AGREEMENT OF LEASE

between

ROOSEVELT ISLAND OPERATING CORPORATION,

Landlord,

and

RIVERWALK 8 HOUSING DEVELOPMENT FUND CORPORATION

and

RIVERWALK 8, LLC

Collectively, Tenant

Premises

Southtown

Roosevelt Island

County and State of New York

As of December 26, 2018

Block 1373, Portions of Lot 9 & Portions of Lot 1 (to be known as Lot 9)

BUILDING NO. 8

TABLE OF CONTENTS

Page

ARTICLE 1 DEFINITIONS 1
ARTICLE 2 PREMISES AND TERM OF LEASE 23
ARTICLE 3 RENT 24
ARTICLE 4 IMPOSITIONS 33
ARTICLE 5 DEPOSITS FOR IMPOSITIONS AND INSURANCE PREMIUMS 39
ARTICLE 6 LATE CHARGES 42
ARTICLE 7 INSURANCE 43
ARTICLE 8 USE OF INSURANCE PROCEEDS 49
ARTICLE 9 CONDEMNATION 51
ARTICLE 10 ASSIGNMENT, SUBLETTING, TRANSFERS, CONVERSION TO CONDOMINIUM OWNERSHIP 54
ARTICLE 11 CONSTRUCTION OF THE BUILDING; OTHER OBLIGATIONS 68
ARTICLE 12 REPAIRS 72
ARTICLE 13 CHANGES, ALTERATIONS AND ADDITIONS 74
ARTICLE 14 REQUIREMENTS OF PUBLIC AUTHORITIES AND OF INSURANCE UNDERWRITERS AND POLICIES 76
ARTICLE 15 EQUIPMENT 78
ARTICLE 16 DISCHARGE OF LIENS, BONDS 79
ARTICLE 17 REPRESENTATIONS 81
ARTICLE 18 LANDLORD NOT LIABLE FOR INJURY OR DAMAGE, ETC. 84
ARTICLE 19 INDEMNIFICATION OF LANDLORD 85
ARTICLE 20 RIGHT OF ENTRY AND INSPECTION 89
ARTICLE 21 LANDLORD'S RIGHT TO PERFORM TENANT'S COVENANTS 91
ARTICLE 22 RENT ABATEMENT 93
ARTICLE 23 USE AND MANAGEMENT OF PREMISES 94
ARTICLE 24 EVENTS OF DEFAULT, CONDITIONAL LIMITATIONS, REMEDIES, ETC. 98
ARTICLE 25 NOTICES 107
ARTICLE 26 FINANCIAL REPORTS 110
ARTICLE 27 STREET WIDENING 114
ARTICLE 28 SUBORDINATION; MASTER LEASE 115
ARTICLE 29 EXCAVATIONS AND SHORING 116

ARTICLE 30 CERTIFICATES BY LANDLORD AND TENANT 117
ARTICLE 31 CONSENTS AND APPROVALS 120
ARTICLE 32 SURRENDER AT END OF TERM 122
ARTICLE 33 MORTGAGES 124
ARTICLE 34 QUIET ENJOYMENT 131
ARTICLE 35 ARBITRATION 132
ARTICLE 36 INVALIDITY OF CERTAIN PROVISIONS 135
ARTICLE 37 EASEMENTS 136
ARTICLE 38 RECORDING OF MEMORANDUM 138
ARTICLE 39 NON-DISCRIMINATION AND AFFIRMATIVE ACTION PROGRAM 139
ARTICLE 40 ISLAND SERVICES AND COMMUNITY FACILITIES 140
ARTICLE 41 MISCELLANEOUS 146
ARTICLE 42 [INTENTIONALLY OMITTED] 151
ARTICLE 43 LETTERS OF CREDIT 152
ARTICLE 44 RIGHT OF FIRST NEGOTIATION 157
ARTICLE 45 INCLUSIONARY HOUSING PROGRAM, AND REGULATORY AGREEMENTS 158

EXHIBITS

Exhibit A Legal Description of Land
Exhibit B Title Matters
Exhibit C Master Lease
Exhibit D Non-Discrimination and Affirmative Action Program
Exhibit E Master Lease Non Discrimination Provisions
Exhibit F- Payments for Transfers to Not-for-Profit Institutions
Exhibit G Design Guidelines
Exhibit H Green Building Practices
Exhibit I Development Rights Transfer Fee
Exhibit J Form of Driveway Agreement
Exhibit K Provisions Regarding the Conversion to Condominium Form of Ownership
Exhibit L Inclusionary Housing Agreement Provisions
Exhibit M HDC Regulatory Agreement

Exhibit N	Site Plan
Exhibit O	Comfort Station Work Specifications
Exhibit P	HPD Regulatory Agreement

AGREEMENT OF LEASE

THIS AGREEMENT OF LEASE is made as of the 26th day of December 2018 by and between ROOSEVELT ISLAND OPERATING CORPORATION ("Owner," "Landlord" or "RIOC"), a body corporate and politic constituting a political subdivision of the State of New York and a public benefit corporation having an office at 591 Main Street, Roosevelt Island, New York 10044, and RIVERWALK 8 HOUSING DEVELOPMENT FUND CORPORATION ("HDFC"), a New York not-for-profit corporation, formed under Article XI of the New York Private Housing Finance Law and Section 402 of the New York Not-For-Profit Corporation law, having an office at Settlement Housing Fund, Inc., 247 West 37th Street, 4th Floor, New York, New York 10018 and RIVERWALK 8, LLC ("Riverwalk 8, LLC"), a New York limited liability company, having an address c/o Related Companies L.P., 60 Columbus Circle, New York, New York 10023 (HDFC and Riverwalk 8 LLC being collectively referred to as "Tenant").

WITNESSETH:

It is hereby mutually covenanted and agreed by and between the parties hereto that this Lease (hereinafter defined) is made upon the agreements, terms, covenants and conditions hereinafter set forth.

ARTICLE 1
DEFINITIONS

The terms defined in this Article 1 shall, for all purposes of this Lease and all agreements supplemental hereto, have the meanings herein specified.

"Accounting Principles" shall mean generally accepted accounting principles (GAAP) consistently applied.

"Additional Mortgage Indebtedness" shall mean, at the time a Mortgage is executed and delivered by Tenant, (i) if immediately prior to the execution and delivery thereof there is no Mortgage affecting Tenant's interest in the Premises, the principal amount of a Mortgage executed and delivered by Tenant, or (ii) if immediately prior to the execution and delivery thereof there is one or more Mortgages affecting Tenant's interest in the Premises, the amount by which the aggregate principal amount outstanding under all Mortgages (including the newly

executed and delivered Mortgage and all amounts due under the existing Mortgage(s) that are not refinanced in connection with such newly executed and delivered Mortgage) exceeds the aggregate principal amount outstanding under all such existing Mortgages. Additional Mortgage Indebtedness shall not include the Initial Financing.

"Additional Rent" shall mean the amounts payable under Section 3.2, Section 3.3, Article 4, Article 40, and all other amounts payable by Tenant under this Lease referred to as Additional Rent.

"Adjusted for Inflation" shall mean adjusted by the inflation rate for an adjustment period commencing on the Rent Commencement Date and ending on the date of the particular event or for such other period that may be provided. The adjustment shall equal the percentage increase, if any, in the Consumer Price Index during the adjustment period.

"Affiliate" shall mean, as to any Person (i) any other Person that has, directly or indirectly, an ownership interest in such Person, (ii) any Person in which such Person is a partner or member, or is a stockholder of, or has any other ownership interest in such other Person, and (iii) if such Person is an individual, any Family Member of such Person. For purposes of this Lease, and without limiting the foregoing general definition, Hudson Related Associates, LLC, Monadnock Construction, Inc., The Related Companies, L.P. and The Hudson Companies Incorporated are each deemed to be Affiliates of Developer.

"Affordable Master Sublease" shall mean the Master Sublease bearing even date herewith between HDFC and Riverwalk 8, LLC, as Sublandlord, and Riverwalk 8 Affordable, L.P., as subtenant.

"Affordable Sublease Subtenant" shall mean Riverwalk 8 Affordable, L.P., a New York limited partnership.

"AMI" shall mean the New York City Area Median Income as determined by the United States Department of Housing and Urban Development or its successors from time to time, for a family of four, as adjusted for family size.

"Applicable Tax Year" shall mean, in the case of the first Applicable Tax Year, the twelve (12) month period beginning on the TEP Commencement Date, and in the case of subsequent Applicable Tax Years, successive twelve (12)-month periods thereafter.

"Architect" shall mean Handel Architects, or a successor who shall have been approved by Landlord.

"Assignment" shall have the meaning provided in Section 10.1(a)(i).

"AVAC" shall have the meaning provided in Section 40.1(a).

"Base Rent" shall have the meaning provided in Section 3.1.

"Building" shall mean Building #8 as referred to in the Development Agreement and shown on the site plan attached hereto as Exhibit N (including footings and foundations), Equipment (hereinafter defined), utilities and other improvements and appurtenances of every kind and description now located or hereafter erected, constructed, or placed upon the Land, and any and all alterations and replacements thereof, additions thereto and substitutions therefor.

"Business Days" shall mean any day which is not a Saturday, Sunday or a day observed as a holiday by either the State of New York or the federal government.

"Capital Improvement" shall have the meaning provided in Section 13.1(a).

"Certified Public Accountant" shall mean a certified public accounting firm with recognized expertise in housing (including governmental supervised housing) reasonably approved by Landlord.

"Comfort Station" shall have the meaning provided in Section 11.6.

"Commencement Date" shall mean the date on which this Lease is fully executed and delivered.

"Commencement of Construction" shall mean, with respect to the initial construction of the Building, the date of issuance of any permit by the New York City Department of Buildings for the commencement of on-site construction of the Building, including any excavation or pile driving, but not 'including test borings, surveys or similar pre-construction activities.

"Completed Units" shall mean the Units in the Building as to which there shall have been issued by the New York City Department of Buildings a temporary or permanent certificate of occupancy.

"Completion of the Building" shall mean the date upon which Tenant and Landlord have been issued a Final Certificate of Completion from the Architect, and the New York City

Department of Buildings has issued a Permanent Certificate of Occupancy for the entire Building.

"Condominium" shall mean, if applicable, an incorporated or unincorporated condominium association created with respect to the Premises and this Lease in accordance with Article 9-B of the New York Real Property Law, and, where the context so requires, the term "Condominium" shall include the Board of Managers of the Condominium.

"Condominium Unit" shall mean each "Unit" identified in the Declaration of Condominium.

"Constituent Documents" shall mean a Tenant's (or any other Person who is a party to a proposed Transfer) organizational documents, including, but not limited to (a) the operating agreement, (b) the articles of incorporation, (c) partnership agreements (d) any other agreements between the member of such parties which relate to the Lease or, and (e) any modifications to the foregoing.

"Construction Agreements" shall mean, collectively for the Building, the Final Plans and Specifications, the Development Agreement (as it relates to the Premises), the Design Guidelines, agreements for the construction; Restoration (as hereinafter defined), rehabilitation, alteration, repair or demolition performed pursuant to this Lease, all of which shall be assignable to, and shall be assigned to, Landlord as security, subject to the rights of any Mortgagee.

"Construction Period Ground Rent" shall have the meaning provided in Section 3.1(a).

"Constructive total taking" shall have the meaning provided in Section 9.1.

"Consumer Price Index" shall mean the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the United States Department of Labor, New York, New York - Northeastern New Jersey Area, All Items (1996 = 100). In the event the Consumer Price Index shall hereafter be converted to a different standard reference base or otherwise revised, the determination of the Consumer Price Index shall be made with the use of such conversion factor, formula or table for converting the Consumer Price Index as may be published by the Bureau of Labor Statistics or, if said Bureau shall not publish the same, then with the use of such conversion factor, formula or table as may be published by Prentice Hall, Inc., or, failing such publication, by any other nationally recognized publisher of similar

statistical information. In the event the Consumer Price Index shall cease to be published, then, for the purposes of this Lease, there shall be substituted for the Consumer Price Index such other index as Landlord and Tenant shall agree upon, and, if they are unable to agree within ninety (90) days after the Consumer Price Index ceases to be published, such matter shall be determined by arbitration in accordance with Article 35 hereof.

"Control" (including "Controlled by" and "under common control with") shall mean ownership of not less than 50% of each class of the authorized and outstanding stock of a corporation and ownership of the legal and equitable interest in a partnership or other entity entitled to at least 51% of the distributions and profits of such partnership or other entity; provided however, that for purposes of the foregoing there shall be excluded (x) preferred stock in a corporation or (y) legal or equitable interests in a partnership or other entity that meet both of the following criteria: (i) such interests are nonvoting (except as required by applicable law or in the event of nonpayment of dividends or distributions), and (ii) such interests pay dividends or distributions only on a nonparticipating basis at a fixed or floating rate.

"Conversion Payment" shall mean, with respect to the conversion of the Building and/or the Premises to cooperative or condominium ownership, an amount equal to 2% of the gross sale proceeds up to the Conversion Payment Threshold Amount, and 3% of the gross sale proceeds in excess of the Conversion Payment Threshold Amount, from the sale of each individual cooperative or condominium unit to the first purchaser who either (x) intends to occupy the applicable unit for himself/herself and/or his/her Family Members or (y) purchases the unit in a bona-fide arms'-length transaction for a market price. The parties acknowledge that Conversion Payments do not constitute Transaction Payments under this Lease. Furthermore, the Conversion Payment shall not be payable with respect to the sale of a Subsidized Unit.

"Conversion Payment Threshold Amount" shall mean $750 per square foot of floor area of the applicable cooperative or condominium Unit, which amount shall be increased as of the first day of each calendar year, beginning on January 1, 2007, by a percentage equal to the percentage increase in (1) the Consumer Price Index as of each such date over (2) the Consumer Price Index in effect as of January 1 of the immediately preceding calendar year. In the case of a condominium, the number of square feet of floor area for the applicable Condominium Unit at the time in question shall be the square footage of such Condominium Unit as shown in the

Declaration, as the Declaration may be amended from time to time. In the case of cooperative apartments, the number of square feet of floor area for the applicable Unit at the time in question shall be the square footage of such Unit as shown in the offering plan for the cooperative Units as then most recently amended, as appropriately adjusted to reflect combinations of Units and the addition of space to Units.

"Cooperative/Condominium Resale Payment" shall mean one percent (1%) of the gross sales price payable to the seller of a Unit in a sale of such Unit. The parties acknowledge that Cooperative/Condominium Resale Payments do not constitute Transaction Payments under this Lease. The Cooperative/Condominium Resale Payment shall not apply to a sale of (i) a Subsidized Unit or (ii) the initial sale of a Unit by the sponsor (or the initial sale of a Unit by the Sponsor's lender or such lender's designee) under the condominium or cooperative offering plan which is subject to the payment of a Conversion Payment.

"Declaration" shall mean the Declaration of Condominium for the Premises, to be recorded in accordance with the New York Condominium Act, declaring that Tenant's interest in the Premises shall be held in a condominium form of ownership.

"Default" shall mean any condition or event which constitutes or would, after notice or lapse of time, or both, constitute an Event of Default.

"Deficiency" shall have the meaning provided in Section 24.3(b)(ii).

"Depository" shall mean an Institutional Lender (as hereinafter defined) which is not Landlord, Tenant or Developer, nor an Affiliate of Tenant, Landlord or Developer, designated by Landlord and approved by Tenant, which approval shall not be unreasonably withheld, conditioned or delayed, to serve as Depository pursuant to this Lease, provided all funds held by such Depository pursuant to this Lease shall be held in New York City. If there is a First Mortgagee that is an Institutional Lender and is not Landlord, Tenant or Developer, nor an Affiliate of Landlord, Tenant or Developer, then such First Mortgagee, if it is willing to act as such, shall be the Depository.

"Design Guidelines" shall mean the design guidelines attached hereto as Exhibit G and attached to the Fourth Amendment to the Development Agreement dated October 29, 2013 as Exhibit "C".

"Developer" shall mean, collectively, The Related Companies, L.P., a New York limited partnership having an office at 60 Columbus Circle, New York, New York 10023 ("Related") and The Hudson Companies, Incorporated, a New York corporation having an office at 826 Broadway, 11th Floor, New York, New York 10003 ("Hudson").

"Development Agreement" shall mean the Development Agreement for all Phases of the Southtown development project, including but not limited to the Building, dated as of August 24, 2000, as the same has been and may be amended from time to time, but Tenant shall not be bound by amendments subsequent to the date hereof that alter the obligations of Tenant hereunder without its prior written consent, and provided Tenant's rights are not decreased, nor Tenant's obligations increased, thereby, Tenant's consent shall not be unreasonably withheld, conditioned or delayed.

"DHCR" shall mean the New York State Division of Homes and Community Renewal or any successor agency thereto.

"Driveway Area" shall mean the area occupied by the common driveway described in Section 10.7 hereof.

"Due Date" shall mean, with respect to an Imposition (as hereinafter defined), the last date on which such Imposition can be paid without any fine, penalty, interest or cost being added thereto or imposed by law for the non-payment thereof.

"Equipment" shall mean all fixtures incorporated in the Premises, including, without limitation, (i) all machinery, engines, dynamos, boilers, heating and lighting equipment, pumps, tanks, motors, air-conditioning compressors, ventilating and communications apparatus, other heating, ventilating and air-conditioning equipment, elevators, escalators, incinerators, garbage compactors, antennas, computers, sensors; security systems, and (ii) laundry equipment and refrigerators, stoves, ranges, dishwashers and other major kitchen appliances, except to the extent any of the foregoing shall be owned by Tenants, Subtenants, concessionaires or contractors engaged in maintaining same. Equipment shall not include any fixture or equipment owned by any utility, telecommunications, broadband, or other communications provider.

"Event of Default" shall have the meaning provided in Section 24.1.

"Event of Default Notice" shall have the meaning provided in Section 33.3(a).

"Excess Insurance or Condemnation Proceeds" shall mean the sum of all insurance proceeds or condemnation awards received by Tenant (whether paid to Tenant, or held by a Mortgagee or other Depositary) with respect to any particular casualty or taking (which, for the purposes of this definition, shall include all awards received in contemplation of a condemnation and all consideration received in connection with any deed in lieu of condemnation), less: (i) Tenant's reasonable expenses in procuring such proceeds or awards, and (ii) the cost to Tenant of any Restoration which Tenant shall have performed in accordance with this Lease as a result of such casualty or taking.

"Exempt Purchaser" shall mean the purchaser of the Tenant's interest in the Premises (or, if the Premises shall have been converted to cooperative or condominium ownership, the Purchaser of one or more cooperative or condominium Units) which is exempt from federal income taxation pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or any successor statute.

"Expiration Date" shall mean the 22nd day of December, 2068 (which is one day prior to the expiration of the Master Lease) or (i) on such earlier date upon which this Lease may be terminated as provided herein, or (ii) such later date as may be agreed upon pursuant to Section 44.1 herein.

"Family Member" shall mean the spouse, children (natural and adopted), stepchildren, grandchildren, siblings; parents, parents-in-law, grandparents, great-grandparents, nieces, nephews and aunts and uncles of an individual, and any other individual who resides with such individual as a primary or principal residence and with whom he or she has an emotional and financial commitment and interdependence, or a trust for the benefit of any of the foregoing.

"Final Comfort Station Plans" shall have the meaning provided in Section 11.6, as same may be modified from time to time with approval of the parties.

"Final Plans and Specifications" shall mean the plans and specifications for the Building dated February 24, 2017 prepared by Handel Architects, as the same may be modified from time to time, subject to the Development Agreement, with the approval of both parties.

"Financing" shall mean any loan secured by a Mortgage, including the First Mortgage, and shall include any "Refinancing."

"First Mortgage" shall mean any Mortgage or Mortgages senior in lien to all other Mortgages.

"First Mortgagee" shall mean the holder of the First Mortgage.

"General Development Plan" shall mean the General Development Plan for Roosevelt Island set forth in Schedule 2 to the Master Lease, prepared by Philip Johnson and John Burgee and providing a program 'for the construction of subsidized, middle income and market rate housing, commercial space and public facilities on Roosevelt Island, as such plan may be amended from time to time (the last amendment having a date of June 13, 2003).

"Governmental Authority (Authorities)" shall mean the United States of America, the State of New York, New York City and any agency, department, authority, corporation, commission, board, bureau, instrumentality or political subdivision of any of the foregoing, now existing or hereafter created, having or exercising jurisdiction over the Premises or any portion thereof.

"Gross Square Feet" shall have the same meaning as the term "Floor Area" under the Zoning Resolution in effect on June 6, 2013, expressed on a square footage basis.

"Ground Rent" shall have the meaning provided in Section 3.1.

"HDC Regulatory Agreement" shall have the meaning provided in Section 45.4.

"Imposition" or "Impositions" shall have the meaning provided in Section 4.1(b).

"Inclusionary Housing Agreement" shall have the meaning provided in Section 45.1.

"Initial Financing" means any Financing for the Premises obtained by Tenant prior to the Rent Commencement Date.

"Institutional Lender" shall mean:

(a) any federal, state (e.g., Dormitory Authority of the State of New York) or municipal agency or public benefit corporation or public authority advancing or insuring mortgage loans or making payments which, in any manner, assist in the financing, development, operation and maintenance of improvements, including, but not limited to, the New York City Housing Development Corporation, New York City Department of Housing Preservation and Development and New York State Housing Finance Agency, or any successors thereto, or

(b) a savings bank, a savings and loan association, a commercial bank or trust company (whether acting individually or in a fiduciary capacity), an insurance company organized and existing under the laws of the United States or any state thereof, a real estate investment trust, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, a religious, educational or eleemosynary institution, an employee's welfare, benefit, pension or retirement fund, a commercial credit corporation such as General Electric Credit Corporation, a commercial bank or trust company acting as trustee or fiduciary of various pension funds or other tax-exempt funds, or a corporation or other entity which is wholly owned by any other Institutional Lender or any combination of Institutional Lenders and no other; provided, however, that each of the entities or any combination of such entities described in (b) above shall qualify as an Institutional Lender only if it shall (i) be subject to (x) the jurisdiction of the courts of the State of New York and (y) the supervision of the Comptroller of the Currency of the United States, the Insurance Department, Banking Department or Comptroller of the State of New York, the Board of Regents of the University of the State of New York, or the Comptroller of New York City and (ii) each such entity, or combination of such entities, shall have individual or combined assets, as the case may be, of not less than Five Hundred Million Dollars ($500,000,000).

"Involuntary Rate" shall mean the Prime Rate plus five percent (5%) per annum, but in no event in excess of the maximum permissible interest rate then in effect in the State of New York.

"Island Services" shall have the meaning provided in Section 40.1.

"Issuer" shall mean the issuer of a Letter of Credit.

"Land" shall mean the parcel of land described in Exhibit A, together with all easements, appurtenances and other rights pertaining to such parcels of land, whether presently existing or hereafter created.

"Landlord" on the date as of which this Lease is made shall mean RIOC, but thereafter "Landlord" shall mean only the tenant under the Master Lease at the time in question.

"Lease" shall mean this Agreement of Lease, including all Exhibits hereto and all amendments, modifications and supplements thereof.

"Lease Year" shall mean the twelve-month period beginning on the Rent Commencement Date and ending on the day immediately preceding the first anniversary of the Rent Commencement Date (such period being the first Lease Year), and each succeeding twelve-month period beginning on each anniversary of the Rent Commencement Date, until the expiration of the Term.

"Letter of Credit" shall have the meaning provided in Section 43.1(a).

"Major Subletting" or "Major Sublease" shall mean a Sublease or Subleases to any Person and such Person's Affiliates consisting in the aggregate of more than 10% of the number of Units in the Building, (or any extension or renewal of a Major Sublease), other than the Affordable Master Sublease provided, however, that (a) for the purpose of determining whether a Transaction Payment is payable with respect to a Sublease or Subleases, the term "Major Subletting" or "Major Sublease" shall mean a Sublease or Subleases to any Person and such Person's Affiliates consisting in the aggregate of more than 15% of the number of Units in the Building, (or any extension or renewal thereof), and (b) no Transaction Payment shall be payable with respect to the Affordable Master Sublease. Following the submission of the Premises to Condominium ownership and so long as the Premises shall remain subject to condominium ownership, the Lease provisions relating to Transaction Payments and Major Sublettings shall be of no force and effect.

"Master Landlord" shall mean the landlord under the Master Lease at the time in question.

"Master Lease" shall mean the Agreement of Lease of Roosevelt Island by and among New York City, UDC; and UDC's subsidiary, Welfare Island Development Corporation, also known as Roosevelt Island Development Corporation, dated December 23, 1969, as heretofore and hereafter amended, modified or supplemented (subject to Section 28.2), and as assigned to RIOC on July 21, 1988, a copy of which Master Lease is annexed hereto as Exhibit C.

"Material Specifications" shall mean the site plans and elevations (as such site plans and elevations relate to the exterior of the Building and landscaping), the specifications for the exterior of the Building, and the number of residential units and the bedroom mix within the Building (subject to the provisions of Section 13.1(a)).

"Mortgage" shall mean any mortgage permitted under Article 33, including a consolidated mortgage, which constitutes a lien on Tenant's interest in this Lease and the leasehold estate created hereby, but excluding a mortgage of an individual Unit.

"Mortgage Recording Tax" shall mean the tax imposed under Article 11 of the New York Tax Law, or any successor statute, and the rules and regulations promulgated thereunder.

"Mortgagee" shall mean the holder of any Mortgage and may include Tenant if Tenant is the holder of a Mortgage.

"New York City" shall mean The City of New York, a municipal corporation of the State of New York;

"Nominee Agreement" shall mean the Declaration of Interest and Nominee Agreement dated as of the date hereof, between Riverwalk 8, LLC, as beneficial owner, and HDFC, as nominee.

"Partner Exchange" shall mean the transfer of an equity interest in any Person, other than by reason of a Syndication.

"Payment Date" shall mean the Rent Commencement Date.

"Payment in Lieu of Mortgage Tax" shall mean, in the case of a Mortgage exempt from the payment of Mortgage Recording Tax solely by reason of Landlord's status as a Mortgagee or otherwise as a result of the involvement of RIOC or its successor in the Premises or based on an exemption for properties on Roosevelt Island, the entire amount of the Mortgage Recording Tax that would have been payable with respect to the Additional Mortgage Indebtedness if the applicable Mortgage had not been so exempt. The Payment in Lieu of Mortgage Tax shall be paid by Tenant or any Unit owner or Subtenant to Landlord as provided in this Lease. If an exemption is provided only from a portion of the Mortgage Recording Tax on the basis of any of the factors set forth in this definition, the Payment in Lieu of Mortgage Tax shall equal (i) the product of the Additional Mortgage Indebtedness and the then applicable tax rate of the Mortgage Recording Tax, less (ii) the amount of Mortgage Recording Tax payable in connection with the recording of such Mortgage. Notwithstanding the above, no Payment in Lieu of Mortgage Tax shall be payable to Landlord with respect to (a) the Initial Financing to be obtained by Tenant, or (b) any Mortgage executed by HDFC or another housing development

fund corporation incorporated pursuant to Article 11 of the Private Housing Finance Law, if such Mortgage is exempt from the payment of the Mortgage Recording Tax as a result of the participation of HDFC or another housing fund development corporation.

"Permitted Person" shall mean any Person that (i) is not in default or in breach, beyond any applicable grace period, of its obligations under any written agreement with RIOC, unless such default or breach has been waived in writing by RIOC; (ii) has not been convicted of a felony and/or any crime involving moral turpitude in the preceding ten (10) years; (iii) shall not have received formal written notice from a federal, state or local governmental agency or body that such Person is currently under investigation for a felony criminal offense; (iv) has not received written notice of default in the payment to the City of New York of any Taxes that have not been paid, unless such default is then being contested with due diligence in proceedings in a court or other appropriate forum; (v) is not controlled (which in this instance shall mean the power, to direct the management and affairs of such Person's day to day operations, whether through the ability to exercise voting power, by contract or otherwise, including the right to make (or consent to) all capital and other major decisions to be made by such Person) by a Person described in subsections (i) through (iv) above, (vi) is not an Affiliate of Riverwalk 8, LLC or Developer, and (vii) if Substantial Completion has occurred, either satisfies the criteria, or agrees to retain a Person that satisfies the criteria set forth in Section 23.6.

"Person" shall mean and include an individual, corporation, partnership, joint venture, limited liability company, estate, trust, unincorporated association, any Federal, State, County or municipal government, bureau, department or agency thereof, and any other entity.

"PILOMT Fee" shall have the meaning set forth in Section 3.2(f) of this Lease.

"Premises" shall mean the Land and Building.

"Prime Rate" shall mean the rate announced from time to time by Citibank, NA. or its successors at its principal office as its "base rate." Any interest payable under the Lease with reference to the Prime Rate shall be adjusted on a daily basis, based upon the Prime Rate in effect at the time in question, and shall be calculated on the basis of a 360-day year of twelve thirty-day months.

"Prohibited Person" shall mean:

(a) any Person, on the date of the Transaction or Transfer in question, to the actual knowledge of Tenant, after exercise of due diligence by Tenant, (x) that is in default or in breach of its obligations under any material written agreement with Landlord (including, but not limited to, any ground lease, any loan agreement or mortgage, or regulatory agreement), or (y) that directly or indirectly controls, is controlled by, or is under common control with a Person that is in default or in breach of its obligations under any material written agreement with Landlord, unless this default or breach has been waived in writing by Landlord, as the case may be, or

(b) any Person, on the date of the Transaction or Transfer in question, to the actual knowledge of Tenant, after exercise of due diligence by Tenant, (x) that has been convicted in a criminal proceeding of a felony for any crime involving moral turpitude or that is an organized crime figure or is reputed to have substantial business or other affiliations with an organized crime figure, or (y) that directly or indirectly controls, is controlled by, or is under common control with a Person that has been convicted in a criminal proceeding of a felony for any crime involving moral turpitude or that is an organized crime figure or is reported to have substantial business or other affiliations with an organized crime figure. The determination as to whether any Person is an organized crime figure or is reputed to have substantial business or other affiliations with an organized crime figure or directly or indirectly controls, is controlled by, or is under common control with a Person that is an organized crime figure or is reputed to have substantial business, or other affiliations with an organized crime figure shall be within the sole discretion of Landlord, or

(c) any government, or any Person which to the actual knowledge of Tenant, after exercise of due diligence by Tenant, on the date of the Transaction or Transfer in question, is controlled directly or indirectly (rather than only regulated) by a government, the effects of the activities of which (at the time thereof) are regulated or controlled pursuant to regulations of the United States Treasury Department or executive orders of the President of the United States of America issued pursuant to the Trading with the Enemy Act of 1917, as amended. If Tenant inquires in writing whether any Person is a Prohibited Person, Landlord shall respond to such request within fifteen (15) days after Landlord's receipt thereof. If Tenant does not have Actual Knowledge that a Person is a Prohibited Person, Tenant's "exercise of due diligence" and obligation for making such determination shall be limited to (i) the inquiry of Landlord described above and (ii) the procedure described in Section 10.1(c) of this Lease. "Actual Knowledge" for

the purposes of this definition shall mean the actual knowledge of Tenant's chief executive officer, chief financial officer, managing member, manager or a principal having an equity interest of at least ten (10%) percent. For the purpose of any transfer made in accordance with Section 10.1(d), the Actual Knowledge of the Mortgagee shall determine whether a Person is a Prohibited Person., with "Actual Knowledge" in such case meaning the actual knowledge of the Mortgagee's chief executive officer, chief financial officer, or any person with similar supervisory function.

"Refinancing" shall mean any loan or financing secured by a Mortgage, other than the Initial Financing; it shall also include any loan or financing resulting in an increase in a Mortgage.

"Regulatory Agreements" shall have the meaning provided in Section 45.4.

"Rental" shall have the meaning provided in Section 3.8.

"Rent Commencement Date" shall mean the earlier of (i) the date upon which one or more Temporary Certificates of Occupancy is issued by the New York City Department of Buildings for at least ninety percent (90%) of the Units in the Building, and (ii) the second (2nd) anniversary of the date of this Lease.

"Replacement Letter of Credit" shall have the meaning provided in Section 43.1.

"Requirements" shall have the meaning provided in Section 14.1.

"Restoration" shall have the meaning provided in Section 8.1.

"Restore" shall have the meaning provided in Section 8.2.

"Restricted Corporation" shall have the meaning provided in Section 10.1(a).

"Restricted Interest" shall have the meaning provided in Section 10.1(a).

"Restricted Partnership" shall have the meaning provided in Section 10.1(a).

"Restricted Stock" shall have the meaning provided in Section 10.1(a).

"RIOC" shall mean Roosevelt Island Operating Corporation.

"RIOC Act" shall mean Chapter 899 of the 1984 Laws of the State of New York, as may be amended from time to time.

"Roosevelt Island" shall mean the premises demised under the Master Lease.

"Rules and Regulations" shall mean the rules and regulations, from time to time in effect, issued by Landlord or Landlord's agents and which are applicable generally to properties on Roosevelt Island and applied in a non-discriminatory manner on Roosevelt Island, and do not conflict with this Lease.

"Southtown" shall have the meaning set forth in the Development Agreement.

"Specified Rental Payment" shall have the meaning provided in Section 3.1 (iv).

"Streets" shall have the meaning provided in Article 37.

"Subleases" shall have the meaning provided in Section 10.4.

"Subsidized Unit" shall mean a Unit subject to restrictions on occupancy or rent pursuant to the Inclusionary Housing Agreement or the HDC Regulatory Agreement, or otherwise having a subsidized or below-market rent or sales price pursuant to a housing program administered by a Governmental Authority.

"Substantial Completion of the Building" shall mean, with respect to the initial construction of the Building, the occurrence of all of the following: (i) substantial completion of all work on the Building except for punch list items, (ii) the delivery to Landlord of true copies of a temporary certificate of occupancy for the Building, covering all of the apartment Units in the Building, and (iii) the delivery to Landlord of a statement in writing from the Architect that the construction has been completed substantially in accordance with the Final Plans and Specifications. A punch list item shall not contain any construction items which would preclude the New York City Department of Buildings from issuing its temporary certificate of occupancy. Punch list items shall mean cosmetic and other minor items of the work, as to which the failure to complete shall not materially interfere with Tenant's ability to occupy the Building for its intended use.

"Substantial Completion of the Comfort Station" shall mean the occurrence of all of the following: (i) substantial completion of all work on the Comfort Station except for punch list items, (ii) the delivery to Landlord of all required permits, approvals and sign-offs required pursuant to any Requirement, and (iii) the delivery of a statement in writing from the Architect that the construction has been completed substantially in accordance with the Final Comfort

Station Plans and Specifications. A punch list item shall not contain any item which would prohibit lawful use of the Comfort Station for its intended use.

"Subtenants" shall have the meaning provided in Section 10.4.

"Syndication" or "Syndicate" shall mean (A) if Tenant is a partnership or limited liability company, the admission of additional partners or members to Tenant (including the issuance of additional limited partnership or membership interests in Tenant or any change in partners or members in Tenant to effect a syndication for low-income housing tax credits or accelerated depreciation), or (B) if Tenant is a corporation, the issuance or sale of additional shares of stock or of treasury shares (including any change in shares or shareholders to effect a syndication for low-income housing tax credits or accelerated depreciation).

"Tax Year" shall mean the twelve (12)-month period beginning on July 1 of a calendar year and ending on June 30 of the following calendar year, or such other fiscal tax year being used by New York City at the time in question.

"Tenant" on the date as of which this Lease is made, shall mean Riverwalk 8 Housing Development Fund Corporation, and Riverwalk 8, LLC, jointly and severally (subject to the provisions set forth in Section 41.19) and thereafter "Tenant" shall mean the holder(s), from time to time, of the tenants' leasehold interest created by this Lease. If the Declaration is recorded, then "Tenant" shall mean, collectively, the holders(s), from time to time, of the ownership interests in the Condominium.

"Tenant's Pro-Rata Share" shall mean a percentage equivalent to a fraction, the numerator shall be the number of Completed Units in the Building and the denominator of which shall be the aggregate number of dwelling units on Roosevelt Island from time to time for which the New York City Department of Buildings shall have issued a temporary or permanent certificate of occupancy.

"TEP" shall mean an amount equal to the sum of (i) $1 multiplied by the number of Gross Square Feet in the Building, plus (ii) New York City's then current real property tax rate for the then applicable class of property, multiplied by the then current assessed valuation of the Land and Building (computed separately for the Land and the Building), which shall from time to time be assessed and reassessed by New York City in the manner and subject to the limitations

then currently imposed upon assessments of like properties by all laws and regulations applicable thereto. Tenant may contest any such assessment or reassessments by appropriate legal proceedings upon prior written notice to Landlord. It is intended that such assessment and reassessments shall take into account the location of the Premises on Roosevelt Island and the assessed valuations of similar buildings which are similarly located.

"TEP Commencement Date" shall mean the first day of the period in which a Section 421-a tax exemption would apply to the Building if the Building were eligible for tax abatement as a completed building under Section 421-a of the New York Real Property Tax Law, and the corresponding provisions of the New York City Administrative Code and the accompanying regulations promulgated thereunder by the New York City Department of Housing Preservation and Development (i.e., under present law, the first taxable status date immediately following the date on which a temporary certificate(s) of occupancy for 90% of the Units is issued by the New York City Department of Buildings.)

"TEP Percentage" shall mean

Years 1-35 100%

Year 36 and thereafter during the Term: 0% (i.e, full TEP is payable; no exemption is applicable.)

"Term" shall mean the term of this Lease as set forth in Article 2.

"Title Matters" shall mean the various matters set forth in Exhibit B hereto.

"Transaction" shall mean a Transfer, Assignment, Refinancing or Financing, Syndication (including a syndication utilizing low-income housing tax credits) or Major Subletting. An assignment of a Mortgage, by itself, shall not constitute a "Transaction", but a "Transaction" shall include such an assignment if the total mortgage indebtedness secured by Tenant's interest in the Premises is increased above the then outstanding principal balance in connection with the applicable transaction. A "Transaction" shall not include (i) a Transfer by HDFC of its leasehold interest to Riverwalk 8, LLC to the Beneficial Owner pursuant to the Nominee Agreement, (ii) the entering into of the Affordable Master Sublease, or (iii) the conversion of ownership of the Premises and leasehold estate created by this Lease to a cooperative or condominium form of ownership, or, subsequent to such conversion, the lease, sublease, sale, re-sale, financing or refinancing of a Unit or Units in such cooperative or condominium, or a Development Rights

Transfer for which a Special Transaction Payment has been made in accordance with Section 45.2 of this Lease.

"Transaction Payment" shall mean an amount equal to one and one-quarter percent (1.25%) of:

(i) in the event of a Financing or Refinancing, the amount, if any, by which Transaction Proceeds exceed the principal amounts of all previous Financings which remain outstanding after the Financing or Refinancing;

(ii) in the event of a Transfer or Syndication, the amount of Transaction Proceeds multiplied by the percentage of the beneficial ownership of equity interests in Tenant involved in said Transfer or Syndication. For purposes of this definition, beneficial ownership of equity interests shall be pro-rated to reflect partial ownership interests (for example, if a Transfer involves the beneficial ownership of a 75% interest in a Person possessing beneficial ownership of a 40% interest in Tenant, said Transfer shall be deemed to involve a 30% equity interest in Tenant hereunder);

(iii) in the event of an Assignment, the amount of Transaction Proceeds;

(iv) in the event of a Major Subletting, the amount of Transaction Proceeds multiplied by a fraction, the numerator of which is the total number of Usable Square Feet-in all Units involved in the Major Subletting, and-the denominator of which is the total number of Usable Square Feet in the Building; or

(v) in the event of Excess Insurance or Condemnation Proceeds, the amount of Excess Insurance or Condemnation Proceeds multiplied by a fraction, the numerator of which is the number of Usable Square Feet taken or destroyed in connection with the event or occurrence for which Excess Insurance or Condemnation Proceeds have been received Tenant, and the denominator of which is the number of Usable Square Feet in the Building prior to the applicable taking or casualty; provided, however, that there shall be no Transaction Payment with respect to Excess Insurance or Condemnation Proceeds received in connection with a temporary taking.

Following the submission of the Premises to Condominium ownership and so long as the Premises shall remain subject to condominium ownership, the Lease provisions relating to Transaction Payments and Major Subletting shall be of no force and effect.

"Transaction Proceeds" shall mean:

(i) in the case of a Transfer, Assignment, Syndication or Financing or Refinancing, the aggregate consideration paid or loan proceeds received in connection with such transaction (limited, in the case of a Financing or Refinancing covering multiple properties, to the portion of such proceeds fairly allocable to the Premises), including but not limited to: (a) cash, (b) the principal amount of any note (excluding interest) or other instrument evidencing the obligation to make future payments for the interest transferred, provided, however, that in the event such note or other instrument bears interest at a rate in excess of the fair market rate for similar notes or other instruments, Transaction Proceeds shall include the net present value of the payments to be made under such note or other instrument, discounted to present value using the fair market interest rate for similar notes or other instruments (and if the parties do not agree on the fair market rate for similar notes or other instruments, then either party may submit such issue for determination by arbitration pursuant to Article 35), (c) the principal amount of any existing note or other debt instrument to which a transaction is subject, (d) in the event of a Financing or Refinancing, the sum of the principal amounts of all previous Financings which remain outstanding, and (e) the fair market value of any other property delivered in connection with the Transaction; less the amount of Tenant's actual out-of-pocket payments of reasonable and customary expenses of the Transaction, which expenses shall not exceed (A) 4% of the gross proceeds in the case of a Financing, Refinancing, Transfer or Syndication, or (B) 7% of the gross sale proceeds in the case of an Assignment.

(ii) in the case of a Major Subletting, the sum of (A) the aggregate consideration paid by the Subtenant in consideration of Tenant's entering into such Sublease, and (B) the net present value of any periodic rental thereunder or other payments made for the use and occupancy of the Premises, or any part thereof, discounted to present value using a discount rate equal to the bid side yield on the most recently issued U.S. Treasury security that (a) has a maturity equal to the term of the Major Subletting, or (b) in the event no such security exists, has a maturity which most closely precedes the expiration of the term of the Major Subletting; less (1) the amount of Tenant's actual out-of-pocket payments of reasonable and customary expenses of the Major Subletting, which expenses shall not exceed 4% of the gross consideration for the Major Subletting, and (2) the Base Rent allocable to the portion of the Building subject to such Major Subletting (if the Specified Rental Payment has been made, then in addition to deducting

the Ground Rent portion of Base Rent, Tenant may deduct the unamortized portion of the Specified Rental Payment for the period of the Major Subletting allocable to the portion of the Building subject to such Major Subletting).

(iii) Subject to the provisions of Section 10.2(b), if any Transaction is not an arm's length bona fide Transaction to an unrelated third party, the Transaction Proceeds received therefrom shall be deemed to be the greater of (i) the actual aggregate consideration paid and (ii) the fair market value of the Transaction at the time of such Transaction (and either party may submit the issue of fair market value to arbitration pursuant to Article 35 if the parties do not agree on such fair market value).

"Transfer" shall have the meaning provided in Section 10.1(a).

"UDC" shall mean New York State Urban Development Corporation (now known as the Empire State Development Corporation), its successors and assigns.

"Unavoidable Delays" shall mean (i) with respect to Tenant, delays incurred by Tenant due to (A) strikes, lockouts, work stoppages or slow-downs or other labor trouble; acts of God; inability to obtain labor or materials due to causes beyond Tenant's reasonable control; laws, orders, actions, or governmental restrictions of any governmental, quasi-governmental, judicial or military authority (other than any Rules and Regulations which Tenant is bound to observe pursuant to the terms of this Lease); the wrongful failure of Landlord to comply with the provisions of Section 11.2 or to grant any consent or approval to Tenant, as determined pursuant to Section 31.2; or delays resulting from Landlord's construction activities, enemy action, acts of terrorism, civil commotion, fire, casualty, governmental delays in granting of approvals (provided that such delay does not result from Tenant's failure to diligently apply for and diligently proceed to obtain such approvals), litigation resulting in an injunction or forced stoppage of labor (provided that such litigation does not arise out of Tenant's failure to comply with the terms and provisions of this Lease or any Mortgage or other document executed by Tenant in connection with this project, or any Requirements pertaining to construction of the Building and/or Comfort Station), or other causes beyond the reasonable control of Tenant (but not including Tenant's insolvency or financial condition), (B) the failure of any utility company to provide and maintain utilities, services, water and sewer lines and power transmission lines to the Premises which are required for the construction of the Building or for other obligations of

Tenant, (C) any unforeseeable subsurface condition at a construction site which shall prevent or require a redesign or change in the construction of, or affect the completion schedule for, the Building, or (D) the failure of any subcontractor or supplier to furnish labor, services, materials or equipment on the dates agreed to if such failure is caused by an Unavoidable Delay and Tenant is not reasonably able to obtain substitute labor, services, materials or equipment on the agreed-upon dates, and (ii) with respect.to Landlord, delays incurred by Landlord due to strikes, lockouts, work stoppages due to labor jurisdictional disputes, acts of God, inability to obtain labor or materials due to governmental restrictions (other than any governmental restrictions which Landlord is bound to observe pursuant to the terms of this Lease), enemy action, civil commotion, fire, casualty or other similar causes beyond the control of Landlord (but not including Landlord's insolvency or financial condition); in each case provided such party shall have notified the other party not later than fourteen (14) days after such party knows or should have known of the occurrence of same and the effects of which a prudent Person in the position of the party asserting such delay could not have reasonably prevented, provided further, however, that if such notice is given later than fourteen (14) days after such party knows or should have known of the occurrence, then if such party gives such notice within forty-five (45) days after such party knew or should have known of the occurrence, then such occurrence will nevertheless be deemed an Unavoidable Delay but only effective from and after the date such notice is actually given.

"Unit" shall mean each dwelling unit within the Building.

"Usable Square Feet" shall mean: (i) the actual area within the demised walls of each Unit, measured in square feet or, (ii) with respect to multiple Units, the sum of the actual area within the demised walls of each applicable Unit, measured in square feet.

"Zoning Resolution" shall mean the Zoning Resolution of The City of New York.

"Zoning Waiver" shall mean the exercise by Landlord of its authority to determine that, to the extent that certain portions of the Premises are at variance with the Zoning Resolution, such portions of the Premises shall not be required to be in compliance with the Zoning Resolution.

ARTICLE 2

PREMISES AND TERM OF LEASE

In order to carry out the development required by the General Development Plan, Landlord hereby demises and leases to Tenant, and Tenant hereby hires and takes from Landlord the Premises, subject only to Title Matters and the terms and conditions hereof.

TO HAVE AND TO HOLD unto Tenant, its successors and assigns, for a term of years (the "Term") which shall commence on the Commencement Date and shall expire on the Expiration Date.

ARTICLE 3

RENT

Section 3.1. Base Rent. Tenant shall pay to Landlord rental payments (the "Base Rent"), as follows:

(i) With respect to the period beginning on the date of the execution and delivery of this Lease and ending on the day immediately preceding the Rent Commencement Date, Tenant shall pay to Landlord the amount of $24,000.00 per month, with an appropriate adjustment for any partial month (the "Construction Period Ground Rent"). The Construction Period Ground Rent is calculated on the basis of $1.20 times the number of Gross Square Feet in the completed Building structure, which is intended to be approximately 240,000 Gross Square Feet, subject to adjustment based on the Final Plans and Specifications for the Building and final measurement. The Construction Period Ground Rent shall be due and payable on the first day of each calendar month prior to the Rent Commencement Date, except that the installment of Construction Period Ground Rent for the partial month beginning on the date hereof is being paid simultaneously with the execution and delivery of this Lease.

(ii) Commencing on the Rent Commencement Date, and for so long as Landlord continues to provide public safety services on Roosevelt Island, a monthly payment for each Completed Unit to be applied by Landlord to cover certain of the costs to Landlord to provide public safety officers and equipment to the Building for public safety patrols (the "Monthly Public Safety Payments"). The Monthly Public Safety Payments shall be determined for each Lease Year and for each Lease Year shall be in an amount equal to the greater of (1) the Fixed Public Safety Payment and (2) the Pro-Rata Public Safety Payment, and shall be paid monthly to Landlord, in advance, on the first day of each month. The Fixed Public Safety Payment shall be initially calculated at the rate of $20.00 per Completed Unit per month, subject to an annual increase of four percent (4%) for each Lease Year over the applicable amount for the immediately prior Lease Year. The Pro-Rata Public Safety Payment shall be Tenant's Pro-Rata Share of Landlord's cost of providing public safety officers and equipment on Roosevelt Island for public safety patrols, and shall apply only if Landlord is generally charging subtenants of residential buildings on Roosevelt Island for the cost of public safety patrols in a similar manner. The Monthly Public Safety Payments payable by Tenant for the Building shall not be

decreased by reason of a decrease in the number of Completed Units in the Building resulting from a combination of Units or a diminution in the number of Units by Tenant.

(iii) Commencing on the Rent Commencement Date, an annual ground rent of $576,000.00 ("Ground Rent"). Ground Rent was calculated on the basis of $2.40 times the number of Gross Square Feet in the completed Building structure, which is intended to be approximately 240,000 Gross Square Feet, and the Ground Rent shall be subject to adjustment based on the Final Plans and Specifications for the Building and final measurement. The Ground Rent shall be adjusted as follows:

(a) The twelve (12)-month period beginning on the Rent Commencement Date and ending at 11:59 P.M. on the day immediately preceding the first anniversary of the Rent Commencement Date shall be the "Base Year";

(b) In each Lease Year following the Base Year, Ground Rent for such Lease Year shall be increased by an amount equal to three percent (3.00%) of the Ground Rent for the immediately preceding Lease Year (each such increase to be effective as of the first day of the applicable Lease Year);

(c) Commencing with the thirty-first (31st) Lease Year, the Ground Rent shall be re-evaluated and adjusted to the greater of (A) the then current Ground Rent or (B) a Ground Rent which is equal to fifty-five percent (55%) of the amount of the Applicable Percentage (as defined below) of the appraised value of the Land subject to this Lease, taking into account the Regulatory Agreements, if same are then in effect. The appraised value shall be determined by appraisal made in accordance with Article 35 hereof, which appraisal shall be instituted at least one (1) year prior to the commencement of the thirty-first (31st) Lease Year, unless at least thirteen (13) months prior to the commencement of the thirty-first (31st) Lease Year, Landlord and Tenant shall have agreed upon such appraised value. The "Applicable Percentage" shall mean a percentage that provides a

six percent (6%) return on the appraised value to Landlord. Following such determination and adjustment under this subparagraph, the annual increases in Ground Rent provided for in subparagraph (b) of this Section 3.1(iii) shall continue to apply.

(d) In no event shall the Ground Rent for any Lease Year be less than the Ground Rent for any previous Lease Year. The Ground Rent for each Lease Year shall be payable in equal monthly installments in full, in advance, on the first day of each month for such Lease Year. In the event that the Rent Commencement Date shall not fall on the first day of a calendar month, the Ground Rent shall be appropriately pro-rated for any partial month in any Lease Year.

(iv) In addition to the Ground Rent payable pursuant to Section 3.1(iii) above, Tenant shall, on the Rent Commencement Date, make one lump-sum payment (the "Specified Rental Payment") in an amount equal to $16,800,000.00. At Landlord's option, any amounts received under this Section 3.1(d) may be transferred to a trustee designated by Landlord, to be held in trust for the benefit of Landlord, upon such terms as may be determined by Landlord and the trustee. Tenant may elect to defer payment of the Specified Rental Payment until the earlier of (i) a period not to exceed thirty-six (36) months from the Rent Commencement Date, or (ii) the date Tenant enters into a Development Rights Transfer in accordance with the provisions of Article 45 herein. Unpaid installments of Specified Rental Payments will bear simple interest at the rate of four percent (4%) per annum.

Section 3.2. Additional Rent. For the period beginning on the Rent Commencement Date and continuing thereafter throughout the Term, Tenant shall pay to Landlord, as Additional Rent, the sums referred to below:

(a) Transaction Payments. Except as provided in Section 10.2(b), in the event of an Assignment, Transfer, Financing or Refinancing, Syndication or Major Subletting, or the receipt of Excess Condemnation or Insurance Proceeds, Tenant shall notify Landlord of same and shall pay to Landlord the Transaction Payment as Additional Rent hereunder with respect to such Transaction.

Following the submission of the Premises to condominium ownership and so long as the Premises shall remain subject to condominium ownership, the Lease provisions relating to Transaction Payments and Major Subletting shall be of no force and effect.

