TAX EQUIVALENT PAYMENT AGREEMENT (ROOSEVELT LANDINGS)

This Residential Tax Equivalent Payment Agreement (this "TEP Agreement") dated as of December 5, 2018, is by and between the New York State Urban Development Corporation d/b/a Empire State Development ("UDC" or "ESD"), a New York public benefit corporation, having an office at 633 Third Avenue, New York, New York 10017 and BSREP UA Roosevelt Landings LLC ("Tenant" and together with ESD, the "Parties"), a Delaware limited liability company, having an address at c/o Urban American Management, LLC, 552 Main Street, Roosevelt Island, NY 10044.

RECITALS

WHEREAS, by lease dated December 23, 1969, as amended, the City of New York conveyed substantially all of Roosevelt Island to UDC for a term of 99 years (as amended, the "Master Lease");

WHEREAS, UDC subleased certain premises (the "Premises") on Roosevelt Island to North Town Phase I Houses, Inc. (the "Housing Company") by a sublease dated March 15, 1972 (as amended, the "Eastwood Sublease");

WHEREAS, by sublease dated as of January 1, 1976, between the Housing Company, as sublandlord, and ESD, as subtenant, the Housing Company leased back certain commercial space at the Premises to ESD (the "Original Commercial Sublease");

WHEREAS, the Original Commercial Sublease was terminated simultaneously with the execution of the Amended and Restated Eastwood Sublease (as defined below);

WHEREAS, pursuant to Chapter 899 of the Laws of the State of New York of 1984, the Roosevelt Island Operating Corporation ("RIOC"), a body corporate and politic constituting a political subdivision of the State of New York and a public benefit corporation, as successor in interest to ESD, by an assignment and assumption agreement dated as of July 21, 1988 (the "Assignment and Assumption Agreement"), assumed all of ESD's rights, title, and interest in and under the Master Lease, the Eastwood Lease, and the Original Commercial Sublease, among other agreements;

WHEREAS, pursuant to a Revenue Allocation Agreement between ESD and RIOC dated as of August 3, 1988, (the "Revenue Allocation Agreement"), as amended by the First Amendment to the Revenue Allocation Agreement dated May 20, 1993 and the Second Amendment to Revenue Allocation Agreement dated August 3, 1996, ESD is entitled to receive a portion of certain payments due to RIOC in connection with certain revenue RIOC collects with respect to certain subleases of the Premises;

WHEREAS, on September 20, 2005, North Town Roosevelt, LLC ("North Town") acquired the Housing Company's leasehold interest in the Eastwood Sublease;

WHEREAS, RIOC, as landlord, and North Town, as tenant, amended and restated the Eastwood Sublease by sublease dated September 21, 2006 (the "Amended and Restated Eastwood Sublease");

WHEREAS, by sublease dated September 21, 2006, North Town, as sublandlord, and RIOC, as subtenant, entered into a sublease for certain commercial space at the Premises (the "Commercial Sublease");

WHEREAS, by an assignment and assumption agreement dated October 22, 2014, North Town assigned to Tenant all its rights, title, and interest in and under the Amended and Restated Eastwood Lease and the Sublease;

WHEREAS, pursuant to the Revenue Allocation Agreement ESD is entitled to receive certain tax equivalency payments ("TEP") due to RIOC from Tenant pursuant to the terms of the Amended and Restated Eastwood Sublease;

WHEREAS, the Parties desire to resolve a dispute as to the amount of TEP underpayments that are due to ESD from Tenant for tax years dating back to the 2016/2017 New York City real property tax year and provide for a phase-in of the resulting increase in TEP payments over prior years, inclusive of credits for prior payments;

WHEREAS, the Parties desire to clarify and modify the process for notification and payment of TEP;

WHEREAS, RIOC and Tenant by an amendment to the Amended and Restated Eastwood Sublease (the "First Amendment of Sublease") executed simultaneously with the execution of this TEP Agreement, have, among other things, modified the TEP obligation provisions so as to be consistent with and incorporate the terms of this TEP Agreement;

NOW THEREFORE, in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt, adequacy, and sufficiency of which are hereby acknowledged, ESD and Tenant do hereby agree as follows:

1. Definitions.

Capitalized terms used herein and not otherwise defined shall have the meaning ascribed to such terms in the Amended and Restated Eastwood Sublease as amended by the First Amendment of Sublease, attached as Exhibit A.

