll record to Landlord, the City and/or City economic development entity within ten (10) Business Days.
4. cooperate with the Comptroller, Department of Consumer Affairs ("DCA") and the City in connection with their monitoring, investigation, inspection and enforcement efforts related to compliance with the LW Laws, and provide the Comptroller and the City or City economic

development entity with any and all records and information reasonably requested by such entities in connection with such efforts. In connection with any such activities, the Covered Occupant shall permit the Comptroller and the City to observe work being performed at the job site, interview employees during and after work hours and examine the books and records related to the payrolls being investigated and the delivery of required notices. The Covered Occupant acknowledges and agrees that the Comptroller, DCA, and the City are each intended to be third party beneficiaries of the terms and provisions of this Section.

5. post in prominent and accessible place at every such work site and provide each employee with a copy of a written notice, in a form provided by the (applicable Covered Employer), detailing the wages, benefit, and other protections to which covered employees are entitled under Section 6-134 and EO No. 7, providing the name, address and phone number of the Comptroller, and advising employees that if they have been paid less than the Living Wage they may notify the Comptroller and request an investigation. The Covered Occupant shall promptly replace any posted notice that is damaged, defaced, illegible for removed for any reason. Such notices shall be provided in English, Spanish and any other language deemed appropriate in the area of the project site.
6. not retaliate, discharge, demote, suspend or take any adverse employment action in terms and conditions of employment against any employee for reporting or asserting a violation of this Agreement or of the LW Laws, for seeking or communicating information regarding rights conferred by the LW Laws, for exercising any rights protected under LW Laws, or for participating in any investigatory, administrative or court proceeding related thereto. The foregoing protections shall also apply to any employee or his or her representative who in good faith alleges a violation of the LW Laws, or who seeks or communicates information regarding rights conferred by the LW Laws in circumstances where he or she in good faith

believes it applies. The Covered Occupant acknowledges and agrees that taking adverse employment action against an employee or his or her representative within sixty (60) days of the employee engaging in any of the aforementioned activities shall raise a rebuttable presumption of the Covered Occupant having done so in retaliation for these activities.

7. provide a written list of all other Covered Occupants at the project site to Covered Employer within ten (10) business days of Covered Occupants receipt of a request therefor.
8. be subject to any rights or remedies against the Covered Employer and available under this Agreement, Section 6-134 and EO No. 7 or under applicable law for Covered Occupant's failure to comply with the requirements set forth in this Agreement, Section 6-134 and EO No. 7.
9. pay to the [City or City economic development entity] all fees, costs and expenses (including, without limitation, attorneys' fees and disbursements) incurred in connection with the enforcement of the terms herein, Section 6-134 and EO No. 7 within _____ (____) days after demand therefor.
10. The provisions set forth herein shall survive the Expiration of the Term and/or the termination of this Agreement.

EXHIBIT A

CERTIFICATION

Reference is hereby made to that certain _____ dated as of _____
("Project Agreement"), by and between _____ ("Certifying Entity") and
_____ ("Agency").

Pursuant to New York City Administrative Code Section 6-134, also known as the Fair Wages for New Yorkers Act (the "Act"), the undersigned certifies under the penalties of perjury, that the following information is true:

- 1 I am the chief executive officer or the chief financial officer of the Certifying Entity, or the designee of either of them.
- 2 The undersigned, on behalf of _____ ("Certifying Entity") agrees to comply with the requirements of Section 6-134 of the Administrative Code of the City of New York, and with all applicable federal, state and local laws.
- 3 [Certifying Entity, as of the _____ day of _____, qualifies for the exemption pursuant to the Act and Executive Order No. 7 because (state reason for exemption)

_____]
- 4 All of the "employees" of the Certifying Entity at the project site are paid no less than a "living wage" (as such terms are defined in the Act).

- 5 The Certifying Entity has notified all other "covered employers" operating at the project site that they must pay their "employees" not less than a "living wage" and must comply with all other requirements of the Act (as such terms are defined in the Act).
- 6 The Certifying Entity hereby affirms its obligation to assist the Comptroller and the City of New York to investigate, monitor and enforce and remedy non-compliance of all "covered employers" (as such term is defined in the Act) with the Act.
- 7 The Certifying Entity provides the following information. Attach additional sheets if necessary.

Full Name of Certifying Entity _____
Address _____
City _____ State _____ Zip Code _____
Telephone Number _____

The names, addresses and telephone numbers of all "covered employers" at the project site (whether or not such "covered employers" are exempt) are:

Company's Name: _____
Company's Address: _____
Company's Phone Number: _____

Other Covered Employer's Name: _____
Other Covered Employer's Address: _____
Other Covered Employers Phone Number: _____

Other Covered Employer's Name _____
Other Covered Employer's Address: _____
Other Covered Employer's Phone Number _____

Other Covered Employer's Name _____
Other Covered Employer's Address: _____
Other Covered Employer's Phone Number _____

Other Covered Employer's Name _____
Other Covered Employer's Address: _____
Other Covered Employer's Phone Number _____

[SIGNATURE TO FOLLOW]

IN WITNESS WHEREOF, on this _____ day of _____, _____, I hereby
certify under penalty of perjury that the foregoing statements and information are true and
correct.

[NAME OF CERTIFYING ENTITY]

By: _____
Name: _____
Title: _____

EXHIBIT B

EMPLOYEE LOG CERTIFICATION

I, _____, hereby certify under penalty of perjury, that the following information is true and correct:

1. I am an employee of _____ (the "Company")
2. My position is _____.
3. The Company provided me with a written notice explaining my rights as an employee and the Company's obligation under the Fair Wages for New Yorkers Act, constituting New York City Administrative Code Section 6-134, as expanded by the Executive Order No. 7, dated September 30, 2014 (the "Act").
4. The Company pays me no less than a living wage pursuant to the Act.

By: _____

Name: _____

Date: _____