(b) Telecommunications Receipts. Tenant shall pay to Landlord as Additional Rent hereunder, on a monthly basis within thirty (30) days after the end of each calendar month, an amount equal to five percent (5%) of all amounts received by Tenant (or any Affiliate of Tenant, or any other entity formed by Tenant (by itself or with others) to provide telecommunications services to occupants of the Building and/or of other buildings in Southtown) in connection with telecommunications services (of whatever nature) provided to Subtenants and other users during the Term, in excess of the actual, out-of pocket cost (including applicable taxes) incurred by Tenant (or any Affiliate of Tenant, or any other entity in which Tenant is a party, by itself or with others) in connection with the procurement of such services, which deduction shall not include any cost or expense that is not reasonably and customarily incurred by a provider of such services to occupants of residential housing at such time. Each such payment shall be accompanied by a report, in form and substance reasonably satisfactory to Landlord and accompanied by such supporting information as Landlord may reasonably request, setting forth in reasonable detail the amounts and sources of such receipts and costs.

(c) Payments Relating to Cooperatives and Condominiums. Where this Lease provides for the payment of Conversion Payments or Cooperative/Condominium Resale Payments, Tenant shall notify Landlord of same and shall pay the same to Landlord when due as Additional Rent hereunder.

(d) Payment of Landlord Expenses. Tenant agrees to reimburse Landlord, as Additional Rent, for any reasonable third-party costs incurred with respect to the negotiation, execution, delivery and on-going administration of this Lease and any amendments to this Lease, including, without limitation, expenses incurred for appraisers, outside construction and real estate consultants, Landlord's project manager during the construction of the Building, and the costs and expenses of outside counsel and any other third-party advisors to Landlord. Tenant's obligation to reimburse Landlord for outside counsel fees shall cover services rendered in connection with this Lease including, without limitation, (i) the preparation, negotiation and execution of this Lease and amendments and modifications to this Lease and enforcement of or collections of money pursuant to this Lease, (ii) services rendered in connection with Initial Financings, closings relating to the Completion of the Building, and other lease or loan closings, and (iii) the preparation of documents and rendering of advice with respect to Rental, TEP, Payments in Lieu of Mortgage Tax, the PILOMT Fee, the Inclusionary Housing Program and Development Rights Transfers referenced in Article 45 hereof and other matters concerning affordable housing, Island Services, Community Facilities and Community Facilities Payments referenced in Article 40 hereof, compliance with the General Development Plan, reporting requirements referenced in Section 23.4 hereof, and other issues relating to this Lease.

(e) Payment in Lieu of Mortgage Tax. Tenant shall not be obligated pay to Landlord the Payment in Lieu of Mortgage Tax with respect to the Mortgages securing each Initial Financing (including, without limitation, the construction loan for the initial construction of the Building). Tenant shall be obligated to pay to Landlord the Payment in Lieu of Mortgage Tax for subsequent Financings, provided,

however, that if on the date of such subsequent Financing, the Building is a Condominium by reason of the recording of a Declaration in the Office of the Register of the City of New York, New York County on or before such date, no such Payment in Lieu of Mortgage Tax shall be due and payable except as otherwise provided in this Section 3.2(e). Notwithstanding the foregoing, if as of the date of such subsequent Financing, Landlord shall have received a ruling or opinion from the New York State Department of Taxation and Finance, or a final non-appealable judgment from a court of competent jurisdiction, that a mortgage recording tax credit is available to purchasers of Units in accordance with Section 339-ee(2) of the New. York Real Property Law as a result of or based on a Payment in Lieu of Mortgage Tax as described in this Lease, then the Payment in Lieu of Mortgage Tax with respect to such subsequent Financing shall be due and payable in accordance with the terms of this Lease.

Section 3.3. TEP Payments. Notwithstanding anything to the contrary contained in this Lease, beginning on the TEP Commencement Date, (1) if Tenant is not a Condominium, Tenant shall pay to Landlord an amount equal to (a) the TEP referred to in clause (ii) of the definition of "TEP" for the Applicable Tax Year, less (b) the TEP referred to in clause (ii) of the definition of "TEP" for the Applicable Tax Year multiplied by the TEP Percentage for such Applicable Tax Year, or (2) if Tenant is a Condominium, each Condominium Unit owner, excluding the owner(s) of the Subsidized Units (it being agreed that the Subsidized Units shall be exempt from TEP), shall pay to Tenant, as agent for Landlord, which shall pay to Landlord, (i) such Condominium Unit owner's Common Interest (as defined in Exhibit K) multiplied by (ii) an amount equal to (x).the TEP for the Applicable Tax Year, less (y) the TEP for the Applicable Tax Year multiplied by the TEP Percentage for such Applicable Tax Year. TEP shall be due and payable on the TEP Commencement Date and thereafter as and when installments of real property taxes are due for apartment building properties subject to New York City real property taxes and which have received an abatement pursuant to Section 421-a of the Real Property Tax Law (with an appropriate proration for any partial period); provided, however, if Tenant is a

Condominium, TEP shall be due and payable on the first day of August, November, February and May during each Tax Year. TEP shall constitute Additional Rent under this Lease.

Section 3.4. TEP Payments; Exempt Purchasers. If Tenant's interest in the Premises (or, if the Premises shall have been converted to cooperative or condominium ownership, one or more cooperative or condominium Units) is purchased or otherwise acquired by an Exempt Purchaser, then as of the date of such purchase or acquisition (i) all TEP for the Premises or attributable to the cooperative or condominium Units so purchased or acquired, as the case may be, shall be paid in full with respect to the period prior to such date in accordance with Section 3.3 above, and (ii) Tenant (or the seller of the applicable cooperative or condominium Units) shall pay to Landlord, in lieu of any future TEP for the Premises or attributable to the cooperative or condominium Units so purchased or acquired, as the case may be, as Additional Rent, an amount equal to the amount per square foot set forth in Exhibit F hereto corresponding to the date on which such purchase or acquisition occurs, multiplied by (a) the number of Gross Square Feet of floor area of the Premises, if the Premises is neither a Condominium nor a cooperative, (b) if the Premises is subject to cooperative ownership, the aggregate square footage of the applicable cooperative Units acquired by the Exempt Purchaser as shown in the offering plan for the cooperative Units as then most recently amended, as appropriately adjusted to reflect combinations of Units and the addition of space to Units, or (c) if the Premises is a Condominium, the aggregate square footage of the applicable Condominium Units acquired by the Exempt Purchaser as shown in the Declaration, as the Declaration may be amended from time to time. At Landlord's option, any amounts received under this Section 3.4 may be transferred to a trustee designated by Landlord to be held in trust for the benefit of Landlord, upon such terms as may be determined by Landlord and the trustee.

Section 3.5. Currency. Rental shall be paid in currency which at the time of payment is legal tender for public and private debts in the United States of America, without notice or demand (except as otherwise specifically provided for herein), and shall be payable at the office of Landlord as set forth above or at such other place as Landlord shall direct by notice to Tenant. Any check tendered in payment of Rental shall be drawn on a bank that is a member of the New York Clearing House.

Section 3.6. Net Lease. It is the purpose and intention of Landlord and Tenant, and Landlord and Tenant agree, that Rental shall be absolutely net to Landlord without any abatement, deduction, counterclaim, set-off or offset whatsoever, except as provided in Section 3.7 hereof, so that this Lease shall yield, net to Landlord, Base Rent and Additional Rent in each year during the Term and that Tenant shall pay all costs, expenses and charges of every kind and nature relating to the Premises, which may arise or become due or payable during or after (but attributable to a period falling within) the Term, and that Landlord shall be indemnified by Tenant against, and held harmless by Tenant from, the same, including, but not limited to, reasonable attorney's fees and disbursements. Nothing contained in this Section 3.4 shall affect any obligation of Landlord under Article 11 or Article 40 of this Lease.

Section 3.7. Discharge of Certain Liens. Notwithstanding the foregoing, if, at any time during the Term, Landlord shall fail to discharge a lien placed upon the Premises which Landlord is obligated to discharge as a matter of law and/or under the terms of this Lease, and such failure shall subject Tenant to an obligation to discharge such, lien or subject Tenant to criminal penalties or forfeiture of its interest under this Lease, then Tenant may pay such lien and set off the amount so paid against Base Rent thereafter payable, provided Landlord shall have received notice of such lien from Tenant, shall have been obligated to discharge such lien, and thereafter shall have been given a reasonable opportunity to pay or contest such lien but shall have failed to do so.

Section 3.8. Rental. All of the amounts payable by Tenant pursuant to this Lease, including, without limitation, Base Rent, Additional Rent, Impositions, TEP, Transaction Payments, payments made to Landlord pursuant to Article 40, and any other sums, costs, expenses or deposits which Tenant in any of the other provisions of this Lease assumes or agrees to pay and/or deposit, shall constitute .rental under this Lease (collectively, "Rental"), and, in the event of Tenant's failure to pay Rental, Landlord (in addition to all other rights and remedies provided herein) shall have all of the rights and remedies provided for in this Lease in the case of nonpayment of rent.

Section 3.9. Additional Payment. Beginning on the date of the execution and delivery of this Lease and during the period prior to the TEP Commencement Date, Tenant shall pay to Landlord, as Additional Rent, in addition to all other Rental provided

herein, additional payments in an annual amount equal to $1.00 multiplied by the number of Gross Square Feet to be constructed in the Building structure. Until such time as the number of Gross Square Feet in the Building structure is determined by final measurement, which shall be performed not later than the Rent Commencement Date, such payment will be computed based on the number of Gross Square Feet as shown on the Final Plans and Specifications for the Building. Upon such determination by final measurement, the payment set forth in this Section 3.9 shall be retroactively adjusted to the date of execution and delivery of this Lease, and (i) if Tenant's payments are determined to have been less than the amount so determined to be due to Landlord, Tenant shall pay the deficiency within ten (10) days of the determination of the amount due, and (ii) if Tenant's payments are determined to have been greater than the amount so determined to be due to Landlord, the amount of the excess shall be credited against the payments next due under this Section 3.9 or under Section 3.3 of this Lease. Payments under this Section 3.9 shall be due and payable on the date of execution and delivery of this Lease, and thereafter semi-annually during each Tax Year (or such other interval being used for the collection of real estate taxes in New York City at the time in question) on the dates that installments of real property taxes are due for apartment building properties subject to New York City real property taxes (with an appropriate proration for any partial period); provided, however, if Tenant is a Condominium, payments under this Section 3.9 shall be due and payable on the first day of August, November, February and May during each Tax Year. The portion of any payment made under this Section 3.9 for the period in which the TEP Commencement Date occurs which is attributable to the period beginning on the TEP Commencement Date shall be credited to the first payment due under Section 3.3.

ARTICLE 4

IMPOSITIONS

Section 4.1. Payment of Impositions.

(a) Obligation to Pay Impositions. Except to the extent exempt therefrom under applicable law, Tenant shall pay, as provided in Section 4.1(c), all Impositions that at any time are assessed, levied, confirmed, or imposed upon, or with respect to (i) the Premises (including any sidewalks located therein), or (ii) appurtenances of the Premises, or (iii) any personal property or other facility owned and used by or through Tenant in the operation thereof, or (iv) the Rental (or any portion thereof) payable by Tenant hereunder, or (v) any document to which Tenant is a party creating or transferring an interest or estate in the Premises, or (vi) the use and occupancy of the Premises, or (vii) this transaction. In addition, Tenant shall pay any Impositions imposed on sidewalks, if any, in front of or adjacent to the Premises, but not including any Impositions applicable to the East River promenade to the east of the Premises which is maintained by RIOC as a public facility.

(b) Definition. "Imposition" or "Impositions" shall mean:

(i) any special assessments imposed by any special assessment district (other than those imposed by RIOC in a discriminatory manner),

(ii) personal property taxes,

(iii) occupancy and rent taxes imposed upon tenants generally,

(iv) water, water meter and sewer rents, rates and charges,

(v) excises,

(vi) license and permit fees,

(vii) the New York State Real Estate Transfer Tax and the New York City Real Property Transfer Tax payable with respect to the creation of this Lease,

(viii) any New York City imposed service charges with respect to police protection, fire protection, street and highway construction, maintenance and lighting, sanitation and water supply,

(ix) any fines, penalties and other similar governmental charges applicable to the foregoing, together with any interest or costs with respect thereto (other than those imposed by RIOC in a discriminatory manner),

(x) any other governmental fees or charges, together with any fines and penalties and any interest or costs with respect thereto (other than those imposed by RIOC in a discriminatory manner), and

(xi) New York City real property taxes and assessments or amounts in lieu thereof imposed against the Land and the Building.

In any year during the Term, Tenant (or owners of Condominium Units) shall pay the higher of TEP or the Impositions listed in clause (xi) of this subsection (b), but not both.

(c) Payments of Impositions. Subject to the provisions of Section 4.5 hereof, each Imposition or installment thereof shall be paid not later than the Due Date thereof. However, if by law, any Imposition may be paid in installments (whether or not interest shall accrue on the unpaid balance of such Imposition), Tenant may exercise the option to pay the Imposition in such installments and shall be responsible for the payment of such installments with interest. If Tenant fails to make any payment of an Imposition (or installment thereof) on or before the Due Date thereof, Tenant shall, at Landlord's request, pay

all Impositions or installments thereof thereafter payable by Tenant not later than ten (10) days before the Due Date thereof, until such time that all such payments shall have been made when due for a period of two (2) consecutive years.

Section 4.2. Evidence of Payment. Tenant, upon request of Landlord in each case, shall furnish to Landlord, within thirty (30) days after the date when an Imposition is due and payable under this Lease or as soon thereafter as available (except that Tenant shall have sixty (60) days in respect of water charges and sewer rents), official receipts of the appropriate authority imposing the Imposition, or other proof reasonably satisfactory to Landlord, evidencing the payment thereof.

Section 4.3. No Income Taxes. Nothing contained in this Lease shall require Tenant to pay municipal, state or federal income, gross receipts, excise, rental, inheritance, estate, succession, excess profit or revenue tax, transfer or gift taxes imposed on Landlord, or any capital levy, transfer or corporate franchise tax imposed upon Landlord, or any other tax, assessment, charge or levy payable by Landlord upon the Rental which may be payable by Tenant under this Lease.

Section 4.4. Apportionment of Imposition. Any Imposition, relating to a fiscal period of the taxing authority, a part of which period is included within the Term and a part of which is included in a period of time after the Expiration Date shall be apportioned between Landlord and Tenant as of the Expiration Date (unless the Expiration Date has occurred as a result of an Event of Default, in which case Tenant is not entitled to repayment for any Imposition paid by Tenant) so that Tenant shall pay that portion of such Imposition which that part of such fiscal period included in the period before the Expiration Date bears to the fiscal period of the taxing authority.

Section 4.5. Right to Contest Impositions.

(a) Tenant, or any Mortgagee if it shall be acting as attorney-in-fact for Tenant, shall have the right at Tenant's or such Mortgagee's own expense to contest the amount or validity, in whole or in part, of any Imposition (or the assessed valuation of the Premises) by appropriate proceedings diligently conducted in good faith, in which event,

notwithstanding the provisions of Section 4.1 hereof, payment of such Imposition shall be postponed if and only as long as:

(i) neither the Premises nor any part thereof, would by reason of such postponement or deferment be, in the reasonable judgment of Landlord, in danger of being forfeited or lost;

(ii) Tenant or such Mortgagee, as the case may be, shall have deposited with Landlord or Depository a bond issued by a bonding company reasonably acceptable to Landlord, or cash or other security reasonably acceptable to Landlord, in the amount so contested and unpaid which would be payable by Tenant pursuant to Sections 4.1 and 4.4 hereof, together with all interest and penalties in connection therewith and all charges that may or might be assessed against or become a charge on the Premises or any part thereof in such proceedings; and

(iii) Landlord is, in Landlord's reasonable judgment, in no danger of being subjected to criminal liability or penalty or civil liability or penalty in excess of the amount for which Tenant has furnished security as provided in Section 4.5(a)(ii) and (b) hereof by reason of nonpayment thereof.

(b) Upon the termination of such proceedings, Tenant shall pay the amount of such Imposition or part thereof as finally determined in such proceedings which would be payable by Tenant pursuant to Sections 4.1 and 4.4 hereof, the payment of which may have been deferred during the prosecution of such proceedings, together with any costs, fees (including, but not limited to, reasonable attorneys' fees and disbursements), interest, penalties or other liabilities in connection therewith, and upon such payment, Landlord or Depository shall return, with interest earned thereon, if any, any security deposited with it with respect to such Imposition as

aforesaid; provided, however, that Landlord or Depository, at Tenant's or such Mortgagee's request, or upon Tenant's and such Mortgagee's failure to so request in a timely manner, at Landlord's request, shall disburse any moneys on deposit directly to the imposing authority to whom such Imposition is payable. If at any time during the continuance of such proceedings Landlord in its reasonable judgment shall deem the amount of security deposited as aforesaid insufficient, Tenant or any Mortgagee, as the case may be, within ten (10) days after demand, shall make an additional deposit of such additional sums or other acceptable security as Landlord may reasonably request, and upon failure of Tenant or any Mortgagee, as the case may be, to do so, the security theretofore deposited, together with any interest thereon, may be applied by Landlord to the payment, removal and discharge of such Imposition which would be payable by Tenant pursuant to Sections 4.1 and 4.4 hereof and the interest and penalties in connection therewith and any costs, fees (including, but not limited to, reasonable attorneys' fees and disbursements) or other liability accruing in any such proceedings, and the balance, if any, shall be returned to Tenant or any Mortgagee, as the case may be, or the deficiency, if any, which would be payable by Tenant pursuant to Sections 4.1 and 4.4 hereof shall be paid by Tenant or any Mortgagee, as the case may be, to Landlord within ten (10) days after demand. Nothing contained in this Section 4.5 or elsewhere in this Lease shall be deemed to limit Tenant's obligation to make the deposits provided for in Article 5 hereof.

Section 4.6. Landlord Participation in Contest Proceedings. Landlord shall not be required to join in any proceedings referred to in Section 4.5 hereof unless the provisions of any law, rule or regulation at the time in effect shall require that such proceedings be brought by or in the name of Landlord, in which event, Landlord shall join and cooperate in such proceedings or permit the same to be brought in its name but shall not be liable for the

payment of any costs or expenses in connection with any such proceedings and Tenant shall reimburse Landlord, within ten (10) days after demand for any and all costs or expenses which Landlord may reasonably sustain or incur in connection with any such proceedings. In the event Tenant institutes a proceeding referred to in Section 4.5 hereof and no law, rule or regulation in effect at the time required that such proceeding be brought by and/or in the name of Landlord, Landlord nevertheless shall cooperate with Tenant in such proceeding; provided that Tenant shall, at Landlord's election, either directly pay Landlord's reasonable costs and expenses incurred in connection with such proceeding or promptly reimburse Landlord for such reasonable costs and expenses which reimbursement shall be deemed to be Rental. If the provisions of such law, rule or regulation at the time in effect shall require that such proceedings be brought by or in the name of Master Landlord, Landlord shall use its best efforts to cause Master Landlord to join and cooperate in such proceedings or permit the same to be brought in the name of Master Landlord, provided Master Landlord shall not be liable for the payment of any costs or expenses in connection with any such proceedings and Tenant shall reimburse Master Landlord for any and all reasonable costs and expenses which Master Landlord may reasonably sustain or incur in connection with any such proceedings; provided, however, if Landlord is Master Landlord, Landlord shall so join and cooperate in such proceedings or permit the same to be brought in its name.

Section 4.7. Evidence of Non-Payment. Any certificate, advice or bill of the appropriate official designated by law to make or issue the same or to receive payment of any Imposition, of non-payment of such Imposition, shall be prima facie evidence that such Imposition is due and unpaid at the time of the making or issuance of such certificate, advice or bill, at the time or date stated therein.

ARTICLE 5

DEPOSITS FOR IMPOSITIONS AND INSURANCE PREMIUMS

Section 5.1. Deposits.

(a) Tenant's Obligation to Make Deposits. Upon Landlord's demand, made at any time after Tenant shall have failed to pay when due any Impositions or insurance premiums for insurance required to be maintained by Tenant in accordance with Article 7 of this Lease, or provided for such payments through escrows pursuant to a Mortgage, which failure continues for ten (10) days after notice to Tenant, Tenant shall deposit with Depository on the first day of each month during the remainder of the Term, subject to the provisions of Section 5.1(e), an amount equal to (i) in the case of Impositions, one-twelfth (1/12) of the amount of annual Impositions as reasonably estimated by Landlord, and (ii) in the case of insurance premiums, one-twelfth (1/12) of the annual premiums for the insurance coverage required to be carried or caused to be carried by Tenant pursuant to the provisions of Article 7 hereof. If, at any time, the monies so deposited by Tenant shall be insufficient to pay in full the next installment of Impositions or insurance premiums, Tenant shall, within ten (10) days after demand by Landlord, deposit the amount of the insufficiency with Depository.

(b) Depository's Obligations. Depository shall place all monies deposited pursuant to the provisions of Section 5.1(a) hereof in a special interest-bearing account in the name of Landlord in obligations of the United States Government maturing in not more than 90 days and certificates of deposit maturing in not more than 90 days issued by commercial banks organized under the laws of the United States or any political subdivision thereof having capital and surplus in excess of $500,000,000 or, subject to applicable law or regulation, any money market fund to the extent insured by the

Federal Deposit Insurance Corporation; provided, however, Depository shall have the right at any time prior to the maturity date or dates of such obligations or certificates to liquidate such obligations or certificates as required to make payments therefrom as provided in this Article 5. The deposited amounts shall be used by Depository to pay the Impositions and insurance premiums for which such amounts were deposited. Subject to the provisions of Section 4.5, Depository shall apply the amounts deposited and the interest earned thereon to pay (i) such Impositions not later than the last day on which any such Imposition may be paid without penalty or interest, and (ii) such premiums not later than the last day on which such premiums may be paid without penalty, interest or cancellation of the subject policies. Upon any termination of this Lease, at the request and direction of Landlord, Depository shall apply these deposits to the payment of any of Tenant's obligations under this Lease remaining unpaid after the giving of written notice to Tenant and the expiration of any applicable grace period, and then the Depository shall remit to Tenant any remaining balance (including interest, if any, then held by the Depository).

(c) Increase of Deposits. If the amount of any Imposition or insurance premium is increased, Tenant shall, within ten (10) Business Days of receipt of notice of such increase, increase the amount of such deposits so that sufficient moneys for the payment of such Imposition or insurance premium always be available to pay such Imposition or insurance premium at least thirty (30) days before the Imposition or insurance premium becomes due and payable.

(d) Determination of Sufficiency of Deposits. For the purpose of determining whether Depository has on hand sufficient moneys to pay an Imposition or insurance premium, deposits, for each category of Imposition or insurance premium shall be treated separately. Depository may, but shall not be obligated to, use moneys deposited

for the payment of a category of Imposition or an insurance premium not yet due and payable for the payment of any other category of Imposition or another insurance premium that is due and payable.

(e) Return of Deposits. Provided Tenant shall have timely paid all amounts required to be paid by Tenant pursuant to this Section 5.1 for a period of eighteen (18) consecutive months following Landlord's demand, then, at any time after the expiration of such eighteen (18) month period, upon demand by Tenant and provided no Default or Event of Default then exists, Landlord shall cause Depository to return to Tenant all unexpended moneys then held by Depository pursuant to the provisions of this Section 5.1. Thereafter, Tenant shall not be required to make any deposits required by this Article unless and until a subsequent failure by Tenant to pay, when due, any Imposition or insurance premiums occurs and Landlord has demanded of Tenant to make such deposits.

(f) Deposits with First Mortgagee. In the event that a First Mortgagee, other than a First Mortgagee which is an Affiliate of Tenant, shall require Tenant to deposit funds to insure payment of Impositions or insurance premiums, Tenant shall not be obligated to deposit any amounts under this Article 5, unless such First Mortgagee fails to pay when due the applicable Impositions or insurance premiums.

Section 5.2. Effect of Sale or Transfer of Premises by Landlord. In the event of Landlord's sale or transfer of the Premises, Depository shall continue to hold any moneys deposited with it pursuant to the provisions of Sections 5.1 (a) and (c) hereof and shall transfer them to a special account established in the name of the Person who acquires the Premises and becomes Landlord.

Section 5.3. Depository Fees. Tenant shall pay any and all charges of Depository in connection with any services rendered by Depository pursuant to the provisions of this Lease.

ARTICLE 6

LATE CHARGES

In the event that any payment of Rental or any portion thereof shall become overdue for twenty (20) days beyond the date on which it is due and payable as in this Lease provided, a late charge equal to the Involuntary Rate (computed on a 360 day year) on the sums so overdue from the date on which payment was originally due shall become immediately due and payable to Landlord as liquidated damages for Tenant's failure to make prompt payment and said late charges shall be payable by Tenant, within ten (10) days after demand. No failure by Landlord to insist upon the strict performance by Tenant of Tenant's obligations to pay late charges shall constitute a waiver by Landlord of its right to enforce the provisions of this Article 6 in any instance thereafter occurring. The provisions of this Article 6 shall not be construed in any way to extend the grace periods or notice periods provided in Article 24 of this Lease.

ARTICLE 7

INSURANCE

Section 7.1. Construction Insurance Requirements.

(a) Tenant, at its sole cost and expense, at all times during construction of the Building, the Lighting (as defined in Section 11.5), the Comfort Station (as defined in Section 11.6), a Capital Improvement, or other improvements or repairs shall provide, or cause to be provided, and thereafter shall keep in full force and effect, or cause to be kept in full force and effect, until Completion of the Building or the completion of the applicable Capital Improvement or other improvements or repairs, the following at no cost to Landlord:

(i) commercial general and automobile liability insurance in an amount not less than Ten Million ($10,000,000) Dollars (which may be satisfied by Tenant providing coverage for the limits specified or by any combination of underlying and umbrella coverage, as long as the coverage is not affected by any occurrence on any premises other than the Premises) combined single limit of liability covering all operations by or on behalf of Tenant on an occurrence basis against claims for bodily injury and/or property damage, such insurance to include operations-premises liability, contractor's protective liability on the operations of all subcontractors, completed operations, and blanket contractual liability, and, if the contractor is undertaking foundation, excavation or demolition work, an endorsement that such operations are covered and that the "XCU Exclusions" have been deleted;

(ii) worker's compensation and disability insurance providing statutory New York State benefits for all persons employed by any general contractor engaged by Tenant in connection

with the construction of the Premises other than employees of Landlord and its agents; and

(iii) where applicable, builder's risk insurance (All Risks) written on a completed value (non-reporting) basis with limits as provided in Section 7.1.(a)(i) hereof, naming any general contractor engaged by Tenant and also naming Landlord and naming the First Mortgagee as an insured under a standard mortgagee clause. In addition, such insurance (x) shall contain an endorsement stating that "permission is granted to complete and occupy," and (y) if an off-site storage location is used, shall cover, for full insurable value, all materials and equipment on or about any such off-site storage location intended for use with respect to the Premises.

(b) Tenant further covenants and agrees that

(i) no construction shall be commenced until Tenant shall have delivered to Landlord the original policies, or duplicate originals thereof, for the insurance coverage required by this Agreement (or certificates if such original or duplicate policies are not available, with a policy to follow when available), and

(ii) Tenant shall comply with the provisions of Section 7.2 hereof with respect to the policies required by this Section 7.1.

Section 7.2. General Insurance Requirements.

(a) From and after the date of Substantial Completion of the Building, Tenant, at its sole cost and expense, at all times during the remaining Term shall:

(i) keep the Premises, including the Driveway Area, insured against loss or damage by fire, windstorm, tornado and hail and all other hazards covered by the usual extended coverage

and "all risk" endorsements including, without limitation, damage by water, if available, and in an amount sufficient to prevent Landlord and Tenant from becoming co-insurers under the provisions of applicable policies of insurance, but in any event in an amount not less than one hundred percent (100%) of the full insurable value thereof (i.e., actual replacement value including the cost of debris removal but excluding foundations and excavation), such insurable value to be determined from time to time but not less frequently than once in any twenty-four (24) consecutive calendar months, at the request of Landlord, by one of insurers or, at the option of Landlord, by an appraiser, architect or contractor chosen by Landlord and approved by Tenant, which approval shall not be unreasonably withheld; provided, however, in the event that a Declaration is recorded or Tenant is a cooperative housing corporation, Landlord acknowledges and agrees that Tenant shall not be required to insure the improvements and betterments within a Unit, provided that Tenant requires that the "owners" of such space at all times maintain "all risk" insurance covering such improvements and betterments;

(ii) provide and keep in force insurance against liability for bodily injury and death and property damage and boiler explosion insurance (should steam boilers be installed), it being agreed that all such insurance shall be in such amounts as may from time to time be reasonably required by Landlord, that such liability insurance shall be commercial general liability insurance containing the so-called "occurrence clause," that it shall include specifically the Premises, including the Driveway Area, and all areas,

including sidewalks, adjoining or appurtenant to the Premises, and that

(x) the insurance against liability for injury and death shall be not less than Seven Million Dollars ($7,000,000) (which may be satisfied by Tenant providing coverage for the limits specified or by any combination of underlying and umbrella coverage, as long as the coverage is not affected by any occurrence on any premises other than the Premises) combined single limit of liability for bodily injury and/or property damage, and

(y) the boiler explosion insurance (should steam boilers be installed) shall be in an amount not less than One Million ($1,000,000) Dollars and shall be in such form as Landlord may reasonably require;

(iii) provide and keep, or require to be provided and kept, in force worker's compensation insurance providing statutory New York State benefits for all persons employed by Tenant at the Premises;

(iv) if a sprinkler system shall be located in any portion of the Premises, provide and keep in force sprinkler leakage insurance in amounts and forms approved by Landlord which approval shall not be unreasonably withheld (the foregoing to be required only if same is excluded from the insurance required to be provided and kept in force pursuant to Section 7.2(a)(i); and

(v) provide and keep in force such other insurance in such amounts as may from time to time reasonably be required by Landlord against such other insurable hazards as at the time are commonly insured against in the case of premises

similarly situated and required of other multi-family residential building tenants on Roosevelt Island. To the extent that such insurance coverage shall include "terrorism" insurance, Landlord agrees that so long as there shall be a mortgage covering the Building from a third party Institutional Lender, unrelated to Tenant, Landlord shall not require terrorism insurance beyond that required of Tenant by such Institutional Lender, provided further that Landlord is named as an additional insured under any such policies. So long as the Premises is subject to Condominium Ownership, "terrorism" insurance shall not be required by Landlord, unless such terrorism coverage is, at such time, customarily carried by first class New York City condominium or cooperative apartment buildings or is required by Master Landlord.

(b) From and after the Rent Commencement Date, Tenant at its sole cost and expense, at all times during the remaining Term, shall provide and keep in force rent insurance with "all risk" coverage in an amount equal to one (1) year's current Base Rent then and thereafter payable.

(c) All insurance provided by Tenant, as required by this Article (except worker's compensation insurance), shall be carried in favor of Landlord, Tenant, UDC and Master Landlord, as their respective interests may appear, and the coverage provided by Tenant as required herein also shall name each Mortgagee as an insured under a standard mortgagee clause.

(d) Each policy of insurance required to be obtained by Tenant as herein provided and each certificate therefor issued by the insurer shall contain (1) a provision that no act or omission of Tenant shall affect or limit the obligation of the insurance company to pay the amount

of any loss sustained and (2) an agreement by the insurer that such policy shall not be cancelled or modified without at least thirty (30) days' prior written notice to Landlord.

(e) Coverages may have commercially reasonable deductibles not to exceed $50,000.

Section 7.3. Anything contained in this Article 7 to the contrary notwithstanding, the insurance required pursuant to this Lease shall be in addition to, and not in lieu of the insurance coverages required by the Master Lease. Tenant shall provide such insurance as shall be sufficient to comply with the requirements of the Master Lease. Without limiting the generality of the foregoing, Tenant's property insurance policies shall contain a provision in which the insurer waives any right of subrogation against Landlord or Master Landlord resulting from the negligence or misconduct of Master Landlord, Landlord, Tenant, and any Person claiming by, through or under Tenant. To the extent that the insurance requirements under this Lease duplicate those required by the Master Lease, Tenant shall not be required to maintain such coverages in duplicate, but in each instance the more extensive coverage shall be maintained; and provided, however, that wherever the Master Lease shall require that the landlord thereunder shall be named as an additional insured, Tenant shall also cause Landlord under this Lease to be named as an additional insured.

ARTICLE 8

USE OF INSURANCE PROCEEDS

Section 8.1. Notice. If all or any part of any of the Building shall be destroyed or damaged in whole or in part by fire or other casualty (including any casualty for which insurance was not obtained or obtainable) of any kind or nature, ordinary or extraordinary, foreseen or unforeseen, Tenant shall give to Landlord prompt notice thereof, except that no notice shall be required if the estimated cost of repairs, alterations, restorations, replacements and rebuilding (collectively, "Restoration") shall be less than Two Hundred Thousand Dollars ($200,000). Adjusted for Inflation (from the date hereof to the date of such event).

Section 8.2. Obligation to Restore. Tenant, at its sole cost and expense, whether or not the damage or destruction referred to in Section 8.1 shall have been insured, and whether or not insurance proceeds, if any, shall be sufficient for the Restoration, shall promptly repair, alter, restore, replace and rebuild (collectively, "Restore") the same, in accordance with Article 8 of the Master Lease and all requirements of the Design Guidelines. Except as otherwise provided in Section 8.5 below, all insurance proceeds shall be held by the Depository and made available to Tenant for Restoration.

Section 8.3. Payment of Transaction Payment. Upon completion of any Restoration pursuant to this Article 8, Tenant shall pay to Landlord the Transaction Payment due with respect to the Excess Insurance or Condemnation Proceeds, if any.

Section 8.4. Non-Effects of Casualty. This Lease shall not terminate or be forfeited or be affected in any manner, and there shall be no reduction or abatement of the Rental payable hereunder, by reason of damage to or total, substantial or partial destruction of any of the Building or any part thereof or by reason of the untenantability of the same or any part thereof, for or due to any fire or other casualty of any nature whatsoever, and Tenant, notwithstanding any law or statute present or future, waives any and all rights to quit or surrender any part of the Premises therefor. Tenant expressly agrees that its obligations hereunder, including the payment of Rental by Tenant hereunder, shall continue as though the Building had not been damaged or destroyed and without abatement, suspension, diminution or reduction of any kind by reason of such damage or destruction. The existence of any present or future law notwithstanding, Tenant waives all rights to quit or surrender all or any part of the

Premises by reason of any casualty whatsoever to the Premises. It is the intention of Landlord and Tenant that the foregoing is an "express agreement to the contrary" as provided in Section 227 of the Real Property Law of the State of New York. Nothing in this Section 8.4 shall be deemed to reduce or limit Tenant's rights under Article 34 hereof.

Section 8.5. Payment of Insurance Proceeds. Subject to the provisions of any First Mortgage encumbering the Premises held by an Institutional Lender, the proceeds under all policies required by any provision of this Lease insuring against damage to the Building by fire or other casualty shall be payable to Depository, except that if the total cost of repair or restoration is less than five percent (5%) of the insurable value of the Building at the time of the occurrence, then such proceeds shall be payable in trust directly to Tenant for application to the cost of Restoration.

Section 8.6. Adjustments with Insurers. Subject to the rights of any Institutional Lender that is a Mortgagee under the First Mortgage, all property insurance policies as required by this Lease shall provide that all adjustments with the insurers for claims that equal or exceed five percent (5%) of the insurable value of the Building at the time of the occurrence shall be made with Tenant and the First Mortgagee, if any, which is named as such on the policy, subject to Landlord's consent (and Landlord shall respond to a request for consent to a settlement within fifteen (15) days after receipt of the request). If Landlord does not respond within such fifteen (15) day period, Tenant may send Landlord a second request for consent, and if Landlord does not respond within ten (10) days after receipt of such second request, Landlord's consent shall be deemed given. If Landlord denies consent, it shall notify Tenant of its reason therefor. So long as no Event of Default is continuing, Landlord shall approve any settlement of an insurance claim under a property insurance policy where the cost of Restoration does not exceed the amount of the proposed settlement plus any deductible, as reasonably determined by the First Mortgagee (or if there is no First Mortgagee, then as is reasonably determined by Landlord). Any adjustments for claims with the insurers involving sums of less than five percent (5%) of the insurable value of the Building at the time of the occurrence shall be made with Tenant without Landlord's consent. If Tenant receives Excess Insurance or Condemnation Proceeds, Tenant shall make the Transaction Payment, if any, in connection therewith. Any disputes under this Section 8.6 shall be resolved by arbitration in accordance with Article 35.

ARTICLE 9

CONDEMNATION

Section 9.1. Total Taking or Constructive Total Taking.

(i) In the event that the Master Lease shall be terminated as a result of a total taking or a constructive total taking of the premises demised under the Master Lease, pursuant to Article 13 of the Master Lease, this Lease shall terminate on the date of such taking, regardless of whether such taking shall affect the Premises, and, subject to the provisions of Section 9.7, the Rental and other charges payable by Tenant hereunder shall be apportioned and paid to the date of such taking. For purposes of this Article 9, a "constructive total taking" shall mean such portion of the Premises as when so taken would leave remaining a balance of the Premises which, due either to the area so taken or the location of the part so taken in relation to the part not so taken, would not under economic conditions, applicable zoning laws, building regulations then existing or prevailing or the General Development Plan, and after performance by Tenant of all covenants, agreements, terms and provisions contained herein or by law required to be observed or performed by Tenant, permit the Restoration of the Building so as to constitute a complete, rentable building capable of producing a fair and reasonable net annual income proportional to the number of square feet not so taken. If there be any dispute as to value or whether or not a "constructive total taking" has occurred, such dispute shall be resolved by arbitration pursuant to the provisions of Article 35.

(ii) In the event of a total taking or a constructive total taking of the Premises which does not result in a termination of the Master Lease, this Lease shall terminate on the date of such taking, and the Rental and other charges payable by tenant hereunder shall be apportioned and paid to the date of such taking.

(iii) A "constructive total taking" under the Master Lease with respect to the Premises shall constitute a "constructive total taking" hereunder, but a "constructive total taking" shall not be deemed to have occurred, and the provisions of Section 9.2 of this Lease shall apply, if Landlord's obligation under Section 13 of the Master Lease to restore, repair, replace or rebuild and/or Landlord's obligation to pay rent or other charges pursuant to the Master Lease with respect to the remaining portion of the Premises remains in effect after the effective date of the taking.

Section 9.2. Less than a Total Taking. In the event that there shall be a taking less than a constructive total taking or a temporary taking of all or a part of the Premises, and the Master Lease shall not have been terminated, this Lease shall terminate as to the portion taken, but shall continue in full force and effect as to the balance thereof. Subject to the terms of the First Mortgage held by an Institutional Lender, Tenant shall be obligated to Restore the portion of the Premises affected by such taking in accordance with the Design Guidelines and Master Lease. Except as otherwise provided in Section 9.7 hereof', Tenant's obligation to pay Rental hereunder shall be pro rated in proportion to that portion of the Premises which remains after such taking.

Section 9.3. Condemnation Proceeds. Tenant shall receive: (i) upon receipt by Landlord, all Condemnation Proceeds (as such term is defined in the Master Lease) distributed to Landlord with respect to the portion of the Premises affected by the taking in accordance with Article 13 of the Master Lease, less Landlord's reasonable expenses in obtaining such Condemnation Proceeds, (which expenses shall be ratably allocated by Landlord among all portions of the premises demised under the Master Lease so taken) and (ii) all Condemnation Proceeds to which Tenant might otherwise be entitled as Tenant hereunder or as sublessee under the Master Lease.

Section 9.4. Excess Insurance/Condemnation Proceeds. Upon Tenant's receipt of Excess Insurance or Condemnation Proceeds, Tenant shall pay to Landlord the Transaction Payment with respect thereto, if any.

Section 9.5. Other Compensable Government Action. Subject to the provisions of the Master Lease, in case of any governmental action not resulting in the taking or condemnation of any portion of the Premises but creating a right to compensation therefor, such as the changing of the grade of any street upon which the Premises abut, this Lease shall continue in full force and effect without reduction or abatement of Rental and the award shall be paid to Landlord, except that Tenant shall be entitled to that portion of the compensation allocable to the amount by which the value of the Building (to the extent of Tenant's remaining leasehold interest hereunder) has been diminished. If there be any dispute as to the division of the compensation between Landlord and Tenant, such dispute shall be resolved by the

appropriate court of law having jurisdiction thereof with each party to be responsible for its own expenses incurred in connection with any such litigation.

Section 9.6. Trade Fixtures. Notwithstanding anything to the contrary contained in this Article 9, in the event of any permanent or temporary taking of all or any part of the Premises, Tenant and its Subtenants shall have the exclusive right to assert claims for any trade fixtures and personal property so taken which were the property of Tenant or its Subtenants (but not including any Equipment) and for relocation expenses of Tenant or its Subtenants, and all awards and damages in respect thereof shall belong to Tenant and its Subtenants and Landlord hereby waives any and all claims to any part thereof; provided, however, that if there shall be no separate award for such trade fixtures or personal property so taken, but amounts therefor are stipulated by the court to be included within an award, then any claims of Tenant and its Subtenants against such awards or damages shall be subordinate to Landlord's claims under this Article 9.

Section 9.7. Status of Certain Payments. Notwithstanding anything to the contrary in this Article 9, if Tenant shall have made the Specified Rental Payment described in Section 3.1(iv) hereof, there shall be no adjustment or apportionment of such amount in the event of a taking or condemnation referred to in this Article 9, and Landlord shall not be required to refund any portion of the Specified Rental Payment previously paid by Tenant, and, if Tenant has elected to defer payment of the Specified Rental Payment, Tenant shall remain responsible for payment of the Specified Rental Payment, which obligation shall survive the termination of this Lease. Tenant shall not be deemed to have waived any rights it may have to a condemnation award by reason of Tenant having made the Specified Rental Payment or by reason of this Section 9.7.

ARTICLE 10
ASSIGNMENT, SUBLETTING, TRANSFERS, CONVERSION TO CONDOMINIUM OWNERSHIP

Section 10.1. (a) Without the prior written consent of Landlord in each case and except as otherwise specifically provided in this Section 10.1:

(i) neither this Lease nor any interest of either Tenant in this Lease, shall be sold, assigned, or otherwise transferred, whether by operation of law or otherwise (hereinafter an "Assignment");

(ii) (A) none of the issued or outstanding capital stock of any corporation which is a Tenant or which, directly or indirectly, possesses more than a five (5%) percent beneficial ownership interest in a Tenant (such Tenant and any such corporations being referred to as "Restricted Corporations," and all capital stock of any Restricted Corporation being referred to as "Restricted Stock," for purposes of this Article 10) shall be (voluntarily or involuntarily) sold, assigned, transferred, pledged or encumbered, whether by operation of law or otherwise (provided, however, that (w) public trading of Restricted Stock on the New. York Stock Exchange, the American Stock Exchange, or any nationally recognized over-the-counter exchange, (x) transfers of Restricted Stock by will or intestacy or for estate planning purposes, and (y) transfers of Restricted Stock to Affiliates Controlled by the transferor shall be specifically excluded from this Section 10.1(a)(ii));

(B) nor shall any voting trust or similar agreement be entered into with respect to any Restricted Stock, nor shall any reclassification or modification of the terms of any Restricted Stock take place, nor shall there be any merger or consolidation of any Restricted Corporation into or with

another corporation or business entity nor shall additional stock (or any warrants, options or debt securities convertible, directly or indirectly, into such stock) in any such corporation be issued if the corporation is a Restricted Corporation or if the issuance of such additional stock (or such other securities, when exercised or converted into stock) would make the corporation a Restricted Corporation;

(C) nor shall any member's or partner's interest in a limited liability company or partnership which is a Tenant or which, directly or indirectly, possesses more than a five (5%) percent beneficial ownership interest in a Tenant (such Tenant and any such limited liability company or partnership being referred to as "Restricted Partnerships," and the interest of all members, and limited and general partners of any Restricted Partnership being referred to as "Restricted Interests," for purposes of this Article 10) be (voluntarily or involuntarily) sold, assigned, transferred, pledged or encumbered, whether by operation of law or otherwise (provided, however, that: (1) transfers of Restricted Interests by will or intestacy or for estate planning purposes, (2) transfers of Restricted Interests to Affiliates controlled by the transferor shall be specifically excluded from this Section 10.1(a)(ii)), and (3) transfers of Restricted Interests to employees, or Affiliates of an employee, provided such transfers in the aggregate do not exceed ten percent (10%) of such limited liability company,

(D) nor shall any voting trust or similar agreement be entered into with respect to any Restricted Interests, nor shall any reclassification or modification of such Restricted Interests take place, nor shall there be any merger or

consolidation of any Restricted Partnership into or with another partnership or business entity, nor shall additional interests in any entity be created if such entity is a Restricted Partnership or if the creation of such interests would make the entity a Restricted Partnership (each of the foregoing transactions in this Section 10.1(a)(ii) with respect to stock or other securities of a corporation or a member's or partner's interest in a limited liability company or partnership being hereinafter referred to as a "Transfer"), and

(iii) Tenant shall not enter into a Major Subletting;

(iv) Tenant shall not enter into a Syndication or otherwise Syndicate any of its interests or cause or permit a Syndication thereof, except as provided in Section 10.2(c);

(v) For the purposes of this Section 10.1(a), "beneficial ownership" shall mean the right to enjoy any of the benefits of ownership, economic or otherwise, of an equity interest in a Person. Beneficial ownership shall be pro-rated to reflect partial ownership interests (for example, beneficial ownership of a 75% interest in a Person Possessing beneficial ownership of a 40% interest in Tenant shall be deemed to be beneficial ownership of a 30% interest in Tenant hereunder);

(vi) Notwithstanding anything to the contrary in this Section 10.1(a), prior to Substantial Completion of the Building, the following are permitted without the prior consent of Landlord:

(a) Transfers by will or intestacy; or

(b) Transfers to Family Members of the transferor, or trusts for such Family Members; and

(vii) Notwithstanding anything to the contrary in this Section 10.1(a), the following are permitted without the prior consent of Landlord (provided Tenant provides all information to Landlord concerning the same as contemplated by this Article 10), whether before or after Substantial Completion of the Building:

(a) INTENTIONALLY OMITTED;

(b) a transaction described in Section 10.1(d);

(c) a Sublease permitted under Section 10.5(b); or

(d) a sale of an individual condominium Unit to a bona-fide purchaser.

From and after Substantial Completion of the Building, Landlord shall not withhold its consent to a Transaction provided:

(viii) no Default shall have occurred and then be continuing hereunder, unless such Default is cured simultaneously with such Transaction;

(ix) Tenant shall have complied with the provisions of this Article 10; and

(x) Tenant shall pay to Landlord the Transaction Payment with respect thereto, if applicable.

(b) Except as otherwise specifically provided herein, in no event, whether before or after Completion of the Building, shall Tenant permit a Transaction to be consummated involving a Prohibited Person; provided, however, Tenant's obligation to determine whether a Person is a Prohibited Person shall be to make inquiry of Landlord as provided herein and to cause the proposed transferee to submit to the Inspector General of New York City (or such other Person designated by New York City) an application and information

required by such Person to determine whether the Person is a Prohibited Person (formerly, this was known as New York City's "Vendex" system).

(c) In each case in which Tenant desires to effect a Transaction, whether or not Landlord's consent is required therefor (other than a collateral assignment of this Lease or pledge or other security instrument granted to an Institutional Lender), and as a condition to the effectiveness thereof, Tenant shall, prior to the effective date of such Transaction: (1) notify Landlord of the proposed Transaction, (2) pay to Landlord any Transaction Payments with respect thereto (which payment may be made on the effective date of such Transaction), and (3) submit to Landlord the following documents and information (which documents may be unexecuted but shall, in all other respects, be in substantially final form) and such other information and documents it may reasonably require if the proposed Transaction is subject to the consent of Landlord:

(i) in the case of an Assignment, (A) a copy of the proposed instrument(s) of assignment, containing, inter alia, the name, address and telephone number of the assignee, (B) a copy of the proposed instrument(s) of assumption of Tenant's obligations under this Lease by said assignee, and (C) an affidavit of the assignee or an authorized officer, member or general partner thereof, setting forth (x) in the case of a Restricted Partnership, the names and addresses of all members, general partners and all other partners of the assignee having a ten percent (10%) or greater ownership interest in the assignee, (y) in the case of a corporation (other than a corporation whose common stock is traded over the New York Stock Exchange, the NYSE American Exchange, or any nationally recognized over-the-counter exchange, or which is an Institutional Lender), the names and addresses of all persons having ten percent (10%) or greater record ownership of stock in, and all directors and officers of, the assignee (in the event that any of the Persons subject to disclosure under clauses (x) and (y) above shall be a limited

liability company, partnership or corporation, each member, partner and stockholder thereof shall be subject to similar disclosure requirements, and these disclosure requirements shall continue to be applied transitively until the individual partners and/or stockholders have been disclosed);

(ii) in the case of a Major Subletting, (A) a copy of the proposed sublease limiting the use of the Premises to the uses contained in this Lease, and containing, inter alia, the name, address and telephone number of the subtenant under such Major Subletting, and (B) an affidavit of the subtenant under such Major Subletting or an authorized member, officer or general partner thereof, setting forth the same information with respect to the members, partners, shareholders, officers and directors of the subtenant as is required with respect to assignees under Section 10.1(0)(i);

(iii) in the case of a Transfer or Syndication, (A) a copy of each proposed document by which such Transfer or Syndication is to be accomplished, and (B) an affidavit of an authorized member, officer or general partner of each Tenant, setting forth the same information with respect to the members, partners, shareholders, officers and directors of Tenant as is required with respect to assignees under Section 10.1(d)(i); and

(iv) in the case of a Financing or Refinancing, (A) a copy of the proposed document by which the Financing or Refinancing is to be accomplished, and (B) an affidavit of an authorized member, officer or general partner of each Tenant, setting forth the sum of principal amounts of all previous Financings which remain outstanding and shall not be satisfied (for purposes hereof, "satisfaction" shall include an assignment in

lieu of satisfaction) and the sum of the proceeds of the present Financing;

(v) in all such cases, such other documents and information as Landlord may reasonably request to permit the evaluation of such Transaction.

Landlord shall within fifteen (15) days after receipt of all requisite information and documentation, notify Tenant whether it grants its consent if such consent is required hereunder, and in those instances wherein the consent of Landlord is not so required or is granted, whether the form and substance of each such document and the information submitted establishes compliance with the provisions of this Article 10, specifying, in the event that Landlord denies its consent to such Transaction or determines that any such documentation or any such information does not establish such compliance, the reason for such denial or determination. If Landlord shall not have notified Tenant of such denial or determination within such period, it shall be deemed to have consented to the proposed Transaction if such consent is required and to have determined that the documents and the information submitted establish compliance with the provisions of this Article 10. Even if Landlord has consented to the proposed Transaction if such consent is required and/or has determined that the documents and information establish compliance with the provisions of this Article 10, such consent and/or determination shall be conditioned upon the delivery to Landlord of executed documents substantially the same as those previously delivered to Landlord for review. In the event Landlord shall be deemed to have consented to any such Transaction in accordance with this Section 10.1(d), Landlord shall, upon request by Tenant, confirm in writing Landlord's consent within fifteen (15) days of Tenant's request therefor.

(d) Subject to compliance by a Mortgagee with the provisions of Article 33 hereof, the foregoing requirement of consent by Landlord shall not apply to the acquisition of Tenant's leasehold interest in the Premises by such Mortgagee or its nominee or designee, or a purchaser at a foreclosure sale (provided that any such nominee or designee or purchaser at a foreclosure sale is a Permitted Person) through the foreclosure of the applicable Mortgage or through a deed or instrument of transfer delivered in lieu of such foreclosure, so long as such Mortgagee, nominee, designee or purchaser shall, in the instrument transferring to

such Person the interest of Tenant hereunder, assume and agree to perform all of the terms, covenants and conditions of this Lease thereafter to be observed or performed by Tenant, subject to the provisions of Section 41.8 hereof. Each reference in this Section 10.1(d) to "Mortgagee" shall be deemed to include a wholly owned subsidiary (direct or indirect) of such Mortgagee or its direct parent, provided such Mortgagee has delivered to Landlord a written notice advising that such a subsidiary should be so deemed and certifying (i) that such subsidiary is wholly owned (direct or indirect) by such Mortgagee or its direct parent and (ii) that such subsidiary is authorized to act in the place and stead of such Mortgagee. In no event may the interest of Tenant in this Lease be acquired by a Prohibited Person.

Section 10.2. Notwithstanding anything to the contrary in this Article 10 or elsewhere in this Lease to the contrary,

(a) Landlord consents to the Affordable Master Sublease to the Affordable Sublease Subtenant, and agrees that Tenant shall not be obligated to make any Transaction Payment to Landlord by virtue of having entered into the Affordable Master Sublease. Landlord's consent shall be required for (i) any assignment of the Affordable Master Sublease, (ii) any further sub-sublease of the Affordable Units leased under the Affordable Master Sublease, or (iii) a transfer of Riverwalk 8, LLC's general partnership interest in the Affordable Sublease Subtenant, other than to WNC Holding, LLC or WNC Holding, L.P. If Master Affordable Subtenant enters into a Subletting that would be a Major Subletting if done by Tenant under the Lease, then a Major Subletting shall be deemed to have occurred hereunder, and Tenant shall pay to Landlord, or cause the Master Affordable Subtenant to pay to Landlord any Transaction Payment which may be due in connection with such Major Subletting, and any such sum shall constitute Additional Rent under this Lease. If the Affordable Sublease Subtenant proposes to take any action under the Affordable Master Sublease that would require the consent of Landlord if done by Tenant under this Lease, Landlord's consent

shall be required for such action by the Affordable Sublease Subtenant.