2. Tax Equivalency Payments.

(a) Tenant shall pay to ESD, without notice or demand and in monthly installments, an annual sum equal to the Assessed Value multiplied by the property tax rate applicable to the Premises. Subject to the terms of this TEP Agreement, TEP shall be increased or decreased in accordance with standard assessment practices employed for comparable properties in New York City ("NYC") or other similar method as determined by the City of New York ("City") or other

applicable government agency on account of TEP for the Premises ("Actual Tax Rate"). Tenant shall provide notice to ESD within 30 days of receiving notification that either the Assessed Value or the applicable property tax rate (provided the tax rate is consistent with comparable properties in NYC) has been adjusted. Tenant shall be fully responsible for payment of TEP, which, except as otherwise specifically set forth in the Amended and Restated Eastwood Sublease, shall not be a credit against Base Rent or Additional Rent or any other amount paid or payable under the Amended and Restated Eastwood Sublease, as amended by the First Amendment to Lease Agreement. RIOC acknowledges and agrees that Tenant's compliance with the terms of this TEP Agreement shall satisfy Tenant's obligations under the Amended and Restated Eastwood Sublease, as amended by the First Amendment of Sublease, with respect to TEP. Additionally, RIOC and ESD acknowledge and agree that as of the date hereof, Tenant has paid all TEP required to be paid by Tenant to ESD and/or RIOC.

(b) Tenant shall continue to pay the full amount of TEP required under this TEP Agreement notwithstanding that Tenant may have instituted a tax assessment reduction or any other action or proceeding intended to reduce the assessed valuation of the Premises or any portion thereof. If any such tax assessment reduction or any other action or proceeding applicable to any Tax Year results in a final determination in Tenant's favor, (i) Tenant shall be entitled to a credit against future TEP to the extent, if any, that the TEP paid for the Tax Year to which such final determination applies exceeds the TEP as so determined and (ii) if such final determination is made for the current Tax Year, future payments of TEP for such Tax Year shall be based on the TEP as so determined. If, at the time Tenant is entitled to receive such a credit, the City is paying interest on refunds of real property taxes assessed against the Premises, then Tenant's credit shall include interest at the applicable rate then being paid by the City. Any credit to which Tenant is entitled, if received by ESD and not credited by the expiration of the term of this TEP Agreement, shall be refunded to Tenant by ESD within thirty (30) days of such expiration provided Tenant is not in default hereunder on such date.

3. Phase-In Period

Notwithstanding the foregoing, ESD will phase-in the increases to the taxable assessed value of the Premises over a three (3) Tax Year period; commencing with the 2016/2017 Tax Year through and including the 2018/2019 Tax Year (such period, the "Phase-In Tax Period"), such that the taxable assessed value applicable to any Tax Year during the Phase-In Tax Period shall be equal to the Phase-In Assessed Value for such Tax Year. For the avoidance of doubt, Section 2(b) of this TEP Agreement shall apply to this Section 3 and accordingly, any reduction in the assessed value of the Premises shall be applied to the appropriate Tax Year and Tenant shall be entitled to a credit against future TEP payments to the extent, if any, that the amount of TEP payments previously paid for any Tax Year in which the total amount of TEP payments made exceeds the annual amount of TEP payments required to be made after giving effect to any reduction in the assessed value pursuant to Section 2(b).

4. LAP Rent Offset

Commencing with the 2016/2017 Tax Year, the amount of annual TEP payments payable by Tenant under this TEP Agreement shall be reduced by the difference between (a) annual rents

received by Tenant from any units at the Premises that are subject to a LAP Lease Form ("LAP Apartments") and (b) the annual rents received by Tenant from Market Rate Rental Units (the "LAP Rent Offset"). During the Phase-In Tax Period, the annual amount of LAP Rent Offset will be phased in over such three (3) year period at annual increments of one third (1/3) until 100% of the annual amount of the LAP Rent Offset is deducted from the annual amount of TEP payments, such that commencing with the 2018/2019 Tax Year and each Tax Year thereafter, the annual amount of TEP Payments payable under this TEP Agreement shall be reduced by 100% of the amount of LAP Rent Offset for such Tax Year. Following the end of each tax year, Tenant shall deliver to ESD (i) a list of all the LAP Apartments that existed at the Premises during the applicable Tax Year, (ii) the monthly rent for such LAP Apartments during such Tax Year (prorated to exclude any LAP Apartments that may have been vacated during such Tax Year); and (iii) the difference between the monthly rent for a LAP Apartment and the monthly rent Tenant collected for a comparable Market Rate Rental Unit.