(b) Landlord consents to the Nominee Agreement, Landlord's consent shall not be required in connection with any assignment or transfer of HDFC's interest in this Lease to Riverwalk 8, LLC as Beneficial Owner (as defined in the Nominee Agreement), pursuant to the Nominee Agreement, and no Transaction Payment shall be payable in connection with such assignment or transfer.

(c) Landlord consents to the transfer by Riverwalk 8, LLC of a part of its general partnership interest in the Affordable Sublease Subtenant pursuant to the provisions of the Amended and Restated Limited Partnership Agreement for the Affordable Sublease Subtenant in connection with the sale of the low income housing tax credits arising from the construction of the affordable housing units referred to in Section 23.4(iv).

Section 10.3

(a) No Transaction shall have any validity except upon compliance with the provisions of this Article 10, including the payment of the Transaction Payment, if applicable. The Transaction Payment shall be payable by Tenant with respect to any Transaction, whether or not Landlord's consent is required therefor under Section 10.1 of this Lease, unless the applicable Transaction is subject to an exemption set forth in subparagraph (b) of this Section 10.3.

(b) The Transaction Payment shall not apply to the following Transactions:

(i) A Transaction to or with an Affiliate of Tenant Controlled by Tenant (or to or with any Affiliate of Tenant (regardless of whether it is Controlled by Tenant) if Tenant is a not-for-profit institution that does not have ownership interests).

(ii) The acquisition of the leasehold interest in the Premises by a Mortgagee or its nominee or designee by foreclosure or assignment in lieu of foreclosure or by a third-party purchaser at a foreclosure sale in accordance with the provisions of Section 10.1(d).

(iii) A Partner Exchange if (i) the same constitutes a transfer of less than twenty percent (20%) of the ownership interests in the applicable Person, or (ii) the transaction does not result in a single owner, either individually or together with its Affiliates, directly or indirectly, having an ownership interest in the applicable Person in excess of twenty percent (20%), or (iii) the transaction is not one of a series of transactions which results in a single owner, individually or together with its Affiliates, directly or indirectly, having more than twenty percent (20%) of the ownership interest in the Applicable Person, or having sold, assigned or otherwise transferred more than twenty percent (20%) of the ownership interests in the applicable Person.

Notwithstanding anything to the contrary in this Section 10.3(b), no Transaction shall be exempt from the payment of a Transaction Payment if it is effectuated or structured for the purpose of disguising the receipt of Transaction Proceeds or otherwise avoiding the payment of a Transaction Payment that would otherwise apply. Landlord and Tenant acknowledge that it is the intent of the parties that receipt of Transaction Proceeds by Tenant in such a transaction will obligate Tenant to make the appropriate Transaction Payment to Landlord.

(c) In the case of the conversion of the Premises or any part thereof to cooperative or condominium ownership, Tenant shall be required to pay to Landlord, as Additional Rent, the Conversion Payment with respect thereto. Landlord shall have a lien on (i) unsold condominium units owned by the sponsor under the conversion (or its successor as owner of unsold units) or (ii) unsold shares and the appurtenant proprietary leases owned by the sponsor under the conversion (or its successor as the holder of unsold shares) to secure the payment of

the applicable Conversion Payment. At the time of each individual unit sale, Tenant shall pay the Conversion Payment attributable to such sale to Landlord. Tenant shall deliver to Landlord, together with such payment, Tenant's calculation of the gross sale proceeds in connection with such sale, accompanied by reasonable supporting documentation therefor.

(d) Following any conversion of the Premises to cooperative or condominium ownership, upon any subsequent sale of a cooperative or condominium Unit (other than a sale for which a Conversion Payment is made or the sale of a Subsidized Unit), the Unit owner or tenant-shareholder shall be required to pay to Landlord the Cooperative/Condominium Resale Payment. The board of directors of the cooperative corporation or the board of managers of a condominium shall be responsible for the collection of the applicable Cooperative/Condominium Resale Payment and its prompt delivery to Landlord. Tenant shall promptly provide to Landlord such information regarding the conversion, the sale of Units and the Conversion Payment(s) with respect thereto as Landlord may reasonably require.

Section 10.4. Any consent by Landlord under Section 10.1 above shall apply only to the specific Transaction thereby authorized and shall not relieve Tenant from any requirement hereunder of obtaining the consent of Landlord to any further Transaction.

Section 10.5.

(a) All agreements for the rental or occupancy of residential or other space in the Building are referred to herein as "Subleases," and the named tenants or subtenants under such Subleases are referred to herein as "Subtenants." Each Sublease shall obligate the Subtenant pursuant thereto to occupy and use the premises included therein for purposes consistent with this Lease, the Master Lease, and the certificate of occupancy for the Building, and, with respect to the Units, the Regulatory Agreements, as applicable. Tenant shall promptly and diligently enforce all of its rights as the landlord under all Subleases in accordance with the terms thereof.

(b) Tenant may, without Landlord's consent, but subject to the provisions of Section 10.1(c) and this Section 10.5, enter into Subleases for the rental of residential space in the Building, or the occupancy of such space pursuant to licenses or concessions for periods shorter than the remainder of the Term at the time of such agreements.

Section 10.6. The fact that a violation or breach of any of the terms, provisions or conditions of this Lease or of the Master Lease results from or is caused by an act or omission by any tenant, or Subtenant or any other occupant of the Building shall not relieve Tenant of Tenant's obligation to cure the same. Tenant shall take any and all reasonable steps necessary to prevent any such violation or breach.

Section 10.7. Landlord, after the occurrence of and during the continuation of an Event of Default, may, subject to the rights of any Mortgagee, collect subrent and all other sums due under Subleases, and apply the net amount collected to Rental, but no such collection shall be, or be deemed to be, a waiver of any agreement, term, covenant or condition of this Lease or the acceptance by Landlord of any Tenant as tenant hereunder, or a release of Tenant from performance by Tenant of its obligations under this Lease.

Section 10.8. Tenant and Landlord shall enter into a common driveway agreement permitting common use of the driveway to be constructed within the Premises and the premises demised in respect of Building #7 (as defined in the Development Agreement) serving both premises and providing for its maintenance, repair and replacement, which agreement shall be in the form included in Exhibit J of this Lease. To the extent revised from the Final Plans and Specifications, all plans and specifications for such driveway also shall be subject to Landlord's approval, such approval not to be unreasonably withheld.

Section 10.9. At any time and from time to time upon Landlord's demand, but not more frequently than once in any twelve (12) month period or upon any default by Tenant under this Lease, Tenant promptly shall deliver to Landlord a schedule of all Subleases, setting forth the names of all Subtenants. Upon the reasonable request of Landlord, Tenant shall permit Landlord and its agents and representatives to inspect all Subleases and, at Tenant's expense, to make copies thereof.

Section 10.10. Subject to the Regulatory Agreements, all Subleases shall provide that (a) they are subject to this Lease and to the Master Lease, (b) the Subtenants will not pay rent or other sums under the Subleases for more than one (1) month in advance (excluding security and other deposits required under such Sublease), and (c) at Landlord's option, on the termination of this Lease pursuant to Article 24, the Subtenants will attorn to, or enter into a direct sublease on identical terms with, Landlord.

Section 10.11.

(a) Tenant shall not convert the Premises, Tenant's interest therein or any part thereof to cooperative or condominium ownership without the prior written approval of Landlord, which consent may be withheld by Landlord in its sole discretion, or, if the Regulatory Agreements are then in effect, the prior written approval of HPD, which may be withheld by HPD in its sole discretion. If Landlord and HPD both consent to such conversion, such consent may be conditioned upon Tenant entering into such amendments of this Lease as may be appropriate in connection with cooperative or condominium ownership and, if the Regulatory Agreements are in effect, are consistent with such Agreements. Among the factors Landlord and HPD may take into account in determining whether to consent to a condominium conversion, are, among others, the applicable law and practice regarding conversions to cooperative and condominium ownership at the time in question and whether Tenant's proposal is consistent with the foregoing, this Lease, the Master Lease, the General Development Plan, and the Regulatory Agreements, whether any person involved in the proposed submission is a Prohibited Person, whether the proposed use conforms to the requirements of Section 23.1 hereof, whether such conversion is permissible under the Middle Income Program and the Inclusionary Housing Program (as defined in Section 45.1 hereof), and the terms and conditions of other such conversions in New York City at the time in question, and Tenants' agreement to conform with the provisions of Exhibit K. Tenant shall, upon Landlord's request therefor, pay to Landlord all out-of-pocket costs and expenses incurred by Landlord in connection with any such amendments to this Lease in connection tberewith. If Landlord, in its sole direction, grants such approval, Landlord shall, at no cost to Landlord, promptly enter into such documents as may be reasonably requested by Tenant in order to implement the conversion, provided that no such document shall adversely affect any of Landlord's rights under this Lease, and, with respect to a condominium conversion, the declaration of condominium shall expressly provide that the Condominium Units are subject to the Regulatory Agreements, if such agreements are then in effect. The parties acknowledge that, if Landlord and HPD consent to a conversion, the method for determining the amount of the Conversion Payment to Landlord in respect of a conversion and initial sales of units as reflected in this Lease will be applicable.

Section 10.12. Upon request by Landlord, Tenant shall deliver to Landlord copies of any Constituent Documents and any replacement, modification or termination thereof

to the extent reflecting any Transfer, together with such other information as shall be reasonably necessary and reasonably satisfactory to Landlord to confirm compliance with the requirements of this Article 10.

ARTICLE 11

CONSTRUCTION OF THE BUILDING; OTHER OBLIGATIONS

Section 11.1. Construction of the Building. Tenant, in conjunction with Developer, shall (i) commence construction of the Building within sixty (60) days from the date hereof, and (ii) cause the Building to be constructed at Tenant's sole cost and expense, and cause Substantial Completion of the Building to occur, within thirty-six (36) months after the date hereof, subject, in both cases, to "Unavoidable Delay" (as such term is defined in the Development Agreement) and in accordance with the terms and conditions of the Construction Agreements. Landlord has approved the Final Plans and Specifications in regard to compliance with the Southtown Plan and Project as approved by the RIOC Board of Directors on September 22, 1999, the General Development Plan and the Design Guidelines.

Section 11.2. Maintenance of Municipal Utilities. Without any cost or expense to Tenant (other than the payment of Rental), Landlord shall be responsible for the maintenance and repair of, including replacements as necessary, the following utilities servicing the Premises to the extent that New York City would be so responsible as the local municipal government as a matter of law if New York City had, in the absence of any contractual or lease obligations whatsoever, constructed same in a public street, right of way, or in other public areas and agreed to assume control and management of same:

(i) the sewer main and pumping stations located on Roosevelt Island which serve the Premises;

(ii) the water mains located on Roosevelt Island which serve the Premises;

(iii) all water main and fire hydrants which serve the Premises; and

(iv) the storm drainage line or replacement thereof.

If Landlord shall fail to maintain and repair the utilities as set forth in this Section 11.2, Tenant, in addition to any other rights it may have by reason of such failure of Landlord, may obtain such utilities from another source. Landlord's obligations, if any, with respect to such utilities shall terminate as of the respective date or dates upon which (or to the extent that) responsibility for such maintenance and repair shall be assumed by New York City.

Tenant, at Tenant's expense, shall be responsible for the maintenance, repair and replacement of paths and walkways within the Premises and for snow removal within the Premises (and, to the extent required by applicable law, the repair, maintenance, replacement and/or snow removal, in respect of any sidewalks adjacent to the Premises, but not including the East River promenade to the west of the Premises which is maintained by RIOC as a public facility).

Section 11.3. Rules and Regulations. Tenant agrees that, throughout the Term of this Lease, Tenant shall comply, and cause its agents, employees and servant to comply, with the Rules and Regulations. In the event that Tenant shall fail to comply with the Rules and Regulations, Landlord may, after notice to Tenant and continuance of such failure by Tenant for ten (10) days after the giving of such notice, perform any act on Tenant's part to be made or performed in order to comply with the Rules and Regulations, at Tenant's sole cost and expense. Nothing in this Section 11.3 shall affect Tenant's rights under Section 24.1(B), if applicable.

Section 11.4. Sea Wall. Tenant shall not make any holes in the sea wall without the prior written consent of Landlord.

Section 11.5. Tenant will, at its own cost and expense, install outdoor lighting in Firefighter's Field (the "Lighting"), provided that the cost to install the Lighting will be comparable to the cost of installation of lighting in the soccer field by the Octagon building on Roosevelt Island. The design and specifications of such lighting shall be subject to Landlord's prior reasonable approval. The lighting to be installed shall provide sufficient lighting for playing baseball, softball or soccer on Firefighter's Field during evening hours. The Lighting will be of high quality, including LED light fixtures for maximum energy efficiency and comparable to the lighting installed in the soccer field by the Octagon building. Tenant will be responsible to bring utilities to the site as needed for the installation and operation of the Lighting. Tenant will repair any damage caused to Firefighter's Field as a result of the installation of the Lighting. Once installed, Tenant shall have no obligation to repair, operate, replace or maintain the Lighting, other than to complete any punch-list items remaining from installation of the Lighting. Installation of the Lighting will be substantially completed on or before Substantial Completion of the Building. The parties will enter in a license agreement reasonably acceptable to Tenant and Landlord, granting Tenant access to Firefighter's Field in

order to perform the work required in this Section 11.5, and Tenant will perform such work in accordance with the terms and conditions of this Lease.

Section 11.6. (a) Tenant will construct a comfort station (the "Comfort Station") in a location designated by Landlord in Firefighter's Field. In addition to constructing the Comfort Station, Tenant shall make such modifications to Firefighter's Field as may be needed to construct the Comfort Station (construction of the Comfort Station and any needed modifications needed to Firefighter's Field in order to construct the Comfort Station are collectively referred to as the "Comfort Station Work"). The Comfort Station Work will be performed by Tenant at its own expense, subject to the provisions of paragraph (d) below.

(b) Landlord has retained an architect to prepare bid drawings for the Comfort Station Work. The final plans and specifications for the Comfort Station Work are referred to as the "Final Comfort Station Plans". The architect will answer requests for information, review field conditions and change orders, and review requisitions (although final approval of payment of requisitions will be made by Tenant). Landlord's architect may participate in construction progress meetings and will visit the site periodically during construction in order to keep Landlord advised of the progress of the Comfort Station Work. The minimum standards for the Comfort Station Work are set forth in Exhibit O.

(c) The Comfort Station Work will be performed in accordance with the Final Comfort Station Plans, the terms of the Lease (including, but not limited to the provisions of Section 7.1), and all applicable Requirements (including, but not limited to, any requirements of the NYS Department of Labor). Tenant shall be responsible for obtaining all permits, approvals and sign-offs required under applicable Requirements in connection with the performance of the Comfort Station Work. Landlord's prior written consent shall be required for any changes to the Final Comfort Station Plans. Subject to Unavoidable Delay, Tenant will cause Substantial Completion of the Comfort Station Work to occur within eighteen (18) months after Landlord's architect delivers a complete biddable set of construction drawings for the Comfort Station Work to Tenant.

(d) Tenant shall be obligated to perform the Comfort Station Work in at Tenant's cost and expense, provided, however, that Tenant shall not be obligated to spend more than One Million and 00/100 Dollars ($1,000,000.00) in connection with the performance

of the Comfort Station Work. Following receipt of bids for the Comfort Station, Tenant will advise Landlord of the cost of performing the Comfort Station Work, and if the cost exceeds $1,000,000.00, the parties will reasonably cooperate with each other in an effort to reduce the cost of such construction. To the extent that the initial cost of the Comfort Station Work exceeds $1,000,000.00, or if Landlord requests changes to the final agreed upon plans and specifications for the Comfort Station Work that cause the cost of such Work to exceed $1,000,000.00, Landlord shall be responsible for the amount by which the cost of the Comfort Station Work exceeds $1,000,000.00. Tenant will provide Landlord and Landlord's architect with copies of all requisitions submitted for the Comfort Station Work.

(e) Upon Substantial Completion of the Comfort Station Work, Tenant will assign all warranties to Landlord, and, other than Tenant's obligation to complete any punch list items, Landlord shall thereafter be responsible for the repair, maintenance, operation and replacement of the Comfort Station.

(f) The parties will enter in a license agreement reasonably acceptable to Tenant and Landlord, granting Tenant access to Firefighter's Field in order to perform the Comfort Station Work required in this Section 11.6, and Tenant will perform such Work in accordance with the terms and conditions of this Lease.

(g) The Comfort Station Work and installation of the Lighting may be performed at the same time.

ARTICLE 12

REPAIRS

Section 12.1. Tenant's Obligation to Maintain and Repair Premises. Subject to the provisions of Sections 11.2 and 40.4 hereof, Tenant, at its sole cost and expense, throughout the Term, shall keep and maintain the Premises in good and safe order and condition, including, without limiting the generality of the foregoing, the Building, roofs, foundations and appurtenances thereto, all sidewalks, vaults, sidewalk hoists, railings, lawns, trees, shrubs, gutters and curbs contained in the Premises, or in front of or adjacent to the Premises, if any (but not including the East River promenade to the west of the Premises which is maintained by RIOC as a public facility), water, sewer and gas connections to mains on or adjacent to and directly and solely servicing the Premises, pipes and mains on or adjacent to and directly and solely servicing the Premises (except to the extent and only as long as such pipes and mains are required to be maintained by Landlord pursuant to Section 11.2 hereof), and all other fixtures, machinery and Equipment and shall make all repairs therein and thereon, interior and exterior, structural and non-structural, ordinary and extraordinary, and unforeseen and foreseen, necessary to keep the same in good and safe order and condition, howsoever the necessity or desirability therefor may occur, and whether or not necessitated by wear, tear or defects, latent or otherwise; provided, however, that Tenant's obligations with respect to Restoration resulting from a casualty or condemnation shall be as provided in Articles 8 and 9 hereof. Tenant shall not commit or suffer, and shall use all reasonable precaution to prevent waste, damage, or injury to the Premises. When used in this Section 12.1, the term "repairs" shall include all required replacements and alterations. All repairs made by Tenant shall be equal in quality and class to the original work and shall be made in compliance with the laws, Rules and Regulations and with the laws, regulations, codes, and rules of New York City and all other Governmental Authorities having jurisdiction over the Premises, and as to policies of insurance, the New York Board of Fire Underwriters or any successor thereto.

Section 12.2. Tenant's Obligation to Keep Premises Clear. Tenant, at its sole cost and expense, also shall repair, and keep clean and free from dirt, snow, ice, rubbish, obstructions and encumbrances, the Premises, including the sidewalks, vaults, sidewalk hoists, lawns, frees, shrubs, gutters, railings and curbs within the Premises, (or in front of or adjacent to

the Premises, if any, to the extent required by law, but not including the East River promenade to the west of the Premises which is maintained by RIOC as a public facility).

Section 12.3. Tenant's Assumption of the Maintenance and Management of the Premises. During the Term, Landlord shall have no duty or obligation to make any alteration, change, improvement, replacement, Restoration or repair to, or to demolish, the Building. Tenant assumes the full and sole responsibility for the condition, operation, repair, alteration, improvement, replacement, maintenance and management of the Premises during the Term. Particularly, but without limitation of the immediately foregoing covenant, Tenant shall not clean nor require, permit, suffer nor allow any window in the Building to be cleaned from the outside in violation of Section 202 of the New York Labor Law or of the rules of the Industrial Board or other state, county or municipal department, board or body having or asserting jurisdiction.

ARTICLE 13

CHANGES, ALTERATIONS AND ADDITIONS

Section 13.1. Capital Improvements.

(a) From and after Completion of the Building, Tenant shall not demolish, replace or materially alter the Building, or any part thereof (but not including Equipment, which shall be governed by the provisions of Article 15), or make any addition thereto or construct any additional Building on the Premises or make any alteration of any kind to the Material Specifications, whether voluntarily or in connection with a repair or Restoration required by this Lease (any such action being herein referred to as a "Capital Improvement"), unless Tenant shall (i) comply with the requirements of the Design Guidelines and the Master Lease, and (ii) provide prior written notice of any such Capital Improvement to Landlord. Following the Completion of the Building, Tenant may, without Landlord's consent (but with prior notice to Landlord), increase the number of initially Completed Units in the Building by not more than five (5%) percent or decrease the number of initially Completed Units in the Building by not more than ten (10%) percent; provided, however, that no decrease in the number of Completed Units shall diminish the amount of Tenant's obligation for Monthly Public Safety Payments under Section 3.1(ii) of this Lease or diminish, the amount of any other obligation of Tenant hereunder that is based on the number of Completed Units (whether by number or as a percentage of residential units on Roosevelt Island).

(b) Tenant acknowledges that Landlord has exclusive rights to the installation of antennae or cell towers in connection with cellular switching stations on Roosevelt Island, namely all such installations are maintained at the Roosevelt Island Tram Station and Tenant shall not permit the installation of antennae or cellular switching stations in connection with cellular service to third parties on the Premises. Except as provided in Section 13.1(c) below, Tenant shall not install band width data network capability without the express written agreement of Landlord, which agreement shall be negotiated in good faith between the parties to achieve a reasonable return to Landlord in connection therewith, in addition to the Rental provided hereunder.

(c) Subject to Section 13.1(d) below, Tenant may install without Landlord's consent (a) equipment in connection with telecommunications services commonly provided to

residential tenants of new apartment buildings in New York County, New York from time to time, such as telephone, internet and cable and other telecommunications services (the "Permitted Telecommunications Equipment"), and (b) rooftop telecommunications equipment installed on the rooftop in connection with Permitted Telecommunications Installations (the "Permitted Rooftop Equipment," the Permitted Telecommunications Equipment and the Permitted Rooftop Equipment, collectively, the "Permitted Telecommunications Installations").

(d) Landlord shall have the right to approve the location and appearance of any Permitted Rooftop Equipment, taking into account that Permitted Rooftop Equipment shall be installed in a location which shall not cause interference to other tenants, occupants and properties on Roosevelt Island. If interference occurs, Tenant shall cooperate (and cause any third party service provider to reasonably cooperate) with Landlord to eliminate such interference. Landlord may withhold its consent on the ground that the provision of any proposed service by Tenant or others would violate any presently existing exclusive arrangement to which Landlord is a party. No presently existing exclusive of Landlord would affect the facilities described in Section 13.1(c) above. Tenant shall make the payments from telecommunications services set forth in Section 3.2(c).

(e) Except as otherwise provided in this Section 13.1, Tenant shall not install for the benefit of third parties (or permit others to install for the benefit of third parties) any telecommunications facilities or equipment (including, without limitation, rooftop equipment) without Landlord's prior written consent.

ARTICLE 14

REQUIREMENTS OF PUBLIC AUTHORITIES AND OF INSURANCE UNDERWRITERS AND POLICIES

Section 14.1. Compliance With Requirements. Except as otherwise specifically provided herein, Tenant, at its sole cost and expense, shall promptly comply with any and all present and future acts, laws, rules, orders, ordinances, regulations, statutes, requirements, codes (including, without limitation, the applicable accessibility requirements relating to the handicapped as provided in the New York City Building .Code) and executive orders which are generally applicable or applicable to areas sufficient in size more likely than not to negate any reasonable inference that it is intended only for the Premises (including the Zoning Resolution, as modified by the Zoning Waiver) (hereinafter collectively called "Requirements") irrespective of the nature of the work required to be done, extraordinary as well as ordinary, of any Governmental Authority, of any applicable Fire Rating Bureau or other body exercising similar functions with respect to policies of insurance affecting the Premises (including the sidewalks comprising a part thereof) and/or any vault in or under the same, or requiring the removal of any encroachment created by Tenant, or any Person claiming by, through or under Tenant, over land not forming part of the Premises, or affecting the construction, maintenance, use or occupation of the Premises, whether or not the same involves or requires any structural changes or additions in or to the Premises, and irrespective of whether or not such changes or additions are required on account of any particular use to which the Premises, or any part thereof, may be put. Notwithstanding anything contained herein to the contrary, Tenant shall not be required to comply with the Requirements of Landlord that are in conflict with the express provisions of this Lease (other than New York City, should it become Landlord under this Lease, where such Requirements are imposed solely in its governmental capacity). Notwithstanding the foregoing, Tenant shall not be required to perform any work or take any action with respect to conditions in or resulting from other properties adjacent to the Premises (not owned, leased or occupied by Tenant), which conditions (a) do not affect the use or occupancy of the Premises, (b) do not result from the use, non-use or misuse of the Premises or (c) do not result from work performed or actions taken by Tenant. Tenant shall also comply with any and all provisions and requirements of any fire, liability or other insurance policy required to be carried by Tenant under the provisions of this Lease.

Section 14.2. Contesting Validity of Requirements. Tenant shall have the right to contest the validity of any Requirements and/or the requirements of any casualty, liability, or other insurance policy or the application thereof at Tenant's sole cost and expense. During such contest, compliance with any such contested Requirements and/or the requirements of any casualty, liability, or other insurance policy may be deferred by Tenant upon condition that, before instituting any such proceedings, if Tenant is not an Institutional Lender, and the cost of compliance as reasonably determined by Landlord exceeds the sum of $200,000, Adjusted for Inflation, Tenant shall furnish to Landlord a surety company bond or other security, in either case reasonably satisfactory to Landlord, securing compliance with the contested Requirement and/or the requirements of any casualty, liability, or other insurance policy, and payment of all interest, penalties, fines, fees and expenses in connection therewith; provided, however, that if Tenant shall be an Institutional Lender the foregoing condition shall not apply. Any such proceeding instituted by Tenant shall be begun as soon as is reasonably possible after the issuance of any such contested matters and shall be prosecuted to final adjudication with reasonable dispatch. Notwithstanding the furnishing of any bond or security, Tenant shall promptly comply with any such Requirements and/or the requirements of any casualty, liability, or other insurance policy and compliance shall not be deferred if at any time the Premises, or any part thereof, shall be in danger of being forfeited or lost or if Landlord shall be in danger of being subjected to civil and/or criminal liability or penalty by reason of noncompliance therewith, or if by reason of any contest or delay, Landlord, in its reasonable judgment, shall be in danger of being in default under the Master Lease. Landlord shall cooperate with Tenant in any such contest to such extent as Tenant may reasonably request, and use its best efforts to cause Master Landlord to cooperate if required by applicable law, it being understood, however, that Landlord shall not be subject to any liability for the payment of any costs or expenses actually incurred by Landlord in connection with any proceeding brought by Tenant.

ARTICLE 15

EQUIPMENT

Tenant shall keep all Equipment in good order and repair, reasonable wear and tear excepted and shall replace any Equipment as necessary to maintain the operation and functioning of the Building and provide all customary building services to occupants. Notwithstanding the foregoing, Tenant shall not be required to replace any Equipment which performed a function which has become obsolete or otherwise is no longer necessary or desirable in connection with the use or operation of the Premises.

ARTICLE 16

DISCHARGE OF LIENS, BONDS

Section 16.1. No Impairment of Landlord's Interests. Subject to the provisions of Section 16.2 hereof, except as otherwise expressly permitted in this Lease, Tenant shall not do anything whereby the rights and interest of Landlord in the Premises or any part thereof might be impaired.

Section 16.2. Discharge of Liens. Except for liens resulting from work performed by or at the direction of Landlord, if any mechanic's, laborer's or materialman's lien at any time shall be filed against the Premises or any part thereof, or if any public improvement lien created or permitted to be created by Tenant and arising out of Tenant's tenancy hereunder shall be filed against any asset of or fund appropriated to Landlord, Tenant, within thirty (30) days after notice of the filing thereof, shall cause the same to be discharged of record by payment, deposit, bond, order of a court of competent jurisdiction or otherwise. Tenant shall deliver to Landlord, within ten (10) days after its receipt of same, a copy of any such notice of lien. If Tenant shall fail to cause such lien to be discharged within the period aforesaid, and if such lien shall continue for an additional fifteen (15) days after notice by Landlord to Tenant, then in addition to any other right or remedy Landlord may, but shall not be obligated to, discharge the same either by paying the amount claimed to be due or by procuring the discharge of such lien by deposit or by bonding proceedings, and in any such event Landlord shall be entitled, if Landlord so elects, to compel the prosecution of an action for the foreclosure of such lien by the lienor and to pay the amount of any judgment in favor of the lienor with interest, costs and allowances. Any amount so paid by Landlord with all costs and expenses incurred by Landlord in connection therewith, together with interest thereon at the Involuntary Rate from the respective dates of Landlord's making of the payment or incurring of the costs and expenses, shall constitute Rental payable by Tenant under Article 3 of this Lease and shall be paid by Tenant to Landlord within ten (10) days after demand. Notwithstanding the foregoing provisions of this Section 16.2, Tenant shall not be required to discharge any such lien if such lien arises by reason of a debt or liability of Landlord for which Tenant is not otherwise liable under the provisions of this Lease or if Tenant is in good faith contesting the same and has furnished a

security bond or other such security reasonably satisfactory to Landlord in an amount sufficient to pay such lien with interest and penalties.

Section 16.3. Contractors. Nothing contained in this Lease shall be deemed or construed in any way as constituting the consent or request of Landlord, express or implied by inference or otherwise, to any contractor, subcontractor, laborer or materialman for the performance of any labor or the furnishing of any materials for any specific improvement, alteration to or repair of the Premises or any part thereof, nor as giving Tenant any right, power or authority to contract for or permit the rendering of any services or the furnishing of materials that would give rise to the filing of any lien against the Premises or any part thereof or any asset of or fund appropriated to Landlord Notice is hereby given, and Tenant shall cause all Construction Agreements to provide, that Landlord shall not be liable for any work performed or to be performed at the Premises for Tenant or any Tenant whatsoever or for any materials furnished or to be furnished at the Premises for any of the foregoing, and that no mechanic's or other lien for such work or materials shall attach to or affect the estate or interest of Landlord in and to the Premises or any part thereof or any asset of or fund appropriated to Landlord.

Section 16.4. No Power to Affect Landlord's Interests. Tenant shall have no power to make any contract which may create, or to do any act which shall cause, any lien, mortgage or other encumbrance which encumbers the leasehold estate created by the Master Lease or assets of or funds appropriated to Landlord, or of any fee interest in the Premises. Nothing in this Section 16.4 shall prohibit Tenant from granting a mortgage encumbering its leasehold estate, or Condominium Unit owners from mortgaging their Units, pursuant to Article 33 of this Lease.

ARTICLE 17

REPRESENTATIONS

Section 17.1. Tenant Representations.

(a) Tenant represents that Tenant is fully familiar with the Master Lease, the General Development Plan, the Premises and the physical condition thereof, the status of title to the Premises and the Title Matters. Tenant accepts the Premises in the existing condition and state of repair.

(b) Riverwalk 8 Housing Development Fund Corporation represents that, as of the date hereof it is a not-for-profit corporation duly organized, and subsisting under the laws of the State of New York.

(c) Riverwalk 8, LLC represents that, as of the date hereof:

(i) it is a limited liability company duly organized, and subsisting under the laws of the State of New York, and

(ii) it is the sole general partner of the Affordable Sublease Subtenant.

(d) Each entity comprising Tenant represents that:

(i) it has all requisite power and authority to execute, deliver and perform this Lease and has taken all action required by law, its organizational documents or otherwise to authorize the execution and delivery of this Lease and the consummation of the transaction contemplated hereby,

(ii) it is a single-purpose entity,

(iii) the execution of this Lease and the performance by Tenant of its ohligations hereunder shall not conflict with any other agreements to which Tenant is a party nor shall it be in conflict with any federal, state or local laws, rules or regulations applicable to Tenant, and

(iv) upon due execution and delivery of this Lease by all parties, this Lease will be a valid and binding obligation of each Tenant, subject to the terms hereof.

(e) Prior to execution of this Lease, Tenant shall deliver to Landlord a true and complete copy of (i) the Nominee Agreement, (ii) a true and complete copy of each Tenant's corporate organizational documents, partnership agreement or limited liability company operating agreement, as applicable, identifying the names and addresses of the owners of each Tenant and the principals of any such owner that is an entity, or (2) a certificate executed by an officer of each Tenant on such Tenant's behalf, setting forth (x) in the case of a partnership or a limited liability company as Tenant hereunder the names and addresses of all general partners or members thereof and all other partners or members of Tenant, (y) in the case of a corporation as Tenant hereunder (other than a corporation whose common stock is traded over the New York Stock Exchange, the NYSE American Exchange, or any nationally recognized over-the-counter market, or which is an institutional Lender), the names and addresses of all persons having record ownership of stock in, and all directors, officers and/or members of, Tenant (in the event that any of the Persons subject to disclosure under Sections 17.1(c)(2)(x) or 17.1(c)(2)(y) above shall be a partnership, corporation or limited liability company, each partner, member and stockholder thereof shall be subject to similar disclosure requirements, and these disclosure requirements shall continue to be applied transitively until the individual partners, members, and/or stockholders have been disclosed).

(f) Upon request of Landlord, or prior to any Assignment, Transfer, Financing or Refinancing, Syndication or Major Subletting, Tenant shall execute and deliver to Landlord an updated certificate confirming or updating the information (with such changes as may be appropriate to reflect the then current state of facts) set forth in Section 17.1(b) and Section 17.1(c).

Section 17.2. No Landlord Representations and Warranties. Except as otherwise expressly provided in this Lease,

(a) Tenant warrants that no representations, statements or warranties, express or implied, have been made by or on behalf of Landlord with respect to the status of title to the Premises, the Title Matters, the physical condition (including subsurface condition) of the Premises, Roosevelt Island, the occupants thereof', the utilities, infrastructure or subway thereon or connecting thereto, any laws, regulations, rules or orders applicable thereto, the Island Services, or the Master Lease, that Tenant has relied on no such representations, statements or

warranties, and that Landlord shall in no event whatsoever be liable by reason of any such representations, statements or warranties or for any latent or patent defects in the Premises.

(b) Tenant further warrants that, except as set forth in Section 17.3 hereof, no representations, statements or warranties, express or implied, have been made by or on behalf of Landlord, with respect to the transaction pursuant to which Landlord has leased the Premises under the Master Lease and leased the same to Tenant, or the laws applicable to this transaction, that Tenant has relied on no such representations, statements or warranties and that Landlord shall in no event whatsoever be liable by reason of any such claimed misrepresentations or breach of warranties.

Section 17.3. Landlord Representations. Notwithstanding the foregoing, Landlord represents that as of the date hereof:

(a) Annexed hereto as Exhibit C is a true and complete copy of the Master Lease and that the Master Lease is in full force and effect. The Master Lease and the General Development Plan have not been further amended, modified or supplemented.

(b) There is no litigation or proceeding pending or, to Landlord's knowledge, threatened against or relating to the Premises, other than actions for personal injury and property damage covered by insurance.

(c) Landlord has no knowledge of any pending or threatened condemnation or eminent domain proceedings that would affect the Premises.

(d) Landlord is a public benefit corporation duly organized and subsisting under the laws of the State of New York, and has all requisite power and authority to execute, deliver, and perform its obligations under this Lease, and has taken all necessary corporate action to authorize the execution and delivery of this Lease. Upon due execution and delivery of this Lease by both parties, this Lease will be a valid and binding obligation of Landlord, subject to the terms hereof.

ARTICLE 18

LANDLORD NOT LIABLE FOR INJURY OR DAMAGE, ETC.

Section 18.1. No Liability of Landlord For Injury. Landlord shall not in any event whatsoever be liable for any injury or damage to any property or to any person happening on, in or about the Premises and its appurtenances, nor for any injury or damage to the Premises or to any property belonging to Tenant or any other person which may be caused by any fire or breakage, or by the use, misuse or abuse of any of the elevators, hatches, openings, installations, stairways or hallways, or which may arise from any other cause whatsoever unless caused by the wrongful acts or negligence of Landlord, or its agents or employees in their capacities as agents or employees of Landlord.

Section 18.2. No Liability of Landlord For Leaks, Etc. Landlord shall not be liable for any failure of water supply, gas or electric current, nor for any injury or damage to any property or person or to the Premises caused by or resulting from gasoline, oil, steam, gas, electricity, or hurricane, tornado, flood, wind or similar storms or disturbances, or water, rain or snow which may leak or flow from the street, sewer, gas mains or subsurface area or from any part of the Premises, or leakage of gasoline or oil from pipes, appliances, sewer or plumbing works therein, or from any other place, nor for interference with light or other incorporeal hereditaments by anybody, or caused by any public or quasi-public work, unless any of the foregoing results from the negligence or wrongful acts of Landlord, or its agents or employees in their capacities as agents or employees of Landlord.

ARTICLE 19

INDEMNIFICATION OF LANDLORD

Section 19.1. Obligation to Indemnify. Riverwalk 8, LLC shall indemnify and save harmless Landlord, RIOC, New York City, UDC, the State of New York and any agency or subdivision thereof, or their respective successors, assigns, agents and employees, against and from all liabilities, suits, obligations, fines, damages, penalties, claims, costs, charges and expenses, including without limitation, reasonable architects' and attorneys' fees and disbursements, which may be imposed upon or asserted against or reasonably incurred by Landlord, RIOC or New York City, UDC, the State of New York or any agency or subdivision thereof by reason of any of the following occurring during the Term unless caused by the negligence or wrongful acts of Landlord, RIOC or New York City, UDC, the State of New York or any agency or subdivision thereof, or their respective successors, assigns, agents or employees:

(a) Construction. Until the Payment Date, construction of the Building or any other work or thing done in, on or about the Premises or the Driveway Area, or any part thereof, or pursuant to this Lease or the Construction Agreements, except to the extent required to be performed or paid by Landlord (provided that after the Payment Date Landlord shall continue to have any warranty rights and rights under construction guarantees with respect to Developer, Affiliates of Developer and other parties to the Construction Agreements);

(b) Operation. Any use, non-use, possession, occupation, alteration, repair, condition, operation, maintenance or management of the Premises or the driveway in the Driveway Area, or any part thereof, attributable to the negligent or wrongful acts of Tenant or its agents or employees, including, without limitation, the AVAC, any street, alley, sidewalk, curb, vault or passageway comprising a part of the Premises or the Driveway Area or adjacent thereto;

(c) Acts of Tenants. Any act or failure to act on the part of Tenant or any Subtenant or any of its or their respective agents, contractors, servants, employees, licensees or invitees on or about the Premises or the driveway in the Driveway Area;

(d) Injury. Any accident, injury (including death) or damage to any person or property occurring in, or about the Premises or the driveway in the Driveway Area, or any part

thereof, or in, on or about any street, alley, sidewalk, curb, vault or passageway comprising a part thereof or adjacent thereto, which accident, injury or damage is attributable to Tenant's acts or failure to act or its agents or employees;

(e) Liens. Any lien or claim which may be alleged to have arisen against or on the Premises or any lien or claim created or permitted to be created by Tenant and which arises out of Tenant's tenancy hereunder, against any assets of or funds appropriated to Landlord under the laws of the State of New York or of any other governmental entity or any liability asserted against Landlord with respect thereto not arising by reason of a debt or liability of Landlord for which Tenant is not otherwise liable under the provisions of this Lease;

(f) Tax. Any tax attributable to the execution, delivery or recording of this Lease; provided, however, that Landlord shall complete, execute and file all documents reasonably required to obtain exemptions from any such tax to the extent available;

(g) Contest. Any contest by Tenant permitted pursuant to the provisions of Articles 4, 14 and 27 hereof, except as otherwise provided therein;

(h) Sublease. Any and all liabilities, claims, and causes of action against Landlord or the landlord under the Master Lease arising under any Subleases affecting the Premises or any part thereof;

(i) Tenant Default. Until the Payment Date, any failure on the part of Tenant to keep, observe and perform any of the terms, covenants, agreements, provisions, conditions or limitations contained in the Construction Agreements (provided that after the Payment Date Landlord shall continue to have any warranty rights and rights under construction guarantees with respect to Developer, Affiliates of Developer and other parties to the Construction Agreements, and such rights are not diminished hereby), and at all times during the Term any such failure with respect to the Subleases or other contracts and agreements affecting the Premises or the driveway in the Driveway Area, on Tenant's part to be kept, observed or performed; or

(j) Rental. Any failure on the part of Tenant to pay Rental or to perform or comply the covenants, agreements, terms or conditions contained in this Lease, or on its part to

be performed or complied with and the exercise by Landlord of any remedy provided in this Lease with respect thereto.

Section 19.2. Survival. The provisions of this Article 19 and all other indemnity provisions elsewhere contained in this Lease shall survive the Expiration Date with respect to actions or the failure to take any action arising on or prior to the Expiration Date.

Section 19.3. Tenant Obligations Not Affected By Failure To Insure. The obligations of Tenant under this Article 19 shall not in any way be affected by the absence in any case of covering insurance or by the failure or refusal of any insurance carrier to perform any obligation on its part under insurance policies affecting the Premises or the driveway in the Driveway Area.

Section 19.4. Section 19.4 Riverwalk 8, LLC Shall Defend Actions Against Landlord. If any claim, action or proceeding is made or brought against Landlord by reason of any event as to which Riverwalk 8, LLC is indemnifying Landlord pursuant to Section 19.1 hereof, then, upon demand by Landlord, Riverwalk 8, LLC, at its sole cost and expense, shall resist or defend such claim, action or proceeding in Landlord's name, if necessary, by the attorneys for Riverwalk 8, LLC's insurance carrier (if such claim, action or proceeding is covered by insurance), otherwise by such attorneys as Landlord shall approve, which approval shall not be unreasonably withheld or delayed. Landlord agrees that in the event Landlord is named as a party to an action, Landlord will reasonably cooperate with Riverwalk 8, LLC in the conduct of the proceedings, but Riverwalk 8, LLC shall control all decisions in respect of the litigation and settlement of such claims. Notwithstanding the foregoing, Landlord may engage its own attorneys to defend it or to assist in its defense at its own cost and expense. The indemnification obligations imposed upon Riverwalk 8, LLC under Section 19.1 shall not apply to any settlement separately agreed to by Landlord without Riverwalk 8, LLC's written consent, nor if Landlord retains its own attorneys and such retention will materially impair or materially diminish Riverwalk 8, LLC's insurance coverage and Landlord has been so advised in writing by Riverwalk 8, LLC's insurer. Landlord shall promptly provide to Riverwalk 8, LLC copies of all legal papers, notices, summonses and complaints received by Landlord with respect to matters for which Landlord claims entitlement to indemnification hereunder.

Section 19.5. No Third Party Rights. Nothing in this Article 19 shall imply or provide a greater right on the part of third persons against Tenant than exists at law and no person who is not a party to this Lease shall have any rights pursuant to this Article 19.

Section 19.6. Mutual Brokerage Indemnification. Landlord and Tenant each represents and warrants to the other that it has not dealt with any broker or finder in connection with this Lease or the transactions contemplated by this Lease. Landlord and Riverwalk 8, LLC shall indemnify and hold harmless the other party against all claims, costs, expenses, losses and liabilities arising from or in connection with a breach or alleged breach of the foregoing representation and warranty.

Section 19.7. Riverwalk 8, LLC Indemnification. The rights granted to Landlord in this Article 19 shall be for the benefit of and enforceable by both UDC and RIOC and the obligations of Riverwalk 8, LLC contained in this Article 19 shall run to and be enforceable by both UDC and RIOC.

ARTICLE 20

RIGHT OF ENTRY AND INSPECTION

Section 20.1. Entry. Subject to the rights of Subtenants of the Premises and Condominium Unit Owners, Tenant shall permit Landlord and its agents or representatives to enter the Premises at all reasonable times, upon two Business Days' notice (except in cases of emergency or during construction of the Building when no notice shall be required) to Tenant, for the purpose of (a) inspecting the same and (b) making any necessary repairs thereto and performing any work therein, after the date of completion, that may be necessary by reason of Tenant's failure to make any such repairs or perform any such work, provided, however, that, except in an emergency, Landlord shall have given Tenant a notice specifying such repairs or work and Tenant shall have failed to make said repairs or to do such work within thirty (30) days after the giving of such notice (subject to Unavoidable Delays including actions of Landlord), or if said repairs or such work cannot reasonably be completed during such thirty (30) day period, to have commenced and be diligently pursuing the same (subject to Unavoidable Delays including actions of Landlord). In the event of an emergency, Landlord shall endeavor to advise Tenant of such emergency in such manner as, in the circumstances, shall be practicable.

Section 20.2. Repair. Nothing in this Article 20 or elsewhere in this Lease (other than as specifically provided in Article 11 and Article 40 hereof) shall imply any duty upon the part of Landlord to do any work; and performance thereof by Landlord shall not constitute a waiver of Tenant's default in failing to perform the same. Landlord, during the progress of any such work, may keep and store at the Premises all necessary materials, tools, supplies and equipment. Landlord shall use reasonable efforts to minimize damage and interference with the conduct of business in or use of such space in connection with Landlord's exercise of its rights under this Article 20 and, subject to the foregoing, Landlord shall not be liable for inconvenience, annoyance, disturbance, loss of business or other damage of Tenant or any Tenant, by reason of making such repairs or the performance of any work pursuant to Section 20.1, or on account of bringing materials, tools, supplies and equipment into the Premises during the course thereof and the obligations of Tenant under this Lease shall not be affected thereby. If Landlord undertakes such work or repairs, such work or repairs shall be commenced and completed in a good and workmanlike manner and with reasonable diligence,

subject to Unavoidable Delays and in such a manner as not to interfere more than is reasonably necessary, given the nature of the repairs, with the conduct of business in or use of such space.

ARTICLE 21

LANDLORD'S RIGHT TO PERFORM TENANT'S COVENANTS

Section 21.1. Failure To Pay An Imposition, Etc. If Tenant shall at any time fail (a) to pay any Imposition in accordance with the provisions of Article 4 hereof, or (b) to take out, pay for, maintain or deliver any of the insurance policies provided for herein, or (c) to pay any Rental hereunder, or (d) to perform any other act on its part to be made or performed, then Landlord, without waiving or releasing Tenant from any obligation of Tenant contained in this Lease, may (but shall be under no obligation to):

(i) after ten (10) days' prior written notice to Tenant, pay any Imposition required to be paid by Tenant pursuant to the provisions hereof, or

(ii) if Tenant has not renewed or obtained replacement insurance at least fifteen (15) days prior to expiration of an existing insurance policy, take out, pay for and maintain any of the insurance policies provided for herein with customary insurance carriers at commercially reasonable rates, or

(iii) after notice to Tenant and continuance of such failure by Tenant for thirty (30) days after the giving of such notice, pay any Rental or deposits payable by Tenant hereunder, or perform any other act on Tenant's part to be made or performed as in this Lease provided; and may enter upon the Premises for the purpose and take all such action thereon as may be necessary therefor.

Section 21.2. No Waiver. All reasonable sums so paid by Landlord and all reasonable costs and expenses incurred by Landlord in connection with the performance of any such act, together with interest thereon at the Involuntary Rate from the respective dates of Landlord's making of each such payment, shall be paid out of available insurance proceeds and if not available or there is a deficiency, by Tenant to Landlord within ten (10) days after demand. Any payment or performance by Landlord pursuant to the foregoing provisions of this Article 21 shall not be nor be deemed to be a waiver or release of the breach or default of Tenant with respect thereto or of the right of Landlord to terminate this Lease, institute summary proceedings and/or take such other action as may be permissible hereunder if an Event of Default by Tenant shall have occurred. Landlord shall not be limited, in the proof of any damages which Landlord

may claim against Tenant arising out of or by reason of Tenant's failure to provide and keep in force insurance as aforesaid, to the amount of the insurance premium or premiums not paid, but Landlord also shall be entitled to recover, as damages for such breach, the amount of any loss and damages that were required to have been insured pursuant to the provisions of this Lease plus all costs and expenses of suit, including reasonable attorneys' fees and disbursements, suffered or incurred by reason of damage to or destruction of the Premises.

ARTICLE 22

RENT ABATEMENT

Except as otherwise expressly provided in this Lease, there shall be no abatement, diminution or reduction of Rental payable by Tenant hereunder or of the other obligations of Tenant hereunder under any circumstances.

ARTICLE 23

USE AND MANAGEMENT OF PREMISES

Section 23.1. Permitted Use. Subject to Regulatory Agreements, and the laws and regulations of Governmental Authorities, and Section 23.4 hereof and other provisions of this Lease, Tenant (a) shall use the Premises solely for residential dwelling units providing safe, sanitary and sound housing for the occupants thereof and incidental recreational and community space, and other ancillary uses including a laundry and/or health club to service residents of the Building, in accordance with the provisions of Section 23.3 hereof and the certificate of occupancy therefor, (b) shall observe and comply with the Rules and Regulations, (c) shall not sublease any portion or portions of the Premises for commercial use except as provided in clause (a) above, and (d) shall not use the Premises in any manner or for any purpose other than as permitted by this Lease and the Master Lease, including, but not limited to, the use or occupancy, or to permit the use or occupancy, of the Premises, or any part thereof, for the purpose of a drug or alcohol rehabilitation facility or other health-related or mental treatment facility, or in any manner which in Landlord's judgment, shall adversely affect or materially interfere with any services furnished in any of the buildings or facilities located on Roosevelt Island. In no case shall the Building, or any portion thereof; or any Unit or Units, be used as a dormitory or a similar arrangement.

Section 23.2. Green Building Practices. The Building shall be operated in accordance with the Green Building Practices set forth in Exhibit H annexed hereto.

Section 23.3. No Illegal or Hazardous Use. Tenant shall not use or occupy, nor permit or suffer the Premises or any part thereof to be used or occupied for any unlawful or illegal business, use or purpose, or for any disreputable, dangerous, noxious or extra hazardous business, use or purpose, or in such manner as to constitute a nuisance of any kind (public or private) that Landlord reasonably deems offensive by reason of odors, fumes, dust, smoke, noise or other pollution, or for a purpose or in a manner likely to cause structural injury in the Building or for any dangerous or noxious trade or business, or for any purpose or in any way in violation of the certificate of occupancy or of any applicable present or future governmental laws, ordinances, requirements, orders, directions, rules or regulations, or which may make void or voidable any insurance then in force on the Premises. Upon the discovery of

any such unlawful, illegal, disreputable or extra hazardous use, Tenant shall immediately take all necessary steps, legal and equitable, to compel the discontinuance of such use and to oust and remove any Subtenants, licensees, concessionaires or other occupants guilty of such unlawful, illegal, disreputable or extra hazardous use. Nothing in this Section shall be deemed to prevent Tenant from contesting the validity of any Requirement or the application thereof in accordance with the provisions of Section 14.2 hereof.

Section 23.4. Permitted Use under the General Development Plan.

(i) For information purposes, only, pursuant to the General Development Plan, housing in the so-called "South Town Area" (of which the Premises comprise a part) is to be leased and occupied by persons that fall within certain income groupings ("Required Income Mix") as follows: (a) 10 to 20 percent for persons and families whose incomes do not exceed 50 percent of the prevailing median income in the New York City Metropolitan Area and for persons and families whose incomes do not exceed 80 percent of the prevailing median income in the New York City Metropolitan Area (herein "Category 1"); (b) 30 to 40 percent for persons and families whose incomes do not exceed 120 percent of the prevailing median income in the New York City Metropolitan Area and for persons and families whose incomes do not exceed 148 percent of the prevailing median income in the New York City Metropolitan Area (herein "Category 2"); and (c) 40 to 60 percent for persons and families who can afford conventionally financed and fully tax-paying units or market-rate units (herein "Category 3").

(ii) Landlord may implement new reporting requirements and/or procedures for residential buildings on Roosevelt Island with respect to the Required Income Mix and/or the income mix of housing on Roosevelt Island generally. Such new requirements or procedures may supersede or be supplemental to the requirements and procedures set forth in the immediately preceding paragraph. Tenant agrees that Tenant shall, at all times and on a timely basis, comply with any such new reporting requirements and procedures.

(iii) Landlord notes that, for information purposes only, in furtherance of its compliance with the General Development Plan, individuals shall not be considered of low-income unless the Tenant shall determine that such individuals can reasonably be expected to have a continuing need for rental assistance. For those unit households which meet the income criteria described below, upon Landlord's approval of the financial information, the Completed

Unit will be credited towards Developer's obligations under the General Development Plan. In accordance with Section 142(d)(2)(B) of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations applicable thereunder, the incomes of individuals and Area Median Income shall be determined in a manner consistent with determinations of lower income individuals or families under Section 8 (or if such program is terminated, under such program as was in effect immediately before such termination).

(iv) Construction of the Building will be financed under the Department of Housing Preservation and Development of the City of New York and the New York City Housing Development Corporation's M2 Mixed Middle Income Program (the "Middle Income Program"). Tenant expressly agrees that (1) ten of the Completed Units will be reserved for families recently rendered homeless, earning less than 50% of AMI, (2) eleven of the Completed Units will have rents set at or below 40% of AMI and may be rented to households with incomes for this rent level as set forth under the Middle Income Program in effect as of the date hereof, (3) forty-eight of the Completed Units will have rents set at or below 50% of AMI and may be rented to households with incomes for this rent level as set forth under the Middle Income Program in effect as of the date hereof, (4) five of the Completed Units will be reserved for families recently rendered homeless earning less than 80% of AMI, (5) twenty eight of the Completed Units will have rents set at or below 80% of AMI and may be rented to households with incomes for this rent level as set forth under the Middle Income Program in effect as of the date hereof, (6) sixty-eight of the Completed Units will have rents set at or below 100% of AMI and may be rented to households with incomes for this rent level as set forth under the Middle Income Program in effect as of the date hereof, and (7) one-hundred seventy of the Completed Units will have rents set at or below 130% of AMI and may be rented to households with incomes for this rent level as set forth under the Middle Income Program in effect as of the date hereof. If, for any reason, any of the Completed Units cannot be subsidized under the Middle Income Program ("Non-Subsidized Units"), covenants will be recorded against the Non-Subsidized Units limiting occupancy of the Non-Subsidized Units during the term of this Lease to households with household income of no more than 148% of AMI. Occupancy of the Non-Subsidized Units will comply with the affordability criteria set forth in clauses (1) - (7) above, including, without limitation, the proportions of Non-Subsidized Units in the various income categories. In no event will Non-Suhsidized Units comprise more than forty percent (40%) of

the total number of Completed Units in the Building. Tenant will comply with all requirements of the Middle Income Program, and will provide Landlord with evidence of such compliance. The provisions of this Section 23.4(iv) shall remain in effect throughout the term of the Lease. If Tenant complies with the requirements of the Middle Income Program, and the provisions of this Section 23.4(ii), it will be deemed to have satisfied the requirements of Section 23.4(i) above.

Section 23.5. No Adverse Possession. Tenant shall not suffer or permit the Premises or any portion thereof to be used by the public without restriction or in such manner as might reasonably tend to impair title to the Premises or any portion thereof, or in such manner as might reasonably make possible a claim or claims of, adverse usage or adverse Possession by the public, as such, or of implied dedication of the Premises or any portion thereof.

Section 23.6. Management of Premises.

(a) Tenant shall operate the Premises in accordance with this Lease, and the Master Lease.

(b) Tenant shall employ a managing agent who (i) performs all of the management functions that managing agents of multi-tenanted residential apartment buildings located in New York County of a size comparable to the Building customarily perform (ii) has received all requisite authorizations, licenses, permits and consents required by law to manage the Premises and (iii) has been approved by Landlord. Landlord shall not unreasonably withhold, condition or delay its approval of such managing agent so long as such managing agent shall not be a Prohibited Person, and shall have received and maintained in good standing all requisite authorizations, licenses, permits and consents referred to above in this paragraph, and shall either (i) have at least ten (10) years of experience in New York City managing multi-tenanted residential apartment buildings of a comparable size to the Building, or (ii) have been approved by the New York City Housing Development Corporation for so long as the HDC Regulatory Agreement is in effect.

(c) The Building may be managed by an Affiliate of Developer that satisfies the criteria for residential management set forth in Section 23.6(b) above.

ARTICLE 24

EVENTS OF DEFAULT, CONDITIONAL LIMITATIONS, REMEDIES, ETC.

Section 24.1. Events of Default. (A) Each of the following events shall be an "Event of Default" hereunder:

(a) if Tenant shall fail to pay any installment of Base Rent or Additional Rent, or any part thereof, when due, and such failure shall continue for twenty (20) days after notice thereof from Landlord to Tenant;

(b) if Tenant shall fail to make any other payment when due of Rental required to be paid by Tenant hereunder, and such failure continues for a period of thirty (30) days after notice thereof from Landlord to Tenant;

(c) if Tenant shall fail to observe or perform (subject to Unavoidable Delays) one or more of the other terms, conditions, covenants or agreements of this Lease, and such failure shall continue for a period of thirty (30) days after notice thereof by Landlord to Tenant specifying such failure (unless such failure requires work to be performed, acts to be done, or conditions to be removed which cannot by their nature or due to Unavoidable Delays reasonably be performed, done or removed, as the case may be, within such thirty (30) day period, in which case no Event of Default shall be deemed to exist as long as Tenant shall have commenced curing the same within such thirty (30) day period and shall diligently and continuously, subject to Unavoidable Delays, prosecute the same to completion);

(d) if Tenant, or any general partner or member of Tenant shall admit, in writing, that it is unable to pay its debts as such become due or shall make an assignment for the benefit of creditors;

(e) if Tenant, or any general partner or member of any Tenant shall file a voluntary petition in bankruptcy or Tenant, or any general partner or member of any Tenant shall be adjudicated a bankrupt or insolvent, or shall file any petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under present or any future federal bankruptcy act or any other present or future applicable federal, state or other statute or law, or shall seek or consent to or acquiesce in the appointment

of any trustee, receiver or liquidator of Tenant, or any general partner or member of any Tenant, of all or any substantial part of its properties or of the Premises or any interest of Tenant or any general partner or member of Tenant, or interest therein;

(f) if within ninety (90) days after the commencement of any proceeding against Tenant, or any general partner or member of any Tenant seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the present or any future federal bankruptcy act or any other present or future applicable federal, state or other statute or law, such proceeding shall not have been dismissed, or if, within ninety (90) days after the appointment, without the consent or acquiescence of Tenant, any general partner, or member of Tenant, or any trustee, receiver or liquidator of Tenant or any general partner or member of Tenant, of all or any substantial part of any of their properties or of the Premises or any interest of Tenant, or any general partner or member of any Tenant therein, such appointment shall not have been vacated or stayed on appeal or otherwise, or if, within ninety (90) days after the expiration of any such stay, such appointment shall not have been vacated;

(g) if Tenant shall abandon the Premises and such abandonment shall continue for a period of ninety (90) days after notice thereof from Landlord to Tenant;

(h) if this Lease or the estate of Tenant hereunder shall be Assigned, Subleased, Transferred, Syndicated, mortgaged or encumbered without any approval of Landlord required by this Lease or without compliance with the provisions of this Lease applicable thereto and such transaction shall not be made to comply or voided ab initio within thirty (30) days after notice thereof from Landlord to Tenant, or if there is any breach or violation by Tenant of the provisions of Section 10.10 hereof, or if a Prohibited Person (or a Person having one or more principals who are Prohibited Persons) acquires an interest in this Lease or the Premises;

(i) if a levy under execution or attachment shall be made against Tenant or a substantial portion of its property and such execution or attachment shall not be vacated or removed by court order, bonding or otherwise within a period of sixty (60) days;

(j) if Landlord shall have received a notice under the Master Lease claiming that Landlord is in default thereunder by reason of any matter claimed by Landlord to be a failure by Tenant to comply with its obligations hereunder and Tenant shall have failed to promptly cure such default after notice to Tenant, but in no event later than ten (10) days before the end of the

cure period available to Landlord under the Master Lease, of which notice to Tenant has been provided;

(k) if, subsequent to the Commencement Date, Tenant shall default beyond any applicable grace period in the observance or performance of any material term, covenant or condition on Tenant's part to be observed or performed under the provisions of any agreement, if any, entered into between Tenant and Landlord which expressly provides that such a default thereunder shall constitute an Event of Default under this Lease. The Affordable Sublease Subtenant shall have the right to cure any default caused by Tenant and Landlord shall accept such performance by the Affordable Sublease Subtenant as if performed by Tenant; and

(l) if there is a default under the Development Agreement with respect to the construction or completion of the Building, or if the Building is not constructed and completed as required under the Development Agreement or the Construction Agreements, and such failure to construct and complete is not cured within sixty (60) days after notice to Tenant, subject to Unavoidable Delay (as such term is defined in the Development Agreement). If Tenant is a Condominium the provisions of this clause (m) shall apply only until such time that Landlord issues its certificate under Section 30.4 of this Lease confirming that Completion of the Building and the satisfaction of the "Final Obligations" (as such term is defined in such Section 30.4) have occurred. Landlord agrees that a default by Developer (as such term is defined in the Development Agreement) with respect to the "Work" (as such term is defined in the Development Agreement) other than the Work related to the Building (as defined herein) shall not give rise to any rights under Section 14(b) of the Development Agreement with respect to the Building or be a default hereunder.

(B) So long as Tenant is a Condominium and the Specified Rental Payment has been made, upon the occurrence of a Default or an Event of Default, Landlord's remedies shall be limited to the provisions of Exhibit K, Sections 7 and 8.

Section 24.2. Termination of Lease in Event of Default.

(a) Subject to Section 24.1(B), Section 24.3(c) and Article 33, if an Event of Default shall occur, Landlord, at any time thereafter, at Landlord's option, but subject to the rights of any Mortgagee, may give notice to Tenant stating that this Lease and the Term shall expire and terminate on the date specified in such notice, which date shall be not less than twenty

(20) days after the giving of such notice with respect to any Event of Default other than that set forth in Section 24.1(A)(a), (b) or (c) hereof, and if on the date specified in such notice Tenant shall have failed to cure the Default which was the basis for the Event of Default, then this Lease and the Term and all rights of Tenant under this Lease shall expire and terminate as if that date were the date herein definitely fixed for the termination of the Term, and Tenant shall quit and surrender the Premises but Tenant shall remain liable as hereinafter provided.

(b) Notwithstanding the foregoing, but subject nevertheless to the provisions of Section 24.1(B), if the Tenant makes the Specified Rental Payment then the following Events of Default shall not result in a termination of this Lease and any references in this Article 24 to termination remedies shall not apply to such Events of Default except as otherwise provided below:

(i) any Event of Default under Section 24.1(A)(c), if such Event of Default is disputed by Tenant in a written notice from Tenant to Landlord given on or before. the applicable grace period for cure provided in such Sections, unless (1) the disputed matter is submitted to arbitration under Article 35 or an action thereon is commenced in a court of competent jurisdiction, (2) in the arbitration or litigation of the matter disputed by Tenant is determined against Tenant and in favor of Landlord, and (3) Tenant fails to cure such Event of Default within thirty (30) days of the arbitration decision or entry of the court order, as applicable (or such longer period as may be reasonably required therefor (not to exceed 90 days), provided Tenant commences the cure within such thirty (30) day period and diligently prosecutes the same to completion); and

(ii) any Event of Default under Section 24.1(A)(i).

In cases where Landlord does not have the right to terminate, Landlord reserves all rights and remedies it may have under this Lease or at law or in equity, including without limitation the right to specific performance or injunctive or declaratory relief, other than the right to terminate this Lease.

(c) Notwithstanding the provisions of Section 24.2(a), Landlord agrees that if Tenant defaults in the performance of its obligations under Sections 11.5 and 11.6, Landlord's sole remedy will be to seek performance by the guarantors under the Performance and

Completion Guaranty dated the date hereof delivered by The Related Companies, L.P., David Kramer, Whitfarm Realty LLC, ARB Property Development LLC and Nicholas Lembo to Landlord. Landlord may not seek to terminate the Lease solely on the basis of Tenant's failure to comply with the provisions of Sections 11.5 and 11.6.

Section 24.3. Re-entry By Landlord in Event of Default.

(a) If Tenant is not a Condominium and an Event of Default shall occur, or regardless of the identity of Tenant, if this Lease shall be terminated as provided in Section 24.2 hereof or by summary proceedings, or otherwise, Landlord may without notice re-enter and repossess the Premises using such lawful force for that purpose as may be necessary without being liable to indictment, prosecution or damages therefor. If Landlord shall so re-enter, Landlord may, at its. option, repair and alter the Premises in such manner as to Landlord may seem necessary or advisable without relieving Tenant of any liability under this Lease or otherwise affecting any such liability, and/or let or relet the Premises or any part thereof for the whole or any part of the remainder of the Term or for a longer period, in Landlord's name or as agent of Tenant, and out of any rent and other sums collected or received as a result of such reletting Landlord shall: (i) first, pay to itself the reasonable cost and expense of terminating this Lease, re-entering, retaking, repossessing, repairing and/or altering the Premises, and the reasonable cost and expense of removing all persons and property therefrom, including in such reasonable costs legal expenses and attorneys' fees and disbursements; (ii) second, pay to itself the reasonable costs and expenses sustained in securing any new tenants and other occupants, including in such reasonable costs brokerage commissions, legal expenses and attorneys' fees and disbursements and other expenses of preparing the Premises for reletting, and if Landlord shall maintain and operate the Premises the reasonable cost and expense of operating and maintaining the Premises; (iii) third, pay to itself any balance remaining on account of the liability of Tenant to Landlord, and (iv) the balance shall be paid to the Person(s) lawfully entitled thereto. No re-entry by Landlord, whether had or taken under summary proceedings or otherwise, shall absolve or discharge Tenant from liability hereunder. Landlord in no way shall be responsible or liable for any failure to relet the Premises or any part thereof, or for any failure to collect any rent due on any such reletting, and no such failure to relet or to collect rent shall operate to relieve Tenant of any liability under this Lease or to otherwise affect any such liability.

(b) If this Lease and the Term shall expire and come to an end as provided in Section 24.2, or by or under any summary proceeding or any other action or proceeding relating to a Default hereunder, or if Landlord shall re-enter the Premises as provided in paragraph (a) of this Section, or by or under any summary proceeding or any other action or proceeding, then, in any of said events:

(i) Tenant shall pay to Landlord all Rental payable under this Lease by Tenant to Landlord to the date upon which this Lease and the Term shall have expired and come to an end or to the date of re-entry upon the Premises by Landlord, as the case may be; and

(ii) Tenant also shall be liable for and shall pay to Landlord, as damages, any deficiency (referred to as "Deficiency") between the Rental reserved in this Lease for the period which otherwise would have constituted the unexpired portion of the Term and the net amount, if any, of rents collected by Landlord from the Tenants and under any reletting effected pursuant to the provisions of paragraph (a) of this section for any part of such period (first deducting from the rents collected from Tenants and under any such reletting all of the payments to Landlord described in paragraph (a) of this Section). Any such Deficiency shall be paid in installments by Tenant on the days specified in this Lease for payment of installments of Rental, Landlord shall be entitled to recover from Tenant each Deficiency installment as the same shall arise, and no suit to collect the amount of the Deficiency for any installment period shall prejudice Landlord's right to collect the Deficiency for any subsequent installment period by a similar proceeding.

Section 24.4. Lien Against Tenant's Interests. The Rental payable by Tenant hereunder and each and every installment thereof, and all reasonable costs, reasonable attorneys' fees and disbursements and other expenses which may be incurred by Landlord in enforcing the provisions of this Lease or on account of any delinquency of Tenant in carrying out the provisions of this Lease, shall be and they hereby are declared to constitute a valid lien upon the interest of Tenant in this Lease and in the Premises.

Section 24.5. Suits By Landlord. Suit or suits for the recovery of damages, or for a sum equal to any installment or installments of Rental payable hereunder, or any Deficiencies or other sums payable by Tenant to Landlord pursuant to this Article 24, may be brought by Landlord from time to time at Landlord's election, and nothing herein contained

shall be deemed to require Landlord to await the date whereon this Lease or the Term would have expired by limitation had there been no such Event of Default by Tenant and termination.

Section 24.6. Liquidated Damages. Nothing in this Article 24 contained shall limit or prejudice the right of Landlord to prove and obtain as liquidated damages in any bankruptcy, insolvency, receivership, reorganization or dissolution proceeding an amount equal to the maximum allowed by a statute or rule of law governing such proceeding and in effect at the time when such damages are to be proved, whether or not such amount due be greater, equal to or less than the amount of the damages referred to in any of the preceding Sections.

Section 24.7. No Waiver By Landlord. No receipt of moneys by Landlord from Tenant after termination of this Lease, or after the giving of any notice of termination of this Lease (unless such receipt cures the Event of Default which was the basis for the notice), shall reinstate, continue or extend the Term or affect any notice theretofore given to Tenant, or operate as a waiver of the right of Landlord to enforce the payment of Rental payable by Tenant hereunder or thereafter falling due, or operate as a waiver of the right of Landlord to recover possession of the Premises by proper remedy, except as herein otherwise expressly provided, it being agreed that after the service of notice to terminate this Lease or the commencement of suit or summary proceedings, or after final order or judgment for the possession of the Premises, Landlord may demand, receive and collect any moneys due or thereafter falling due without in any manner affecting such notice, proceeding, order, suit or judgment, all such moneys collected being deemed payments on account of the use and occupation of the Premises or, at the election of Landlord, on account of Tenant's liability hereunder.

Section 24.8. Tenant Waivers. After termination of this Lease, if Tenant is a Condominium, or in any other case after an Event of Default, and except as expressly provided herein or as prohibited by applicable law, Tenant hereby expressly waives the service of any notice of intention to re-enter as and when provided above that is provided for in any statute, or of the institution of legal proceedings to that end, and Tenant, for and on behalf of itself and all persons claiming through or under Tenant, also waives any and all right of redemption provided by any law or statute now in force of hereafter enacted or otherwise, or re-entry or repossession or to restore the operation of this Lease in case Tenant shall be

dispossessed by a judgment or by warrant of any court or judge or in case of re-entry or repossession by Landlord or in case of any expiration or termination of this Lease, and Landlord and Tenant waive and will waive trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other on any matter whatsoever arising out of or in any way connected with this Lease, the relationship of Landlord and Tenant, Tenant's use or occupancy of the Premises, or any claim of injury or damage. The terms "enter," "re-enter," it entry" or "re-entry," as used in this Lease are not restricted to their technical legal meaning.

Section 24.9. No Waiver By Tenant or Landlord. No failure by either party to insist upon the strict performance by the other of any covenant, agreement, term or condition of this Lease or to exercise any right or remedy consequent upon a breach thereof, and no acceptance of full or partial Rental by Landlord during the continuance of any such breach (unless such receipt by Landlord cures such breach), shall constitute a waiver of any such breach or of such covenant, agreement, term or condition. No covenant, agreement, term or condition of this Lease to be performed or complied with by either party hereto, and no breach thereof, shall be waived, altered or modified except by a written instrument executed by the other party. No waiver of any breach shall affect or alter this Lease, but each and every covenant, agreement, term and condition of this Lease shall continue in full force and effect with respect to any other then existing or subsequent breach thereof.

Section 24.10. Actions By Non-breaching Party. Subject to the provisions of Sections 41.5 and 41.7, hereof, in the event of any breach or threatened breach by either party of any of the covenants, agreements, terms or conditions contained in this Lease, the other party shall be entitled to enjoin such breach or threatened breach and shall have the right to invoke any rights and remedies allowed at law or in equity or by statute or otherwise as though reentry, summary proceedings, and other remedies were not provided for in this Lease.

Section 24.11. Rights and Remedies are Cumulative. Subject to the provisions of Section 24.1(B), Section 41.5 and Section 41.7 hereof; each right and remedy of Landlord and Tenant, respectively, provided for in this Lease shall be cumulative and not singular or exclusive and shall be in addition to every other right or remedy provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise, and the exercise or beginning of the exercise by either party of any one or more of the rights or remedies provided

for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise shall not preclude the simultaneous or later exercise by either party of any or all other rights or remedies provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise.

Section 24.12. Reimbursable Expenses of Landlord. Subject to Section 19.4, Tenant shall pay to Landlord all reasonable costs and expenses, including without limitation reasonable attorneys' fees and disbursements, incurred by Landlord in any action or proceeding to which Landlord may be made a party by reason of any act or omission of Tenant. Tenant shall also pay to Landlord all costs and expenses, including without limitation reasonable attorneys' fees and disbursements, incurred by Landlord in successfully enforcing any of the covenants and provisions of this Lease and incurred in any action brought by Landlord against Tenant on account of the provisions hereof in which a judgment or order was successfully obtained by Landlord, and all such costs, expenses, and attorneys' fees and disbursements may be included in and form a part of any judgment entered in any proceeding brought by Landlord against Tenant on or under this Lease. All of the sums paid or obligations incurred by Landlord as aforesaid with interest at the involuntary Rate and costs shall be paid by Tenant to Landlord within fifteen (15) days after demand by Landlord.

Section 24.13. Mortgagee Rights. Anything contained in this Article 24 to the contrary notwithstanding, the provisions of Article 33 with respect to the rights of the Mortgagees upon the occurrence of any Event of Default shall apply.

Section 24.14. Funds Held by Depository. If this Lease terminates as a result of an Event of Default, as provided in Section 24.2 hereof, any funds held by Depository shall be paid to Landlord, which Landlord may keep as liquidated damages free of any claim by Tenant, or any Person claiming through Tenant, which shall be applied against any and all amounts due Landlord from Tenant, and then in accordance with Section 24.3(a).

ARTICLE 25

NOTICES

Section 25.1. Notice Procedure. Whenever it is provided herein that notice, demand, request or other communication shall or may be given to or served upon either of the parties by the other, and whenever either of the parties shall desire to give or serve upon the other any notice, demand, request or other communication with respect hereto or to the Premises, each such notice, demand, request or other communication shall be in writing and, any law or statute to the contrary notwithstanding, shall be effective for any purpose if given or served as follows:

(i) If by Landlord, by hand delivery or recognized national courier service, or by mailing the same to Tenant by registered or certified mail postage prepaid, return receipt requested, addressed to Tenant:

Riverwalk 8 Housing Development Fund Corporation
c/o Settlement Housing Fund, Inc.
247 West 37th Street, 4th Floor
New York, NY 10018
Attention: Lee Warshavsky, Esq.
Tel: (212) 265-6530 ext. 125

- and –

Riverwalk 8, LLC
c/o The Hudson Companies Incorporated
826 Broadway, 11th Floor
New York, NY 10003
Attention: David Kramer
Tel: (212) 777-9500

- and –

Jay Bloomfield, Esq.
Silverman Shin & Byrne PLLC
88 Pine Street, 22nd Floor
New York, New York 10005
Tel: (212) 779-8600

- and –

The Related Companies, L.P.
60 Columbus Circle
New York, New York 10023
Attention: Frank Monterisi
Tel: (212) 801-3511

- and –

Levitt & Boccio, LLP
423 West 55th Street, 8th Floor
New York, New York 10019
Attn: David S. Boccio, Esq.
Tel: (212) 801-3769

- and –

WNC Holding, LLC
c/o WNC & Associates, Inc.
17782 Sky Park Circle
Irvine, CA 92614
Attn: David N. Shafer

or to such other address(es) and attorneys as Tenant may from time to time designate by notice given to Landlord as aforesaid.

(ii) If by Tenant, by hand delivery, or recognized national courier service or by mailing two copies of the same to Landlord by registered or certified mail, postage prepaid, return receipt requested, addressed to Landlord:

591 Main Street
Roosevelt Island, New York 10044
Attention: Susan Rosenthal, President
Tel: (212) 832-4540

- and –

591 Main Street
Roosevelt Island, New York 10044
Jacqueline Flug, General Counsel
Tel: (212) 832-4540

- and –

Carter Ledyard & Milburn LLP
2 Wall Street
New York, New York 10005
Attention: Barbara Brown, Esq.
Tel: (212) 732-3200

or to such other address(es) and attorneys as Landlord may from time to time designate by notice given to Tenant as aforesaid.

Section 25.2. Deemed Receipt. Any notice shall be deemed given and effective as of the date of hand delivery or of receipt set forth on the return receipt. The inability to deliver because of changed address of which no notice was given, rejection or any refusal to accept any notice, shall be deemed to be the receipt of the notice, as of the date of such inability to deliver, rejection or refusal to accept.

Section 25.3. Requests for Approvals. Whenever the consent or approval of Landlord is required within a specified period of time under this Lease, Tenant shall place on the envelope (which may be an envelope contained in an overnight courier package) containing the request for such consent or approval the words "URGENT — IMMEDIATE RESPONSE REQUIRED" in capital letters large enough to be clearly distinct.

ARTICLE 26

FINANCIAL REPORTS

Section 26.1. Statements. Tenant shall furnish to Landlord the following:

(a) copies of all annual, quarterly and other financial statements as Tenant delivers to any Mortgagee.

(b) as soon as practicable after the end of each calendar year, but in any event within one hundred twenty (120) days thereafter, financial statements of Tenant and of the operations of the Premises, including, without limitation, balance sheets, income statements, and the amount of gross residential rent received for the Lease Year, all in detail reasonably satisfactory to Landlord and prepared and certified by a Certified Public Accountant in accordance with Accounting Principles, who shall render a written report thereon to Landlord as to whether such financial statements present fairly Tenant's financial position and results of operations as of the date thereof or for the period covered thereby (provided, however, that if Tenant is a Condominium or cooperative housing corporation, Tenant shall deliver copies of Tenant's annual audited financial statements as and when delivered to' the Condominium Unit owners or shareholders of Tenant, and no other financial report of Tenant shall be required) and if any such statement is not delivered to Landlord when required, within fifteen (15) days following notice, Tenant shall pay Landlord a late fee of $1,000 for each instance of late delivery; and

(c) at least fifteen (15) days prior to the consummation of any Transaction, a statement in reasonable detail of the estimated Transaction Proceeds to be received in connection therewith and the calculation thereof, determined in accordance with Accounting Principles and certified by the chief operating or financial officer of Tenant (or of Tenant's managing general partner or managing member), or the designee of such chief operating or financial officer; and

(d) at least three (3) days prior to the consummation of any Transaction, a statement in reasonable detail of the actual Transaction Proceeds to be received in connection therewith and the calculation thereof, certified as complete and correct in all material respects in accordance with Accounting Principles by the chief operating or financial officer of Tenant (or

of Tenant's managing general partner or managing member), or the designee of such chief operating or financial officer; and

(e) the reports of telecommunications receipts described in Section 3.2 hereof;

(f) information on the income of initial Subtenants of the Building and Condominium Unit owners as required under Section 23.4; and

(g) such information generally available from Tenant's records as Landlord may request regarding the computation of Conversion Payments.

Section 26.2. Maintenance of Books and Records. Tenant shall keep and maintain at an office in New York City complete and accurate books and records of (i) the operations of the Premises from which Landlord may determine for each Lease Year the items to be shown or set forth on the statements to be delivered to Landlord pursuant to Section 26.1 hereof and (ii) Transactions, Transaction Proceeds, Transaction Payments and Conversion Payments. Tenant shall preserve, for a period of at least six (6) years after the end of each applicable period of time or the occurrence of the applicable event, such books and records. However, if, at the expiration of such six (6) year period, Landlord is seeking to contest or is contesting any matter relating to such records or any matter to which such records may be relevant, Tenant shall preserve these until one (1) year after .the final adjudication, settlement or other disposition of any such contest.

Section 26.3. Books and Records.

(a) Inspection and Audits of Books and Records. Landlord or Landlord's agent or designee shall have the right from time to time during regular business hours, upon ten (10) Business Days' notice, at no cost to Tenant, at Tenant's office in New York City to inspect, audit and, at its option, duplicate, at Landlord's expense, all of Tenant's books and records and all other papers and files of Tenant (which shall be produced to Landlord or Landlord's representatives) relating in any manner to the Premises or to this Lease, or to Transactions, Transaction Proceeds, Transaction Payments and Conversion Payments.

(b) Inspection By New York City. To the extent provided in the Master Lease, New York City or its designee shall have the right to examine all of said records, books of account and material information relating to the operation of the Premises and maintained by

Tenant and also shall have such other rights with respect to examination information relating to the Premises as are reserved to it under the Master Lease.

(c) Confidentiality. At any time at which Tenant shall make records and books of account available for inspection, it may inform Landlord of its belief that the public disclosure of the information contained therein or any part thereof would cause substantial injury to the competitive position of Tenant's enterprise and request that to the extent permitted by law Landlord attempt to avoid such disclosure. In the event Tenant makes such request, Landlord shall use all reasonable efforts to avoid such disclosure (but shall incur no liability to Tenant if Landlord complies with any provision of applicable law requiring such disclosure). Subject to applicable law, Landlord shall hold in confidence, and shall cause all of Landlord's agents and designees to hold in confidence, all information obtained from Tenant's books, records, papers and files, except as may be necessary for the enforcement of Landlord's rights under this Lease.

(d) Notice to Tenant of Underpayments of Rental. Should any audit performed by Landlord, Landlord's agent or designee disclose that any calculation for payment of Rental, or Rental, was understated, Landlord shall notify Tenant of the amount of the underpayment by a statement showing in reasonable detail the reasons why such payment of Rental was understated. Within ten (10) Business Days after Tenant has received notice of such underpayment from Landlord, Tenant shall either pay to Landlord the amount by which such payment of Rental was understated, with interest to the extent provided below, or deliver to Landlord a statement contesting Landlord's determination of an underpayment and giving the reasons therefor in reasonable detail. If Landlord and Tenant shall fail to agree as to the existence or amount of an underpayment, the matter shall be submitted to arbitration pursuant to Article 35 hereof. Within ten (10) days after it is determined by agreement between Landlord and Tenant or by arbitration that a payment of Rental was understated, Tenant shall pay to Landlord the amount of the deficiency with interest to the extent provided below. Any payment of a. deficiency pursuant to this Section shall bear interest at the Involuntary Rate from the date of the underpayment to the date of the payment of the deficiency.

(e) Tenant's Payment of Audit Costs. If an audit reveals that any calculation for, or the Base Rent, Additional Rent or a Transaction Payment, was understated by more than two and one half percent (2½%), Tenant shall pay the reasonable cost of the audit within twenty

(20) days of submission to Tenant of such audit findings and an invoice from the auditor accompanied by reasonable supporting information.

Section 26.4. Survival Clause. The obligations of Tenant hereunder shall survive the Expiration Date.

ARTICLE 27

STREET WIDENING

Section 27.1. Proceedings for Widening Street. If any proceedings are instituted or orders made for the widening or other alteration of any street contiguous to the Premises requiring removal of any projection or encroachment on, under or above any such street, or any changes or alterations upon the Premises, or in the sidewalks, grounds, parking facilities, plazas, areas, vaults, gutters, alleys, curbs or appurtenances (excluding vaults and areas controlled by utility companies or the Metropolitan Transportation Authority), Tenant shall comply promptly with such requirements.

Section 27.2. Contest of Proceedings. Tenant is permitted to contest in good faith any proceedings or orders for street widening or any changes or alterations resulting therefrom or necessitated thereby, provided that such contest shall be brought in accordance with the provisions of Section 14.2 hereof as though Tenant were contesting a Requirement thereunder.

Section 27.3. Distribution of Award. Any award made in connection with such proceedings shall be deemed to be an award made in connection with a taking of less than all or substantially all of the premises and shall be paid, distributed and applied in accordance with the provisions set forth in Section 9.3 hereof.

ARTICLE 28

SUBORDINATION; MASTER LEASE

Section 28.1. Subordination of Lease. This Lease and all rights of Tenant hereunder are, and shall remain, subject and subordinate in all respects to the Master Lease, and the Inclusionary Housing Agreement. The Master Lease and Landlord's interest in this Lease shall not be subject or subordinate to (a) any Mortgage placed on Tenant's interest, (b) any other liens or encumbrances hereafter affecting Tenant's interest in this Lease, or (c) the Affordable Master Sublease. Tenant covenants and agrees that except as expressly provided herein, Tenant shall not do anything or omit to do anything that Tenant is obligated to do under the terms of this Lease so as to cause Landlord to be in default under the Master Lease.

Section 28.2. Amendment of Master Lease. Landlord covenants and agrees that it shall not enter into or cause there to be entered into any amendment or supplement to the Master Lease, the Design Guidelines, or the General Development Plan, which:

(i) increases Tenant's obligations under this Lease,

(ii) decreases Tenant's possessory rights under this Lease,

(iii) limits the permitted uses of the Premises,

(iv) limits Tenant's rights under this Lease to dispose of or assign its interest in the Premises, or

(v) alters the rights of a Mortgagee or Tenant's right to obtain a Mortgage pursuant to Article 33;

in each case unless such amendment or supplement is consented to by Tenant and the First Mortgagee (or, in the case of Section (e) above, by each Mortgagee), or is made subject and subordinate to this Lease and to the rights of such Mortgagee.

If Tenant so requests, Landlord agrees to submit to New York City a request for an attornment and non-disturbance agreement on a form provided by Tenant, and shall use reasonable efforts (in cooperation with Tenant) to obtain such an agreement.

ARTICLE 29

EXCAVATIONS AND SHORING

If any excavation shall be made or contemplated to be made for construction or other purposes upon property adjacent to the Premises, Tenant, shall at its option do either (a) or. (b):

(a) afford to the Person causing or authorized to cause such excavation the right to enter upon the Premises in a reasonable manner for the purpose of doing such work as such Person shall consider to be necessary, to preserve any of the walls or structures of the Premises from injury or damage and to support the same by proper foundations provided that (i) such work shall be done promptly, in a good and workmanlike manner, so as not to unreasonably interfere with the conduct of business in or use of the Premises, subject to the applicable Requirements and without unreimbursed cost to Tenant, (ii) Tenant shall have an opportunity to have appropriate and necessary representation present during all such work at reasonable cost, (iii) such Person shall have delivered to Tenant a letter of credit, a surety bond or other security reasonably satisfactory to Tenant, and a certificate of liability insurance, consistent with the provisions of Article 7 of this Lease, in which Tenant is named as an additional insured, and (iv) Tenant shall be indemnified by such Person against any injury or damage to the Building which may result from any such work, but shall not have any claim against Landlord for suspension, diminution, abatement or reduction of Rental payable by Tenant hereunder, or;

(b) do or cause to be done all such work, at such Person's expense, as may be necessary to preserve any of the walls or structures of the Premises from injury or damage and to support the same by proper foundations; provided that such Person shall have delivered to Tenant a letter of credit, a surety bond or other security reasonably satisfactory to Tenant and Tenant shall not, by reason of any such excavation or work, have any claim against Landlord for damages (unless Landlord is performing or causing to be performed such excavation or work and causes such damage) or for indemnity or for suspension, diminution, abatement, or reduction of Rental payable by Tenant hereunder.

ARTICLE 30

CERTIFICATES BY LANDLORD AND TENANT

Section 30.1. Tenant Certificates. Tenant agrees at any time and from time to time upon not less than ten (10) Business Days' prior notice by Landlord to execute, acknowledge and deliver to Landlord or any other party specified by Landlord or any Mortgagee a statement in writing certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and stating the modifications) and the dates to which the Rental payable by Tenant hereunder has been paid and stating whether or not to the best knowledge of the signer of such certificate Landlord is in default in performance of any covenant, agreement or condition contained in this Lease and, if so, specifying each such default of which the signer may have knowledge.

Section 30.2. Landlord Certificates. Landlord agrees at any time and from time to time upon not less than ten (10) days' prior notice by Tenant to execute, acknowledge and deliver to Tenant, any Mortgagee or any prospective assignee of this Lease a statement in writing certifying that this Lease is unmodified and in full force and effect (or if there shall have been modifications, that the same is in full force and effect as modified and stating the modifications), the dates to which the Rental payable by Tenant hereunder has been paid (and whether the Specified Rental Payment has been paid in full), whether Landlord has given to Tenant any notice of a Default or Event of Default which remains uncured and stating whether or not to the best knowledge of the signer of such certificate, a Default or Event of Default has occurred and is continuing, and, if so, specifying each such Default or Event of Default of which the signer may have knowledge, and such other information reasonably requested by a Mortgagee or assignee that is within Landlord's actual knowledge. "Landlord's actual knowledge" shall mean the actual knowledge of Landlord's Records Officer from time to time. Upon Tenant's request and at Tenant's expense, Landlord shall seek to obtain for Tenant such a certificate in respect of the Master Lease from Master Landlord. If Master Landlord fails to deliver such a certificate, then at Tenant's expense, in lieu thereof, Landlord shall execute, acknowledge and deliver to Tenant a statement in writing certifying that Landlord has not delivered any notice of default and has no knowledge thereof and has not executed and delivered to Master Landlord any instrument modifying the Master Lease (or if Landlord has executed

such an instrument, stating the modifications made by such instrument) and that, to the best of Landlord's knowledge, the Master Lease is in full force and effect.

Section 30.3. Certificate Concerning Transaction Payments. Landlord agrees, upon not less than ten (10) days' prior written notice from Tenant in connection with a Transaction, accompanied by such information regarding the Transaction that Landlord may reasonably request, to provide to Tenant a statement in writing certifying the amount of the Transaction Payment required in connection therewith. Such certificate shall be based on the information provided by Tenant and Landlord reserves the right to correct any errors therein. Landlord shall not be bound by any such certificate if it was issued on the basis of inaccurate or incomplete information from Tenant, provided, however, that Landlord shall not be entitled to raise objections to such matters more than one (1) year after the delivery of such statement, except in the case of fraud. Notwithstanding the above, parties to a Transaction other than the assignor or transferor shall not be bound by the preceding sentence and Landlord shall look solely to such assignor or transferor with respect to any claim of incomplete or inaccurate information (and any additional Transaction Payment due to Landlord as a result thereof). Landlord may condition the delivery of such certificate on the provision by the assignor or transferor of security and/or guarantees reasonably satisfactory to Landlord to cover any potential liability of such Person for any such claim.

Section 30.4. Certificate of Substantial Completion. Supplementing the provisions of Section 30.2 of this Lease, upon the written request of Tenant, Landlord shall notify Tenant in writing as to whether (a) Substantial Completion of the Building has occurred and (b) whether Tenant's obligations set forth in Schedule 11.1 of this Lease have been satisfied. If Landlord believes that any of the foregoing has not occurred or is not accurate, Landlord's notice shall indicate in reasonable detail the actions remaining to be taken by Tenant. If Landlord's statement indicates that both of the items set forth in clauses (a) and (b) above have occurred, Tenant shall have no further obligation with respect to construction other than the completion of Punch List Items, obtaining a Final Certificate of Completion from the Architect and obtaining a Permanent Certificate of Occupancy for the entire Building (the "Final Obligations"). At Tenant's request, such certificate also shall state whether all of Tenant's obligations under Section 3.1, Section 3.3, Article 19 and Section 33.1 shall have been satisfied as of the date thereof (specifying any such obligation that Landlord claims has not been

satisfied). The provision of any such certificate by Landlord shall not be deemed to waive or diminish any warranty rights or post-completion warranty periods to which Landlord may be entitled against Developer or others under the Construction Agreements.

Section 30.5. No Recourse to Landlord. Tenant's payment of the Specified Rental Payment shall constitute Tenant's agreement (for the benefit of Landlord only) that Tenant has accepted the Building and shall have no rights or remedies against Landlord with respect to the construction of the Building theretofore undertaken and no matter relating to same shall in any way affect Tenant's obligations under this Lease.

ARTICLE 31

CONSENTS AND APPROVALS

Section 31.1. No Waiver. All consents and approvals which may be given under this Lease shall, as a condition of their effectiveness and, except where otherwise expressly provided in this Lease, be in writing. It is understood and agreed that the granting of any consent or approval by Landlord to Tenant to perform any act of Tenant requiring Landlord's consent or approval under the terms of this Lease, or the failure on the part of Landlord to object to any such action taken by Tenant without Landlord's consent or approval, shall not be deemed a waiver by Landlord of its right to require such consent or approval for any further similar act by Tenant, and Tenant hereby expressly covenants and warrants that as to all matters requiring Landlord's consent or approval under the terms of this Lease, Tenant shall secure such consent or approval for each and every happening of the event requiring such consent or approval, and shall not claim any waiver on the part of Landlord of the requirement to secure such consent or approval.

Section 31.2. General Consents. If, pursuant to the terms of this Lease, any consent or approval by Landlord or Tenant is required, then, if upon notice that a consent or approval is denied, the notified party contests such denial in accordance with this Lease and a final determination that the consent or approval was unreasonably withheld or that such specified standard has been met so that the consent or approval should have been granted, the consent or approval shall be deemed granted and such granting of the Consent or approval shall be the only remedy to the party requesting or requiring the consent or approval.

Section 31.3. Repeat Approval. Whenever Landlord shall have the right to approve the architect, engineer, attorney or accountant to be employed by Tenant, any architect, engineer, attorney or accountant so approved by Landlord at any time during the Term shall be deemed to be acceptable to Landlord for employment by Tenant at any time thereafter, unless Landlord shall have good cause for refusing to allow the continued employment of such consultant. Whenever Tenant is required to obtain Landlord's approval of an architect, engineer or accountant, Tenant shall notify Landlord if it intends to employ an architect, engineer or accountant not previously approved. Tenant may continue to use previously approved professionals, until receipt of written disapproval from Landlord. In the event that Landlord shall

refuse to approve the continued employment of such consultant, it shall so notify Tenant, specifying the reason therefor. All references in this Section 31.3 or any other section of this Lease to architects, engineers or accountants shall mean a professional architect, engineer or accountant who is licensed or registered, as the case may be, by the State of New York or any successor licensing body or authority.

Section 31.4. No Unreasonable Delay. If it is provided that a particular consent or approval by Landlord or Tenant is not to be unreasonably withheld, such consent or approval also shall not be unreasonably conditioned or delayed.

Section 31.5. Period of Approvals. Whenever this Lease shall provide (i) that Landlord shall have the right to approve an architect, engineer, accountant or contractor and (ii) that such approval shall not be unreasonably withheld, Landlord shall notify Tenant of its determination within twenty (20) days after receipt by Landlord of Tenant's request for approval and if Landlord shall not have notified Tenant of its determination within such twenty (20) day period, such architect, engineer, accountant or contractor shall be deemed approved.

Section 31.6. No Consideration for Consents. Except as expressly provided to the contrary in this Lease, Landlord shall not be entitled to any consideration for a consent or approval; provided, however, if Landlord retains professionals to review the matter in question, Tenant shall pay or reimburse Landlord for the reasonable out-of-pocket costs and expenses incurred by Landlord therefor. Except where specifically so provided herein, no fees or charges of any kind or amount shall be required by Landlord as a condition to the grant of any consent or approval which may be required or requested under this Lease.

ARTICLE 32

SURRENDER AT END OF TERM

Section 32.1. Condition of Premises. On the last day of the Term or upon any earlier termination of this Lease, or upon a re-entry by Landlord upon the Premises pursuant to Article 24 hereof, Tenant shall well and truly surrender and deliver up to Landlord, without any payment or allowance whatever by Landlord, the Premises in good order, condition and repair, reasonable wear and tear and damage by fire or other casualty excepted, free and clear of all lettings, occupancies, liens and encumbrances other than those, if any, (a) existing at the date hereof, or (b) created by Landlord, or (c) created by Tenant with Landlord's approval, or (d) resulting from any taking or condemnation of all or any part of the Premises. Tenant hereby waives any notice now or hereafter required by law with respect to vacating the Premises on any such termination date. If this Lease is terminated due to an Event of Default by Tenant which permits Landlord to terminate this Lease, then Landlord shall take the Premises subject to any then existing residential subtenancies to Subtenants in occupancy of their Premises, provided that the applicable Subtenant shall not be permitted to remain in occupancy or have any other rights by reason of this Section 32.1 for a period in excess of the shortest of (i) the remaining term of the applicable Sublease, (ii) five (5) years, and (iii) the remainder of the Term.

Section 32.2. Delivery of Agreements, Certificates, Warranties and Records. On the last day of the Term or upon any earlier termination of the Lease, or upon re-entry by Landlord upon the Premises pursuant to Article 24 hereof, Tenant shall deliver to Landlord Tenant's executed counterparts of all Subleases then in effect; any service and maintenance contracts then affecting the Premises, true and complete maintenance records for the Premises then in the possession or otherwise available to Tenant (and Tenant agrees to maintain such records for a period of at least two (2) years); all original licenses and permits then pertaining to the Premises; permanent or temporary certificates of occupancy then in effect for the Building; and all transferable warranties and guarantees then in effect which Tenant has received in connection with any work or services performed or Equipment installed in the Building, together with a duly executed assignment thereof (without recourse, representation or warranty, except that it has not otherwise transferred same) to Landlord; all financial reports,

books and records required by Article 26 hereof; and other documents of every kind and nature whatsoever then in the possession or otherwise available to Tenant relating to the Premises.

Section 32.3. Survival. The obligations of Tenant under this Article 32 shall survive the Expiration Date, except that Tenant shall have no obligation to furnish information relating to the Premises for periods which follow, the Expiration Date.

ARTICLE 33
MORTGAGES

Section 33.1. Effect of Mortgages. Subject to the provisions of this Article 33, Tenant may, on one or more occasions, mortgage its interest in the Premises and grant a security interest in personal property situated thereon, provided: (i) the holder of such Mortgage shall be an Institutional Lender, (ii) the holder of such Mortgage shall not be a Prohibited Person, (iii) other than with respect to any Initial Financing, Tenant shall pay to Landlord the Payment in Lieu of Mortgage Tax (if the Mortgage is exempt in whole or in part from the payment of Mortgage Recording Tax solely by reason of Landlord's status as a Mortgagee or otherwise as a result of the involvement of RIOC or its successor in the Premises or based on an exemption for properties on Roosevelt Island), and (iv) Tenant shall pay to Landlord any Transaction Payment which may be due with respect to such Mortgage. No Mortgage shall extend to, affect, or be a lien or encumbrance upon, the estate and interest of Landlord in the Premises or any part thereof.

Section 33.2. Mortgagee's Rights. With the exception of the rights expressly granted to a Mortgagee under this Lease, including, without limitation, the rights granted to a Mortgagee pursuant to the provisions of Sections 33.3, 33.4, 33.6 and 33.8 hereof, the execution and delivery of a Mortgage does not give nor shall be deemed to give any Mortgagee any greater rights against Landlord than those granted to Tenant hereunder.

Section 33.3. Right to Cure Tenant's Defaults.

(a) Notice. If Tenant shall mortgage Tenant's interest in this Lease, Tenant shall give Landlord prompt notice of such Mortgage and furnish Landlord with a complete and correct copy of such Mortgage, certified as such by Tenant and by such Mortgagee, together with the name and address of such Mortgagee. After receipt of the foregoing, Landlord shall give to each Mortgagee, at the address of the Mortgagee stated in the certification herein above referred to, or in any subsequent notice given by the Mortgagee to Landlord, and otherwise in the manner provided in Article 25 hereof, a copy of each notice of Default and/or termination at the same time as it gives notice of Default and/or termination to Tenant, and no such notice of Default and/or termination shall be deemed effective with respect to the Mortgagee unless and until a copy thereof has been so given to each Mortgagee. If Tenant fails to cure any Default within the

applicable grace period, Landlord shall promptly give notice of same (an "Event of Default Notice") to each Mortgagee.

(b) Right and Time to Cure. Except as otherwise provided in Section 33.3(e) hereof, and subject to the provisions of Section 33.5 hereof, if an Event of Default Notice shall have been given, each Mortgagee (other than the First Mortgagee) shall have a period of (i) fifteen (15) days in the case of a Default in the payment of Rental, and (ii), subject to the provisions of Section 33.3(d), thirty (30) days in the case of any other Default (each of such periods to begin to run upon the giving of the Event of Default Notice) within which to remedy such Default. The First Mortgagee shall have a period of thirty (30) days in addition to that provided above to other Mortgagees within which to remedy such Default.

(c) Mortgagee's Performance. Subject to the provisions of Section 33.5 hereof, Landlord shall accept performance by a Mortgagee of any covenant, condition or agreement on Tenant's part to be performed hereunder with the same force and effect as though performed by Tenant.

(d) Non-Rental Defaults. No Event of Default (other than an Event of Default arising from the non-payment of Rental) shall be deemed to have occurred if, within the period set forth in Section 33.3(b) hereof, a Mortgagee has remedied the Default, caused it to be remedied, or in the case of a Default that cannot be cured within such time period due to the reasons set forth in Section 24.1(c), commenced to remedy and prosecutes such remedy to completion with diligence and continuity; provided that in the case of a Default where possession of the Premises is required in order to cure the Default, or a Default which is otherwise not susceptible of being cured by a Mortgagee, if a Mortgagee has instituted foreclosure proceedings within one hundred fifty (150) days after the Default, and is prosecuting the foreclosure proceedings with diligence to obtain possession, including seeking the appointment of a receiver in connection therewith, the cure periods referred to in Section 33.3(b) shall not begin to run until the Mortgagee so obtains possession. The rights of a Mortgagee under this Section 33.3(d) shall not apply unless such Mortgagee or its nominee shall have delivered to Landlord, in writing, its agreement (i) to take the action required to foreclose and obtain possession, and (ii) that during the period in which such action is being taken (and any foreclosure proceedings are pending), all of the other obligations of Tenant under this Lease, to the extent they are

susceptible of being performed by the Mortgagee, are being duly performed. However, at any time after the delivery of the aforementioned agreement, the Mortgagee may notify Landlord, in writing, that it has relinquished possession of the Premises or that it will not institute foreclosure proceedings or, if such proceedings have been commenced, that it has discontinued them, or that it deems that the Default has been cured, and in such event such Mortgagee shall have no further liability under such agreement from and after the date it delivers such notice to Landlord (except for any obligations accruing prior to the date it delivers such notice), and if such Mortgagee delivers such notice, unless the Default has been cured, Landlord shall have the unrestricted right to terminate this Lease and to take any other action it deems appropriate by reason of any Default by Tenant, and upon any such termination the provisions of Section 33.4 shall be applicable.

(e) Non-curable Defaults. Notwithstanding anything herein contained to the contrary, provided such Mortgagee shall have otherwise complied with the provisions of this Section 33.3, such Mortgagee shall have no obligation to cure any Defaults which are not susceptible to being cured by such Mortgagee and this Lease shall continue in full force and effect, as long as the Mortgagee is diligently proceeding to foreclose its Mortgage or it or its assignee or designee has foreclosed or taken an assignment in lieu of foreclosure.

(f) Extension of Cure Periods. Each of the time periods referred to in this Section 33.3 for the curing of an Event of Default (other than an Event of Default arising from the non-payment of Rental) shall be deemed to be extended by the number of days, if any, that the curing of such Event of Default is prevented or delayed by reason of any Unavoidable Delays.

Section 33.4. Execution of New Lease.

(a) Notice of Termination. If this Lease is terminated by reason of an Event of Default, Landlord shall give prompt notice thereof to each Mortgagee.

(b) Request for and Execution of New Lease. If, within sixty (60) days of the giving of the notice referred to in Section 33.4(a) hereof, a Mortgagee requests a new lease, then subject to the provisions of Sections 33.4(c) and 33.5 hereof, within sixty (60) days after Landlord has received such request, Landlord shall execute and deliver a new lease of the Premises for the remainder of the Term to the Mortgagee, or any designee or nominee of the

Mortgagee approved by Landlord. The new lease shall contain all of the covenants, conditions, limitations and agreements contained in this Lease.

(c) Conditions Precedent to Landlord's Execution of New Lease. The provisions of Section 33.4(b) hereof notwithstanding, Landlord shall not be obligated to enter into a new lease with a Mortgagee unless the Mortgagee pays to Landlord, concurrently with the execution and delivery of the new lease, all Rental due under this Lease up to and including the date of the commencement of the term of the new lease and all expenses, including, without limitation, reasonable attorneys' fees and disbursements and court costs incurred in connection with the Event of Default, the termination of this Lease and the preparation of such new lease. If at the time Landlord enters into a new lease with a Mortgagee any portion of the Premises shall have been subjected to a condemnation, then Landlord's obligation to enter into a new lease with such Mortgagee shall be only for the Premises as reduced.

(d) No Waiver of Default. The execution of a new lease shall not constitute a waiver of any Default existing immediately before termination of this Lease and, except for a Default which is not susceptible of being cured by the Mortgagee, the tenant under the new lease shall cure, within the applicable periods set forth in Section 24.1 hereof (the time to cure determined as if such time periods commenced as of the date of such new lease), all Defaults existing under this Lease immediately before its termination.

(e) Assignment of Depository Proceeds. Any such new lease and leasehold estate thereby created shall continue to maintain the same priority as this Lease with regard to any Mortgage and any fee mortgage on the Premises, or any part thereof, or any other lien, charge or encumbrance thereon. Concurrently with the execution and delivery of a new lease pursuant to the provisions of Section 33.4(b) hereof, Landlord shall assign to the tenant named therein all of its right, title in and interest to moneys (including insurance proceeds and condemnation awards), if any, then held by, or payable to, Landlord or Depository that Tenant would have been entitled to receive but for the termination of this Lease. Any sums then held by, or payable to, Depository shall be deemed to be held by, or payable to, Depository as depository under the new lease.