5. Credit for TEP Payments

(a) ESD delivered to Tenant an invoice dated May 19, 2017, which demanded payment of $3,219,688.83 for "underbilling for Tax Year 16-17 (July 2016 through May 2017)" (the "Underbilling TEP Invoice"). Additionally, commencing with an invoice dated May 19, 2017, ESD delivered to Tenant monthly invoices, through August 2017, for increased TEP amounts, which amounts were paid by Tenant pending the resolution of disputes with respect to the correctness of such amounts due to ESD.

(b) The Parties hereby agree that (i) the full amount of the annual amount of TEP payments payable by Tenant for the 2016/2017 Tax Year is $5,559,967.22 and the LAP Rent Offset Amount is $702,876.39. Accordingly, the Parties hereby agree that the amount of TEP payments that Tenant overpaid for the 2016/2017 Tax Year is $2,968,681.98 (the "Overpaid Amount"). Tenant shall be entitled to a credit in the amount of the Overpaid Amount which shall be applied towards each instant TEP payment due to ESD, after which Tenant shall resume paying TEP to ESD in monthly installments.

(c) In accordance with Section 5(a) and (b) of the Commercial Sublease, RIOC is obligated to pay to Tenant an amount equal to 4.8% of any TEP payments required by, and paid to ESD by Tenant and certain utility costs of RIOC's use of premises under the Commercial Sublease (collectively, "RIOC Pro Rata Taxes and Utilities"). Under the First Amendment of Sublease, Tenant waived the RIOC Pro Rata Taxes and Utilities for all periods prior to the effective date of the First Amendment of Sublease. Notwithstanding the foregoing, nothing in this TEP Agreement shall constitute a modification or waiver of RIOC's obligation to pay RIOC Pro Rata Taxes and Utilities under the Commercial Sublease for periods after the effective date of the First Amendment of Sublease.

6. Schedule of TEP Payments Owed

Attached hereto as Schedule A is a spreadsheet demonstrating the calculation of TEP Payments owed by Tenant for each Tax Year during the Phase-In Tax Periods, including the following to the extent known as of the date hereof: Assessed Value, the Phase-In Assessed

Value, the full TEP Payment, the LAP Rent Offset, and the Final TEP Payment required to be made during the Phase-In Tax Period.

7. Entire Agreement

This TEP Agreement constitutes the entire Agreement between Tenant and ESD with respect to the subject matter hereof, superseding all negotiations, prior discussions, and preliminary agreements.

8. Modification

Any waiver, discharge, amendment, supplement, extension, or other modification of this TEP Agreement and/or its attachments shall only be effective by an instrument in writing signed by the Parties to this TEP Agreement.

9. Counterparts

This TEP Agreement may be executed in any number of counterparts. Each such counterpart shall be deemed to be an original copy. All such counterparts shall constitute but one and the same instrument.

10. Governing Law; Disputes

This TEP Agreement has been executed and delivered in and shall be construed and enforced in accordance with the laws of the State of New York. The Parties shall attempt in good faith to promptly resolve any controversy, claim or dispute arising out of this TEP Agreement. If such efforts are not successful, any Party may bring a legal action or proceeding to resolve such controversy, claim or dispute only in any United States Federal District Court located in the State of New York or in any state court of the State of New York.