(f) Assignment of Subleases. Upon the execution and delivery of a new lease pursuant to the provisions of Section 33.4 hereof, all Subleases that may have been assigned to

Landlord and all direct leases between Landlord and any occupants of the Premises shall be assigned and transferred, without recourse, by Landlord to the tenant named in the new lease. Between the date of termination of this Lease and the date of the execution and delivery of the new lease, if a Mortgagee or its designee or nominee has requested a new lease as provided in Section 33.4(b) hereof, Landlord shall not cancel any Sublease or accept any cancellation, termination or surrender thereof (unless such termination is effected as a matter of law upon the termination of this Lease or terminated by the terms of the Sublease) or enter into any amendments thereto which materially adversely affect the landlord thereunder without the consent of the Mortgagee, except for the purpose of permitting Landlord to enter into Subleases for at least the remainder of the unexpired terms of the cancelled Subleases with other tenants who will occupy not less than the same amount of space demised by the cancelled Subleases and pay the same rental rate for a term not less than that provided for in the cancelled Subleases.

Section 33.5. Recognition by Landlord of Mortgagee Most Senior in Lien. If more than one Mortgagee has exercised or has the right to exercise any of the rights afforded by this Article 33, only the First Mortgagee, to the exclusion of all other Mortgagees, shall be recognized by Landlord as having exercised or having the right to exercise such right unless such Mortgagee has designated another Mortgagee to exercise such right and has given written notice of such designation to Landlord.

Section 33.6. Mortgagee Participation.

(a) Arbitration Participation. Under any circumstances in which arbitration is provided for herein, Tenant shall give each Mortgagee notice of the demand for arbitration, and Landlord shall recognize each Mortgagee as a proper party to participate in the arbitration, subject, however, to the provisions of Section 33.5 above.

(b) Participation at Condemnation Proceedings. A Mortgagee has the right to appear in any condemnation proceedings and to participate in any and all hearings, trials and appeals in connection with a taking referred to in Article 9 hereof, subject, however, to the provisions of Section 33.5 above.

Section 33.7. Application of Funds.

(a) Application of Subrents. Wherever in this Lease Landlord is permitted to collect subrents, such right shall not limit the right of a Mortgagee to collect rents and other sums pursuant to a collateral assignment of the Subleases, provided that such sums shall be held in trust and employed first to pay Rental due hereunder.

(b) Application of Insurance or Condemnation Proceeds. Subject to the provisions of the Mortgages securing the Initial Financing, to the extent that this Lease requires that insurance proceeds paid in connection with any damage or destruction to the Building, or the proceeds of an award paid in connection with a taking referred to in Article 9 hereof, be applied to restore any portion of the Building, no Mortgagee has the right to apply the proceeds of insurance or awards toward the payment of the sum secured by its Mortgage. Subject to the provisions of the immediately preceding sentence and the provisions of Article 8, Tenant may assign its right, title and interest in such proceeds and awards, and any amount thereof payable to Tenant may be paid to, the First Mortgagee.

Section 33.8. Amendments and Modifications to Lease. No modification of or amendment to, or voluntary termination or cancellation of this Lease (a "change") shall be effective as against a Mortgagee unless the proposed change shall have been delivered to such Mortgagee in writing and such Mortgagee shall have either: (a) approved the change in writing or (b) failed to disapprove the change in writing within sixty (60) days after receipt of a copy thereof.

Section 33.9. Exemption from Mortgage Recording Tax. Landlord and Tenant agree to cooperate with each other and to execute and deliver such documents, and take such other actions as may be reasonably required, to obtain any exemption from the Mortgage Recording Tax that may be available with respect to any Mortgage by reason of Landlord's status as a Mortgagee or otherwise as a result of the involvement of RIOC or its successor in the Premises or based on an exemption for properties on Roosevelt Island (including, without limitation, any exemption available by reason of the Advisory Opinion issued by the New York Commissioner of Taxation and Finance dated May 23, 2001-Petition No. M010102A). Without limiting the generality of the foregoing, Landlord agrees that, with respect to any Mortgage (other than Mortgages securing the Initial Financing), it shall act as the named Mortgagee and

present the Mortgage for recording if necessary for obtaining such an exemption. Such cooperation and other action shall be without cost or expense to Landlord, and Tenant shall indemnify and hold Landlord harmless against any costs and expenses reasonably incurred by Landlord (including, without limitation, reasonable attorneys' fees and expenses) in connection with Landlord's actions under this Section 33.9.

Section 33.10. Exculpation of Mortgagee. No Mortgagee or any Affiliate thereof shall have any liability for any of Tenant's obligations under this Lease unless and until it becomes the Tenant by foreclosure, assignment in lieu of foreclosure or otherwise, and, thereafter, shall remain liable for such obligations only so long as it remains the owner of the leasehold estate created hereby, and shall be released from any liability under this Lease upon a subsequent assignment to a third party.

Section 33.11. Cooperative and Condominium Unit Financing. In the event the leasehold estate created by this Lease is converted to a Condominium or Tenant transfers its interest in this Lease to a cooperative housing corporation, owners of co-operative or condominium Units shall have the right, without restriction, to mortgage and/or grant security interests of their proprietary leases and shares of stock in the cooperative housing corporation, or individual condominium Units, as the case may be. The Payment in Lieu of Mortgage Tax shall not apply to any such mortgage or security interest.

Section 33.12. Subordination. If Landlord mortgages or otherwise encumbers its estate under and interest in the Master Lease, any such mortgage or other encumbrance shall be subject and subordinate to Tenant's rights in and under this Lease, and the holder of such mortgage or other encumbrance shall enter into a written agreement in favor of Tenant in a form reasonably satisfactory to Landlord and Tenant.

ARTICLE 34

QUIET ENJOYMENT

Landlord covenants that, if and as long as Tenant (and owners of condominium Units if the Premises shall be owned as a Condominium) shall faithfully perform the agreements, terms, covenants and conditions hereof, and no Event of Default has occurred and remains continuing, Tenant shall and may (subject, however, to the exceptions, reservations, terms and conditions of this Lease) peaceably and quietly have, hold and enjoy the Premises for the term hereby granted without molestation or disturbance by or from Landlord or its assigns, successors or agents.

ARTICLE 35

ARBITRATION

Section 35.1. Procedure for Arbitration. In such cases where this Lease expressly provides for the settlement of a dispute or question by arbitration, and only in such cases, the same shall be determined by arbitration conducted in New York, New York, in accordance with the rules then obtaining at the American Arbitration Association, and judgment upon the award rendered may be entered in any court having jurisdiction thereof. The party desiring arbitration shall appoint a disinterested person as arbitrator on its behalf and give notice thereof to the other party who shall, within fifteen (15) days thereafter, appoint a second disinterested person as arbitrator on its behalf and give written notice thereof to the first party. The arbitrators thus appointed shall appoint a third disinterested person, and said three (3) arbitrators shall, as promptly as possible, determine the matter which is the subject of the arbitration. The decision of the majority of the arbitrators shall be conclusive and binding on all parties and judgment upon the award may be entered in any court having jurisdiction. If a party who shall have the right pursuant to the foregoing to appoint an arbitrator fails or neglects to do so, then and in such event the other party (or if the two arbitrators appointed by the parties shall fail within fifteen (15) days after the appointment of the second arbitrator to appoint a third arbitrator, then either party) may apply to any court of competent jurisdiction to appoint such arbitrator. The expenses of arbitration shall be shared equally by Landlord and Tenant but each party shall be responsible for the fees of its own attorneys. Landlord and Tenant agree to sign all documents and to do all other things necessary to submit any such matter to arbitration and further agree to, and hereby do, waive any and all rights they or either of them may at any time have to revoke their agreement hereunder to submit to arbitration and to abide by the decision rendered thereunder. The arbitrators shall have no power to vary or modify any of the provisions of this Lease, and their jurisdiction is limited accordingly.

In the event that any dispute requiring arbitration hereunder shall involve subject matter of a technical or specialized nature, the arbitrators selected hereunder shall be professionals with at least ten (10) years' experience in the appropriate discipline (i.e., certified public accountants to resolve accounting disputes, licensed engineers or architects to resolve discrepancies in plans and specifications, etc.).

Section 35.2. Procedure for Appraisal. In each instance under this Lease where it shall become necessary to resort to appraisal, such appraisal shall be conducted as follows:

(a) The party desiring such appraisal shall give notice to that effect to other party, specifying therein the name and address of the person designated to act as appraiser on its behalf. Within fifteen (15) days after the service of such notice, the other party shall give notice to the first party specifying the name and address of the person designated to act as appraiser on its behalf. If either party fails to notify the other party of the appointment of its appraiser, as aforesaid, within or by the time above specified, then the appointment of the second appraiser shall be made in the same manner as hereinafter provided for the appointment of a third appraiser in a case where the two appraisers appointed hereunder and the parties are unable to agree upon such appointment.

(b) The appraisers so chosen shall meet within ten (10) days after the second appraiser is appointed and if, within sixty (60) days after such first meeting, the said two appraisers shall be unable to agree upon the valuation they themselves shall appoint a third appraiser who shall be a competent and impartial person. Within a period of sixty (60) days after the appointment of such third appraiser, such third appraiser shall be required to choose between the two appraisals previously given.

(c) In the event the two appraisers are unable to agree upon the appointment of a third appraiser within fifteen (15) days after the time aforesaid, such third appraiser shall be selected by the parties themselves if they can agree thereon within a further period of fifteen (15) days. If the parties do not so agree, then either party, on behalf of both, may apply to the Presiding Justice of the highest court in the county in which the Premises are located, for the appointment of such third appraiser, and the other party shall not raise any question as to the court's full power and jurisdiction to entertain the application and make the appointment.

(d) Any appraiser selected or appointed pursuant to this Section shall be a member of the American Institute of Real Estate Appraisers (or a successor organization), shall be an appraiser, and shall have been doing business as such in New York County for a period of at least fifteen (15) years before the date of his appointment. All appraisers chosen or appointed pursuant to this Section shall be sworn fairly and impartially to perform their duties as such

appraiser. In the event of the failure, refusal or inability of any appraiser to act, his successor shall be appointed within ten (10) days by the party who originally appointed him or in the event such party shall fail so to appoint such successor, or in case of the third appraiser, his successor shall be appointed as hereinabove provided.

(e) Each party shall pay the fees and expenses of its respective appraiser and both shall share the fees and expenses of the third appraiser, if any. Each party shall be responsible for the fees and expenses of its own attorney and other representatives.

ARTICLE 36

INVALIDITY OF CERTAIN PROVISIONS

If a court of competent jurisdiction shall make a final determination that any term or provision of this Lease or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to Persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

ARTICLE 37

EASEMENTS

Section 37.1. Easements. Subject to the provisions of Article 40 hereof, Landlord hereby, grants to Tenant, Subtenants, and their respective contractors, agents, employees, and guests, during the Term, the following non-exclusive licenses, easements and rights-of-way:

(a) easement and right-of-way for the passage of pedestrian traffic over all streets, roads or avenues (collectively, the "Streets") running between the Premises and other improvements constructed on Roosevelt Island;

(b) easement and right-of-way for the passage of bicycles, baby carriages, shopping carts, velocipedes, strollers, and other non-motorized items of a similar nature, over all Streets or rights-of-way subject to the Rules and Regulations;

(c) a license over such portion of the land covered by the Master Lease as is (i) necessary in Landlord's reasonable judgment for use in construction of the Building, making repairs to the Building and, to the extent permitted, making capital improvements to, or Restoration of, the Building and (ii) not covered by any other lease, sublease or license (other than the Master Lease);

(d) a license over such portion of the land covered by the Master Lease as is (i) necessary for use and/or maintenance of the Building and (ii) not covered by any other lease, sublease or License (other than the Master Lease); and

(e) easement, right-of-way and right of access for the passage of vehicular traffic, subject to the Rules and Regulations, over all streets, roads, or avenues on Roosevelt Island, including any public streets or rights of way.

Section 37.2. Reservation of Rights to Construct Bicycle Path and Pedestrian Path. Landlord reserves the right to construct a two-lane bicycle path (which may include an accompanying pedestrian path; collectively, the "Bicycle Path") along the eastern portion of the Land, in an area to the west of the existing East River Promenade located to the east of the Land. The Bicycle Path is intended to be part of a larger Bicycle Path running along the eastern side of Roosevelt Island, and shall be open to all residents of and visitors to Roosevelt Island. Tenant

shall grant Landlord access to the Land in order to construct and thereafter maintain the Bicycle Path. Tenant shall not prevent access to or interfere with the construction or use of the Bicycle Path and will not construct any improvements on any portion of the Land that is located within twenty-five (25) feet of the eastern sea wall of Roosevelt Island (the "Bicycle Path Area"), or permit any portion of the improvements constructed on the Land to project over the Bicycle Path Area. In no event will Tenant install any improvements or landscaping on any area outside of the boundaries of the Land. If Landlord elects to construct the Bicycle Path, Tenant will, at its expense, promptly relocate any landscaping then located on any portion of the Land located within the Bicycle Path Area. The parties agree to reasonably cooperate with each other and to coordinate their respective construction schedules in order to minimize interference and to expedite relocation of the landscaping and construction of the Bicycle Path. Landlord shall have access to the Land as reasonably needed to construct and thereafter maintain the Bicycle Path during the term of this Lease. Landlord shall maintain the Bicycle Path at its expense. Landlord shall have the right to construct, use and maintain the Bicycle Path during the term of this Lease, and Landlord shall not be deemed to have waived its rights under this Lease if it fails to construct or thereafter maintain a Bicycle Path for any part of the term of this Lease. At Landlord's request, the parties shall enter into an agreement in recordable form memorializing Landlord's rights under this Section 37.2.

ARTICLE 38

RECORDING OF MEMORANDUM

Either Landlord or Tenant may at any time record a memorandum of this Lease, including the entire Lease, with the rental terms deleted, and in furtherance thereof Landlord or Tenant, upon the request of the other, shall join in the execution of a memorandum of lease or a memorandum of any amendment or modification of this Lease in proper form for recordation.

ARTICLE 39

NON-DISCRIMINATION AND AFFIRMATIVE ACTION PROGRAM

. Tenant shall comply with all applicable requirements of the Affirmative Action Program annexed hereto as Exhibit D, and Tenant and Tenant's contractors and subcontractors shall be bound by the provisions of Paragraph 26 of the Master Lease, a copy of which is included as Exhibit E and incorporated herein by reference.

ARTICLE 40

ISLAND SERVICES AND COMMUNITY FACILITIES

Section 40.1.

(a) Island Services Generally Landlord and Tenant acknowledge that Landlord or its designees or predecessors have provided or caused to be provided certain services to the Roosevelt Island community which are in addition to services normally provided by municipalities ("Island Services") including, but not limited to (i) Tramway service, (ii) the central pneumatic collection system for the disposal and removal of refuse ("AVAC"), (iii) minibus service, (iv) public safety or security services, (v) "community service" worker, and (vi) maintenance of (A) landscape of all areas not leased to other tenants of Landlord, (B) the streets, as required, in excess of municipal standards, (C) recreational and athletic facilities, and (D) parking in the Motorgate Parking Facility and parking in other areas.

(b) Charges for Island Services. Landlord may impose on Tenant a charge, in addition to Base Rent, for the furnishing of any Island Service, except for services referred to in Sections 3.1, 11.2 and 40.4 and charged under such Sections, but only if Landlord imposes a charge for such Island Service on all other lessees of buildings on Roosevelt Island containing residential apartments, in which event Tenant shall pay, unless otherwise provided herein, its pro-rata share (computed on the basis of the number of Completed Units in the Building as a percentage of the then total of the completed residential units on Roosevelt Island) of such charge as Rental under Article 3. Tenant's share of such charges shall not be decreased by reason of a decrease in the number of Completed Units in the Building resulting from a combination or diminution in the number of Units by Tenant. If Tenant fails to pay such charge, Landlord (in addition to any other rights and remedies provided herein) shall have all of the rights and remedies provided in this Lease in the case of non-payment of Rental. Landlord agrees that its collection processes for such charges shall be non-discriminatory. Landlord acknowledges that it provides Island Services for the benefit of Roosevelt Island pursuant to its enabling legislation, and charges for Island Services, if imposed, will be for the purpose of providing funds for the provision thereof. Landlord agrees that it may not impose charges for Island Services as a means of covering litigation costs or losses incurred by Landlord as a result of litigation due to inadequate insurance coverage by Landlord.

(c) Additional Island Service. Landlord shall have the right to designate additional community services as "Island Services," provided, however, that New York City would no longer be responsible as the local municipal government as a matter of law in the absence of any contractual or lease obligations whatsoever for the providing of such services. In the event Landlord desires to have furnished any reasonable, necessary and not otherwise adequately provided maintenance or other services in respect of the common areas and facilities in Southtown, which Landlord is not then providing without charge elsewhere on Roosevelt Island, Landlord shall first offer Tenant and any other subtenants of residential buildings that would be affected the opportunity to elect (x) to perform or arrange for the performance of such services themselves, without cost or expense to Landlord, (y) to have Landlord perform (or arrange for the performance of) such services at the sole cost and expense of Tenant and such other subtenants or (z) to not have such services performed. Landlord shall have no obligation to perform any such service for Tenant if Tenant does not make any such election. Any contractors proposed for the provision of any such service shall be subject to Landlord's prior written consent, which shall not be unreasonably withheld or delayed if the proposed contractor is not a Prohibited Person.

(d) It is not the intention of this Article 40 to relieve the lessor under the Master Lease of its obligation under Paragraph 3 of the Master Lease not to discriminate against residents of Roosevelt Island with respect to the provision of police, fire, sanitation, health protection, public education and other municipal services.

Section 40.2. Change in or Curtailment or Discontinuance of Island Services. Landlord reserves the right to change, curtail or discontinue any or all of the Island Services and Landlord shall not be liable to Tenant or Subtenants if Landlord elects not, refuses, or fails, to furnish any or all of the Island Services, or for any injury to any Person or damage to the Premises or any property caused by, or resulting from the furnishing, curtailment or discontinuance of, or changes in, or any failure to furnish Island Services. Notwithstanding the foregoing, except in case of emergency, Landlord shall give Tenant reasonable advance notice of the curtailment or discontinuance of the Tramway or AVAC service, in light of the need to implement substitutes therefor. Nothing contained herein shall be deemed to relieve Landlord from liability to Tenant by reason of the negligence or wrongful acts of Landlord, its agents or employees.

Section 40.3. Security.

(a) Notwithstanding the provisions of Article 3 hereof with regard to Landlord's public safety services and Tenant's monthly payments therefor, Tenant, in addition, upon at least forty-five (45) days' prior written notice to Landlord, may hire its own security personnel for the Premises, provided that such personnel shall not regularly patrol beyond the Premises without the approval of Landlord and provided further that the public safety services of Landlord shall not be impeded or limited in their access to the Building. Tenant acknowledges and agrees that Landlord shall not take responsibility for patrolling the Premises or for the internal control and security of the Premises.

(b) Landlord shall have the right to enter the Premises, subject to the rights of Subtenants, in connection with performance of Landlord's public safety services, including the right to enter the Building in response to calls from Subtenants or other occupants of the Building or while in pursuit.

(c) Landlord shall have the right, at its cost and expense, to install antennae on the roofs of the Building for a security radio provided (i) Tenant shall have approved the plans therefor, which approval shall not be unreasonably withheld, (ii) the antennae shall comply with all Requirements applicable thereto, (iii) such installation shall not violate the provisions of any insurance maintained by Tenant, (iv) Landlord's transmissions shall not interfere with Tenant's then existing Permitted Rooftop Equipment, and (v) Landlord shall indemnify Tenant with respect to the installation, operation, maintenance and repair of Landlord's antennae and the roof area to which it is attached, except to the extent any loss, cost, damage, claim or expense results from the acts or omissions of Tenant or any Subtenant (or any Person claiming by, through or under Tenant or any Subtenant), or their respective agents, contractors, representatives, licensees or invitees.

Section 40.4. AVAC/Refuse Disposal.

(a) Tenant shall use the AVAC system serving Roosevelt Island for the disposal and removal of all refuse for which it was designed by depositing all such refuse into the AVAC input stations which Tenant shall construct. Refuse which the AVAC is not designed to process shall not be disposed in or through the AVAC. Tenant agrees that, at its sole cost and expense, it shall dispose of and remove from the Premises all refuse which the AVAC is not

designed to process, in such manner as Landlord shall approve pursuant to agreements entered into by Landlord on behalf of Tenant, which agreements shall be subject to Tenant's approval, such approval not to be unreasonably withheld, or such other agreements as Landlord shall approve, such approval not to be unreasonably withheld. If such disposal and removal is pursuant to agreements entered into by Landlord, Tenant shall pay to Landlord, within ten (10) days after demand, at Landlord's option, either (i) Tenant's pro rata share of all costs and expenses incurred by Landlord under such agreements, or (ii) the costs and expenses attributable to the Premises which are incurred by Landlord under such agreements. If Tenant fails to pay such costs and expenses, Landlord (in addition to any other rights and remedies provided herein) shall have all of the rights and remedies provided for by law in the case of non-payment of rent. Landlord represents, that as of the date hereof, there is no condition or event to Landlord's knowledge, that would cause the termination of AVAC service. Tenant shall, at Tenant's expense, connect the Premises to the existing AVAC system and maintain, repair and replace all AVAC facilities located on the Premises. Tenant and the other tenants of buildings within Southtown, Roosevelt Island shall be collectively responsible for fifty percent (50%), and Landlord shall be responsible for fifty percent (50%), of the costs of maintenance, repair and replacement of AVAC facilities serving Southtown; such collective fifty percent (50%) share to be allocated severally to Tenant and other tenants served by a particular AVAC facility on the basis of the number of buildings served thereby (e.g., if an AVAC facility serves the Building and two other Southtown buildings, Tenant's portion of such fifty percent share shall be one third).

(b) Notwithstanding the provisions of Section 40.4(a), the cost of maintenance, repair and replacement of the AVAC facilities installed to serve the Building and Building #7 and Building #9 (as such terms are defined in the Development Agreement) within the leased premises of each such building shall be shared by those of such buildings as have been completed and are occupied on a pro-rata basis (e.g., if the Building and such Building #7 and Building #9 are completed and occupied, then the tenants of each of them shall be responsible for one-third ($1/3^{rd}$) of such costs). Landlord has caused similar provisions to be inserted in the lease for Building #7 and shall cause similar provisions to be inserted in the lease, if any, for Building #9.

Section 40.5. Community Facilities.

(a) As its allocable share of the cost of operating, maintaining, repairing, restoring, replacing and upgrading the open spaces (including park land), the curbs, the street trees and similar community facilities (collectively, the "Community Facilities") on Roosevelt Island, including, at Landlord's election, the costs of creating and maintaining a reasonable reserve fund and of insuring the Community Facilities or any part thereof, Landlord may require Tenant, for each Lease Year or portion thereof during the Term, to pay to Landlord annually (the "Community Facilities Payment") an amount equal to Tenant's Pro Rata Share of such costs, provided that such obligation to make the Community Facilities Payment is imposed on Tenant in a non-discriminatory manner and Landlord provides to Tenant, in reasonable detail, the costs and calculations used in determining the Community Facilities Payment.

(b) For each Lease Year or portion thereof, as soon as shall be practicable after the end of such Lease Year, Landlord shall submit to Tenant a statement setting forth (1) the costs incurred by Landlord during such Lease Year and attributable to the Community Facilities, together with supporting documentation, and (2) Tenant's Community Facilities Payments as calculated pursuant to this Section 40.5. Within thirty (30) days of the date any such statement and documentation are submitted to Tenant, Tenant shall pay the Community Facilities Payment made by Tenant for the Lease Year. Alternatively, Landlord may require that Tenant pay one-twelfth (1/12) of the annual Community Facilities Payment on a monthly basis, on the first day of each month. Landlord may reasonably estimate such Community Facilities Payment to calculate the monthly amount due. After the end of each Lease Year, Landlord shall determine the actual Community Facilities Payment and if there is a shortfall, Tenant shall pay it to Landlord within thirty (30) days of demand. If Tenant has overpaid, such amount will be credited against Rental next due from Tenant. Tenant shall continue to pay its monthly amount until a new amount is delivered to Tenant.

(c) Landlord shall have the right to transfer to a trust or other entity the responsibility of performing Landlord's maintenance obligations and the right to receive installments of the Community Facilities Payment directly from Tenant. Landlord shall give Tenant notice of the consummation of any such transfer. Notwithstanding such transfer, the Community Facilities Payment shall, at all times, constitute Rental hereunder. Thereafter, for

each Lease Year, such trust or other entity shall submit to Tenant the documentation and other information required by this Section 40.5 and shall give notice thereof to Tenant in the same manner as would otherwise be required of Landlord.

(d) Tenant covenants and agrees that any outdoor. recreational facilities and plazas which are a part of the Premises shall not be fenced or otherwise enclosed nor access thereto restricted in any unreasonable manner and; shall be maintained by Tenant in good repair and appearance.

Section 40.6. No Third Party Rights. The provisions of this Article 40 shall not be deemed to grant any rights to any Person, including, without limitation, any subtenant or other resident on or visitor to Roosevelt Island, except Tenant and/or Landlord, and the terms of this Article 40 shall be enforceable only by Tenant and/or Landlord.

ARTICLE 41
MISCELLANEOUS

Section 41.1. Captions. The captions of this Lease are for convenience of reference only and in no way define, limit or describe the scope or intent of this Lease or in any way affect this Lease.

Section 41.2. Table of Contents. The Table of Contents is for the purpose of convenience of reference only and is not to be deemed or construed in any way as part of this Lease or as supplemental thereto or amendatory thereof.

Section 41.3. Gender and Successors. The use herein of the neuter pronoun in any reference to Landlord or Tenant shall be deemed to include any individual Landlord or Tenant, and the use herein of the words "successor and assign" or successors and assigns" of Landlord or Tenant shall be deemed to include the heirs, legal representatives and assigns of any individual Landlord or Tenant. Words of the masculine gender shall mean and include correlative words of the feminine and neuter gender and words imparting the singular shall mean and include the plural and vice versa.

Section 41.4. Reference to Landlord or Tenant. If more than one party is named as or becomes Landlord or Tenant hereunder, Landlord or Tenant, as the case may be, may require the signatures of all such parties in connection with any notice to be given or action to be taken by Landlord or Tenant, as the case may be, hereunder. Subject to the provisions of Sections 41.5 and 41.9 hereof, each party named as Landlord or Tenant shall be fully liable for all of Landlord's or Tenant's, as the case may be, obligations hereunder. Any notice by Landlord or Tenant to any party named as Landlord or Tenant, as the case may be, shall be sufficient and shall have the same force and effect as though given to all parties named as Landlord or Tenant, as the case may be.

Section 41.5. Landlord's Exculpation. The liability of Landlord or of any Person who has at any time acted as Landlord hereunder for damages or other monetary amounts shall be limited to Landlord's interest in the Premises, including, without limitation, the rents and profits therefrom, the proceeds of any insurance policies covering or relating to the Premises, any awards payable in connection with any condemnation of the Premises or any part thereof, and

any other rights, privileges, licenses, franchises, claims, causes of action other interests, sums or receivables appurtenant to the Premises. Neither Landlord nor any such Person nor any of the members, directors, officers, employees, agents or servants of either shall have any liability (personal or otherwise) hereunder beyond Landlord's interest in the Premises, and no other property or assets of Landlord or any such person or any of the members, directors, officers, employees, agents or servants of either shall be subject to levy, execution or other enforcement procedure for the satisfaction of Tenant's remedies hereunder. This Section shall survive expiration or earlier termination of the Lease.

Section 41.6. Non-Merger of Lease. Except as otherwise expressly provided in this Lease, there shall be no merger of this Lease or the leasehold estate created hereby with the fee estate in the Premises or any part thereof by reason of the same Person acquiring or holding, directly or indirectly, any interest in this Lease or the leasehold estate created hereby as well as an interest in the fee estate in the Premises.

Section 41.7. Transfer of Landlord's Interest. If RIOC or any successor to its interest hereunder ceases to be the tenant under the Master Lease or there is any sale or sales, assignment or assignments, or transfer or transferor of the tenant's leasehold interest in the Premises under the Master Lease, the seller, assignor or transferor, as the case may be, shall be and hereby is entirely freed and relieved of all agreements, covenants and obligations of Landlord hereunder to be performed from and after the date of such sale, assignment or transfer, and it shall be deemed and construed without further agreement between the parties or their successors in interest or between the parties and the Person who acquires or owns the Premises including, without limitation, the purchaser, assignee or transferee on any such sale, assignment or transfer, that such Person has assumed and agreed to carry out any and all agreements, covenants and obligations of Landlord hereunder accruing from and after the date of such acquisition, sale, assignment or transfer. Nothing hereinbefore set forth shall be construed to relieve Landlord from its obligation to comply with Landlord's agreements, covenants and obligations under this Lease required to be performed prior to the date of any such sale, assignment or transfer of Landlord's interest in the Master Lease. If Landlord is then holding any funds of Tenant or amounts prepaid by Tenant and not yet accrued, and provided that no Default shall have occurred and remain uncured, Landlord shall, at the time of such transfer, transfer the

same to the assignee or successor. The Specified Rental Payment, once made, shall not be deemed to be funds of Tenant or amounts prepaid by Tenant for this purpose.

Section 41.8. Transfer of Tenant's Interest. If Tenant, or any successor to its interest hereunder ceases to have any interest in the leasehold estate hereby created by reason of any authorized and valid sale or sales, assignment or assignments or transfer or transfers of the Tenant's interest hereunder in accordance with the terms of Article 10 of this Lease, the seller, assignor or transferor shall be and hereby is entirely freed and relieved of all agreements, covenants and obligations of Tenant hereunder to be performed from and after the date of such sale, assignment or transfer, and it shall be deemed and construed without further agreement between the parties or their successors in interest or between the parties and the Person who acquires or owns the Tenant's interest in the Premises under this Lease, including, without limitation, the purchaser or transferee in any such sale, disposition or transfer, such Person has assumed and agreed to carry out any and all agreements, covenants and obligations of Tenant hereunder to be performed from and after the date of such acquisition, sale or transfer. Nothing hereinbefore set forth shall be construed to relieve Tenant from any liability with respect to agreements, covenants and obligations required to be performed under this Lease prior to the date of any such sale, assignment or transfer of the Tenant's interest hereunder.

Section 41.9. Amendment of Lease. This Lease cannot be changed or terminated orally, but only by a written instrument of change, modification, waiver or termination executed by all parties hereto.

Section 41.10. Governing Law. This Lease shall be governed by and construed in accordance with the laws of the State of New York.

Section 41.11. Successors and Assigns. The agreements, terms, covenants and conditions herein shall bind and inure to the benefit of Landlord and Tenant and their respective permitted successors and assigns.

Section 41.12. No Joint Venture. Nothing herein is intended nor shall be deemed to create a joint venture or partnership between Landlord and Tenant, nor to make Landlord in any way responsible for the debts or losses of Tenant.

Section 41.13. Tax Benefits. As between Landlord and Tenant, Tenant shall have the exclusive right, if any, during the Term to all depreciation deductions, investment tax credits and other similar tax benefits attributable to any construction, demolition and Restoration performed by Tenant or attributable to the ownership of the Building. Landlord from time to time shall execute and deliver such instruments as Tenant shall reasonably request in order to effect the provisions of this Section 41.13, and Tenant shall pay Landlord's reasonable costs and expenses thereof. Landlord neither makes nor implies any representations as to the availability of any such deductions, credits or tax benefits.

Section 41.14. Entire Agreement. This Lease and the Exhibits hereto contain all the promises, agreements, conditions, inducements and understandings between Landlord and Tenant relative to the Premises and there are no promises, agreements, conditions, understandings, inducements, warranties or representations, oral or written, expressed or implied, between them other than as herein set forth other than as may be expressly contained in any written agreements or instruments executed by the parties or a party hereto.

Section 41.15. Counterparts. This Lease may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and any of the parties or signatories hereto may execute this Lease by signing any of such counterparts.

Section 41.16. Certification of Usable Square Feet. Upon completion of the Final Plans and Specifications, as such term is defined in the Development Agreement, Landlord and Tenant shall execute an amendment to this Lease setting forth: (i) Usable Square Feet for each Unit, and (ii) Usable Square Feet for the Building. In the event that Landlord and Tenant cannot agree upon the terms of the Lease amendment described above, such dispute shall be resolved by arbitration in accordance with the provisions of Article 35 hereof.

Section 41.17. Certifications Generally. Any certification by Tenant to Landlord under this Lease shall be accompanied by such reasonable supporting documentation (i.e., invoices and other cost information) as may be appropriate or necessary for Landlord to review and confirm the information relating to the matter in question.

Section 41.18. Further Assurances. Landlord and Tenant each agrees to take such further actions, and execute and deliver such additional documents, as may be reasonably requested by the other to effectuate the intent of this Lease and the provisions hereof.

Section 41.19. Non-Recourse to HDFC. This Lease shall be non-recourse to HDFC, and no officer, director, employee or member of HDFC shall have any personal liability under this Lease, and the only recourse of Landlord for any obligation of HDFC shall be to HDFC's interest in the Premises.

ARTICLE 42

[INTENTIONALLY OMITTED]

ARTICLE 43
LETTERS OF CREDIT

(a) Letter of Credit. Where this Lease expressly provides for the provision of a Letter of Credit, Tenant shall deliver to Landlord a letter of credit in accordance with the provisions hereof (hereinafter called a "Letter of Credit", which term shall also refer to any Replacement Letter of Credit, as hereinafter defined).

(b) Presentment of Sight Draft(s) Under Letter of Credit. If Tenant (i) fails to perform any of Tenant's obligations under this Section 43.1 in strict compliance with the requirements of this, Section 43.1 or (ii) violates any prohibition contained in this Section 43.1, with respect to a Letter of Credit, then Landlord shall have the right (in addition to all other rights and remedies provided in this Lease and without Landlord's exercise of such right being deemed a waiver or a cure of Tenant's failure to perform), without notice to Tenant, to present for immediate payment sight draft(s) in any amount Landlord elects up to the full amount then available under such Letter of Credit and to apply the proceeds thereof in the manner provided in this Lease for the application of the proceeds of such Letter of Credit. Any proceeds not so applied shall be held by Landlord or invested and reinvested in United States government securities maturing in no more than ninety (90) days or in federally insured money market accounts. Any interest earned thereon shall constitute proceeds of such Letter of Credit and shall be applied in the same manner as the proceeds of such Letter of Credit are applied. Landlord's obligations with respect to the presentment of any Letter of Credit, the return of any Letter of Credit or any proceeds thereof shall be governed by the applicable provisions of this Lease.

(c) Purpose of Letter of Credit. Tenant acknowledges that the purpose of each Letter of Credit is to provide sure and certain security for Landlord and that Landlord has accepted each Letter of Credit for that purpose, in place of a cash deposit in the same amount, with the understanding that each Letter of Credit is to be the functional equivalent of a cash deposit. To further assure that each Letter of Credit achieves its intended purpose, the parties agree as set forth below. Tenant acknowledges that the waivers in this Section 43.1(c) constitute a material portion of the inducement to Landlord to accept each Letter of Credit under the terms

and conditions of this Section 43.1, and that Landlord has agreed to accept each Letter of Credit in reliance on Tenant's waivers in this Section.

(i) Waiver of Certain Relief. Tenant unconditionally and irrevocably waives (and as an independent covenant hereunder, covenants not to assert) any right to claim or obtain any, of the following relief in connection with each Letter of Credit:

(A) A temporary restraining order, temporary injunction, permanent injunction, or other order that would prevent, restrain or restrict the presentment of sight drafts drawn under any Letter of Credit or the Issuer's honoring or payment of sight draft(s); or

(B) Any attachment, garnishment, or levy in any manner upon either the proceeds of any Letter of Credit or the obligations of the Issuer (either before or after the presentment to the Issuer of sight drafts drawn under such Letter of Credit) based on any theory whatever.

(ii) Remedy for Improper Drafts. Tenant's sole remedy in connection with the improper presentment or payment of sight drafts drawn under any Letter of Credit shall be the right to obtain from Landlord a refund of the amount of any sight draft(s) that were improperly presented or the proceeds of which were misapplied, together with interest at the Involuntary Rate and reasonable attorneys' fees. Tenant acknowledges that the presentment of sight drafts drawn under any Letter of Credit, or the Issuer's payment of sight drafts drawn under such Letter of Credit, could not under any circumstances cause Tenant injury that could not be remedied by an award of money damages, and that the recovery of money damages would be an adequate remedy therefor. In

the event Tenant shall be entitled to a refund as aforesaid and Landlord shall fail to make such payment within ten (10) days after demand, then, in addition to any other remedies available at law, Tenant shall have the right to deduct the amount thereof together with interest thereon at the Involuntary Rate from the next installment(s) of Base Rent or Additional Rent.

(iii) Notices to Issuer. Tenant shall not request or instruct the Issuer of any Letter of Credit to refrain from paying sight draft(s) drawn under such Letter of Credit.

(d) Assignment. If either Landlord or Tenant desires to assign its rights and obligations under this Lease in compliance with the provisions of this Lease, then the parties to this Lease shall, at the assignor's request, cooperate so that concurrently with the effectiveness of such assignment, Tenant shall deliver to Landlord a Replacement Letter of Credit as described in Section 43.1(e) or an appropriate amendment to such Letter of Credit, in either case identifying as Applicant and Beneficiary the appropriate parties after the assignment becomes effective. The assignor shall pay Issuer's fees for issuing such Replacement Letter of Credit or amendment.

(e) Replacement of Letter of Credit. Tenant shall replace any Letter of Credit with a replacement letter of credit (the "Replacement Letter of Credit") (i) at least thirty (30) days prior to the expiration date of a Letter of Credit which is expiring or (ii) within ten (10) days after the date on which the Issuer delivers any notice purporting to terminate or to decline to renew such Letter of Credit, or expressing any intention to do either of the foregoing. Upon Tenant's delivery to Landlord of a Replacement Letter of Credit complying with the provisions of this Lease, Landlord shall deliver in accordance with Tenant's reasonable instructions such Letter of Credit being replaced, provided that at such time no sight draft(s) under such Letter of Credit are outstanding and unpaid. Except as otherwise specifically provided in this Lease, any Replacement Letter of Credit (x) shall be subject to all the provisions of this Lease governing the Letter of Credit being replaced, as if it were such Letter of Credit, and (y) shall be upon the same terms and conditions as the Letter of Credit replaced, but in any event:

(i) Amount. The amount of each Replacement Letter of Credit shall equal or exceed the amount of such Letter of Credit at the time of replacement.

(ii) Dates. The date of the Replacement Letter of Credit shall be its date of issuance. The expiration date of the Replacement Letter of Credit, as referred to in the opening paragraph of such Replacement Letter of Credit, shall be exactly one year later than the expiration date of the Letter of Credit being replaced but no later than the Expiration Date, and each Replacement Letter of Credit shall contain language stating that the Replacement Letter of Credit shall automatically be extended for an additional period of one year from its expiration date or any extended expiration date unless thirty (30) days prior to such date the issuing bank shall notify the beneficiary in writing that it elects not to renew the Replacement Letter of Credit for such additional period.

(iii) Each Replacement Letter of Credit shall be issued or confirmed, within the meaning of New York Uniform Commercial Code Section 5-103(1)(f), in its entire amount, by a bank reasonably satisfactory to Landlord that is a member of the New York Clearing House Association and has assets in excess of $7,500,000,000 and a net worth in excess of $300,000,000. The office for presentment of sight drafts specified in the Replacement Letter of Credit shall be located at a specified street address within the Borough of Manhattan, City of New York.

(f) Re-issuance. In the event Landlord shall have presented any Letter of Credit solely as a result of Tenant's failure to deliver a Replacement Letter of Credit, Tenant shall have the right, within six (6) months after such presentation, to deliver to Landlord a Replacement Letter of Credit satisfying the requirements of this Section 43.1(e). Landlord shall

remit to Tenant the proceeds of any Letter of Credit presented by Landlord upon delivery to Landlord of such Replacement Letter of Credit; provided Landlord shall retain from such proceeds an amount sufficient to reimburse Landlord for all costs and expenses incurred by Landlord in connection with or arising out of Landlord having presented any Letter of Credit.

ARTICLE 44

RIGHT OF FIRST NEGOTIATION

Section 44.1. Right of First Negotiation. It has been contemplated that the reversionary interest of the Master Landlord in Roosevelt Island may be conveyed by New York City prior to the expiration of the Term. Accordingly, (a) if, and only if, the term of the Master Lease is extended beyond the present expiration date thereof, Landlord agrees that in connection with such an extension of the Master Lease, Landlord shall, commencing upon the later of (i) July 1, 2065 or (ii) ninety (90) days after the Master Lease has been amended to provide for an extension of the present expiration date thereunder, negotiate in good faith, for a period of not less than two (2) months nor more than six (6) months, an extension of this Lease at a then fair market rental, taking into account the improvements on the Premises and the use thereof. If Landlord and Tenant fail to agree on such a fair market rental during such negotiating period, then Landlord shall not lease the Premises to a third party for a rental less favorable to Landlord than that contained in the final offer of Tenant in the course of the negotiations, without first again offering to Tenant the rights contained in this Section 44.1; and (b) if, and only if, Landlord intends to sell its interest in the Premises or the Building only (it being specifically understood that this right does not apply to a proposed sale including any other properties or interests; such a sale of Landlord's interest in the Premises and/or the Building is referred to in this Section 44.1 as a "Landlord Sale"), Landlord agrees that in connection with any such Landlord Sale, Landlord shall, prior to agreeing to a Landlord Sale with any other party, negotiate in good faith for a period of not less than two (2) nor more than six (6) months, a sale of the interest in the Premises and/or the Building proposed to be conveyed in the Landlord Sale, to Tenant, at a then fair market price, taking into account the terms of this Lease, the improvements on the Premises and the use thereof. If Landlord and Tenant fail to agree on such a fair market price during such period, then Landlord shall not enter into an agreement with a third party for a Landlord Sale on terms less favorable to Landlord with respect to the Premises and/or the Building than those contained in the final offer of Tenant in the course of the negotiations without first again offering to Tenant the rights contained in this Section 44.1. Tenant's rights under this Article 44 shall be conditioned on there being no Event of Default which remains uncured at any time during the negotiations described above or on the Expiration Date.

ARTICLE 45

INCLUSIONARY HOUSING PROGRAM, AND REGULATORY AGREEMENTS

Section 45.1. Inclusionary Housing Program. Landlord acknowledges and agrees that any of the Subsidized Units may be subjected to the inclusionary housing program set forth in Section 23- 90 et. seq. of the Zoning Resolution of the City of New York, which is administered by the Department of Housing Preservation and Development ("HPD") of The City of New York (the "Inclusionary Housing Program"), and that HPD, Tenant and Affordable Sublease Subtenant (or, if Tenant is a Condominium, the owner of the Units in the Condominium to be made subject to the Inclusionary Housing Program) will enter into a Regulatory Agreement (Inclusionary Housing) (the "Inclusionary Housing Agreement"). In such event, provided that (i) the lessor under the Master Lease consents to this Lease being subordinate to the Inclusionary Housing Agreement, (ii) the Inclusionary Housing Agreement contains the provisions set forth in Exhibit L and (iii) the Inclusionary Housing Agreement does not contain other provisions which Landlord reasonably determines will materially and adversely affect Landlord, Landlord agrees that it shall become a party to the Inclusionary Housing Agreement. Simultaneously herewith, Landlord is entering into a Regulatory Agreement by and among Riverwalk 8, LLC, Affordable Sublease Subtenant, HDFC, the City of New York, acting by and through its Department of Housing Preservation and Development, and Landlord, in the form annexed hereto as Exhibit P, which agreement shall be deemed to be the "Inclusionary Housing Agreement" referred to in the first sentence of this Section 45.1.

Section 45.2. Special Transaction Payment. In accordance with the Inclusionary Housing Program and the Inclusionary Housing Agreement and specifically pursuant to Section 23-941 of the Zoning Resolution, one or more new multiple dwellings will be eligible to receive floor area compensation (the "Development Rights"). In the event that Tenant or the owner of the Subsidized Units sells, assigns, conveys or otherwise transfers the Development Rights (a "Development Rights Transfer"), Tenant shall pay to Landlord, as Additional Rent, upon the closing of the Development Rights Transfer, a fee, computed for the calendar year in which such closing occurs, at the rate per gross square foot of floor area of the Subsidized Units included in the Inclusionary Housing Program (which shall be the number of

square feet used for the calculation under the Zoning Resolution of the number of square feet of Development Rights transferred), which is set forth in Exhibit I hereto.

Section 45.3. Special Transaction Payment by Subsidized Unit Owner. If Tenant is a Condominium at the time of a Development Rights Transfer, any payment due Landlord in accordance with Section 45.2 above shall be a Common Charge payable by the owner of the Subsidized Units and Landlord's rights and remedies for any non-payment of such amount shall be the same as for the non-payment of Proportionate Rent for a Condominium Unit in accordance with Exhibit K hereto. In addition, Landlord shall have a lien on any Subsidized Unit and the Development Rights appurtenant thereto to secure the payment due under Section 45.2 for such Subsidized Unit, which lien shall not be released until (i) the amount due under Section 45.2 is paid in full and (ii) Landlord delivers to Tenant or the owner of the Subsidized Unit a written release of such lien.

Section 45.4. HDC Regulatory Agreement. Simultaneously herewith, Landlord is entering into a Regulatory Agreement by and among Riverwalk 8, LLC, Riverwalk 8 Affordable, L.P., Riverwalk 8 Housing Development Fund Corporation, New York City Housing Development Corporation, the City of New York, acting by and through its Department of Housing Preservation and Development, and Roosevelt Island Operating Corporation, in the form annexed hereto as Exhibit L (the "HDC Regulatory Agreement;" together with the Inclusionary Housing Agreement, the "Regulatory Agreements"). To the extent that there is a conflict between the terms of this Lease and the Regulatory Agreements, the provisions in the Regulatory Agreement will apply, provided, however, that to the extent that the terms of this Lease are more restrictive than the terms of the Regulatory Agreements with respect to such provisions, the most restrictive provisions shall apply. If the Regulatory Agreements are silent on any subject addressed in the Lease, the terms of the Lease shall prevail.

Signature Page Follows

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease as of the day and year first above written.

ROOSEVELT ISLAND OPERATING CORPORATION, Landlord

By: _____
Susan G. Rosenthal
President and Chief Executive Officer

RIVERWALK 8 HOUSING DEVELOPMENT FUND CORPORATION, Tenant

By: _____
Lee Warshavsky
Secretary/Treasurer

RIVERWALK 8, LLC

By: _____
Frank Monterisi
Manager

By: _____
David Kramer
Manager

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease as of the day and year first above written.

ROOSEVELT ISLAND OPERATING CORPORATION, Landlord

By:_____
Susan G. Rosenthal
President and Chief Executive Officer

RIVERWALK 8 HOUSING DEVELOPMENT FUND CORPORATION, Tenant

By:_____
Lee Warshavsky
Secretary/Treasurer

RIVERWALK 8, LLC

By:_____
Frank Monterisi
Manager

By:_____
David Kramer
Manager

ACKNOWLEDGMENT FOR LANDLORD

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

On the 19th day of December, in the year 2018 before me, the undersigned, a Notary Public in and for said State, personally appeared Susan G. Rosenthal, 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 she executed the same in her capacity, and that by her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed this instrument.

LADA V. STASKO
NOTARY PUBLIC-STATE OF NEW YORK
No. 02ST6260287
Qualified in Queens County
My Commission Expires April 23, 2020

Notary Public

ACKNOWLEDGMENTS FOR TENANT

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

On the 19 day of December, in the year 2018 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 executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed this instrument.



Notary Public

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

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

On the 19 day of December, in the year 2018 before me, the undersigned, a Notary Public in and for said State, personally appeared David Kramer, 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 executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed this instrument.



Notary Public

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

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

On the 9 day of December, in the year 2018 before me, the undersigned, a Notary Public in and for said State, personally appeared Frank Monterisi, 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 executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed this instrument.



Notary Public

ROBERT P. SCHROEDER
Notary Public, State of New York
No. 01SC4803179
Qualified in New York County
Commission Expires 7-31-21

EXHIBIT A

LEGAL DESCRIPTION OF LAND

ALL that certain plot piece or parcel of land, situate, lying and being in the Borough of Manhattan, County of New York, City and State of New York, bounded and described as follows:

BEGINNING at a point on the southeasterly side of a road known as Main Street (80 feet wide) said point having a coordinate of North 12,732.424, East 17,128.330 (Roosevelt Island Coordinate System);

RUNNING THENCE along the southeasterly side of Main Street, North 35 degrees 55 minutes 19 seconds East, a distance of 200.92 feet;

THENCE South 54 degrees 04 minutes 41 seconds East, 144.83 feet;

THENCE South 33 degrees 45 minutes 37 seconds West, a distance of 201.06 feet;

THENCE North 54 degrees 04 minutes 41 seconds West, a distance of 152.42 feet to the point and place of BEGINNING.

The Premises being known as Block 1373, portions of Lot 9 and portions of Lot 1 (to be known as Lot 9)

Reservations

SUBJECT to such non-exclusive easements and rights-of-way upon, over, under, across and through the Premises, including rights of ingress and egress, as may he necessary or desirable to permit Landlord to exercise its rights and/or perform its obligations under this Lease.

SUBJECT to an easement upon, over, under, across and through the Premises for construction, repair, maintenance and replacement of AVAC. The parties acknowledge that it is intended that such easement shall be specifically located on a survey, to be prepared without expense to Landlord, when the location thereof is determined.

SUBJECT to an easement upon, over, under, across and through the Premises for construction, repair, maintenance and replacement of the eastern sea wall, steam tunnel and other utilities. The parties acknowledge that it is intended that such easements shall be specifically located on a survey, to be prepared without expense to Landlord, when the location thereof is determined.

SUBJECT to a thirty-five foot wide easement upon, over, under, across and through the Premises for repair, maintenance and replacement of sewer line, provided same shall not interfere with the operation of the Building. The parties acknowledge that it is intended that such easement shall he specifically located on a survey, to be prepared without expense to Landlord, when the location thereof is determined.

SUBJECT to a nonexclusive, reasonable easement for rights of way in favor of residents of Roosevelt Island for ingress and egress only, upon, over, across and through portions of the Premises outside of the Building and other areas where from time to time improvements and enclosed areas are located, only to the extent necessary or desirable to permit the use and enjoyment of public facilities located outside the Premises by residents of Roosevelt Island; provided, however, that such easement for rights of way shall not interfere with Tenant's right to maintain the peaceful, secure and orderly enjoyment of the Premises, including the maintenance of the first-class appearance and cleanliness thereof, and provided further, however, that the portion of the Premises subject to said easement for rights of way, to the extent unimproved from time to time, shall be maintained as unfenced, open space.

EXHIBIT B

TITLE MATTERS

1. Terms, covenants and conditions of the Agreement of Leak of Roosevelt Island by and among New York City, UDC and UDC's subsidiary, Welfare Island Development Corporation, dated December 23, 1969, recorded on December 24, 1969 in Reel 160 at Page 1758, as amended by Amendments dated July 26, 1972, December 6, 1973 and December 16, 1977, and as assigned to RIOC on July 21, 1988.

2. State of facts shown on the survey prepared by Contractor's Line & Grade South, L.L.C., dated December 18, 2018.

3. Zoning and other laws, ordinances, governmental regulations, orders and requirements pertaining to the Premises or this transaction as overridden by the Zoning Waiver.

4. Provisions, easements, and restrictions contained in the General Development Plan referred to in the lease made by and between The City of New York (Landlord) and New York State Urban Development Corporation, (Lessee) and Roosevelt Island Development Corporation (f/k/a Welfare Island Development Corporation) (Subsidiary), dated 12/23/69 and recorded 12/24/69 in Reel 160 page 1757.

5. If the Premises includes land now or formerly lying below the high water mark of the East River, rights of the United States Government to enter upon and take possession of such lands.

6. If the Premises includes land now or formerly lying below the high water mark of the East River, rights of the public in and to such land.

7. Rights of the United States Government, the State of New York and the City of New York or any of their departments or agencies to regulate and control the use of the piers, bulkhead and land under water and land adjacent thereto.

8. Certification Pursuant to Zoning Lot made by Royal Abstract of New. York LLC dated April 10, 2018 and recorded June 1, 2018 as CRFN 2018000182220

9. Zoning Lot Description and Ownership Statement made by Susan G. Rosenthal, dated May 17, 2018 and recorded June 1, 2018 as CFRN 2018000182221.

EXHIBIT C

MASTER LEASE

AMENDMENT OF LEASE

AMENDMENT OF LEASE dated as of December 19, 2013 (the "**Effective Date**") by and between THE CITY OF NEW YORK, a municipal corporation of the State of New York, having an office at City Hall, Borough of Manhattan, City, County and State of New York ("**Lessor**") and ROOSEVELT ISLAND OPERATING CORPORATION, a body corporate and politic constituting a political subdivision of the State of New York and a public benefit corporation having an office at 591 Main Street, Roosevelt Island, New York 10044 ("**Lessee**").

WITNESSETH:

WHEREAS, by lease dated as of December 23, 1969, Lessor leased certain real property commonly known as Roosevelt Island, to the New York State Urban Development Corporation, d/b/a Empire State Development Corporation ("**UDC**"), for a term expiring December 23, 2068 (the "**Master Lease**"); and

WHEREAS, pursuant to Chapter 899 of the Laws of 1984, UDC assigned the Master Lease to Lessee, and Lessee assumed all of the UDC's rights, title and interest in and to the Master Lease; and

WHEREAS, certain portions of Roosevelt Island were excluded from the Master Lease, including, without limitation, the property described in Annex III to Schedule 1 of the Master Lease ("**Annex III**"), upon which Goldwater Memorial Hospital was located (the "**Goldwater Site**"); and

WHEREAS, in connection with the closing of Goldwater Memorial Hospital and the development of the Goldwater Site by Cornell University as an applied sciences education and technology campus, Lessor and Lessee have agreed to modify Annex III of the Master Lease, so as to (i) include within Annex III an additional area of approximately 2.62 acressurrounding the current Goldwater Site (described as Area A, Area B and Area C on the annexed "**Exhibit A**" and shown as the hatched areas on the survey prepared by Gallas Surveying Group, dated December 12, 2013 (the "Survey"), a copy of which is annexed as "**Exhibit D**", collectively described as the "**Surrounding Site**"), and (ii) exclude from Annex III an additional area of approximately .0469 acres (described as Area D, Area E and Area F on the annexed "**Exhibit B**", and shown as the solid shaded area on the Survey, collectively described as the "**Added Premises**"); and

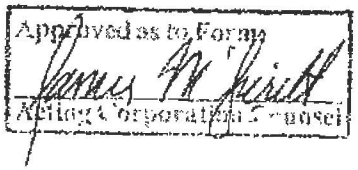
WHEREAS, capitalized terms used herein shall have the meaning ascribed to them in the Master Lease, except as otherwise set forth in this Amendment.

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

1. From and after the Effective Date, (i)the Surrounding Site shall no longer constitute a part of the Leased Premises, and (ii) the Added Premises shall be added to the Premises leased to Lessee pursuant to the Master Lease.
2. From and after the Effective Date,the existing Annex III is hereby deleted from the Master Lease, and a new Annex III in the form annexed hereto as "**Exhibit C**" is substituted in place thereof. Additionally, those portions of Annexes XIII and IX to Schedule I of the Master Lease which depict Goldwater Memorial Hospital shall no longer be applicable to the Master Lease.
3. Lessee hereby surrenders, and Lessor accepts, possession of the Surrounding Site in its current "as is" condition, without any representation or warranty by Lessee as to any condition existing on or under the Surrounding Site.
4. Lessor hereby surrenders, and Lessee accepts, possession of the Added Premises, which shall be added to the premises leased to Lessee under the Master Lease. Lessee shall assume responsibility for the Added Premises from and after the date of this Amendment, and shall have no responsibility for any conditions existing in the Added Premises prior to the date of this Amendment.
5. As of the date of this Amendment, Lessor, for itself and its successors and assigns, shall hereby be conclusively deemed to have forever released and discharged Lessee and its successors and assigns of and from all manner of action, causes of action, suits, debts, sums of money, accounts, reckoning, bonds, bills, covenants, contracts, controversies, agreements, permits, trespasses, damages, judgments, executions claims, liability and demands whatsoever in law or in equity, which against Lessee, Lessor ever had, or has or which its heirs, executors, legal representatives, successors or assigns hereafter can, shall or may have for, upon or by reason of any matter, cause or thing whatsoever directly or indirectly arising with respect to the Lessee's lease of the Surrounding Site pursuant to the Master Lease.

6. Each of the parties hereto represents to the other that the person signing this Amendment on its behalf has full right and authority to execute this Amendment, and that this Amendment constitutes a valid and binding obligation of such party.
7. This Amendment may be executed in counterparts which, when taken together, shall constitute a single agreement.
8. Except as modified by this Amendment, all of the terms, conditions and provisions of the Master Lease shall remain in full force and effect.

IN WITNESS WHEREOF, this Amendment has been duly executed by the parties hereto as of the year and date first above written.



LESSOR:

THE CITY OF NEW YORK

By:_____
Name: Joey Kara Koch
Title: Chief Asset Management officer, DCAS

LESSEE:

ROOSEVELT ISLAND OPERATING CORPORATION

By:_____
Name: Charlene M. Indelicato
Title: President and Chief Executive Officer

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

On the __ day of December in the year 2013 before me the undersigned, personally appeared _____, 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 executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

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

On the 16th day of December in the year 2013 before me the undersigned, personally appeared Charlene M. Indelicato, 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 she executed the same in her capacity, and that by her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

LADA V. STASKO
NOTARY PUBLIC-STATE OF NEW YORK
No. 02ST6260287
Qualified in Queens County
My Commission Expires April 23, 2016

_____
Notary Public

7301073.4

8378579.5

EXHIBIT A

SURROUNDING SITE

GALLAS SURVEYING GROUP

171 Church Lane
North Brunswick, NJ 08902
Tele: 732-422-6700
Fax: 732-940-8786
www.gallassurvey.com

SEPTEMBER 16, 2013
REVISED SEPTEMBER 24, 2013
REVISED DECEMBER 13, 2013

GSG PROJECT NO. G11151.02

METES & BOUNDS DESCRIPTION
PORTIONS OF LOT 1, BLOCK 1373
BEING CONVEYED BASED ON NEW ROAD ALIGNMENT
ROOSEVELT ISLAND
BOROUGH OF MANHATTAN
CITY, COUNTY & STATE OF NEW YORK

ALL THAT CERTAIN PLOT, PIECE OR PARCEL OF LANDS BEING PORTIONS OF LOT 1, BLOCK 1373 DESCRIBED AS "AREA A", "AREA B" AND "AREA C" TO BE CONVEYED PER NEW RIGHT OF WAY ALIGNMENT AS SHOWN ON A MAP ENTITLED, "SKETCH OF LANDS BEING CONVEYED BASED ON NEW ROAD ALIGNMENT, LOT 20, BLOCK 1373 AND A PORTION OF LOT 1, BLOCK 1373, ROOSEVELT ISLAND, BOROUGH OF MANHATTAN, CITY, COUNTY & STATE OF NEW YORK" PREPARED BY GALLAS SURVEYING GROUP, DATED DECEMBER 12, 2013 AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

DESCRIPTION OF "AREA A"

BEGINNING AT A POINT FORMED BY THE INTERSECTION OF THE SOUTHEASTERLY LINE OF WEST LOOP ROAD (50' WIDE) AND THE NORTHEASTERLY LINE OF SOUTH LOOP ROAD (WIDTH VARIES) HAVING A COORDINATE VALUE OF NORTH 10769.68, EAST 15367.78, SAID POINT BEING DISTANT SOUTH 80 DEGREES – 19 MINUTES – 31 SECONDS EAST, A DISTANCE OF 133.63 FEET FROM A POINT ALONG THE SOUTHEASTERLY LINE OF THE EAST RIVER WEST CHANNEL, HAVING A COORDINATE VALUE OF NORTH 10792.14, EAST 15236.04 AND FROM SAID POINT OF BEGINNING RUNNING, THENCE:

THE FOLLOWING EIGHT (8) COURSES ALONG SAID SOUTHEASTERLY LINE OF WEST LOOP ROAD:

1. NORTH 41 DEGREES – 01 MINUTE – 09 SECONDS EAST, A DISTANCE OF 103.31 FEET TO A POINT, THENCE;

2. NORTH 33 DEGREES – 26 MINUTES – 37 SECONDS EAST, A DISTANCE OF 126.68 FEET TO A POINT, THENCE;

3. NORTH 30 DEGREES – 05 MINUTES – 14 SECONDS EAST, A DISTANCE OF 115.64 FEET TO A POINT, THENCE;

4. NORTH 27 DEGREES – 09 MINUTES – 30 SECONDS EAST, A DISTANCE OF 71.55 FEET TO A POINT, THENCE;

5. NORTH 28 DEGREES – 57 MINUTES – 22 SECONDS EAST, A DISTANCE OF 88.38 FEET TO A POINT OF CURVATURE, THENCE;

6. ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 2000.00 FEET, AN ARC LENGTH OF 218.67 FEET, HAVING A CENTRAL ANGLE OF 06 DEGREES – 15 MINUTES – 52 SECONDS, BEARING A CHORD OF NORTH 32 DEGREES – 05 MINUTES – 18 SECONDS EAST WITH A CHORD DISTANCE OF 218.56 FEET TO A POINT OF TANGENCY, THENCE;

7. NORTH 35 DEGREES – 13 MINUTES – 14 SECONDS EAST, A DISTANCE OF 473.01 FEET TO A POINT, THENCE;

8. NORTH 35 DEGREES – 16 MINUTES – 28 SECONDS EAST, A DISTANCE OF 123.40 FEET TO A POINT FORMED BY THE INTERSECTION OF THE AFOREMENTIONED SOUTHEASTERLY LINE OF WEST LOOP ROAD AND THE SOUTHWESTERLY LINE OF NORTH LOOP ROAD (56' WIDE), THENCE;

9. ALONG SAID SOUTHWESTERLY LINE OF NORTH LOOP ROAD, SOUTH 54 DEGREES – 43 MINUTES – 39 SECONDS EAST, A DISTANCE OF 212.67 FEET TO A POINT, THENCE;

THE FOLLOWING EIGHT (8) COURSES ALONG THE PERIMETER OF LOT 20, BLOCK 1373:

10. SOUTH 35 DEGREES – 27 MINUTES – 04 SECONDS WEST, A DISTANCE OF 72.27 FEET TO A POINT, THENCE;

11. NORTH 54 DEGREES – 32 MINUTES – 56 SECONDS WEST, A DISTANCE OF 153.75 FEET TO A POINT, THENCE;

12. SOUTH 35 DEGREES – 27 MINUTES – 04 SECONDS WEST, A DISTANCE OF 1005.50 FEET TO THE POINT, THENCE;

13. SOUTH 54 DEGREES – 32 MINUTES – 56 SECONDS EAST, A DISTANCE OF 65.25 FEET TO A POINT, THENCE;

14. SOUTH 35 DEGREES – 27 MINUTES – 04 SECONDS WEST, A DISTANCE OF 228.61 FEET TO A POINT, THENCE;

15. SOUTH 54 DEGREES – 32 MINUTES – 56 SECONDS EAST, A DISTANCE OF 238.00 FEET TO A POINT, THENCE;

16. NORTH 35 DEGREES – 27 MINUTES – 04 SECONDS EAST, A DISTANCE OF 228.61 FEET TO A POINT, THENCE;

17. SOUTH 54 DEGREES – 32 MINUTES – 56 SECONDS EAST, A DISTANCE OF 60.60 FEET TO A POINT ON THE NORTHWESTERLY LINE OF EAST LOOP ROAD (WIDTH VARIES), THENCE;

THE FOLLOWING FOUR (4) COURSES ALONG SAID NORTHWESTERLY LINE OF EAST LOOP ROAD:

18. ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 2810.00 FEET, AN ARC LENGTH OF 56.57 FEET, HAVING A CENTRAL ANGLE OF 01 DEGREE – 09 MINUTES – 13 SECONDS, BEARING A CHORD OF SOUTH 39 DEGREES – 37 MINUTES – 21 SECONDS WEST WITH A CHORD DISTANCE OF 56.58 FEET TO A POINT OF TANGENCY, THENCE;

19. SOUTH 40 DEGREES – 11 MINUTES – 58 SECONDS WEST, A DISTANCE OF 38.54 FEET TO A POINT, THENCE;

20. SOUTH 31 DEGREES – 51 MINUTES – 44 SECONDS WEST, A DISTANCE OF 100.00 FEET TO A POINT, THENCE;

21. SOUTH 40 DEGREES – 11 MINUTES – 58 SECONDS WEST, A DISTANCE OF 34.96 FEET TO THE NORTHEASTERLY TERMINUS OF A CURVE CONNECTING THE AFOREMENTIONED NORTHWESTERLY LINE OF EAST LOOP ROAD WITH THE AFOREMENTIONED NORTHEASTERLY LINE OF SOUTH LOOP ROAD, THENCE;

22. ALONG SAID CURVE TO THE RIGHT CONNECTING THE NORTHWESTERLY LINE OF EAST LOOP ROAD WITH THE NORTHEASTERLY LINE OF SOUTH LOOP ROAD, HAVING A RADIUS OF 15.00 FEET, AN ARC LENGTH OF 21.25 FEET, HAVING A CENTRAL ANGLE OF 81 DEGREES – 09 MINUTES – 07 SECONDS, BEARING A CHORD OF SOUTH 80 DEGREES – 46 MINUTES – 31 SECONDS WEST WITH A CHORD DISTANCE OF 19.51 FEET TO A POINT OF TANGENCY ON SAID NORTHEASTERLY LINE OF SOUTH LOOP ROAD, THENCE;

THE FOLLOWING FOUR COURSES ALONG SAID NORTHEASTERLY LINE OF SOUTH LOOP ROAD:

23. NORTH 58 DEGREES – 38 MINUTES – 56 SECONDS WEST, A DISTANCE OF 32.69 FEET TO A POINT, THENCE;

24. NORTH 54 DEGREES – 45 MINUTES – 09 SECONDS WEST, A DISTANCE OF 117.73 FEET TO A POINT, THENCE;

25. NORTH 54 DEGREES – 32 MINUTES – 27 SECONDS WEST, A DISTANCE OF 70.84 FEET TO A POINT, THENCE;

26. NORTH 52 DEGREES – 25 MINUTES – 49 SECONDS WEST, A DISTANCE OF 143.22 FEET TO THE POINT AND PLACE OF BEGINNING.

CONTAINING 100,902 SQUARE FEET OR 2.3163 ACRES

DESCRIPTION OF "AREA B"

BEGINNING AT A POINT ON THE SOUTHERLY TERMINUS OF A CURVE CONENCTING THE NORTHWESTERLY LINE OF EAST LOOP ROAD (WIDTH VARIES) WITH THE SOUTHWESTERLY LINE OF NORTH LOOP ROAD (56 FEET WIDE), HAVING A COORDINATE VALUE OF NORTH 11592.74, EAST 16465.10, AND FROM SAID POINT OF BEGINNING RUNNING, THENCE;

1. ALONG SAID NORTHWESTERLY LINE OF EAST LOOP ROAD, ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 478.00 FEET, AN ARC LENGTH OF 131.63 FEET, HAVING A CENTRAL ANGLE OF 15 DEGREES – 46 MINUTES – 40 SECONDS, BEARING A CHORD OF SOUTH 48 DEGREES – 33 MINUTES – 00 SECONDS WEST WITH A CHORD DISTANCE OF 131.21 FEET TO A POINT OF NON-TANGENCY, THENCE;

THE FOLLOWING THREE (3) COURSES ALONG THE PERIMETER OF LOT 20, BLOCK 1373:

2. NORTH 35 DEGREES – 27 MINUTES – 04 SECONDS EAST, A DISTANCE OF 67.01 FEET TO A POINT, THENCE;

3. NORTH 54 DEGREES – 32 MINUTES – 56 SECONDS WEST, A DISTANCE OF 153.75 FEET TO A POINT, THENCE;

4. NORTH 35 DEGREES – 27 MINUTES – 04 SECONDS EAST, A DISTANCE OF 72.46 FEET TO A POINT ON THE AFOREMENTIONED SOUTHWESTERLY LINE OF NORTH LOOP ROAD, THENCE;

5. ALONG SAID SOUTHWESTERLY LINE OF NORTH LOOP ROAD, SOUTH 54 DEGREES – 43 MINUTES – 39 SECONDS EAST, A DISTANCE OF 175.05 FEET TO THE NORTHERLY TERMINUS OF THE AFOREMENTIONED CURVE CONENCTING THE NORTHWESTERLY LINE OF EAST LOOP ROAD WITH THE SOUTHWESTERLY LINE OF NORTH LOOP ROAD, THENCE;

6. ALONG SAID CURVE CONNECTING THE NORTHWESTERLY LINE OF EAST LOOP ROAD WITH THE SOUTHWESTERLY LINE OF NORTH LOOP ROAD, ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 9.00 FEET, AN ARC LENGTH OF 17.46 FEET, HAVING A CENTRAL ANGLE OF 111 DEGREES – 09 MINUTES – 59 SECONDS, BEARING A CHORD OF SOUTH 00 DEGREES – 51 MINUTES – 20 SECONDS WEST WITH A CHORD DISTANCE OF 14.85 FEET TO THE POINT AND PLACE OF BEGINNING.

CONTAINING 13,034 SQUARE FEET OR 0.2992 ACRE

DESCRIPTION OF "AREA C"

BEGINNING AT A POINT ON THE NORTHWESTERLY LINE OF EAST LOOP ROAD (WIDTH VARIES), HAVING A COORDINATE VALUE OF NORTH 11068.74, EAST 16055.50, SAID POINT BEING DISTANT ALONG SAID NORTHWESTERLY LINE OF EAST LOOP ROAD, THE FOLLOWING TWO (2) COURSES FROM THE SOUTHERLY TERMINUS OF A CURVE CONENCTING SAID NORTHWESTERLY LINE OF EAST LOOP ROAD WITH THE SOUTHWESTERLY LINE OF NORTH LOOP ROAD (56 FEET WIDE), HAVING A COORDINATE VALUE OF NORTH 11592.74, EAST 16465.10:

A. ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 478.00 FEET, AN ARC LENGTH OF 177.01 FEET, HAVING A CENTRAL ANGLE OF 21 DEGREES – 13 MINUTES – 03 SECONDS, BEARING A CHORD OF SOUTH 45 DEGREES – 49 MINUTES – 48 SECONDS WEST WITH A CHORD DISTANCE OF 176.00 FEET TO A POINT OF TANGENCY, THENCE;

B. SOUTH 35 DEGREES – 13 MINUTES – 17 SECONDS WEST, A DISTANCE OF 491.31 FEET TO THE POINT AND PLACE OF BEGINNING AND FROM SAID POINT OF BEGINNING RUNNING, THENCE:

GALLAS SURVEYING GROUP

SEPTEMBER 16, 2013
REVISED SEPTEMBER 24, 2013
REVISED DECEMBER 13, 2013
GSG PROJECT NO. 011151.02

THE FOLLOWING TWO (2) COURSES CONTINUING ALONG SAID NORTHWESTERLY LINE OF EAST LOOP ROAD:

1. SOUTH 35 DEGREES – 13 MINUTES – 17 SECONDS WEST, A DISTANCE OF 214.41 FEET TO A POINT OF CURVATURE, THENCE;

2. ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 2810.00 FEET, AN ARC LENGTH OF 81.71 FEET, HAVING A CENTRAL ANGLE OF 01 DEGREE – 39 MINUTES – 58 SECONDS, BEARING A CHORD OF SOUTH 36 DEGREES – 03 MINUTES – 15 SECONDS WEST WITH A CHORD DISTANCE OF 81.71 FEET TO A POINT OF NON-TANGENCY ON THE SOUTHEASTERLY LINE OF CURRENT LOT 20, BLOCK 1373, THENCE;

3. ALONG SAID SOUTHEASTERLY LINE OF LOT 20, BLOCK 1373, NORTH 35 DEGREES – 27 MINUTES – 04 SECONDS EAST, A DISTANCE OF 296.11 FEET TO THE POINT AND PLACE OF BEGINNING.

CONTAINING 144 SQUARE FEET OR 0.0032 ACRE

ECR/ S:\Surveys\2011\011151.02-PHA\011151-M&B-Portions of Lot 1 Areas Within New Tax Lot-9-16-13-REVISED-9-24-13-REVISED-12-13-13.docx

EXHIBIT B

ADDED PREMISES

GALLAS SURVEYING GROUP

171 Church Lane
North Brunswick, NJ 08902
Tele: 732-422-6700
Fax: 732-940-8786
www.gallassurvey.com

SEPTEMBER 16, 2013
REVISED SEPTEMBER 24, 2013
REVISED DECEMBER 13, 2013

GSG PROJECT NO. G11151.02

METES & BOUNDS DESCRIPTION
PORTIONS OF LOT 20, BLOCK 1373
BEING CONVEYED BASED ON NEW ROAD ALIGNMENT
ROOSEVELT ISLAND
BOROUGH OF MANHATTAN
CITY, COUNTY & STATE OF NEW YORK

ALL THAT CERTAIN PLOT, PIECE OR PARCEL OF LANDS BEING PORTIONS OF LOT 20, BLOCK 1373 DESCRIBED AS "AREA D", "AREA E" AND "AREA F" TO BE CONVEYED PER NEW RIGHT OF WAY ALIGNMENT AS SHOWN ON A MAP ENTITLED, "SKETCH OF LANDS BEING CONVEYED BASED ON NEW ROAD ALIGNMENT, LOT 20, BLOCK 1373 AND A PORTION OF LOT 1, BLOCK 1373, ROOSEVELT ISLAND, BOROUGH OF MANHATTAN, CITY, COUNTY & STATE OF NEW YORK" PREPARED BY GALLAS SURVEYING GROUP, DATED DECEMBER 12, 2013 AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

DESCRIPTION OF "AREA D"

BEGINNING AT A POINT ON THE SOUTHWESTERLY LINE OF NORTH LOOP ROAD (56' WIDE) HAVING A COORDINATE VALUE OF NORTH 11743.91, EAST 16272.60, SAID POINT BEING DISTANT SOUTH 54 DEGREES – 43 MINUTES – 39 SECONDS EAST, A DISTANCE OF 212.67 FEET FROM A POINT FORMED BY THE INTERSECTION OF SAID SOUTHWESTERLY LINE OF NORTH LOOP ROAD AND THE SOUTHEASTERLY LINE OF WEST LOOP ROAD (50' WIDE) HAVING A COORDINATE VALUE OF NORTH 11866.71, EAST 16098.97, AND FROM SAID POINT OF BEGINNING RUNNING, THENCE:

THE FOLLOWING THREE (3) COURSES ALONG THE PERIMETER OF LOT 20, BLOCK 1373:

1. NORTH 35 DEGREES – 27 MINUTES – 04 SECONDS EAST, A DISTANCE OF 21.23 FEET TO A POINT, THENCE;

2. SOUTH 54 DEGREES – 32 MINUTES – 56 SECONDS EAST, A DISTANCE OF 61.00 FEET TO A POINT, THENCE;

3. SOUTH 35 DEGREES – 27 MINUTES – 04 SECONDS WEST, A DISTANCE OF 21.04 FEET TO A POINT ON THE AFOREMENTIONED SOUTHWESTERLY LINE OF NORTH LOOP ROAD, THENCE;

4. ALONG SAID SOUTHWESTERLY LINE OF NORTH LOOP ROAD, NORTH 54 DEGREES - 43 MINUTES – 39 SECONDS WEST, A DISTANCE OF 61.00 FEET TO THE POINT AND PLACE OF BEGINNING.

CONTAINING 1,289 SQUARE FEET OR 0.0296 ACRE

DESCRIPTION OF "AREA E"

BEGINNING AT A POINT ON THE NORTHWESTERLY LINE OF EAST LOOP ROAD (WIDTH VARIES), HAVING A COORDINATE VALUE OF NORTH 11505.88, EAST 16366.75, SAID POINT BEING DISTANT ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 478.00 FEET, AN ARC LENGTH OF 131.63 FEET, HAVING A CENTRAL ANGLE OF 15 DEGREES – 46 MINUTES – 40 SECONDS, BEARING A CHORD OF SOUTH 48 DEGREES – 33 MINUTES – 00 SECONDS WEST WITH A CHORD DISTANCE OF 131.21 FEET FROM THE SOUTHERLY TERMINUS OF A CURVE CONNECTING SAID NORTHWESTERLY LINE OF EAST LOOP ROAD WITH THE SOUTHWESTERLY LINE OF NORTH LOOP ROAD (56 FEET WIDE), HAVING A COORDINATE VALUE OF NORTH 11592.74, EAST 16465.10 AND FROM SAID POINT OF BEGINNING RUNNING, THENCE;

1. ALONG THE SOUTHEASTERLY LINE OF LOT 20, BLOCK 1373, SOUTH 35 DEGREES – 27 MINUTES – 04 SECONDS WEST, A DISTANCE OF 536.63 FEET TO A POINT, THENCE;

2. ALONG THE AFOREMENTIONED NORTHWESTERLY LINE OF EAST LOOP ROAD, NORTH 35 DEGREES - 13 MINUTES - 17 SECONDS EAST, A DISTANCE OF 491.31 FEET TO A POINT OF CURVATURE, THENCE;

3. CONTINUING ALONG SAID NORTHWESTERLY LINE OF EAST LOOP ROAD, ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 478.00 FEET, AN ARC LENGTH OF 45.38 FEET, HAVING A CENTRAL ANGLE OF 05 DEGREES – 26 MINUTES – 24 SECONDS, BEARING A CHORD OF NORTH 37 DEGREES - 56 MINUTES – 28 SECONDS EAST WITH A CHORD DISTANCE OF 45.37 FEET TO THE POINT AND PLACE OF BEGINNING.

CONTAINING 545 SQUARE FEET OR 0.0125 ACRE

DESCRIPTION OF "AREA F"

BEGINNING AT A POINT ON THE NORTHWESTERLY LINE OF EAST LOOP ROAD (WIDTH VARIES), HAVING A COORDINATE VALUE OF NORTH 10827.53, EAST 15883.75, SAID POINT BEING DISTANT THE FOLLOWING TWO (2) COURSES ALONG SAID NORTHWESTERLY LINE OF EAST LOOP ROAD FROM THE SOUTHERLY TERMINUS OF A CURVE CONNECTING SAID NORTHWESTERLY LINE OF EAST LOOP ROAD WITH THE SOUTHWESTERLY LINE OF NORTH LOOP ROAD (56 FEET WIDE), HAVING A COORDINATE VALUE OF NORTH 11592.74, EAST 16465.10:

A. A CURVE TO THE LEFT HAVING A RADIUS OF 478.00 FEET, AN ARC LENGTH OF 177.01 FEET, HAVING A CENTRAL ANGLE OF 21 DEGREES – 13 MINUTES – 03 SECONDS, BEARING A CHORD OF SOUTH 45 DEGREES – 49 MINUTES – 48 SECONDS WEST WITH A CHORD DISTANCE OF 176.00 FEET TO A POINT OF TANGENCY, THENCE;

B. SOUTH 35 DEGREES – 27 MINUTES – 04 SECONDS WEST, A DISTANCE OF 705.72 FEET TO THE POINT AND PLACE OF BEGINNING AND FROM SAID POINT OF BEGINNING RUNNING, THENCE;

1. ALONG THE SOUTHEASTERLY LINE OF LOT 20, BLOCK 1373, SOUTH 35 DEGREES – 27 MINUTES - 04 SECONDS WEST, A DISTANCE OF 105.75 FEET TO A POINT, THENCE;

2. ALONG THE SOUTHWESTERLY LINE OF LOT 20, BLOCK 1373, NORTH 54 DEGREES – 32 MINUTES - 56 SECONDS WEST, A DISTANCE OF 4.65 FEET TO A POINT OF NON-TANGENT CURVATURE ON THE AFOREMENTIONED NORTHWESTERLY LINE OF EAST LOOP ROAD, THENCE;

3. ALONG SAID NORTHWESTERLY LINE OF EAST LOOP ROAD, ALONG A CURVE TO THE LEFT, HAVING A RADIUS OF 2810.00 FEET, AN ARC LENGTH OF 105.86 FEET, HAVING A CENTRAL ANGLE OF 02 DEGREES – 09 MINUTES – 30 SECONDS, BEARING A CHORD OF NORTH 37 DEGREES – 57 MINUTES – 59 SECONDS EAST WITH A CHORD DISTANCE OF 105.85 FEET TO THE POINT AND PLACE OF BEGINNING.

CONTAINING 210 SQUARE FEET OR 0.0048 ACRE

ECR/ S:\Survey\2013\G1151\G1151-02-PHASE1\1151-M&B-Portions of Lot 20 Areas Within Loop Road-9-16-13-REVISED-9-24-13-REVISED-12-13-13.docx

EXHIBIT C

NEW ANNEX III AS OF THE EFFECTIVE DATE SET FORTH HEREIN

GALLAS SURVEYING GROUP

171 Church Lane
North Brunswick, NJ 08902
Tele: 732-422-6700
Fax: 732-940-8786
www.gallassurvey.com

OCTOBER 24, 2013
REVISED DECEMBER 13, 2013

GSG PROJECT NO. G11151.02

METES & BOUNDS DESCRIPTION
NEW LOT 20, BLOCK 1373
(THE CORNELL DEVELOPMENT LOT)
ROOSEVELT ISLAND
BOROUGH OF MANHATTAN
CITY, COUNTY & STATE OF NEW YORK

ALL THAT CERTAIN PLOT, PIECE OR PARCEL OF LANDS BEING NEW LOT 20, BLOCK 1373, (ALSO KNOWN AS THE CORNELL DEVELOPMENT LOT) AND SHOWN AS PART OF LOTS 1 AND 20, BLOCK 1373 AND "AREA A", "AREA B" AND "AREA C" TO BE CONVEYED PER NEW RIGHT OF WAY ALIGNMENT ON A MAP ENTITLED, "SKETCH OF LANDS BEING CONVEYED BASED ON NEW ROAD ALIGNMENT, LOT 20, BLOCK 1373 AND A PORTION OF LOT 1, BLOCK 1373, ROOSEVELT ISLAND, BOROUGH OF MANHATTAN, CITY, COUNTY & STATE OF NEW YORK" PREPARED BY GALLAS SURVEYING GROUP, DATED DECEMBER 12, 2013 AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT FORMED BY THE INTERSECTION OF THE SOUTHEASTERLY LINE OF WEST LOOP ROAD (50' WIDE) AND THE NORTHEASTERLY LINE OF SOUTH LOOP ROAD (WIDTH VARIES) HAVING A COORDINATE VALUE OF NORTH 10769.68, EAST 15367.78, SAID POINT BEING DISTANT SOUTH 80 DEGREES – 19 MINUTES – 31 SECONDS EAST, A DISTANCE OF 133.63 FEET FROM A POINT ALONG THE SOUTHEASTERLY LINE OF THE EAST RIVER WEST CHANNEL, HAVING A COORDINATE VALUE OF NORTH 10792.14, EAST 15236.04 AND FROM SAID POINT OF BEGINNING RUNNING, THENCE;

THE FOLLOWING EIGHT (8) COURSES ALONG SAID SOUTHEASTERLY LINE OF WEST LOOP ROAD:

1. NORTH 41 DEGREES – 01 MINUTE – 09 SECONDS EAST, A DISTANCE OF 103.31 FEET TO A POINT, THENCE;

2. NORTH 33 DEGREES – 26 MINUTES – 37 SECONDS EAST, A DISTANCE OF 126.68 FEET TO A POINT, THENCE;

3. NORTH 30 DEGREES – 05 MINUTES – 14 SECONDS EAST, A DISTANCE OF 115.64 FEET TO A POINT, THENCE;

4. NORTH 27 DEGREES – 09 MINUTES – 30 SECONDS EAST, A DISTANCE OF 71.55 FEET TO A POINT, THENCE;

5. NORTH 28 DEGREES – 57 MINUTES – 22 SECONDS EAST, A DISTANCE OF 88.38 FEET TO A POINT OF CURVATURE, THENCE;

6. ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 2000.00 FEET, AN ARC LENGTH OF 218.67 FEET, HAVING A CENTRAL ANGLE OF 06 DEGREES – 15 MINUTES - 52 SECONDS, BEARING A CHORD OF NORTH 32 DEGREES – 05 MINUTES – 18 SECONDS EAST WITH A CHORD DISTANCE OF 218.56 FEET TO A POINT OF TANGENCY, THENCE;

7. NORTH 35 DEGREES – 13 MINUTES – 14 SECONDS EAST, A DISTANCE OF 473.01 FEET TO A POINT, THENCE;

8. NORTH 35 DEGREES – 16 MINUTES – 28 SECONDS EAST, A DISTANCE OF 123.40 FEET TO A POINT FORMED BY THE INTERSECTION OF THE AFOREMENTIONED SOUTHEASTERLY LINE OF WEST LOOP ROAD AND THE SOUTHWESTERLY LINE OF NORTH LOOP ROAD (56' WIDE), THENCE;

9. ALONG SAID SOUTHWESTERLY LINE OF NORTH LOOP ROAD, SOUTH 54 DEGREES – 43 MINUTES – 39 SECONDS EAST, A DISTANCE OF 448.72 FEET TO A POINT ON THE NORTHERLY TERMINUS OF A CURVE CONENCTING THE SOUTHWESTERLY LINE OF NORTH LOOP ROAD (56 FEET WIDE) AND THE NORTHWESTERLY LINE OF EAST LOOP ROAD (WIDTH VARIES), THENCE;

10. ALONG SAID CURVE CONNECTING THE SOUTHWESTERLY LINE OF NORTH LOOP ROAD AND THE NORTHWESTERLY LINE OF EAST LOOP ROAD, ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 9.00 FEET, AN ARC LENGTH OF 17.46 FEET, HAVING A CENTRAL ANGLE OF 111 DEGREES – 09 MINUTES – 59 SECONDS, BEARING A CHORD OF SOUTH 00 DEGREES – 51 MINUTES – 20 SECONDS WEST WITH A CHORD DISTANCE OF 14.85 FEET TO A POINT OF REVERSE CURVATURE ON SAID NORTHWESTERLY LINE OF EAST LOOP ROAD, THENCE;

THE FOLLOWING SIX (6) COURSES ALONG SAID NORTHWESTERLY LINE OF EAST LOOP ROAD:

11. ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 478.00 FEET, AN ARC LENGTH OF 177.01 FEET, HAVING A CENTRAL ANGLE OF 21 DEGREES – 13 MINUTES – 03 SECONDS, BEARING A CHORD OF SOUTH 45 DEGREES – 49 MINUTES – 48 SECONDS WEST WITH A CHORD DISTANCE OF 176.00 FEET TO A POINT OF TANGENCY, THENCE;

12. SOUTH 35 DEGREES – 13 MINUTES – 17 SECONDS WEST, A DISTANCE OF 705.72 FEET TO A POINT OF CURVATURE, THENCE;

13. ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 2810.00 FEET, AN ARC LENGTH OF 244.14 FEET, HAVING A CENTRAL ANGLE OF 04 DEGREES – 58 MINUTES – 41 SECONDS, BEARING A CHORD OF SOUTH 37 DEGREES – 42 MINUTES – 37 SECONDS WEST WITH A CHORD DISTANCE OF 244.07 FEET TO A POINT OF TANGENCY, THENCE;

14. SOUTH 40 DEGREES – 11 MINUTES – 58 SECONDS WEST, A DISTANCE OF 38.54 FEET TO A POINT, THENCE;

15. SOUTH 31 DEGREES – 51 MINUTES – 44 SECONDS WEST, A DISTANCE OF 100.00 FEET TO A POINT, THENCE;

16. SOUTH 40 DEGREES – 11 MINUTES – 58 SECONDS WEST, A DISTANCE OF 34.96 FEET TO THE NORTHEASTERLY TERMINUS OF A CURVE CONNECTING THE AFOREMENTIONED NORTHWESTERLY LINE OF EAST LOOP ROAD WITH THE AFOREMENTIONED NORTHEASTERLY LINE OF SOUTH LOOP ROAD, THENCE;

17. ALONG SAID CURVE TO THE RIGHT CONNECTING THE NORTHWESTERLY LINE OF EAST LOOP ROAD WITH THE NORTHEASTERLY LINE OF SOUTH LOOP ROAD, HAVING A RADIUS OF 15.00 FEET, AN ARC LENGTH OF 21.25 FEET, HAVING A CENTRAL ANGLE OF 81 DEGREES – 09 MINUTES – 07 SECONDS, BEARING A CHORD OF SOUTH 80 DEGREES – 46 MINUTES – 31 SECONDS WEST WITH A CHORD DISTANCE OF 19.51 FEET TO A POINT OF TANGENCY ON SAID NORTHEASTERLY LINE OF SOUTH LOOP ROAD, THENCE;

THE FOLLOWING FOUR COURSES ALONG SAID NORTHEASTERLY LINE OF SOUTH LOOP ROAD:

18. NORTH 58 DEGREES – 38 MINUTES – 56 SECONDS WEST, A DISTANCE OF 32.69 FEET TO A POINT, THENCE;

19. NORTH 54 DEGREES – 45 MINUTES – 09 SECONDS WEST, A DISTANCE OF 117.73 FEET TO A POINT, THENCE;

20. NORTH 54 DEGREES – 32 MINUTES – 27 SECONDS WEST, A DISTANCE OF 70.84 FEET TO A POINT, THENCE;

21. NORTH 52 DEGREES – 25 MINUTES – 49 SECONDS WEST, A DISTANCE OF 143.22 FEET TO THE POINT AND PLACE OF BEGINNING.

CONTAINING 542,675 SQUARE FEET OR 12.4581 ACRES

ECR/ S:\Surveys\2013\G11151\G11151-03-PHA\G11151-M&B-New Lot 20-10-24-13-REVISED-12-13-13.docx

EXHIBIT D

SURVEY

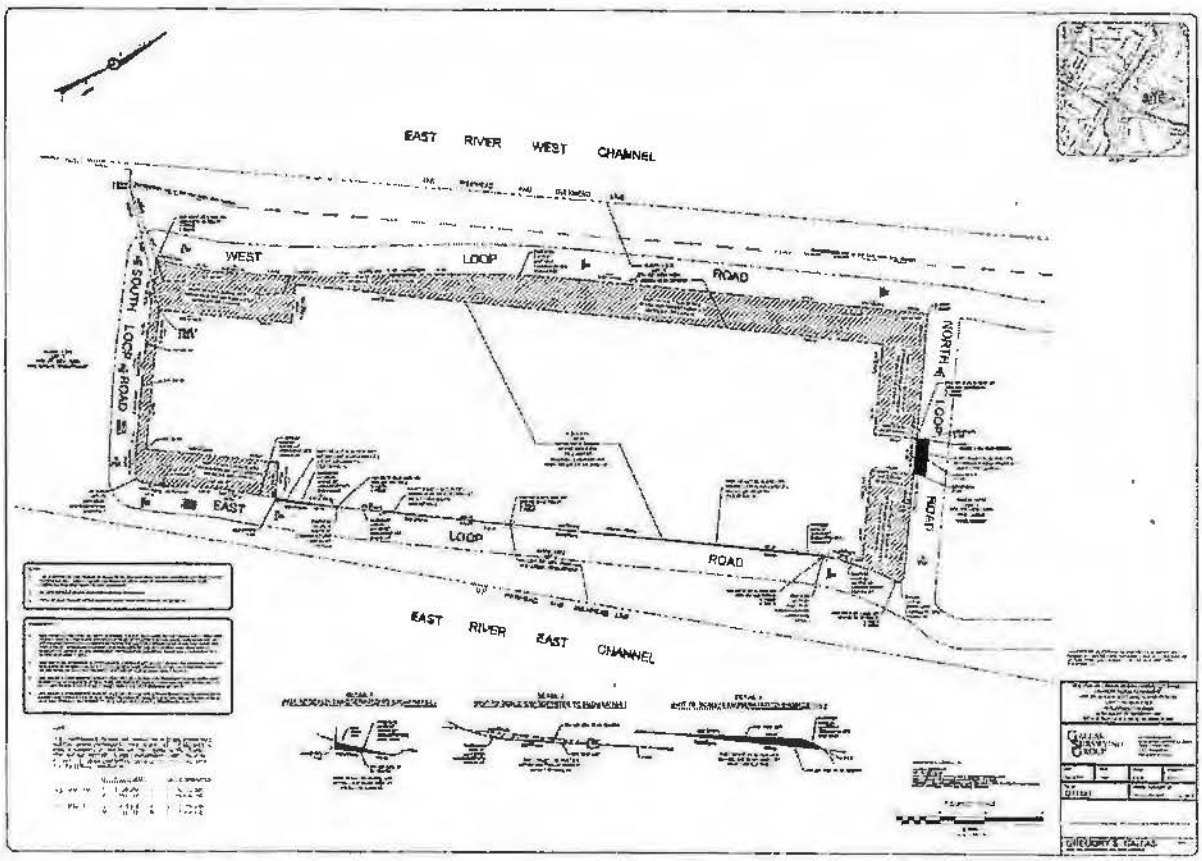

EAST RIVER WEST CHANNEL
WEST LOOP ROAD
SOUTH LOOP ROAD
NORTH LOOP ROAD
EAST LOOP ROAD
EAST RIVER EAST CHANNEL

EXHIBIT D

NON-DISCRIMINATION AND AFFIRMATIVE ACTION PROGRAM

EXHIBIT D

NON-DISCRIMINATION AND
AFFIRMATIVE ACTION PROGRAM

EXHIBIT D

Affirmative Action Program

AFFIRMATIVE ACTION AND NON-DISCRIMINATION AND NEW YORK STATE BUSINESS ENTERPRISES REQUIREMENTS

o It is the policy of New York State to maximize opportunities for the participation of New York State business enterprises, including minority and women-owned business enterprises as bidders, subcontractors and suppliers on its procurement contracts.

o Information on the availability of New York State subcontractors and suppliers is available from:

NYS Department of Economic Development
Division for Small Business
One Commerce Plaza
Albany, NY 12245
Phone: (518) 474-7756 Fax: (518) 486-6416

o The Contractor is required to utilize Minority and Women-Owned Business Enterprises ("M/WBEs") with respect to subcontracts it may enter into under this Contract for labor, services, supplies, equipment, materials or any combination of the foregoing to be performed for, or rendered or furnished to RIOC, in the event that the Contract price exceeds $25,000, in compliance with the provisions of Articles 15-A and 4-A of the Executive Law. (Appendix attached and made a part hereof, defines some of the pertinent terms of Article 15-A.)

o As a guide for Contractor participation in this program, RIOC has established goals with respect to subcontracts as follows: Construction - 21.5%, Commodities - 18.18%, Services - 18.18% participation by New York State Certified MBEs;

Construction - 13.67%, Commodities - 20.45%, Services - 20.45% participation by New York State Certified WBEs; as percentages of the total Contract price.

o The directory of minority and women-owned business enterprises is available from:

NYS Department of Economic Development
Minority and Women's Business Development Division
at:
One Commerce Plaza
Albany, NY 12245

Phone: (518) 474-6346 Fax: (518) 473-0665

The directory is for use only as a resource that lists the names of businesses that qualify as M/WBE's under the definition set forth in the Appendix hereto.

o In order to maximize participation of Certified M/WBE's as subcontractors and suppliers with respect to this Contract, Contractors are required to make the following efforts:

(1) attend meetings scheduled by Developer where bidders will be advised of general contract requirements and M/WBE program;

(2) advertise, where appropriate, in general circulation media, trade association publications and small business media;

(3) notify small, minority and women contractor associations by written solicitation of specific subcontracts;

(4) send written notification to Certified M/WBEs that their interest in the Work is solicited.

In each bid, the Contractor shall include a proposed list of subcontractors to demonstrate that the goals of this section will be achieved.

The Contractor shall list the proposed subcontractors and report the participation of MBEs and WBEs in the form entitled "Vendor/Contractor's Utilization Form" attached hereto and made a part hereof.

Joint ventures with Minority and Women-Owned Business Enterprises will be considered toward meeting the goals.

o In accordance with Article 15 of the Executive Law (also known as the Human Rights Law) and all other State and Federal statutory and constitutional non-discrimination provisions, the Contractor will not discriminate against any employee or applicant for employment because of race, creed, color, sex, national origin, age, disability or marital status. Furthermore, in accordance with Section 220-e of the Labor Law, if this is a contract for the construction, alteration or repair of any public building or public work or for the manufacture, sale or distribution of materials, equipment or supplies, and to the extent that this Contract shall be performed within the State of New York,

Contractor agrees that neither it nor its subcontractors shall, by reason of race, creed, color, disability, sex or national origin: (a) discriminate in hiring against any New York State citizen who is qualified and available to perform the work; or (b) discriminate against or intimidate any employee hired for the performance of work under this Contract. If this is a building service contract as defined in Section 230 of the Labor Law, then, in accordance with Section 239 thereof, Contractor agrees that neither it nor its subcontractors shall, by reason of race, creed, color, national origin, age, sex or disability: (a) discriminate in hiring against any New York State citizen who is qualified and available to perform the work; or (b) discriminate against or intimidate any employee hired for the performance of work under this contract. Contractor is subject to fines of $50.00 per person per day for any violation of Section 220-e or Section 239 as well as possible termination of this contract and forfeiture of all moneys due hereunder for a second or subsequent violation.

DEFINITIONS UNDER ARTICLE 15-A REGULATIONS

(a) "Certified business: shall mean either a business certified by New York State as a minority or women owned business enterprise pursuant to Section 315 of the Executive Law and 9 NYCRR 544.2 (a) -1 (c) or a business verified as minority or women owned and additionally identified under 9 NYCRR 455.2 (d).

(b) "Minority group member" shall mean a United States Citizen or permanent resident alien who is and can demonstrate membership in one of the following groups:

(i) Black persons having origins in any of the Black African racial groups;

(ii) Hispanic persons of Mexico, Puerto Rican, Dominican, Cuban, Central or South American of either Indian or Hispanic origin, regardless of race;

(iii) Native American or Alaskan native persons having origins in any of the original peoples of North America;

(iv) Asian and Pacific Islander persons having origins in any of the Far East countries, Southeast Asia, the Indian subcontinent or the Pacific Islands.

(c) "Minority-owned business enterprise" shall mean a business enterprise, including a sole proprietorship, partnership or corporation that is:

(i) at least fifty-one percent owned by one or more minority group members;

(ii) an enterprise in which such minority ownership has and exercises the authority to

control and operate, independently, the day-to-day business decisions of the enterprise; and

(iii) an enterprise authorized to do business in New York State and independently owned and operated.

(d) "Women-owned business enterprise" shall mean a business enterprise, including a sole proprietorship, partnership or corporation that is:

(i) at least fifty-one percent owned by one or more United States Citizens or permanent resident aliens who are women;
(ii) an enterprise in which the ownership interest of such women is real, substantial and continuing;
(iii) an enterprise in which the ownership has and exercises the authority to control independently the day-to-day business decisions of the enterprises; and
(iv) an enterprise authorized to do business in New York State and independently owned and operated.

EEO POLICY STATEMENT

(1) Contractors and subcontractors shall undertake or continue existing programs of affirmative action to ensure that minority group members and women are afforded equal employment opportunities without discrimination because of race, creed, color, national origin, sex, age, disability or marital status. For these purposes, affirmative action shall apply in the areas of recruitment, employment, job assignment, promotion, upgradings, demotion, transfer, layoff, or termination and rates of pay or other forms of compensation.

(2) Prior to the award of a contract, the Contractor shall submit an Equal Employment Opportunity ("EEO") Policy Statement to the contracting agency within the time frame established by that agency.

(3) The Contractor's EEO Policy Statement shall contain, but not necessarily be limited to, and the Contractor, as a precondition to entering into a valid and binding State contract, shall, during the performance of the State contract, agree to the following:

(a) The Contractor will not discriminate against any employee or applicant for employment because of race, creed, color, national origin, sex, age, disability or marital status, will undertake or continue existing programs of affirmative action to ensure that minority group members and women are afforded equal employment opportunities.

without discrimination, and shall make and document its conscientious and active efforts to employ and utilize minority group members and women in its work force on State contracts.

(b) The Contractor shall state in all solicitations or advertisements for employees that, in the performance of the contract, all qualified applicants will be afforded equal employment opportunities without discrimination because of race, creed, color, national origin, sex, age, disability or marital status.

(c) At the request of the contracting agency, the Contractor shall request each employment agency, labor union, or authorized representative of workers with which it has a collective bargaining or other agreement or understanding, to furnish a written statement that such employment agency, labor union, or representative will not discriminate on the basis of race, creed, color, national origin, sex, age, disability or marital status and that such union or representative will affirmatively cooperate in the implementation of the Contractor's obligations herein.

(4) Except for construction contracts, prior to an award of a State contract, the Contractor shall submit to the contracting agency a staffing plan of the anticipated work force to be utilized on the State contract or, where required, information on the Contractor's total work force, including apprentices, broken down by specified ethnic background, gender, and Federal Occupational Categories or other appropriate categories specified by the contracting agency. The form of the staffing plan shall be supplied by the contracting agency.

(5) After an award of a State contract, the Contractor shall submit to the contracting agency a work force utilization report, in a form and manner required by the agency, of the work force actually utilized on the State contract, broken down by specified ethnic background, gender, and Federal Occupational Categories or other appropriate categories specified by the contracting agency.

o NONDISCRIMINATION IN EMPLOYMENT IN NORTHERN IRELAND: MacBRIDE FAIR EMPLOYMENT PRINCIPLES

In accordance with Chapter 807 of the Laws of 1992 the bidder, by submission of this bid, certifies that if it or any individual or legal entity in which the bidder holds a 10% or greater ownership interest, or any individual or legal entity that holds a 10% or greater ownership interest in the bidder:

has business operations in Northern Ireland, such bidder, shall take lawful steps in good faith to conduct any business operations in Northern Ireland in accordance with the MacBride Fair Employment Principles relating to

nondiscrimination in employment and freedom of workplace opportunity regarding such operations in Northern Ireland, and shall permit independent monitoring of their compliance with such Principles.

o The Omnibus Procurement Act of 1992 requires that by signing this bid/proposal, Contractors certify that whenever the total bid amount is greater than $1 million;

1.The Contractor has made reasonable efforts to encourage the participation of New York State Business Enterprises as suppliers and subcontractors on this project, and has retained the documentation of these efforts to be provided upon request to the State;

2.The Contractor has complied with the Federal Equal Opportunity Act of 1972 (P.L. 92-261), as amended;

3.The Contractor agrees to make reasonable efforts to provide notification to New York State residents of employment opportunities on this project through listing of any such positions with the Job Service Division of the New York State Department of Labor, or providing such notification in such manner as is consistent with existing collective bargaining contracts or agreements. The contractor agrees to document these efforts and to provide said documentation to the State upon request;

4.The Contractor acknowledges notice that New York State may seek to obtain offset credits from foreign countries as a result of this contract and agrees to cooperate with the State in these efforts.

(Note: The Contractor shall include the language of the above provisions in every subcontract in such a manner that the requirements of the provisions will be binding upon each subcontractor as to work in connection with the State contract, including the requirement that subcontractors shall undertake or continue existing programs of affirmative action to ensure that minority group members and women are afforded equal employment opportunities without discrimination, and, when requested, provide to the Contractor information on the ethnic background, gender, and Federal Occupational Categories of the employees to be utilized on the State contract.)

EXHIBIT E

MASTER LEASE NON-DISCRIMINATION PROVISIONS

EXHIBIT E

MASTER LEASE NON-DISCRIMINATION PROVISIONS

25. *Administration.* Except where otherwise expressly provided herein, the rights and duties of the Lessor hereunder shall be administered and enforced in all respects by its Administrator of the Housing and Development Administration.

26. *Non-Discrimination.* (a) At all times during the construction, maintenance and operation of the Improvements, Lessee shall not discriminate against any employee or applicant for employment because of race, color, creed or national origin. Lessee shall take affirmative action to ensure that employees and applicants for employment with Lessee, its sublessees, contractors and subcontractors are treated without regard to their race, color, creed or national origin and shall take affirmative action to assist in providing training and job opportunities in order to ensure equal employment opportunities for members of minority groups with Lessee, its sublessees, contractors and subcontractors. As used herein, the term "treated" shall mean and include, without limitation, the following: recruited, whether by advertising or other means; compensated, whether in the form of rates of pay or other forms of compensation; selected for training, including apprenticeship; promoted; upgraded; downgraded; demoted; transferred; laid off; and terminated. Lessee will post in conspicuous places on the Lessee's Premises, available to employees of Lessee and applicants for employment, notices provided by Lessor setting forth the language of this non-discrimination provision; and

(i) Lessee shall, in all solicitations or advertisements for employees placed by or on behalf of Lessee, state that all qualified applicants will be considered for employment without regard to race, color, creed or national origin;

(ii) Lessee shall send each labor union or other representative of workers with which it has a collective bargaining agreement or other contract or understanding a notice advising such labor union or workers' representative of Lessee's agreement as contained in this paragraph and a copy thereof shall be sent to Lessee within three (3) days of notification to such union or representative; and

(iii) Lessee shall furnish to Lessor all information required by Lessor pursuant to this paragraph and will permit access by Lessor to its books, records, and accounts for the purposes of investigation to ascertain compliance with this paragraph.

(b) To evidence compliance with the provisions of (a) hereof, Lessee shall furnish such compliance reports as may from time to time be required by Lessor, such reports to contain information as to Lessee's practices, policies, programs, employment policies and employment statistics. Such compliance reports shall, if Lessor so requests, contain the following additional information:

(i) information as to the practices, policies, programs, employment policies and employment statistics of the Lessee's sublessees, contractors and subcontractors;

(ii) if Lessee has a collective bargaining agreement or other contract or understanding with a labor union or an agency referring workers or providing or supervising apprenticeship or training for such workers, such information as to such labor union's or agency's practices and policies affecting compliance as Lessor may require, provided that to the extent such information is within the exclusive possession of a labor union or an agency referring workers or providing or supervising apprenticeship or training, and such labor union or agency shall refuse to furnish such information to Lessee, Lessee shall so certify to Lessor as part of its compliance report and shall set forth what efforts it has made to obtain such information.