11. Notices

All communications, notices and disclosures required or permitted by this TEP Agreement shall be in writing, shall be provided to a Party and shall be deemed to have been given at the earlier of the date when actually delivered to such Party or when deposited in the United States mail, certified or registered mail, postage prepaid, return receipt requested, by hand delivery, by overnight courier service with signed receipt, by electronic mail (provided that a physical copy of such notice is subsequently sent thereafter by one of the other means provided for herein) or by facsimile transmission (with written confirmation of receipt thereof), and addressed as follows, unless and until a Party notifies the other Party in accordance with this Section 11 of a change of address:

In the case of Tenant:

BSREP UA Roosevelt Landings LLC
c/o Urban American
590 56th Street
West New York, NJ 07093
Email: joshua.eisenberg@urbanamerican.net

Add a copy to:

Fried, Frank, Harris, Shriver & Jacobson LLP
One New York Plaza
New York, New York 10004
Attention Janice Mac Avoy, Esq.
Email: janice.macavoy@friedfrank.com

In the case of ESD:

General Counsel's Office
Empire State Development
633 3rd Avenue
New York, NY 10017
Email: eunice.jackson@esd.ny.gov

In the case of RIOC:

General Counsel's Office
Roosevelt Island Operating Corporation
591 Main Street
New York, NY 10024
Email: jacqueline.flug@rioc.ny.gov

12. Severability

All rights, powers, and remedies provided herein may be exercised only to the extent that they do not violate any applicable law and are intended to be limited to the extent necessary so that they will not render this TEP Agreement invalid, unenforceable, or not entitled to be recorded, registered, or filed under applicable law. If any provision or term of this TEP Agreement or any portion of a provision shall be held to be invalid, illegal, or unenforceable, only such provision or part thereof shall be affected by such holding and this TEP Agreement shall be construed as if such invalid, illegal, or unenforceable provision or part thereof had not been contained herein.

13. Successors and Assigns

This TEP Agreement shall be binding upon and inure to the benefit of the heirs,

executors, administrators, successors, and assigns of the respective parties hereto.

14. Conflicts

To the extent of any conflict or inconsistency between the provisions of this TEP Agreement and the Amended and Restated Eastwood Lease as amended by the First Amendment of Sublease, the provisions of this TEP Agreement shall govern and control but only to the extent that a provision is expressly contained in this TEP Agreement.

15. Headings

The headings used herein are provided for convenience only and are not to be considered in construing this TEP Agreement.

16. Further Assurances

If any further action is necessary or desirable to fully effect the terms and provisions of this Amendment, each of the Parties shall take such further action (including the execution and delivery of such further instruments and documents) as any other party may reasonably request.

SIGNATURE PAGE TO FOLLOW



IN WITNESS WHEREOF, the undersigned parties have duly executed this TEP Agreement as of the day and year first above written.

BSREP UA ROOSEVELT LANDINGS LLC

By: _____
Name: JOSHUA EISENBERG
Title: AUTHORIZED SIGNATORY

THE NEW YORK STATE URBAN DEVELOPMENT CORPORATION D/B/A EMPIRE STATE DEVELOPMENT

By: _____
Name: Elaine A. Koss
Title: Chief Financial Officer

Acknowledged and Agreed to By:

ROOSEVELT ISLAND OPERATING CORPORATION

By: _____
Name: Susan G. Rosenthal
Title: Pres./CEO

EXHIBIT A

Amended and Restated Eastwood Lease as amended by the First Amendment of Sublease

SCHEDULE A

TEP Payment Calculations

Owner: BSREP UA Roosevelt Landings, LLC
Address: 510-580 Main Street NY NY 10044
Block: 1373
Lot: 30
Tax Class: 2

Tax Year	Market Value	Actual Assessed Value	Phase-In Assessed Value	Actual Tax Rate	Full Tax Payment	RIOC's Pro Rata Share (4.8096)	Less Rent Offset	IAP Phase In	Final TEP Payment
2018/19	$152,416,000	$68,587,200	$64,174,047	12.7190%	$8,162,297.04	$391,790.26	$2,061,553.56	100.00%	$5,708,953.22
2017/18	$149,127,000	$67,107,150	$54,207,983	12.7190%	$6,894,713.40	$330,946.24	$2,222,713.70	66.67%	$5,081,958.02
2016/17	$137,004,000	$61,651,800	$43,127,267	12.8920%	$5,559,967.22	$266,878.43	$2,112,696.14	33.33%	$4,588,856.75
2015/16	$75,255,556	$33,865,000	$33,865,000	12.7370%	$4,313,385.05	$207,042.48	$2,032,777.35	0.00%	$4,313,385.00