(c) Lessee and Subsidiary shall include or cause to be included the provisions of this paragraph 26 in every sublease, contract and subcontract of Lessee or Subsidiary and each obligation of Lessee or Subsidiary hereunder shall be deemed an obligation of each such sublessee, contractor or subcontractor. Lessee and Subsidiary shall likewise include or cause to be included in every sublease, contract or subcontract all non-discrimination provisions required by federal, state or local law, including Lessor's Executive Order 71, as the same may be amended from time to time. All such provisions to the extent applicable are hereby incorporated in this Lease.

(d) Lessor, Lessee and Subsidiary shall require that any contractor or subcontractor performing work on the Leased Premises shall pro-

vide on-the-job training positions in accordance with any applicable governmental order, plan, undertaking or agreement to provide such on-the-job training positions from time to time in effect with respect to Lessor, Lessee, Subsidiary and any organization representing the employees of such contractor or subcontractor; provided, however, that in no event shall any such contractor or subcontractor provide for fewer on-the-job training positions than the number of apprentices or trainees allowed on the job under applicable collective bargaining agreements.

(c) Lessor, Lessee and Subsidiary shall, from time to time, mutually agree upon goals for the employment, training, or employment and training of members of minority groups in connection with performing work on the Leased Premises and any contractor or subcontractor performing work on the Leased Premises shall be required by the applicable contract or subcontract to meet such goals.

27. *Amendment.* Upon notice from Lessor to Lessee and approval by Lessor's Board of Estimate within five years of the date of this Lease, this Lease shall be amended as follows:

(a) Subparagraph (b) of paragraph 4 hereof shall be amended to read as follows:

"(b) *Additional Rent.* In addition to the Basic Rent, Lessee shall pay, in the same manner as the Basic Rent, Additional Rent equal to sixty percent (60%) of Net Income for the preceding year";

(b) The definition of *Net Income* in paragraph 22 hereof shall be amended to read as follows:

"*Net Income:* For any period, Gross Income less (i) Normal Allowances; (ii) Basic Rent and (iii) the amount of the following costs incurred by Lessee: any amount by which Lessee's operating and maintenance costs for any Public Facility consisting of a garage, an elevator, a mini-transit system or a park exceed receipts derived by Lessee from such Public Facility, to the extent such excess shall not be included in Normal Allowances"; and

(c) The definition of "*Project Fee* in paragraph 22 hereof shall be stricken in its entirety.

EXHIBIT F

PAYMENTS FOR TRANSFERS TO EXEMPT PURCHASERS

EXHIBIT F

PAYMENTS FOR TRANSFERS TO EXEMPT PURCHASERS

1	2007	$54.00
2	2008	$53.14
3	2009	$52.29
4	2010	$51.43
5	2011	$50.57
6	2012	$49.71
7	2013	$48.86
8	2014	$48.00
9	2015	$47.14
10	2016	$46.29
11	2017	$45.43
12	2018	$44.57
13	2019	$43.71
14	2020	$42.86
15	2021	$42.00
16	2022	$41.14
17	2023	$40.29
18	2024	$39.43
19	2025	$38.57
20	2026	$37.71
21	2027	$36.86
22	2028	$36.00
23	2029	$35.14
24	2030	$34.29
25	2031	$33.43
26	2032	$32.57
27	2033	$31.71
28	2034	$30.86
29	2035	$30.00
30	2036	$29.14
31	2037	$28.29
32	2038	$27.43
33	2039	$26.57
34	2040	$25.71
35	2041	$24.86
36	2042	$24.00
37	2043	$23.14
38	2044	$22.29
39	2045	$21.43
40	2046	$20.57
41	2047	$19.71
42	2048	$18.86
43	2049	$18.00
44	2050	$17.14
45	2051	$16.29
46	2052	$15.43
47	2053	$14.57
48	2054	$13.71
49	2055	$12.86
50	2056	$12.00
51	2057	$11.14
52	2058	$10.29
53	2059	$9.43
54	2060	$8.57
55	2061	$7.71
56	2062	$6.86
57	2063	$6.00
58	2064	$5.14
59	2065	$4.29
60	2066	$3.43
61	2067	$2.57
62	2068	$1.71

EXHIBIT G

DESIGN GUIDELINES

ROOSEVELT ISLAND SOUTHTOWN

DESIGN GUIDELINES

The Roosevelt Island Operating Corporation ("RIOC"), a New York State agency, has designated The Hudson Companies Incorporated and The Related Companies LP as developers for Southtown ("Developer"). The Project shall be developed in conformance with the General Development Plan, Master Plan and the Design Guidelines outlined herein, which shall apply in lieu of the New York City Zoning Resolution. The construction of all buildings and public improvements shall conform to all other applicable statutory or regulatory requirements, including the New York City Building Code, Multiple Dwelling Law and federal ADA.

Certain terms and concepts used in these Design Guidelines are based upon and are intended to have the same meaning as similar terms and concepts contained in the NYC Zoning Resolution, and where so identified, those provisions of the NYC Zoning Resolution shall be incorporated by reference in these Design Guidelines.

1.0 DEFINITIONS

1.1 Interpretation of inconsistent provisions

In the case of inconsistency between these Design Guidelines and the incorporated provisions of the NYC Zoning Resolution, the provision that is more restrictive or imposes higher standards or requirements shall govern; otherwise, these Design Guidelines shall govern. The diagram(s) complement the text and are as binding as if fully described in the text.

1.2 Rules for construction of language

The word "shall" or "required" is always mandatory and not discretionary. The word "may" or "permitted" is discretionary.

1.3 Definitions

Terms which require definition are indicated in *italics* in the text and are listed below.

Accessory use, or accessory: a use conducted in the same building as the principal use to which it is related, and it is a use which is clearly incidental to, and customarily found in connection with, such principal use. An *accessory use* includes:

(1) Swimming pools not located within a *residential* building provided that the use of such pools shall be restricted to occupants of the principal use and guests for whom no admission or membership fees are charged.
(2) *Home occupations*
(3) A newsstand primarily for the convenience of the occupants of a building
(4) *Accessory* off-street loading berths
(5) *Accessory* signs.

Awning: glazing or fabric on metal frame structure supported entirely from the building to provide weather protection at doors, windows and/or *storefronts*; may be retractable.

Base plane: is a plane from which the height of a building is measured. The level of the base plane is the average elevation of the final grade adjoining the building, excluding entrance to loading.

Basement: is a *story* (or a portion of a *story*) partly below the *base plane*, with at least one half its height (measured from floor to ceiling) above the *base plane*.

Canopy: glazing, fabric and/or metal structure with vertical supports located on the sidewalk to provide weather protection at a building's primary entrance.

Cellar: is a *story* (or a portion of a *story*) wholly or partly below the *base plane*, with more than one half its height (measured from floor to ceiling) below the *base plane*.

Community facility use: uses listed in Use Groups 3 or 4 in the NYC Zoning Resolution.

Expression band: a distinctive linear architectural element occurring on the building facade. The height of the *expression band* shall be no less than 2'-0" and no more than the actual floor to floor height. The length of the *expression band* shall be a minimum of 70% of the aggregate width of the required street wall. The band shall be contrasting in color, texture, material and/or fenestration from the adjacent building facade. Projections may occur within an *expression band*.

Floor area: the sum of the gross areas of the several floors of a building measured from the exterior faces of exterior walls or from the center lines of walls separating two buildings. In particular, *floor area* includes:

(1) *basement* space;
(2) elevator shafts or stairwells at each floor;
(3) floor space in penthouses;
(4) attic space providing structural headroom of 8'-0" or more;
(5) floor space in interior mezzanines or bridges;

However, the *floor area* of a building shall not include:

(1) *cellar* space, except that *cellar* space used for *retail* shall be included for the purpose of calculating requirements for *accessory* off-street loading berths;
(2) elevator or stair bulkheads, *accessory* water tanks, or cooling towers;
(3) uncovered steps;
(4) attic space providing structural headroom of less than 8'-0";
(5) floor space in open or roofed terraces and exterior balconies;
(6) floor space used for *accessory* off-street loading berths;
(7) floor space used for mechanical equipment.

Home occupation: as defined in the NYC Zoning Resolution sec. 12-10.

Leaseline: the line of tenant leased premises extends inward from the outermost exterior face of the *storefront*.

Legally required window: a window or portion of a window (including a window either in addition to or as a substitute for mechanical ventilation) which is required by any applicable law or statute to provide light or ventilation to a "living room" as defined in Section 4 of the Multiple Dwelling Law.

Lot: a tract of land intended for development, defined by *lot lines* or *street lines*.

Lot line: a line defining the boundary of a tract of land intended for development.

Marquee: a permanent glazing and/or metal structure supported entirely from the building to provide weather protection at a building's primary entrance.

Maximum number of stories: the maximum number of stories permitted, measured from a *base plane*.

Required street wall: a wall or portion of a wall of a building facing a *street* or plaza, as indicated in Figure 1.

Required street wall articulation, aggregate width of: the sum of the maximum widths of all segments of *required street wall articulation* on a *street* at the level of any *story*. The width of a *required street wall articulation* is measured in plan as the width of the *street line* from which perpendicular lines may be drawn to such *required street wall articulation*.

Residential use: uses listed in Use Group 1, 2, 3 and 4 in the NYC Zoning Resolution. *Residential uses* may include *residential*, *community facility*, *accessory* recreation, *accessory* loading and open space.

Retail use: uses listed in use group 6, 9 and 12 and bicycle rental or repair shops as listed in the NYC Zoning Resolution. *Retail* establishments are intended primarily to provide convenience services for the use of residents of the project area including *retail* sales, restaurants and service establishments.

Storefront: the architectural facade, including doorways, of any tenant-leased premise perimeter adjacent to public circulation areas. *Storefront* refers to all permitted *retail uses* including *retail*, service, restaurants and cultural establishments.

Story: that part of a building between the surface of a floor (whether or not counted for purposes of computing *floor area*) and the ceiling immediately above. However, a *cellar* is not a *story*.

Street: a way shown on the City Map, as defined in the NYC Zoning Resolution sec. 12-10, or indicated as Main Street on the Southtown Masterplan.

Street line: a *lot line* separating a *street* from other land.

Street wall: a wall or portion of a wall of a building facing a *street* or plaza.

2.0 BUILDING PLAN

The Master Plan establishes nine buildings for the Project. Figure 1, Building Plan, indicates building number, permitted number of stories, whether a building is a tower or a slab, required street wall, and the permitted location of retail use. Table 1, Summary of Area, Use and Bulk Controls provides a summary by building of *floor area* for *residential* and *retail* uses; *maximum coverage*; and *maximum number of stories*.

The Master Plan establishes the permitted uses for the Project. Each of the nine buildings is permitted *residential* and *community facility use*. *Retail use* is permitted only in buildings 3 and 4. Uses shall comply with the requirements for Southtown detailed in the General Development Plan.

The Master Plan establishes the overall bulk controls for the Roosevelt Island Southtown development and is made more specific herein by providing further definition of slab *street wall* and tower controls.

2.1 *Maximum number of stories*

For permitted *maximum number of stories* for each building as established in the Master Plan refer to Table 1, Summary of Program, Bulk and Use Controls. Building massing of each building is controlled by the *maximum number of stories*, *maximum floor area*, and *maximum coverage*. The following are permitted obstructions which may penetrate the *maximum number of stories*: on the mechanical bulkhead floor building common areas of less than 3,000 Floor Area as defined in the New York City Zoning Resolution, not for residential occupancy; chimneys or flues; elevator or stair bulkheads, roof water tanks or cooling towers (including enclosures); flagpoles, aerials or antennas; parapet walls; wire, chain link, or other transparent fences.

2.2 Slab Buildings 1, 3, 4 and 6 *Street Wall* Controls

(a) **Design intent:** *street walls* of buildings 1, 3, 4 and 6 (as indicated on Figure 1, Building Plan) define the scale and character of the pedestrian environment on Main Street and the plaza. Articulation of the *street wall* within the permitted ranges is required in order to create a separate identity, sense of different uses, visual interest and orientation for each building.

(b) **Amount of articulation of *street wall*:** For buildings 1, 3, 4 and 6, the *aggregate width of street wall articulation* at the level of any *story* is permitted but not required up to 15% of the *street wall* from the third level to the top of the building. This requirement applies only to the walls visible from Main Street, as indicated in Figure 1. Recesses, balconies and bay windows may be located above the level of the second *story* ceiling. Building resident entries and loading entries; steps, ramps, *marquees*, *canopies*, *awnings* are permitted on the first floor. *Retail storefronts* are permitted on the first floor of buildings 3 and 4.

(c) **Expression band:** shall be provided at the top of the eighth floor.

2.3 Tower Buildings 2, 5, 7, 8, and 9 Wall Controls

(a) **Design intent:** Tower buildings 2 and 5 are the focus of clusters of development formed by the slab buildings and help define the scale and character of the pedestrian environment on Main Street. Tower buildings 7, 8 and 9, ranging in height from 21 stories to 28 stories, make the transition from the tallest buildings in Northtown, culminating at the center of Southtown at the plaza. Articulation of the towers is required in order to create a separate identity, sense of different uses, visual interest and orientation for each building. Tower building 7, 8, and 9 may utilize different building footprints and massing configurations than tower buildings 2 and 5, including an L-shaped configuration, in order to maximize the water and Manhattan views .

(b) **Amount of articulation of tower walls and crown:** For buildings 2, 5, 7, 8 and 9, the *aggregate width of* tower *wall articulation* at the level of any *story* is permitted but not required up to 15% of the tower wall from the third level to the top of the building. This requirement applies to all sides of the tower. Recesses, balconies and bay windows may be located above the level of the second *story* ceiling. Building resident entries and loading entries; steps, ramps, *marquees, canopies, awnings* are permitted on the first floor. Distinctive tower crown and lighting are permitted but not required above the highest *story* of building 7, 8, 9 (see Section 7.0 Lighting).

2.4 Types of permitted articulation

(a) **Recess:** Recesses shall be permitted to a minimum depth of 2'-0" and a maximum depth of 10'-0" with a 1:2 maximum depth to width ratio.

(b) **Balcony:** A balcony may project a maximum of 5'-0" from a *street wall* and each balcony may have a maximum length of 12'-0"; shall be enclosed by a solid masonry parapet not exceeding 2'-6" in height and a rail to 3'-8" in total height, or a railing not less than 50% open not exceeding 4'-6" in height; and area shall not be included as *floor area*. The minimum height of the lowest balcony shall not be less than 20' above street grade.

(c) **Bay window:** A bay window may project a maximum of 5'-0" from a *street wall*; and each may have a maximum length of 12'-0".

(d) **Other permitted projections:** elements which project beyond the *street wall* shall comply with the Building Code.

(1) Architectural facade elements such as *expression bands*, cornices; eaves, gutters, and downspouts may project from a *street wall* by a maximum depth of 3'-0".

(2) Steps and ramps may project from a *street wall* by a maximum depth of 5'-0".

(3) *Marquees*, *canopies* and *awnings*: see Section 3.3.

2.5 Minimum distance between windows and walls

The minimum horizontal distance between a *legally required window* and any wall opposite such window shall be 30'-0", nor shall any such wall be nearer to such window than a distance equal to one-half the total height of such wall above the sill level of such window. Such minimum distance need not exceed 60'-0". Such minimum distance shall be measured in a horizontal plane at the sill level of, and perpendicular to, the *legally required window* for the full width of the rough window opening, between such window and such wall.

3.0 ARCHITECTURAL ELEMENTS

3.1 Building materials and color

These Design Guidelines define the general design objectives for the material and color of distinct portions of the buildings and prescribe the treatment required.

(a) **20'-24' above ground floor elevation:** for all buildings, within this zone all of the non-fenestrated area shall be a distinctive area of expression, differentiated through the use of color, materials, texture, scale or proportions from the building mass above. This distinctive area of expression shall be extended below ground floor elevation where adjacent grade level is below the ground floor elevation.

(b) **Slab buildings:** above the second story to the top of the building, any combination of vision glass, spandrel glass or metal panels shall not exceed 50% of facade area. Reflective glass shall not be permitted anywhere on the building facade. All glass shall comply with the New York State Energy Code.

(c) **Tower buildings:** reflective glass shall not be permitted anywhere on the building facade. All glass shall comply with the New York State Energy Code.

(d) ***Expression band***: shall be provided in a contrasting color to its surrounding material.

(e) **Rooftop mechanical equipment:** shall be screened with materials and design consistent with the building architecture.

3.2 Grade level controls

(a) **Ground floor height:** minimum 10'-0" clear height floor to ceiling.

(b) **Ground floor glazing:** when any building wall fronts or adjoins Main Street, at least 25% of the total surface area of such wall between ground floor elevation and the ceiling shall be transparent. Door or window openings or unglazed openings within such walls shall be considered as transparent. Such openings shall have a minimum width of 2'-0". The lowest point of any transparency that is provided to satisfy the requirements of this section shall not be higher than 4'-0" above the ground floor elevation. *Retail storefront* ground floor glazing requires at least 50% transparency.

(c) **Building entrance:** see Section 3.3 *marquees, canopies, awnings*; Section 6.0 for signage controls, and Section 7.0 for lighting controls.

(d) ***Retail storefronts***: refer to Section 8.0 Retail Design Guidelines.

3.3 *Marquees, canopies, awnings*

(a) **Location by use:**

(1) *Residential use*: *marquee* or *canopy* is permitted at the primary building entrance; *canopy* or *awning* is permitted at secondary.

(2) *Community facility use* and professional office: *canopy* or *awning* is permitted.

(3) *Retail use*: *awnings* shall be permitted for *retail* use.

(b) ***Marquees***: 10'-0" minimum clear height shall be provided above the sidewalk; maximum 1 story above adjacent sidewalk; 2'-0" minimum horizontal distance from face of curb. Maximum width permitted of a *marquee* is 30'.

(c) ***Canopies, awnings***: 8'-0" minimum clear height shall be provided above the sidewalk; maximum 1 story above adjacent sidewalk; 2'-0" minimum horizontal distance from face of curb. Maximum continuous length permitted is 15', with a minimum of 2'-0" spacing between *awnings*.

3.4 Fenestration

(a) **Windows:** all perimeter glazing of residential apartments shall be double-paned with insulating interpane spacers. Glazing shall be clear or essentially neutral in its spectral filtering of visible light. Reflective glass is not allowed.

(b) **Louvers, wall openings:** shall be designed to integrate with building architecture. Maximum uninterrupted louver or grille permitted is 8'-0" in height and 8'-0" in width.

3.5 Rooftops and setbacks

(a) General requirements:

(1) Rooftops and setbacks are highly visible and may provide a significant amenity. They may be designed with consideration for use and to be visually attractive when viewed from locations adjacent and above.

(2) All roof surfaces and setbacks shall provide surface materials which are not reflective or high contrast colors. All obtrusive features such as vents, bulkheads and cooling units shall be minimized and finished in materials which are compatible in color and interest to the surrounding building surfaces.

(b) Rooftops and setbacks adjacent to *residential* units:

(1) Rooftops and setbacks may be finished with materials suitable for use and landscaping.

(2) Waterproof electrical outlets and exterior water source may be provided for each residential unit or at 50' intervals if a single unit abuts a rooftop or setback greater than 50' in length.

3.6 Parapets, handrails, roof mechanical equipment screening

(a) **Parapets and handrails:** if part of an *expression band*, shall be finished in a distinctive manner.

(b) **Roof mechanical equipment:** shall be screened; materials and design to be consistent with the building architecture.

4.0 CIRCULATION

The infrastructure and landscape contract will establish the character of streetscape and public open space areas. This includes the location of Main Street and the service drives, curb cuts for vehicular drop-offs and loading, and the location of bus stops and cross walks.

4.1 Parking

Parking is not required or permitted in the buildings of Southtown. Off street vehicular drop-off areas are provided at each building.

4.2 Loading

Loading is not required in the buildings of Southtown. *Accessory* off-street loading berths or service areas are permitted for buildings 1, 3, 4 and 6 with access from the West Service Drive. *Accessory* off-street loading berths or service areas shall be located within a completely enclosed building.

All loading berths or service areas shall be screened from all adjoining *streets* by a wall which is not more than 50% open. Openings must have louvers or visual screening devises. The wall may be interrupted by normal entrance or exit doors. Openings shall reflect the scale and proportion of the adjacent building fenestration of the building. Refer to Section 6.0 for signage and Section 7.0 for lighting controls.

5.0 OPEN SPACE: COURTYARDS

The infrastructure and landscape contract will establish the character of streetscape and public open space areas. This includes the active playing fields, central plaza, landscaping adjacent to the waterfront service drive/walks, and the more private vehicular drop-offs and residential landscaped buffer zones. The following design guidelines are for the courtyards, which will also be subject to the specific program for each building.

5.1 Design intent

A courtyard is intended to be a "rear yard" providing light and air to apartments on the interior of a building; semi-private, primarily passive recreational open space for resident adults and play space for children; and to be visually attractive when viewed from the public waterfront and apartments located adjacent and above.

5.2 Size of courtyard

The courtyard shall be developed for use as a landscaped amenity for building residents. The area shall be primarily at one level, have no dimension less than 30'. The planted area shall comprise a minimum of 50% of the courtyard area. The remaining area shall have a durable, attractive paved surface. The courtyard shall be open to the sky except that building projections, not to exceed 5'-0" in depth, may cover up to 10% of the courtyard provided that the lowest level of the projection is above the second story ceiling.

5.3 Permitted obstructions in a courtyard

(a) Terraces, balconies, bay windows, architectural facade details, *accessory* non-commercial greenhouses, planting boxes, steps and ramps for access by the handicapped, vents, bulkheads or other mechanical equipment;

(b) Eaves, gutters, or downspouts projecting not more than 16";

(c) Arbors, trellises, fences, flag poles, *awnings* or *canopies*;

(d) Chimneys projecting not more than 3'-0"; and

(e) Recreational equipment, benches and similar amenities.

5.4 General requirements

(a) Courtyards shall be separated from all apartments, and outdoor areas serving individual apartments, by a 4'-0" high fence, wall or year round screen of densely planted shrubs located at least 6'-0" from a window or door of an apartment, unless the building floor elevation difference is 2'-0" or more above adjacent grade.

(b) Areas with play equipment for young children may be provided. Play areas shall not be located within 40' of a *residential* unit and shall be buffered from *residential* units and other non-planted areas.

(c) Vents, vaults, bulkheads or other mechanical equipment penetrations shall be located so as not to obstruct access to and usefulness of the courtyard. Surface finishes of projecting structures shall be finished with materials compatible with vertical building materials. No exhaust vents are permitted unless such intakes and vents are more than 10'-6" above the level of the courtyard.

5.5 Landscape requirements:

(a) The minimum soil depths for planting are:

Trees:	36"
Shrubs:	30"
Lawns, ground cover:	18"

Each planted area shall have provision for proper drainage, and shall be equipped with automatic irrigation.

(b) Planting requirements:

(1) The landscaped area(s) shall be planted with seasonally diverse plant material appropriate for this location.

(2) Planters may be designed with a coping to provide seating if the coping is minimum 12" wide and does not exceed 18" in height.

(c) New York City is classified as Zone 6b by the U.S. Department of Agriculture in their revised Plant Hardiness Zone map of 1990. For selection of trees, shrubs, groundcovers, grasses, perennials and annuals, the consideration of wind tolerance, exposure to sun/shade and climate zone shall apply.

5.6 Furnishings:

(a) Furnishings such as seating, tables, gazebos or other shade structures are encouraged. Furnishings may be movable or fixed. If fixed, they shall be oriented to provide maximum variety in relationship to planted areas, sun and shade.

(b) Surfacing beneath play equipment for young children shall comply with Federal safety standards and equipment shall be anchored in accordance with manufacturer's guidelines. Play equipment shall be such as is normally acceptable to the NYC Department of Parks as appropriate for child use.

(c) Provision for outdoor lighting: refer to Section 7.0.

6.0 SIGNAGE

6.1 Signage at grade:

Developers are required to provide building identification signage for the predominant use of the building, and may provide additional signage as indicated, other than those required by the New York City Building Department.

(a) ***Residential use* streetscape signage:**

(1) Design intent: to ensure a high quality of *residential use* signage that can express the variety and liveliness of the *residential* spirit at Roosevelt Island Southtown while still differentiating clearly between *residential use* applications as opposed to *retail use* ones.

(2) Main sign at *marquee* or *canopy*: at any major entry of any *residential* building, one main sign is permitted above the entry as part of the *marquee* or *canopy* above the entry and projecting over the sidewalk at the vehicular drop off. This signage is a band which wraps around all three (3) sides of the *marquee* or *canopy*. Permitted messages are: name of building (if applicable) and address of building. The signage shall be flush to the face of the *marquee* or *canopy* and none of the graphics shall be taller than 12". That is, the maximum area for graphics is a band 12" tall. Paint or dimensional letters in metal may be used. Methods not permitted are flashing or animated signs or dimensional letters or signs fabricated of plastic materials.

If no *marquee* or *canopy* is provided, the main sign may be flush mounted to the face of the building. Construction of the sign may be dimensional metal, incised letters in – or dimensional letters on – stone or metal so as to compliment the architectural materials palette of the building, or other methods. Methods not permitted are flashing or animated signs or signs fabricated of plastic materials. The maximum height of letters in this sign shall be 12".

(3) Additional signs: a total of not more than two (2) additional signs may be used, one to the side of the main entry, the other to the side of the service entry. The total surface area of each such sign shall not exceed 2 square feet. This additional sign shall be mounted flush to the face of the building, extending no higher than 8'-0" above grade level at any point, projecting no further than 1" from the face of the building, and no further than 5'-0" from a door that is part of the entry, except in the case that the entry is very deeply recessed from the sidewalk.

Construction for the additional sign may be dimensional metal, incised letters in - or dimensional letters on - stone or metal so as to compliment the architectural materials palette of the building, or other methods. Methods not permitted are flashing or animated signs or signs fabricated of plastic materials.

(b) ***Community facility use* streetscape signage:**

(1) Design intent: to ensure a high quality of signage which is closely allied with that of *residential use* signage, but differentiated from *retail use* signage. The guidelines for *community facility use* signage are the same as those for *residential use* signage, with the following addition:

(2) Additional sign: directory or bulletin board
One (1) additional sign, either a directory or a bulletin board, or both at once, shall be permitted at the entry to any *community facility* use. The location of this sign shall be limited as in the limitations for the additional sign for *residential* application, and the maximum area of the face of this sign shall be four (4) square feet total.

The directory or bulletin board, if featuring changeable messages, may employ plastic lettering and/or surfaces to the degree that it is necessary to allow for change. The directory or bulletin board may be mounted into the face of the building so that it appears flush, or be freestanding. In the case of a changeable message sign, internal illumination may be provided. Methods not permitted are flashing or animated signs. The casework for a freestanding directory or bulletin board sign may not be fabricated of plastic materials.

(c) **Professional office use streetscape signage:**

(1) Design intent: to ensure a high quality of signage that can mark the location and call out the identity of a professional service on the ground floor of a building, i.e. doctor's office, while not detracting from the quality of the streetscape signage of the building as a whole.

(2) Flush sign at main entry: at the exterior building entry used as the main entry for the offices of a professional service, one (1) sign per professional office (in addition to the signs which identify the building itself) may be used. If the sign identifies only one professional office by the name of that office, the total surface area of the sign shall not exceed two (2) square feet. If the sign is a directory listing various suites or individuals in one professional office location, the total surface area of the sign shall not exceed three (3) square feet.

Construction may be dimensional metal, incised letters in - or dimensional letters on - metal so as to compliment the architectural materials palette of the building, or other methods. Methods not permitted are flashing or animated signs or signs fabricated of plastic materials. The professional office streetscape sign shall not be individually illuminated except as a product of the overall illumination of the entry area in which the sign is located.

(d) ***Retail use* streetscape signage:** see Section 8.0 Retail Design Guidelines

(e) **Accessory loading signage:**

(1) Design intent: to provide a consistent identifier at the streetscape to identify *accessory* loading facility locations in buildings in Southtown.

(2) Flush mounted overhead sign: one (1) sign may be placed above the loading berth entry. This sign shall be mounted flush with the surface of the building, and shall have only one face. The maximum height of letters in this sign shall be 12". The bottom of the letters shall not be more than 2'-0" from the top of the loading entry. The width of the sign shall not exceed the width of the loading berth entry, and the sign shall be centered over the entry. Construction may be dimensional metal or stone, incised letters in - or dimensional letters on - metal or stone so as to compliment the architectural materials palette of the building. Methods not permitted are flashing, animated, internally illuminated or plastic signs.

6.2 Other signs:

(a) **Portable/movable signs:** RIOC approval is required for portable/movable signs for short term special events.

(b) **Rooftop signage:** RIOC approval is required for rooftop signage on buildings for corporate or building identification purposes. RIOC approval is required for billboards and other forms of paid advertising.

(c) **Leasing Signage:** Developer shall be allowed to erect signage for initial lease-up or sales period.

7.0 LIGHTING

The Developer is required to provide lighting on buildings consistent with these guidelines. Lighting shall not be disturbing to any persons occupying their *residential* living space, including other *residential* buildings inside and outside the Project. Lighting shall meet all applicable codes and standards, including the New York State Energy Code. The use of the most current recommendations of the Illuminating Engineering Society of North America is encouraged.

7.1 Exterior building and lot lighting

The Developer is permitted to provide exterior building and lot lighting, and may provide additional lighting as indicated.

(a) **Design intent:** lighting located at the perimeter of each *lot* is permitted to supplement the *street* lighting. Its purpose is to improve color rendering, fill in shadows, light pedestrians' faces, articulate the building base-level facades, reinforce the *residential* and pedestrian character of the development and adjoining neighborhoods, increase security, and visually activate the nighttime streetscape. Lighting for this purpose shall be energy efficient, attractive, and easy to maintain.

(b) **Supplemental lighting shall meet the following minimum requirements:**

(1) Supplemental sidewalk lighting for pedestrians may be provided on all sides of the *lot*.

(2) Lighting shall be operated nightly from dusk to dawn, and be controlled by photocells or astronomical time clocks.

(3) Lighting shall utilize a "white" light source with a color rendering index (CRI) of 65 or greater, i.e. metal halide, fluorescent, compact fluorescent, white cold cathode, white neon, or white HPS.

(4) Face light lighting elements shall provide at least the minimum average maintained illuminance listed below, calculated on an imaginary vertical plane. The required illumination shall fall on the building-side of a pedestrian's face when the pedestrian is walking down the middle of sidewalk. That is, the reference plane runs parallel to the *lot line* and is located midway between the curb and the *lot line*. Average illumination is calculated on the zone from finished walking surface up to 5'-6" high on the lot side of the plane. Sources for face light shall be mounted 7'-0" or higher above finished walking surface.

Type	Min. Maintained Illumination (Vertical Plane)	Average/Min. Ratio
Residential	0.50	10:1
Retail	1.00	10:1
Community facility	0.75	10:1
Plaza/playing fields	0.10	10:1
Building entrances	2.00	6:1

(5) Steps and ramps shall be lighted with a minimum of 1.0 footcandle (maintained), on the horizontal plane, in a uniform manner so as to reinforce the perception of a change in level.

(6) Lighted elements shall demonstrate a design approach which is consistent for each building, and occur on a regular frequency, with not more than 30' between elements. Lighted elements may include any of the following:

- Decorative luminaires mounted to building walls, posts, fences or pedestals;
- Lighted display cases;
- Light reflected from building surfaces;
- Lighting attached to *marquees* or *canopies*;
- Lighting transmitted through translucent materials, e.g. glass block;
- Lighting from *retail* display windows (shall be lighted whether or not occupied by a tenant).

(7) Lighting elements are recommended in the zone of 8'-15' above adjacent sidewalk.

(c) **Responsibility for maintenance:** building owner is responsible for maintenance of all lighting associated with the property and for the maintenance of tenant lighting used to meet these requirements. The building owner shall obtain and store adequate spares of any custom, modified or difficult to obtain luminaires, equipment or materials associated with the lighted elements. No luminaire or lighted element which is used to meet these requirements shall be out of commission for more than 3 consecutive days.

(d) **Additional decorative lighting:** may be used on a building, such as plant lighting, colored lighting, lighted signage, step lights, etc. The hours of operation for such additional lighting are at the discretion of the building owner.

(e) **Industrial lighting elements:** shall not be used, unless attractive in appearance and well shielded for glare.

(f) **Lighting for gardens, roof decks, or other outdoor living spaces:** visible from the *street* or other *residential* living spaces shall be decorative in nature and not disturbing to pedestrians or any *residential* occupants.

(g) **Lighting for areas located inside the building and visible from the *street*:** such as loading docks, or service areas, shall be lighted with "white" light sources in attractive and/or concealed luminaires.

7.2 **Signage, *marquee* and *canopy* lighting:**

(a) **Prohibitions:** Signage lighting shall not flash, pulsate, or otherwise change rapidly, unless concealed from view of *residential* units by *canopies* or other architectural barriers.

(d) ***Residential marquees* or *canopies*:** with identification signage may be lighted on the vertical sides and or *street* face. Such signage lighting shall utilize concealed sources or cut-out type lettering. Pedestrian lighting for *residential marquees* or *canopies* at building entrances shall utilize white light sources for any direct illumination. Sources shall typically be well-shielded or concealed unless decorative in nature.

(e) *Retail signage and awning lighting:* see Section 8.0 Retail Design Guidelines

7.3 Tower crown lighting

The Developer is permitted to provide tower crown lighting as indicated. The tower crown consists of structures above the top habitable floor.

(a) **Design intent:** the tower crowns of buildings 7, 8 and 9 are permitted to have lighting. In keeping with the *residential* character of the development, all lighting effects are intended to be less bright and generally more subtle than the lighting found on typical Manhattan office buildings. Tower crown lighting shall emphasize architectural form, shapes, special features or elements, rather than emphasize large surface areas. Features and forms emphasized by the night lighting shall be prominent features during the day, so that lighting promotes recognition of buildings from day to night.

(b) **General requirements**

(1) Light sources shall be appropriate for the application and materials. No light sources are absolutely restricted, but colored sources, including HPS, shall be specially identified and shall require specific design review and approval by RIOC.

(2) The building owner shall be responsible for maintenance of all lighting associated with his/her property. The building owner shall obtain and store spares of all luminaires or components, including lamps and ballasts, which are not readily available. No luminaire or lighted element used for facade lighting shall be out of commission for more than 3 consecutive days.

(3) Tower crown lighting shall be operated from dusk to midnight and controlled by photocell and programmable astronomical time clock.

(c) **Building towers 7, 8 and 9:**

(1) The building crown may be lighted. The top of the tower shall provide a "lantern" type of effect, with a luminous glowing element(s) emitting or reflecting light. This may be accomplished through architectural features with glowing windows, large scale light fixtures, or other decorative icons primarily transmitting light. Luminous glow of "lanterns" shall be warm in tone, nominal 2700 - 3200 Kelvin color temperature or equivalent color filtering.

(2) Luminance at crown shall not exceed a maximum of 3 initial footlamberts (9.5 cd/square meter) at any visible point. These crowns occur at a lower elevation than *residential* units in other buildings, therefore lighting shall not be disturbing to tenants.

8.0 RETAIL DESIGN GUIDELINES

The Design Guidelines for the Project delineate specific controls for *retail use* at buildings 3 and 4. Merchants are encouraged to exhibit imaginative *storefront*/display solutions and to discuss them at an early stage with the Developer and RIOC for compliance with the Design Guidelines

8.1 Project retail use

The Project's *retail* use shall occur in buildings 3 and 4 with shops surrounding the plaza. These *storefronts* share highly visible plaza-facing frontage as well as excellent site and pedestrian access to the esplanade, transportation, visual and recreational amenities. The west ends of buildings 3 and 4 can take advantage of the adjacency to the waterfront esplanade and dramatic views of the Manhattan skyline. *Retail* uses shall consist primarily of neighborhood-oriented *retail*, services, and bar/restaurants for Roosevelt Island which provide a variety of local consumer needs and have a small service area.

8.2 General retail design guidelines

(a) **Design intent:** *retail storefronts* shall harmonize with the character and spirit of the Project's architecture, and provide clear, unobstructed views into *retail* establishments. The number and range of elements in *storefront* facades shall exhibit consistency of detail within the retail district, yet each tenant should seek individual theme merchandising opportunities to differentiate establishments from adjacent retailers within the district.

(1) *Retail* arcades: there shall be no arcades; arcades obscure *retail storefront* view corridors and inhibit tenant identity.

(2) *Awnings*: all *retail storefronts* may provide *awnings* above *storefront*, to differentiate from the *residential* lobby entrances and non-*retail street* level uses. Professionally crafted graphics placed on the *awning* with highly visible and bright colors are encouraged to give a sense of pedestrian scale and a variety of color. Where a tenant has multiple *storefront* openings, all *awnings* shall be of a similar design and uniform color.

(3) Outdoor seating: encouraged where restaurant/food service uses adjoin.

(4) Security grilles: if provided, all *storefront* security grilles shall have open grillwork for their entire surface to allow maximum visibility into the *retail* tenant space. No solid metal shutter grilles shall be permitted.

(b) **Cart areas:** the plaza and the bosk have been designed to accommodate passive recreation and may support additional *retail uses* in the form of *retail* carts. The Developer and RIOC must approve the use, location and appearance of such carts.

8.3 *Retail storefront* sign criteria

The purpose of Project sign criteria is to establish distinctive signage which lends specific character and variety to different *retail* stores within a coherent signage program. Tenants shall be required to design, fabricate, install and maintain *storefront* signs which exhibit imagination, high fabrication quality, and compatibility with adjacent and facing *storefronts*.

(a) **General guidelines:**

(1) Tenants shall be allowed to install one sign, located on the *storefront* fascia, as a primary exterior trading identity, limited to trade name and logo only. This sign shall be located within a signage band on the *storefront* fascia which is common for the building. The sign shall not exceed 20 square feet in size per establishment.

(2) All additional signs will be placed or hung so that no part of the sign extends more than 15' above grade. No individual additional sign shall exceed 8 square feet in size. This includes all *retail* exterior and interior sign types.

(3) Signs within the *storefront leaseline* may be externally lit from recessed or specifically approved decorative features with all attachments, wiring, clips, transformers, tubes and other mechanisms concealed.

(4) Interior signage shall permit an unobstructed view into the shop. In all cases, signs shall not hang lower than 7'-0" from the shop floor.

(5) All signs shall be Underwriter Laboratory listed or labeled. No exposed raceways, ballast, transformers, sign company names or labels shall be permitted.

(b) **Sign types permitted:**

(1) Panel signs: wood, porcelain, metal panel, applied letters, neon

(2) Building surface signs: face lit, halo lit, neon, edge illuminated, opaque background/cut-out, translucent dimensional rear lit lettering

(3) Blade signs

(4) Medallion signs: wood and metal; plastic is not permitted. Mountings should allow for limited movement of the object sign without encouraging people to tap or swing on signs.

(5) Interior window surfaces:

- Paint, gold/silver leaf: may be directly applied to the inside of *storefront* windows and door glass.
- Neon: neon tubing may be placed behind *storefront* windows. Ballasts shall be inconspicuous in location and color. Neon tubing shall be shielded with clear plastic where customers might be able to touch it.

(6) *Awnings*: store name/logo may be painted or silkscreened directly on *awnings*. Lettering shall be placed in the lower portion of the overhang. When angled or bullnose *awnings* are used, signs shall not be placed on panels sloped more than 30 degrees (from vertical) or on the curved upper portion of *awnings*.

(7) Mesh panel surface signs: applied letters and ornaments, illuminated letters, halo lit, neon

(c) **Sign restrictions:**

(1) Credit card decals shall be permitted. Commercially produced graphics for nationally produced and merchandised products shall be permitted.

(2) Permanent or temporary interior signage specifying products and prices shall be designed, constructed and executed with quality and professional standards of fabrication.

(3) Forbidden items: animated signs and signs employing rapidly moving or flashing lights; surface-mounted box or cabinet-type signs; formed plastic or injection molded signs, or signs comprised of vacuum-formed letters; simulated material wall coverings, stone or wood-grained plastic laminates; free-standing signs.

8.4 *Retail storefront* lighting criteria

The purpose of the lighting criteria is to provide general standards for *retail storefront* illumination which are compatible with the Project's overall exterior lighting concept and to maintain a high degree of clarity and visual balance. Storefront lighting is important in creating a secure and lively environment on the plaza. Lighting shall meet the requirements of the New York State Energy Code and all relevant electrical, energy, fire and other applicable codes. All *retail* related lighting, with the exception of internally illuminated signage, will be subject to the following requirements:

(a) ***Retail* signage**: which is lighted shall utilize neon, cold cathode, miniature decorative lamps, or concealed sources. Sign boxes with luminous backgrounds which diffuse the source may be used. Exposed fluorescent or exposed High Intensity Discharge (HID) sources are not permitted.

(b) ***Retail awnings***: may be lighted internally, or from luminaires associated with the building or *storefront*. If *retail awning* lighting is used to supplement sidewalk lighting, the lighting must be consistent along any individual facade, and maintained by the building owner. *Awning* lighting shall be attractive and appropriate to the application. Industrial luminaires may be used, but specific care shall be taken to achieve a well designed overall appearance.

(c) **Show window display lighting:**

(1) The show window is considered to extend 5'-0" into the store measured from the leaseline.

(2) Accent lighting in display windows shall be from reflectorized luminaires or lamps providing a point source distribution. Accent luminaires greater in size than a 5"x5"x5", or higher in wattage than 75 watts, shall not be visible from the *street* or exterior of the *storefront*.

(3) Colored filters on accent lighting, or colored neon lighting is permitted in show windows.

(4) At least 50% of the accent lighting of show windows shall remain lighted from the time stores are closed until midnight, and shall be controlled by astronomical time clocks or photocells.

(5) If *retail* lighting is used to supplement sidewalk lighting, *storefronts* shall contain attractive displays, art work, community exhibits or equivalent elements, and meet the requirements for show window lighting.

(6) In order to increase visibility into the *storefront* and compensate for daylight, show windows may supplement accent lighting with less directional fill lighting. Sources shall be concealed from view.

(d) Interior general lighting

(1) General lighting for the store interior shall be from luminaires which provide reasonable protection from direct lamp view or glare. Luminaries may be exposed or shielded, pendant or surface mounted on walls or ceilings. Bare fluorescent or High Intensity Discharge lamps shall not be used.

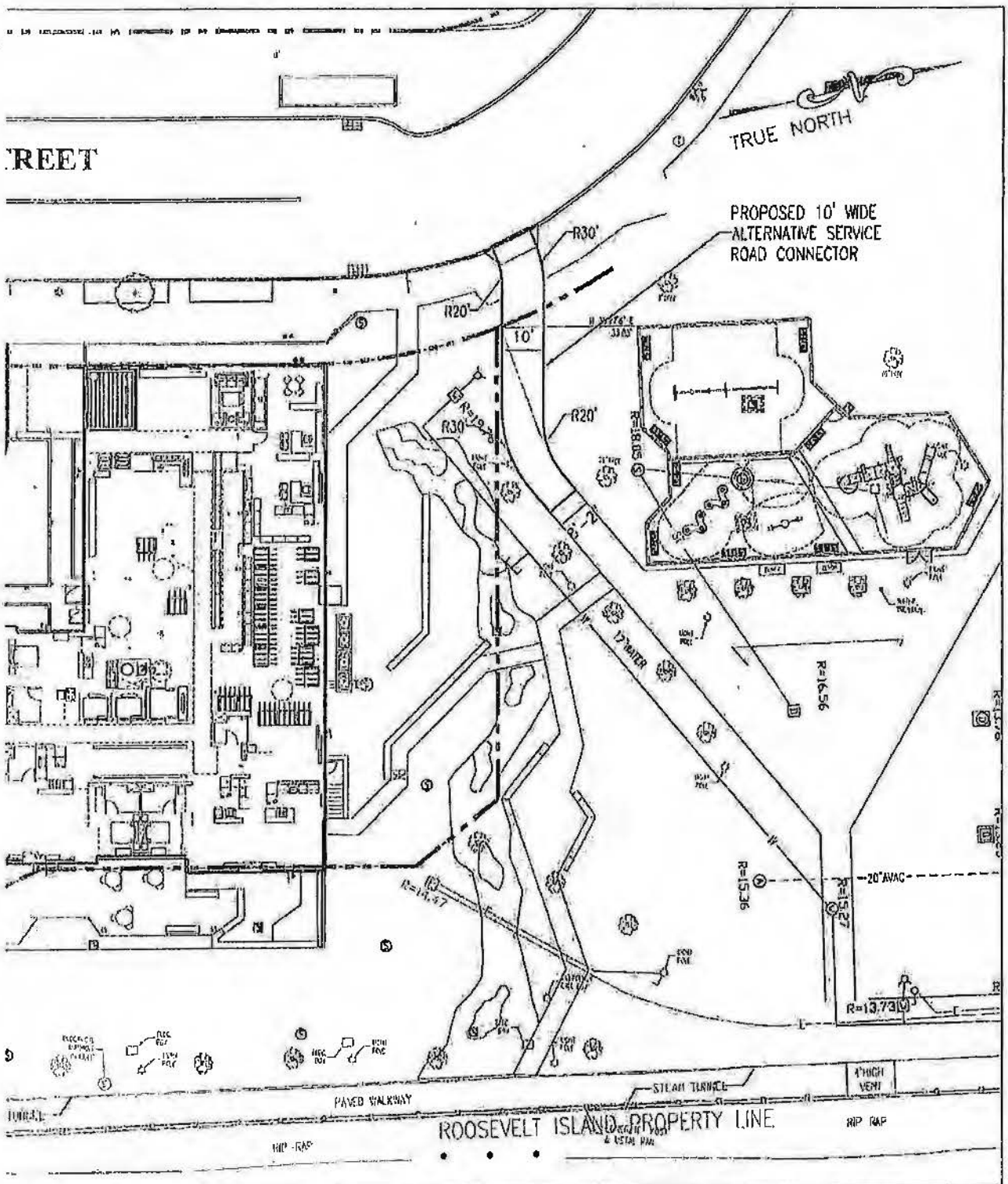
(2) Surface or pendant-mounted track and track fixtures installed for accent lighting may be used.

TABLE 1: SUMMARY OF AREA, USE AND BULK CONTROLS

Bldg. No.	Floor Area Residential	Floor Area Retail	Maximum Coverage**	Maximum No. Stories
1	198,946		15,248	16
2	144,000		9,000	16
3	244,134	*	16,886	16
4	241,708	*	17,401	16
5	144,000		9,000	16
6	221,699		16,910	16
7	201,600		9,600	21
8	240,000		9,600	25
9	268,800		9,600	28
Total	1,904,887		113,245	

* To be determined; is included in residential floor area limit.

** Maximum Coverage square feet shall be Floor Area as defined in the New York City Zoning Resolution



AD

PHILIP HABIB & ASSOCIATES
102 MADISON AVENUE
NEW YORK, NY 10016
T.212.929.5856
F.212.029.5605

SCALE:	1"=30'	DRAWING NO.:	1 OF 1
DATE:	4/29/2013		
DRAWN BY:	H.C.	JOB NO.:	1236

EXHIBIT H

GREEN BUILDING PRACTICES

EXHIBIT H

GREEN BUILDING PRACTICES

1) Construction Waste Management

Recycle and/or salvage at least 50% of non-hazardous construction and demolition debris. Develop and implement a construction waste management plan that identifies the materials to be diverted from disposal and whether the materials will be sorted on-site or co-mingled.

2) Recycled Content

Use salvaged, refurbished or reused materials such that the sum of these materials constitutes at least 5%, based on cost of the total value of materials on the project. Mechanical, electrical and plumbing components and specialty items such as elevators and equipment shall not be included in this calculation.

3) High Efficiency Boiler

Burners shall be set and adjusted by a factory authorized representative to burn natural gas. Unit efficiency, based on flue gas analysis, shall be not less than 80%.

4) Low-E Glass

Insulating glass shall have ¼" outer lite and ¼" inner lite of clear float glass, and a ½" dry air space with -20 degree Fahrenheit dew point, with Class A sealant-type edge construction to maintain a hermetic seal, 1" thick. The glass unit shall have a "Low-E" coating and a solar heat gain coefficient complying with the Energy Conservation Construction Code of the State of New York and as determined by the Mechanical Engineer; and a U value as determined by the Mechanical Engineer. Tempered glass shall provide a sheet of ¼" tempered glass at outer lite , ½" dry air space with -20 degree Fahrenheit dew point, and an inner lite of ¼" clear tempered glass, with Class A sealant-type edge construction to maintain a hermetic seal, 1" thick. The glass unit shall have a "Low-E" coating and a solar heat gain coefficient complying with the Energy Conservation Construction Code of the State of New York and as determined by the Mechanical Engineer; and a U value as determined by the Mechanical Engineer.

5) Green Roofs

Install vegetated roof "green roof" for a minimum of 1,000 square feet of roof area per building in order to increase storm water retention, decrease thermal air movement, remove airbourne particulates and improve building insulation.

6) Construction Activity Pollution Prevention

Create and implement an Erosion and Sedimentation Control Plan in order to prevent loss of soil during construction by stormwater runoff and/or wind erosion; prevent sedimentation of storm sewer or receiving streams, prevent polluting the air with dust and particulate matter.

7) Landscaping

Plant water-efficient, low-maintenance native plantings. Develop street tree pits which serve as storm water recharge basins.

8) Irrigation

Develop water-efficient irrigation systems such as drip system of irrigation.

9) Alternative Transportation

Provide secure bicycle storage for 15% or more of the building occupants.

10) Further Research

Work with the New York State Energy Research and Development Authority to develop cost-effective strategies to incorporate additional building modifications for energy efficiency and environmental improvements.

EXHIBIT I

DEVELOPMENT RIGHTS TRANSFER FEES

EXHIBIT I

DEVELOPMENT RIGHTS TRANSFER FEE

#3636076_v4

Contract Year	Calendar Year	Price ($/Ton)
1	2007	$67.50
2	2008	$66.43
3	2009	$65.36
4	2010	$64.29
5	2011	$63.21
6	2012	$62.14
7	2013	$61.07
8	2014	$60.00
9	2015	$58.93
10	2016	$57.86
11	2017	$56.79
12	2018	$55.71
13	2019	$54.64
14	2020	$53.57
15	2021	$52.50
16	2022	$51.43
17	2023	$50.36
18	2024	$49.29
19	2025	$48.21
20	2026	$47.14
21	2027	$46.07
22	2028	$45.00
23	2029	$43.93
24	2030	$42.86
25	2031	$41.79
26	2032	$40.71
27	2033	$39.64
28	2034	$38.57
29	2035	$37.50
30	2036	$36.43
31	2037	$35.36
32	2038	$34.29
33	2039	$33.21
34	2040	$32.14
35	2041	$31.07
36	2042	$30.00
37	2043	$28.93
38	2044	$27.86
39	2045	$26.79
40	2046	$25.71
41	2047	$24.64
42	2048	$23.57
43	2049	$22.50
44	2050	$21.43
45	2051	$20.36
46	2052	$19.29
47	2053	$18.21
48	2054	$17.14
49	2055	$16.07
50	2056	$15.00
51	2057	$13.93
52	2058	$12.86
53	2059	$11.79
54	2060	$10.71
55	2061	$9.64
56	2062	$8.57
57	2063	$7.50
58	2064	$6.43
59	2065	$5.36
60	2066	$4.29
61	2067	$3.21
62	2068	$2.14

EXHIBIT J

FORM OF DRIVEWAY AGREEMENT

EXHIBIT J

DRIVEWAY AGREEMENT

DRIVEWAY EASEMENT AGREEMENT

SOUTHTOWN, ROOSEVELT ISLAND, NY

EASEMENT AGREEMENT ("Easement Agreement"), made as of the 26th day of December, 2018 by and among RIVERWALK 8 HOUSING DEVELOPMENT FUND CORPORATION and RIVERWALK 8, LLC (together, the "Lot 9 Tenant"), having an address c/o The Hudson Companies Incorporated, 826 Broadway, New York, NY 10003, the RIVERWALK 7 CONDOMINIUM (the "Lot 8 Tenant"), having an address at 480 Main Street, Roosevelt Island, New York, NY 10044, and ROOSEVELT ISLAND OPERATING CORPORATION ("RIOC"), having an office at 591 Main Street, Roosevelt Island, New York 10044 (each of Lot 9 Tenant, Lot 8 Tenant and RIOC is sometimes referred to herein individually as a "Party," and collectively, as the "Parties").

PREAMBLE

WHEREAS, the Lot 9 Tenant is the owner of the leasehold estate of the certain parcels of land situate, lying and being in the City of New York, Borough of Manhattan, County of New York, and State of New York, designated as Block 1373, Part of Lot 1 & part of Lot 9 (to be known as new Lot 9), as more particularly described by a metes and bounds description set forth in Schedule A made a part hereof ("Lot 9"), pursuant to that certain Agreement of Lease, dated the date hereof, between the Lot 9 Tenant, as tenant, and RIOC, as landlord;

WHEREAS, the Lot 8 Tenant is the owner of the leasehold estate of the certain parcels of land situate, lying and being in the City of New York, Borough of Manhattan, County of New York, and State of New York, designated as Block 1373, Lot 8, as more particularly described by a metes and bounds description set forth in Schedule B made a part hereof ("Lot 8"), pursuant to an certain Agreement of Lease, dated as of October 10, 2013, between the Lot 8 Tenant (as successor to Riverwalk 7, LLC), as tenant, and RIOC, as landlord (together, such leases are hereinafter referred to as the "Ground Leases");

WHEREAS, the Parties are desirous of creating an easement for the purpose of permitting and enabling the owners of the leasehold estates for Lot 8 and Lot 9 (together, the "Parcels"), their heirs, successors and assigns access over the lands of the Parcels for the purpose of ingress and egress to and from Main Street along a common driveway at the easterly side of the Parcels for pedestrian and motor vehicle use;

WHEREAS, a diagram marked Schedule C showing the Parcels, the boundaries of each and a cross-hatched portion indicating the area of the driveway (the "Easement Area") is attached hereto and made a part hereof, the Easement Area being intended to be the "Driveway Area" referred to in each of the Ground Leases).

NOW, THEREFORE, good and valuable consideration having been paid, the Parties hereby agree as follows:

1. The Easement Area shall be used to permit and enable present and future owners of the leasehold estate to the Parcels, their heirs and assigns to pass over the lands of the Parcels for the purpose of ingress and egress to and from Main Street along a common driveway at the easterly side of the Parcels for pedestrian and motor vehicle use.

2. Both the Lot 8 Tenant and the Lot 9 Tenant will keep the Easement Area clear and unobstructed at all times.

3. The Lot 8 Tenant shall maintain the Easement Area in good condition and repair (including repaving same, as reasonably necessary), and keep the Easement Area clean and free of snow and ice. All maintenance and repairs shall be done in a good and workmanlike manner and all repairs, restorations or replacements required pursuant to this Easement Agreement shall be of a quality and class at least equal to the original work. All decisions regarding snow removal, maintenance, repair, reconstruction, and inspection of the Easement Area shall be decided by the Lot 8 Tenant. If the Lot 8 Tenant fails to perform its obligations hereunder, and such failure continues for a period of thirty (30) days after notice from the Lot 9 Tenant, the Lot 9 Tenant can cause such maintenance work to be performed.

4. The Lot 9 Tenant shall reimburse the Lot 8 Tenant one-half (1/2) of the costs of snow removal and maintenance, repair, reconstruction, and inspection of the Easement Area. Reimbursement for such costs shall be billed to the Lot 9 Tenant not more frequently than monthly. In the event that the Lot 9 Tenant fails to make such required reimbursement, it shall also pay to the Lot 8 Tenant interest at the lesser of (i) 16% per annum or (ii) the highest rate per annum permitted by applicable law, for any amount unpaid for more than thirty (30) days of demand. If the Lot 9 Tenant performs any maintenance work as a result of the Lot 8 Tenant's failure to do so, then the Lot 8 Tenant will reimburse the Lot 9 Tenant for one-half (1/2) of the cost of such work, in accordance with the provisions of this Paragraph 4.

5. The Lot 9 Tenant and the Lot 8 Tenant each agrees to add the other as an additional insured on its commercial liability insurance policy and to otherwise obtain and maintain the insurance affecting the Easement Area as required under their respective Ground Leases, and shall provide evidence to the other party of such coverage on demand.

6. If any maintenance, repair, reconstruction, or inspection of the Easement Area is determined to be necessary due to the negligence or wrongful act of an agent, contractor, employee, guest, tenant or invitee, of a Party, such Party shall pay the entire cost of such

maintenance, repair, reconstruction, and inspection of the Easement Area.

7. In the event of any violation or threatened violation by either the Lot 8 Tenant or the Lot 9 Tenant of any of the terms, restrictions, covenants and conditions of this Easement Agreement, the other Party shall have the right to enjoin such violation or threatened violation in a court of competent jurisdiction and recover from such violating or threatening Party the costs incurred by reason of such proceeding (including, without limitation, attorneys fees and disbursements).

8. No delay or omission by the Lot 8 Tenant or the Lot 9 Tenant in exercising any right or power accruing upon any default, non-compliance or failure of performance of any of the provisions of this Easement Agreement by the other Party shall be construed to be a waiver thereof. A waiver by either Party of any of the obligations of a Party shall not be construed to be a waiver of any subsequent breach of any other term, covenant or agreement set forth in this Declaration.

9. This Easement Agreement will remain in effect so long as either Ground Lease remains in full force and effect.

10. RIOC consents to the creation of this Easement Agreement on the terms set forth herein; provided, however, that RIOC shall have no liability to perform any of the obligations of the Lot 8 Tenant or the Lot 9 Tenant hereunder.

11. It is understood and agreed that any amount due to a Party by another Party shall not be deemed to be a lien against such other Party's property until a judgment for such liability has been rendered.

12. The covenants set forth herein shall run with the land and be binding upon and inure to the benefit of the Parties and their respective heirs, legal representative, successors, and assigns for so long as either Ground Lease remains in full force and effect.

13. This Easement Agreement may be executed in any number of counterparts by facsimile, digital copy or other written form of communication, each of which shall be deemed to be an original as against any party whose signature appears thereon, and all of which shall together constitute one and the same instrument. This Easement Agreement shall become binding when one or more counterparts hereof, individually or taken together, shall bear the signatures of all of the parties reflected hereon as the signatories.

Signature Page Follows:

IN WITNESS WHEREOF, the undersigned has executed this Easement Agreement as of the day and year first above written.

LOT 9 TENANT:

RIVERWALK 8 HOUSING DEVELOPMENT FUND CORPORATION

By: _____
Lee Warshavsky, Secretary/Treasurer

RIVERWALK 8, LLC

By: _____
Frank Monterisi, Manager

LOT 8 TENANT:

RIVERWALK 7 CONDOMINIUM
By: its Board of Managers

By: _____
Frank Monterisi, President

RIOC:

ROOSEVELT ISLAND OPERATING CORPORATION

By: _____
Susan G. Rosenthal, President
and Chief Executive Officer

STATE OF NEW YORK)

: ss.:

COUNTY OF NEW YORK)

On the ____ day of December in the year 2018, before me, the undersigned, a notary public in and for said state, personally appeared Frank Monterisi personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____

Notary Public

STATE OF NEW YORK)

: ss.:

COUNTY OF NEW YORK)

On the ____ day of December in the year 2018, 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(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____

Notary Public

STATE OF NEW YORK)

: ss.:

COUNTY OF NEW YORK)

On the ____ day of December in the year 2018, before me, the undersigned, a notary public in and for said state, personally appeared Susan G. Rosenthal, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____

Notary Public

SCHEDULE A

METES AND BOUNDS DESCRIPTION OF LOT 9

ALL that certain plot piece or parcel of land, situate, lying and being in the Borough of Manhattan, City, County and State of New York, bounded and described as follows:

BEGINNING at a point on the southeasterly side of a road known as Main Street (80 feet wide) said point having a coordinate of North 12,732.424, East 17,128.330 (Roosevelt Island Coordinate System);

RUNNING THENCE along the southeasterly side of Main Street, North 35 degrees 55 minutes 19 seconds East, a distance of 200.92 feet;

THENCE South 54 degrees 04 minutes 41 seconds East, a distance of 144.83 feet;

THENCE South 33 degrees 45 minutes 37 seconds West, a distance of 201.06 feet;

THENCE North 54 degrees 04 minutes 41 seconds West, a distance of 152.42 feet to the point and place of BEGINNING.

For Information Only: Said premises are known as 460 Main Street, New York, NY and designated as Block 1373 part of Lots 1 and 9 as shown on the Tax Map of the City of New York, County of New York.

SCHEDULE B

METES AND BOUNDS DESCRIPTION OF LOT 8

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

BEGINNING at a point on the southeasterly side of a road known as Main Street (80 feet wide), said point being on the division line between Lot No. 9 and the herein described parcel, having a coordinate of North 12,895.125 East 17,246.208 (Roosevelt Island Coordinate System);

RUNNING THENCE along the southeasterly side of Main Street, North 35 degrees 55 minutes 19 seconds East, a distance of 141.53 feet;

THENCE along a curve to the left having a radius of 136.00 feet, an arc length of 26.20 feet and an included angle of 20 degrees 28 minutes 58 seconds;

THENCE South 54 degrees 02 minutes 58 seconds East, a distance of 141.17 feet;

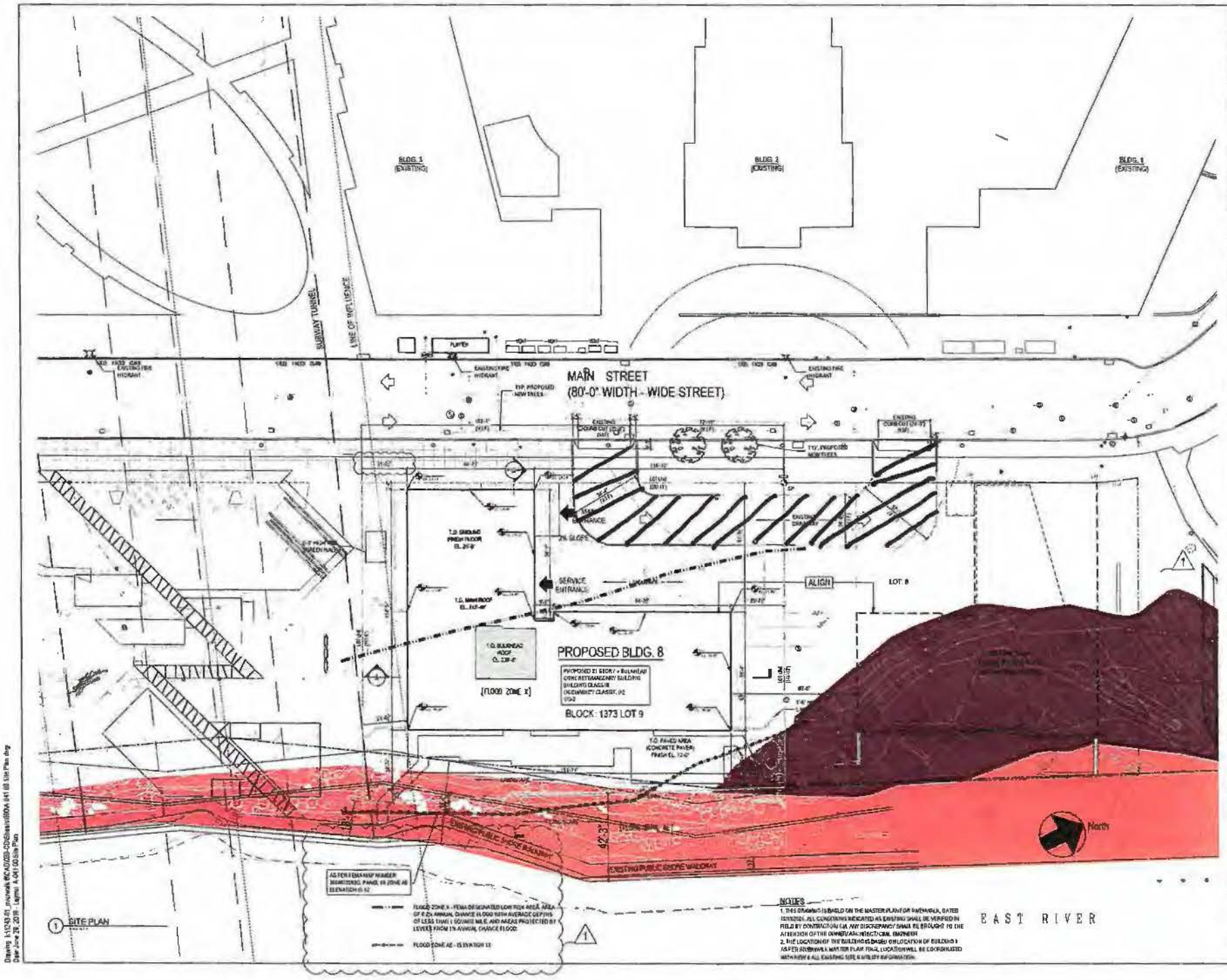
THENCE South 33 degrees 46 minutes 32 seconds West, a distance of 167.62 feet;

THENCE along the northerly boundary line of tentative Lot No. 9, North 54 degrees 04 minutes 41 seconds West, a distance of 144.93 feet to the point and place of BEGINNING.

For Information Only: Said premises are known as The Riverwalk 7 Condominium, 480 Main Street, Lower Unit and Upper Unit, Roosevelt Island, NY and designated as Block 1373 Lots 2001 and 2002 as shown on the Tax Map of the City of New York, County of New York.

SCHEDULE C

DIAGRAM



NOTES

1. THIS DRAWING IS BASED ON THE MASTER PLAN FOR RIVERWALK, DATED 02/24/2017. ALL CONDITIONS INDICATED AS EXISTING SHALL BE VERIFIED IN FIELD BY CONTRACTOR OR ANY DISCREPANCY SHALL BE BROUGHT TO THE ATTENTION OF THE OWNER/ARCHITECT/ENGINEER.
2. THE LOCATION OF THE BUILDING IS BASED ON LOCATION OF BUILDING 8 AS PER RIVERWALK MASTER PLAN. FINAL LOCATION WILL BE COORDINATED WITH NEW & ALL EXISTING SITE & UTILITY INFORMATION.

HANDEL ARCHITECTS LLP
120 Broadway, 6th Fl, New York, NY 10271

OWNER
THE HUDSON COMPANIES INC.
625 Broadway, 11th Floor
New York, New York 10012
T. 212 777 8500 F. 212 777 9501

OWNER
THE RELATED COMPANIES
09 Columbus Circle
New York, New York 10023
T. 212 801 1000 F. 212 801 3727

ARCHITECT
HANDEL ARCHITECTS LLP
120 Broadway, 6th Floor
New York, New York 10271
T. 212 966 4112 F. 212 966 9822

STRUCTURAL ENGINEER
DESIMONE CONSULTING ENGINEERS
140 Broadway, 25th Floor
New York, New York 10005
T. 212 697 2211 F. 212 461 4108

MEP ENGINEER
SAGNER ENGINEERING, PLLC
28 Broadway
New York, New York 10004
T. 212 480 3600 F. 212 480 2624

VERTICAL TRANSPORTATION
VAN DEUSEN & ASSOCIATES, INC.
120 Eagle Rock Avenue, Suite 310
East Hanover, New Jersey 07936
T. 973 994 9220 F. 973 994 2538

CIVIL ENGINEER
PHILIP HABIB & ASSOCIATES
101 Avenue of the Americas, 11th Floor
New York, New York 10013
T. 212 924 9400 F. 212 925 9405

LANDSCAPE ARCHITECT
FUTURE GREEN STUDIO
16 Bay Street
Brooklyn, New York 11231
T. 718 858 7882 F. 718 228 7004

No.	Date	Revision
–	10/24/17	SCHEMATIC DESIGN ISSUE
–	04/09/17	ISSUED FOR DOB FILING
–	05/03/17	REVISED DEVELOPMENT SET
–	06/26/17	ISSUED FOR 50% CD
–	07/21/17	ISSUED FOR BLDG REVIEW
–	08/18/17	ISSUED FOR BLDG REVIEW
–	09/15/17	ISSUED FOR BLDG PERMIT
–	10/20/17	ISSUED FOR CONSTRUCTION
–	04/25/18	ISSUED FOR BLDG REVIEW
–	05/11/18	ISSUED FOR BLDG REVIEW
–	05/24/18	ISSUED FOR BLDG REVIEW
01	06/29/18	ISSUED FOR BLDG REVIEW

RIVERWALK 8
469 Main Street
New York, NY 10044

SITE PLAN

02/24/17 — Date
N.T.S — Scale
AD — Drawn By / Checked By
1243.01 — Project Number
A-041.00 — Drawing Number

Drawing: I:\1243.01_riverwalk 8\CAD\BB-CDS\base\BRA 041.00 Site Plan.dwg
Date: June 29, 2018 - Layout: A-041.00 Site Plan

EXHIBIT K

PROVISIONS REGARDING CONVERSION TO CONDOMINIUM FORM OF OWNERSHIP

EXHIBIT K

PROVISIONS REGARDING THE CONVERSION TO CONDOMINIUM FORM OF OWNERSHIP

1. Conversion Definitions.

As used in this Exhibit K and the Lease, each of the following terms has the meaning set forth below:

"Bylaws" mean the bylaws and rules and regulations annexed to or otherwise made part of the Declaration together with all amendments, modifications and supplements thereto that are permitted under the terms hereof.

"Common Charges" means the aggregate of amounts required under this Lease and the Bylaws to be paid by Unit Owners to the Condominium Board, or the Condominium Board to Landlord, including (a) all Rental (exclusive of Impositions/TEP) and (b) Proportionate Rent payable with respect to all Units not owned by an Exempt Owner. Common Charges may also include other amounts needed to pay the expenses of operating the Condominium but not required to be paid under this Lease, as determined by the Condominium Board or as provided in the Condominium Documents.

"Common Elements" has the meaning provided in the Declaration. "Common Interest" has the meaning provided in the Declaration.

"Condominium Act" means Article 9-B of the Real Property Law of the State of New York, as amended from time to time, or any statute in lieu thereof.

"Condominium Board" means the board of managers of the Condominium. If there shall be more than one Condominium Board, each representing a different class of Unit Owners, the term Condominium Board shall mean, collectively, all of such Condominium Boards.

"Condominium Conditions" has the meaning provided in Section 3(B) of this Exhibit K.

"Condominium Covenants" mean the terms, covenants and conditions that are required to be performed by Tenant under this Lease (except as provided in Section 4(B) of this Exhibit) from and after the Condominium Date, including any covenants to be performed by the Condominium Board. Condominium Covenants include the obligation of the Condominium Board to pay to Landlord amounts payable to Landlord under this Lease, including Rent.

"Condominium Date" shall mean the date of the Initial Unit Transfer.

"Condominium Default" means, at any time after the Condominium Date, the failure of the Condominium Board, as Tenant hereunder, to comply with or observe or perform any of Condominium Covenants or any Event of Default described in Article 24 of the Lease.

"Condominium Documents" mean the Condominium Plan, the Declaration, the Bylaws and the Unit Deed, as amended from time to time, in accordance with the terms hereof.

"Condominium Plan" means the plan of Declarant to submit Declarant's leasehold estate in the Premises to condominium ownership, together with all amendments, modifications and supplements thereto made in accordance with the terms hereof.

"Declarant" means the named Tenant under this Lease or its permitted successors in interest and the declarant under the Declaration and the initial owner of the Condominium Units.

"Declaration" means the instrument by which Declarant submits Declarant's leasehold estate in the Premises to the Condominium Act, together with all amendments, modifications and supplements thereto that do not conflict with the terms hereof.

"Default Costs" means, with respect to any Unit, any costs and expenses incurred by the Condominium Board or by Landlord as the result of a Unit Owner Default by the Unit Owner of such Unit, including, without limitation, any tax obligations and any costs or expenses incurred in connection with any Legal Proceeding or in a subsequent disposition of a Unit acquired by the Condominium Board or Landlord or incurred otherwise in connection with the collection of Proportionate Rent (including, without limitation, reasonable attorneys' fees and disbursements) together with interest thereon at the Involuntary Rate.

"Default Notice" has the meaning provided in Section 8(B) of this Exhibit K.

"Defaulting Unit Owner" has the meaning provided in Section 8(A) of this Exhibit K.

"Exempt Owner" means the owner of a Unit which is exempt from federal income taxation pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or any successor statute.

"Impositions/TEP" means the greater of (a) the Impositions under clause (xi) of Section 4.1 of the Lease and (b) TEP, as such term is defined in the Lease, payable by Tenant under Article 3 of the Lease.

"Initial Unit Transfer" means the execution and delivery of the first Unit Deed by Declarant to a Qualified Unit Purchaser.

"Landlord Default Costs" mean Default Costs incurred by Landlord.

"Landlord's Condominium Costs" has the meaning provided in Section 7(E) of this Exhibit K.

"Legal Proceedings" mean any suit to recover a money judgment for unpaid Common Charges (including Proportionate Rent), including without limitation, any foreclosure of a lien provided under the Condominium Act; it being understood that Legal Proceedings may be maintained without foreclosing or waiving such lien.

"Major Default" means the occurrence of a Default or an Event of Default under Sections 24.1(A)(a), 24.1(A)(b), 24.1(A)(h), and 24.1(A)(j) of the Lease.

"Minor Default" means any Event of Default under Section 24 of the Lease other than a Major Default (as herein defined).

"Managing Agent" means the Person, engaged by the Condominium Board from time to time, with Landlord's prior approval (which approval shall not be unreasonably withheld, conditioned or delayed), for the management, operation and maintenance of the Premises (and any sub-manager appointed by such Person) and the performance of such other duties as are described in the Condominium Management Agreement.

"Proportionate Rent" means, with respect to any Unit, the sum of (i) the Impositions/TEP under the Lease attributable to such Unit, which is payable with respect to such Unit and which shall equal such Unit's pro-rata share thereof, in proportion to such Unit's percentage interest in the Common Elements as a percentage of the percentage interest in the Common Elements of all Units, (ii) Landlord Default Costs with respect to such Unit, and (iii) Landlord's Condominium Costs to the extent required to be included in Proportionate Rent under Section 7 of this Exhibit K.

"Qualified Purchase Agreement" means an agreement for the purchase of a Unit Owner's interest under a Unit Deed, signed by and binding on, any Person as purchaser thereunder substantially in the form set forth in the Condominium Plan providing for a purchase price determined in accordance with the terms of the Condominium Plan and under which agreement such Person made all down payments required thereunder.

"Qualified Unit Purchaser" means the purchaser under a Qualified Purchase Agreement.

"Sale" has the meaning provided in Section 5(a) of this Exhibit K.

"UCC" means the Uniform Commercial Code as the same may be in effect in the State of New York from time to time.

"Unit" has the definition set forth in the Lease, together with a proportionate undivided interest in the Common Elements appurtenant to such portion of the Premises, all as described in the Condominium Documents.

"Unit Deed" means an instrument, in the form set forth in the Condominium Plan (or in such other form as may be approved by Landlord), pursuant to which the Unit Owner's leasehold condominium interest in a Unit (as described in the Condominium Documents) is granted and transferred by Declarant, or a Unit Owner of such Unit after Declarant's transfer thereof, to a purchaser thereof, such transfer being subject to the rights of Landlord under this Lease, including, without limitation such rights as exist in the event of a Unit Owner Default.

"Unit Mortgage" has the meaning provided in Section 6(a) of this Exhibit K. "Unit Mortgagee" has the meaning provided in Section 6(a) of this Exhibit K.

"Unit Owner" means the owner or owners at any one time of the Unit Owner's interest in a Unit, as described in the Condominium Documents.

"Unit Owner Action" has the meaning provided in Section 7(B) of this Exhibit K.

"Unit Obligations" has the meaning provided in Section 8(J) of this Exhibit K.

"Unit Owner Default" has the meaning provided in Section 8(A) of this Exhibit K.

2. Submission of Tenant's Leasehold Estate to Condominium Act.

A. Subject to the satisfaction of the Condominium Conditions, Tenant shall have the right, upon or after Substantial Completion of the Building and payment of the Specified Rental Payment, at Tenant's election, to submit Tenant's leasehold estate in the Premises hereunder to the provisions of the Condominium Act, and otherwise in accordance with the Condominium Documents and the terms of this Lease. After such submission, no withdrawal of Tenant's leasehold interest from the provisions of the Condominium Act shall be permitted at any time for any reason without Landlord's prior consent, which consent Landlord may withhold in its sole discretion except that no Landlord consent shall be required for withdrawal pursuant to §339L of the RPL.

B. (i) If Tenant desires to amend, modify or supplement, from time to time, the Declaration, Tenant shall submit such proposed amendment, modification or supplement to Landlord for Landlord's review and determination in advance, that in Landlord's reasonable opinion, such amendment, modification or supplement conforms to the provisions of this Lease and does not differ from the Declaration in any manner that is materially adverse to any rights, interests or obligations of Landlord under this Lease. If Landlord determines in its reasonable opinion that such proposed amendment, modification or supplement so conforms and contains no such material adverse difference, Landlord shall notify Tenant to that effect within thirty (30) days after Landlord's receipt of such proposed amendment, modification or supplement. If Landlord determines in its reasonable opinion that such proposed amendment, modification or supplement does not so conform or does differ in any manner that is materially adverse to any rights, interests or obligations of Landlord under this Lease, Landlord shall so notify Tenant within such thirty (30) day period, specifying, in reasonable detail, those respects in which such proposed amendment, modification or supplement does not so conform or does differ in any manner that is materially adverse to any rights, interests or obligations of Landlord under this Lease, and Tenant is required to revise such proposed amendment, modification or supplement and resubmit the same to Landlord for Landlord's review and determination in advance as described in this subsection (B). Each

review by Landlord of any such revisions to such proposed amendment, modification or supplement shall be carried out within fifteen (15) days after Landlord's receipt of such revised proposed amendment, modification or supplement.

(ii) Notwithstanding anything to the contrary set forth above, any amendment to the Condominium Plan which solely involves (w) a change in the sales price of a Unit, or (x) a change in the financial terms offered to prospective purchasers, other than a change that affects any payment required to be made to Landlord or the priority of any payment to be made under this Lease or (y) an additional disclosure required by the New York State Department of Law (the "Department of Law") and not concerning any provision of or obligation under this Lease, or (z) Tenant making changes, alterations or additions to the interior of any Units or combining two or more Units (provided that such changes or combinations are otherwise performed in accordance with this Lease) shall not be required to be submitted to Landlord in advance but within a reasonable time after such amendment is made, a copy thereof is required to be provided to Landlord for Landlord's information and records.

C. Tenant, and not Landlord, is responsible for assuring that the Condominium Documents (and any amendments, modifications or supplements thereto) conform to the provisions of this Lease and comply with all applicable requirements of Governmental Authorities, including, without limitation, the rules and regulations of the Department of Law. Neither Landlord's review of the Condominium Documents, nor Landlord's determination under this Lease at any time concerning The Condominium Documents (or any amendments, modifications or supplements thereto), shall relieve Tenant of Tenant's responsibility for assuring conformity thereof with the provisions of this Lease and is not, and is not to be construed to be or relied upon by Tenant, the Condominium Board, any Unit Owner, any Mortgagee, any Unit Mortgagee or any other Person as a determination that the Condominium Documents (or any amendments, modifications or supplements thereto) comply with any of the requirements of Governmental Authorities, including without limitation, the rules and regulations of the Department of Law.

D. Neither Landlord's review of the Condominium Documents, nor Landlord's determination under this Lease at any time concerning the Condominium Documents (or any amendments, modifications or supplements thereto) is, or is to be construed to be or relied upon by Tenant, the Condominium Board, any Unit Owner, any Mortgagee, any Unit Mortgagee or any other Person, as a determination that Landlord has approved the offering of Units pursuant to the Condominium Plan or has participated in such offering.

E. Neither the recording by Tenant of the Declaration, nor Landlord's execution of the Declaration or any other actions, as provided in Section 3(A) of this Exhibit K, is, or is to be construed to be, a consent by Landlord to, or an approval by Landlord of, the contents of the Declaration or other Condominium Documents and shall not in any way cause Landlord to be deemed a "sponsor" of the Condominium Plan or the Declaration. The parties hereto acknowledge and agree that the terms, provisions and conditions of the Condominium Documents shall at all time be subject and subordinate to the terms, provisions and conditions of this Lease, and no approval or review of Landlord of the Condominium Documents (including the initial Condominium Documents or any amendment, modification or supplement thereto) shall be considered as subordinating any provision of this Lease to the Condominium Documents or any amendment, modification or supplement thereto. In no event shall Landlord be required to perform any act under Section 3(A) of this Exhibit K or otherwise that has the effect of subordinating this Lease, or any provision hereof, to the rights of the Condominium Board or any other Board, any Unit Owner, any Mortgagee, any Unit Mortgagee or any other Person, and no recording of the Declaration nor any determination, review or other act by Landlord under or concerning this Lease will cause or be construed as any such subordination.

F. The Condominium Documents shall, in addition to the other requirements of this Lease, at all times during the Term be required at a minimum to include provisions to the effect that unless

otherwise approved by Landlord in writing: (i) the Condominium Board shall be the Tenant under this Lease from and after the Condominium Date, (ii) the Condominium Board and each of the other Boards and all Unit Owners are required to comply with all applicable provisions of this Lease, (iii) each Unit Owner is required to pay to the Condominium Board as part of Common Charges all applicable Proportionate Rent which is payable on a monthly or other periodic basis throughout the Term of this Lease (including the Impositions/TEP attributable to such Unit), which, when so paid, if requested by Landlord, is required to be segregated from other amounts payable to the Condominium Board and held in trust for the benefit of and paid to Landlord in accordance with this Lease; (iv) the first monies paid by a Unit Owner to the Condominium Board as or on account of Common Charges at any time shall be treated as and applied to the payment of Proportionate Rent that is due and payable at such time by such Unit Owner; (v) the Condominium Board shall assess as Common Charges any Rent due under this Lease which is not referred to in clause (iii) above, and which has not been paid for 30 days, unless the payment thereof is provided for from other sources, and the lien of the Condominium Board for Common Charges shall extend to such Rent, including any Landlord Default Costs and any Landlord's Condominium Costs so assessed; (vi) the only units permitted under the Condominium Documents shall be the Units unless otherwise consented to by Landlord, which consent is permitted to be withheld by Landlord in its sole discretion; (vii) in the event of a Condominium Default, Landlord is permitted to replace the members of the Condominium Board that has failed to remedy same, and each member of the Condominium Board must sign, as a condition of serving on the Condominium Board, a resignation in a form acceptable to Landlord that will be assigned and delivered to Landlord for purposes of Landlord's exercise of its right to replace any Condominium Board member; and (viii) the Condominium Board shall be liable to Landlord for any failure to comply with the Condominium Covenants; provided, however, that no member of the Condominium Board shall have any personal liability as the result of a default by the Condominium Board in the performance of any Condominium Covenants, (ix) the method for allocation of Common Charges among the Unit Owners shall be as set forth in the Condominium Documents, (x) any right of first refusal set forth in the Condominium Documents does not apply to any transfer of any Unit to or from Landlord or in connection with foreclosure by the Landlord of the lien for Common Charges, and (xi) the Condominium Board's lien for Common Charges is assigned to Landlord as security for the payment of Proportionate Rent.

3. Conditions to Recording Declaration and Closing of the Initial Unit Transfer.

A. Upon the satisfaction of the Condominium Conditions, as set forth in Section 3(B) of this Exhibit K, and not otherwise, Tenant may submit Tenant's leasehold estate in the Premises under this Lease to the provisions of the Condominium Act by recording, in accordance with the requirements of the Condominium Act, the Declaration included as part of the initial Condominium Documents. Provided that the Condominium Conditions hereinafter set forth have been satisfied by Tenant, Landlord shall execute the Declaration or take such other actions as may be required by applicable Requirements in order for Tenant to record the Declaration. Pending the satisfaction of the Condominium Conditions, Tenant may submit a Condominium Plan for approval by the Department of Law and enter into Qualified Purchase Agreements.

B. Tenant shall not be permitted to record the Declaration and effect the Initial Unit Transfer unless and until all of the following conditions have been satisfied at the time of the filing of the Declaration and at the time of the First Unit Transfer (the "Condominium Conditions"), provided that the conditions described in clauses (iii), (vi), (vii) and (viii) of this Section 3(B) shall be required to be satisfied as a condition to the Initial Unit Transfer but not before the recording of the Declaration:

(i) The Condominium Plan has been accepted for filing by the Department of Law and a correct and complete copy of the letter issued by the Department of Law evidencing such acceptance has been delivered to Landlord;

(ii) The Condominium Documents have been approved by Landlord as conforming to the Landlord approval criteria set forth in Section 10.10(a) of this Lease, or Landlord consents to the recording of the Declaration;

(iii) The Condominium Board and a Managing Agent have entered into a Condominium Management Agreement, a correct and complete copy thereof has been delivered to Landlord, the same is in full force and effect, and Landlord is a named third party beneficiary thereunder;

(iv) The Condominium Plan has been declared effective in accordance with its terms and a correct and complete copy of the letter issued by the Department of Law evidencing acceptance of an amendment declaring the Condominium Plan effective has been delivered to Landlord;

(v) No default of which Tenant has received written notice or Event of Default has occurred that has not been cured upon the date the Declaration shall be recorded;

(vi) Declarant has delivered to Landlord its certification that the conditions contained in this Section 3(B) are satisfied;

(vii) All conditions and requirements under Section 5 of this Exhibit K with respect to the Unit affected by the Initial Unit Transfer have been (or will, at the closing of the Initial Unit Transfer, be) satisfied; and

(viii) No default of which Tenant has received written notice or Event of Default has occurred that has not been cured upon the date of the Initial Unit Transfer.

C. As of the Condominium Date, provided Tenant has given ten (10) Business Days' prior written notice to Landlord, Landlord shall execute, acknowledge and deliver to Tenant, a statement in writing certifying that the Condominium Conditions have been satisfied (or if any such Condominium Condition has not been satisfied, specifying those Condominium Conditions not so satisfied).

(i) In no event shall Landlord be required to deliver any certificate pursuant to this Section 3(C), unless at least ten (10) Business Days prior thereto Tenant has delivered to Landlord evidence reasonably satisfactory to Landlord to document the satisfaction of such Condominium Conditions, including, a certification by Declarant that all of the Condominium Conditions contained in Section 3(B) of this Exhibit K are satisfied or shall be satisfied on the date of the Initial Unit Transfer. In addition (x) no such certificate shall release Tenant or any other Person of any of their obligations to Landlord hereunder or waive any of Tenant's obligations or Landlord rights hereunder, and (y) the certification as to matters referred to in Section 3(B) of this Exhibit K shall be to the best knowledge of Landlord, without independent investigation.

(ii) Tenant and Landlord hereby agree that the only effect of the delivery by Landlord of the certificate referred to in this Section 3(C) shall be to waive Landlord's ability to challenge the validity of the filing of the Declaration, and such certificate may, at the Landlord's option, contain such statement.

4. The Condominium Board.

A. The Condominium Documents shall establish the Condominium Board.

B. From and after the Condominium Date, the Condominium Board shall be deemed the Tenant under this Lease for all purposes hereof and shall be responsible and liable for all obligations of the Tenant hereunder, except that the Condominium Board shall not have any liability or responsibility for the initial obligations of Tenant to effect Substantial Completion of the Building in accordance with the Lease;

C. Each Unit Deed shall require that the Unit Owner named therein constitute and appoint the Condominium Board as said Unit Owner's true and lawful attorney-in-fact coupled with an interest for the purposes of performing and observing the Condominium Covenants applicable to such Unit.

D. At the request of Landlord at any reasonable time or times, the Condominium Board shall prepare and deliver to Landlord, within twenty (20) days after any such request, a true and correct listing of the names of all Unit Owners and the Units owned by such Unit Owners and copies of any other documents reasonably requested by Landlord. The Condominium Board shall permit Landlord and Landlord's designee to examine the records and books of account maintained by the Condominium Board and any Managing Agent at a location designated by the Condominium Board in New York City.

E. The Condominium Board shall enforce, at the sole cost and expense of the Unit owners, the duties and obligations of the Managing Agent under the Condominium Management Agreement, whether or not such duties and obligations are for the primary benefit of the Condominium Board or Landlord. The Managing Agent's failure to perform its duties under the Condominium Management Agreement shall not excuse the Condominium Board from any of its obligations under this Lease.

5. Transfers of Units.

A. No interest in any Unit may be sold, assigned, leased, otherwise transferred, mortgaged or otherwise encumbered at any time by Declarant or any Unit Owner (each such transaction is referred to herein as a "Sale") unless the provisions of this Section 5, have been complied with by the Unit Owner thereof (including without limitation, Declarant, with respect to Units not previously transferred by Declarant):

(i) Landlord has received the Conversion Payment or the Cooperative/Condominium Resale Payment, as applicable, and Landlord has received all Proportionate Rent for such Unit that is due and payable as of the date of such Sale; and

(ii) such Sale (other than mortgaging or leasing of such Unit) is effectuated pursuant to a Unit Deed, a correct and complete copy of which has been delivered to Landlord or an agent on Landlord's behalf.

B. No Sale of a Unit by a Unit Owner is permitted unless a Temporary or Permanent Certificate of Occupancy has been issued and has not been suspended or revoked for the applicable Unit and a correct and complete copy of such Certificate of Occupancy has been delivered to Landlord.

6. Unit Mortgages.

A. No Unit Owner shall be permitted to mortgage or encumber such Unit Owner's Unit except in strict compliance with the terms of this Section 6. A Unit Owner may mortgage its interest in a Unit to any Person (such mortgage which satisfies the conditions set forth below is herein referred to as a "Unit Mortgage" and the holder of such Unit Mortgage is herein referred to as a "Unit Mortgagee"), provided that such Unit Owner has complied with the provisions of this Section 6, and provided, further, that such Unit Mortgage is subject and subordinate to the terms, provisions and conditions of this Lease and the applicable Unit Deed. By accepting a Unit Mortgage, a Unit Mortgagee is deemed to be bound by all the terms, covenants, and conditions of this Lease and the Condominium Documents, and is deemed to have agreed that the lien of such Unit Mortgage is in all cases subordinate to the lien of the Condominium Board for that portion of Common Charges that constitutes Proportionate Rent payable at any time by the Unit Owner granting such Unit Mortgage, and that in the case of the lien of any mortgage other than a first mortgage, such lien is subordinate to the lien of the Condominium Board for all Common Charges.

B. Each Unit Mortgage must be subject and subordinate to this Lease and to all of the terms, covenants and conditions hereof. By accepting a Unit Mortgage, a Unit Mortgagee is deemed to be bound by all the terms, covenants, and conditions of this Lease and the Condominium Documents.

C. By acceptance of a Unit Mortgage, a Unit Mortgagee expressly waives any rights the Unit Mortgagee may have under and pursuant to Section 339(z) of the Condominium Act to the extent

any provision of said Section 339(z) may otherwise apply with respect to Proportionate Rent due from any Unit Owner, including any Defaulting Unit Owner.

D. The lien of the Condominium Board for that portion of Common Charges attributable to the Units which does not constitute Proportionate Rent due from a Unit Owner, including a Defaulting Unit Owner, shall be subordinate to the lien of a Unit Mortgage having first priority ahead of any other mortgage lien.

7. Landlord's Remedies for a Condominium Default. In the event of a Condominium Default, the following provisions apply:

A. In the case of a Condominium Default, Landlord shall give written notice to the Condominium Board, and the Condominium Board shall be required to give a copy of any such default notice to each Unit Owner, Mortgagee and Unit Mortgagee.

B. The Condominium Board or any Unit Mortgagee(s) may, no later than forty-five (45) days after Landlord has given to it such notice, remedy or cause such Condominium Default to be remedied; provided that if curing of such Condominium Default requires the imposition of an assessment or special meeting of any Unit Owners for such purpose and/or special meeting of any Unit Owners in order to replace the members of the Condominium Board, or work to be performed, acts to be done or conditions to be removed (collectively, "Unit Owner Action"), which cannot by their nature reasonably be imposed, conducted, performed, done, removed or completed, as the case may be, within such forty-five (45) day period, the Condominium Board, any Unit Owner(s) or any Unit Mortgagee(s) shall cause such Unit Owner Action to be commenced within such forty-five (45) day period and shall thereafter cause such Unit Owner Action to be prosecuted diligently, continuously and in good faith to completion and cause the Condominium Default promptly thereafter to be remedied; provided further that, in all events, such Condominium Default is required to be remedied within one hundred and eighty (180) days after the date on which Landlord has given notice as provided in Section 7(a) (or within such longer period to which Landlord may consent in writing). If Unit Owner Action is required to remedy a Condominium Default, the Condominium Board, the Unit Owners, or any Unit Mortgagee(s) on behalf of the Unit Owners, shall notify Landlord thereof and shall keep Landlord fully and currently informed of the status of such Unit Owner Action, the nature and timing of such Unit Owner Action and each step, act or thing done in connection therewith, together with the anticipated completion date of such Unit Owner Action.

C. So long as the Tenant is a Condominium and the Specified Rental Payment has been made:

(i) in the case of a Major Default, Landlord will not be entitled to exercise its right to terminate the Lease on account thereof unless and until (a) a final unappealable judgment is rendered by a court of competent jurisdiction determining the disputed matter against Tenant and in favor of Landlord, and (b) Tenant fails to cure such Major Default within ten (10) days after service by Landlord of a copy of said final unappealable judgment upon Tenant together with a notice of entry thereof; provided, however, in order to be entitled to the benefit of the foregoing provision limiting Landlord's termination remedy, Tenant must, within the time for cure applicable to such Event of Default, notify Landlord of its claim or claims disputing the occurrence of such Event of Default and promptly thereafter commence an action in a court of competent jurisdiction for a declaratory judgment concerning the matters set forth in the notice served pursuant to the provisions of this Section 7 and Article 24 of the Lease;

(ii) in the case of a Minor Default, Landlord shall not have a right to terminate the Lease therefor but shall be entitled to exercise any other right or remedy it may have under the terms of the Lease and at law or in equity, including, without limitation the remedy of specific performance;

(iii) if Tenant disputes the occurrence of a Minor Default, either Landlord or Tenant may submit the matter to arbitration pursuant to the provisions of Article 35 of the Lease; provided, however,

that either Landlord or Tenant may choose to commence an action in a court of competent jurisdiction in which event the matter will be determined by such court; and

(iv) in the event that any Condominium Unit owner has failed to pay such Owner's Impositions/TEP, Landlord's remedies therefor shall be limited to those contained in Section 8 of this Exhibit K.

D. If a Condominium Default is not remedied in accordance with Section 7(B) of this Exhibit K, Landlord shall have the right to replace the members of the Condominium Board responsible for failing to remedy such Condominium Default by exercising its right under the resignation signed by each member of the Condominium Board as a condition to such member serving on the Condominium Board, Landlord shall have the right, but not obligation, to designate new members to replace the members of the Condominium Board removed as aforesaid and to perform or cause compliance with the Condominium Covenant that gave rise to such Condominium Default. Any members appointed by Landlord shall have the right to 'resign at any time in accordance with the provisions of the Condominium Documents, and at Landlord's election, shall have terms of at least twelve (12) months from the curing of the Condominium Default which caused the removal of the Condominium Board Members.

E. The Condominium Board shall pay to Landlord, within twenty (20) days after demand therefor is delivered to the Condominium Board: any amounts payable to Landlord under this Lease that the Condominium Board has collected from any Unit Owner or otherwise, including Proportionate Rent and all reasonable costs and expenses incurred by Landlord, including without limitation, reasonable attorneys' fees and disbursements, in connection with any replacement of the members of the Condominium Board pursuant to the provisions of Section 7(D); and interest on the above amounts at the Involuntary Rate from the date of required payment to Landlord (in the case of amounts collected by the Condominium Board and payable to Landlord and from the date of Landlord's payment of each such cost or expense until the date of actual repayment to Landlord.

F. If a Condominium Default is not remedied in accordance with Section 7(B) of this Exhibit K and Landlord performs or causes to be performed the Condominium Covenant or cure the condition that gave rise to such Condominium Default in accordance with the provisions of Article 24 of this Lease or as otherwise permitted by law or hereunder, the Condominium Board shall pay to Landlord, within twenty (20) days after demand therefor is delivered to the Condominium Board: all reasonable costs and expenses incurred by Landlord, including without limitation, reasonable attorneys' fees and disbursements, in connection with such performance of such Condominium Covenant or cure of the Condominium Default, and if the Condominium Default is the failure of the Condominium Board to provide insurance or to keep the same in force as required under this Lease, the amount of the insurance premium or premiums not paid, the uninsured amount of any loss, damage and liability and the reasonable costs and expenses of suit, including, without limitation, reasonable attorneys' fees and disbursements, suffered or incurred by reason of such failure to provide insurance; and interest on the above amounts at the Involuntary Rate from the respective dates of Landlord's making of each such payment or incurring of each such cost or expense or loss or damage until the date of actual repayment to Landlord. The costs and any expenses and any loss or damage, together with interest at the Involuntary Rate, as described in Section 7(E) of this Exhibit K and this Section 7(F), are referred to herein collectively as "Landlord's Condominium Costs".

G. In the event of any breach or threatened breach of a Condominium Covenant, Landlord shall have the right to obtain specific performance of such Covenant and/or to enjoin such breach or threatened breach, without showing any actual damages or that money damages would not afford an adequate remedy and without the need for any bond or other security, and in the event of a Condominium Default that is not remedied in accordance with Section 7(B) of this Exhibit K, and that does not consist of a failure of the Condominium Board to pay to Landlord Proportionate Rent, Landlord shall have the right to invoke any other rights and remedies allowed at law or in equity or by statute or otherwise, but

not including any right to terminate this Lease. To the extent permitted by applicable Requirements, Tenant waives, and the Bylaws shall require that each of the Condominium Board, each Unit Owner, and each Unit Mortgagee, respectively, waive the posting of bonds or other security in any action to enjoin such breach or threatened breach.

H. So long as Tenant is a Condominium and the Specified Rental Payment has been made, the Events of Default described in Sections 24.1(A)(d), 24.1(A)(e), 24.1(A)(f), 24.1(A)(i), and 24.1(A)(k) shall not be applicable.

8. Remedies with Respect to Unit Owner Defaults.

A. In the event of a failure of any Unit Owner (a "Defaulting Unit Owner") to pay Proportionate Rent including any Condominium Default Costs as required under this Lease (hereinafter a "Unit Owner Default"), Landlord and the Condominium Board may exercise any of the remedies provided under this Section 8.

B. Each Unit Owner is required to pay the Proportionate Rent attributable to such Unit Owner's Unit in the manner set forth in this Lease. The Unit Owners shall pay their respective Proportionate Rent to the Condominium Board as part of Common Charges. The obligation of a Unit Owner to pay Proportionate Rent runs to the Condominium Board and Landlord. The obligation of a Unit Owner to pay Default Costs runs to the Condominium Board. Within ten (10) Business Days after a Unit Owner Default, the Condominium Board shall serve a written notice upon the Defaulting Unit Owner specifying the amount of the Proportionate Rent including the amount of any Condominium Default Costs then due and unpaid (the "Default Notice"). Simultaneously with the giving of the Default Notice to the Defaulting Unit Owner, the Condominium Board shall deliver a copy of the Default Notice to Landlord. If the Condominium Board fails to send the Default Notice within the time period set forth above, the Default Notice may be sent by Landlord and such failure by the Condominium Board shall be deemed to be a Condominium Default.

C. Each such Unit Mortgagee shall be entitled to pay to the Condominium Board any portion of Proportionate Rent and Default Costs then due and owing by any Defaulting Unit Owner. Provided such Unit Owner Default shall be so remedied within twenty (20) days after service of the applicable Default Notice, Landlord shall not take any action against the Defaulting Unit Owner and each such Unit Mortgagee shall have the right to institute and thereafter prosecute foreclosure proceedings and such other proceedings as may be provided pursuant to the terms of the applicable Unit Mortgage. If such Unit Owner Default is not remedied within twenty (20) days after service of the applicable Default Notice, the Condominium Board or Landlord as provided below may commence against such Defaulting Unit Owner any action or proceeding at law or in equity as permitted under this Lease without any further notice to such Unit Mortgagee or Defaulting Unit Owner.

D. Landlord shall accept performance by a Unit Mortgagee of any covenant, condition or agreement on a Unit Owner's part to be performed with the same force and effect as though performed by such Unit Owner. If, with respect to any Unit there is more than one Unit Mortgagee, Landlord shall recognize the Unit Mortgagee whose Unit Mortgage is senior in lien as the Unit Mortgagee entitled to the rights afforded by this Exhibit K.

E. No earlier than twenty (20) Business Days and no later than ninety (90) calendar days after a Default Notice is given as provided for in Section 8(B), and provided that neither the Defaulting Unit Owner nor any Unit Mortgagee has cured said Unit Owner Default, the Condominium Board shall institute appropriate proceedings to foreclose the lien on such Unit arising from said Unit Owner Default as provided in Section 339-z of the Condominium Act, in the manner provided in Section 339-aa thereof or in any other manner permitted by Law. At any time not earlier than twenty (20) days after a Default Notice is given, Legal Proceedings may be maintained to recover a money judgment for unpaid Common Charges required to be paid for the benefit of Landlord or the Condominium Board.

F. If the Condominium Board fails to institute foreclosure proceedings within ninety (90) calendar days as described in Section 8(E), or after instituting such proceedings, fail diligently to prosecute the same to final judgment, then Landlord shall have the right to prosecute any Legal Proceeding in its own name or in the name of the Condominium Board, and the right of the Condominium Board to bring any Legal Proceeding is hereby collaterally assigned to Landlord to permit Landlord to bring, and confirm its, right to bring, any Legal Proceeding. In furtherance of the foregoing, the Condominium Board, as Tenant hereunder, hereby assigns to Landlord all of its right, title and interest in, to and under the lien for Common Charges granted to the Condominium Board under the Condominium Act or other applicable law for the purpose of bringing any Legal Proceedings to enforce any such lien or otherwise enforcing or collecting on such lien. Such assignment shall be self-operative and shall not require any further act or the execution of any further document to confer upon Landlord the direct right to institute and maintain such Legal Proceeding (including foreclosure proceedings) as set forth above. At the request of Landlord, the Condominium Board shall execute and deliver to Landlord such further documents and instruments to confirm and perfect such assignment, as shall reasonably be requested by Landlord. Such failure by the Condominium Board to institute foreclosure proceeding within ninety (90) calendar days, or the failure to diligently prosecute the same to final judgment shall be deemed to be a Condominium Default hereunder.

G. The Condominium Board shall cooperate with Landlord in any actions or proceedings brought or rights or remedies exercised by Landlord, including, without limitation, the Legal Proceedings, against any Defaulting Unit Owner (and such other Persons as Landlord may deem necessary or desirable) and, upon Landlord's request, and at no cost or expense to Landlord, shall promptly furnish to Landlord such information and documentation as may reasonably be requested by Landlord.

H. If, during the pendency of any such action or proceeding by Landlord, the Condominium Board or the Defaulting Unit Owner's Unit Mortgagee remedies such Unit Owner Default, Landlord shall take reasonable action to permit the party so acting to continue such action or proceeding.

I. Any funds received by the Condominium Board, by any Unit Mortgagee or by Landlord in respect of a Unit Owner Default shall be applied according to the following priority:

(i) first, to pay such Defaulting Unit Owner's Proportionate Rent obligations to Landlord, together with interest thereon at the Involuntary Rate commencing on the date on which such Proportionate Rent was due (the obligations described in this clause (i) are herein referred to as the "Unit Obligations");

(ii) second, to satisfy any tax liens and other liens, if any, with respect to the Unit or the Defaulting Unit Owner as to which such Unit Default has occurred, which have priority over the lien of the Condominium Board for Common Charges or the lien of any Unit Mortgagee;

(iii) third, to pay such Defaulting Unit Owner's monetary obligations to the Unit Mortgagee, if any, under a Unit Mortgage the lien of which has first priority ahead of any other mortgage lien;

(iv) fourth, pay to Landlord the balance of any amount due Landlord including any Landlord's Condominium Costs with respect to the Unit not otherwise reimbursed, together with the interest on the unpaid amount at the Involuntary Rate;

(v) fifth, to pay to the Condominium Board the balance of any Common Charges due and unpaid by such Defaulting Unit Owner, including all Condominium Default Costs and all late fees and interest;

(vi) sixth, to pay such Defaulting Unit Owner's monetary obligations to any Unit Mortgagee under a Unit Mortgage the lien of which does not have first priority ahead of all other mortgage liens; and

(vii) seventh, any excess to such Defaulting Unit Owner or as may otherwise be required by law.

J. Any foreclosure of a lien for nonpayment of Common Charges shall be subject and subordinate to, and shall not effect, any recorded agreement between the owner of a Subsidized Unit and New York City, acting through its Department of Housing Preservation and Development, regarding Subsidized Units.

9. Effect of Unit Owner Default on other Unit Owners.

If Tenant or any successor of Tenant, whether as Declarant or as Unit Owner or otherwise, fails to make any payment to Landlord required to be made under this Lease, or otherwise fails to perform any obligation required to be performed by Tenant under this Lease, and such failure occurs before the Condominium Date, then Landlord may exercise all of its rights and remedies under this Lease against any Tenant, Declarant and any other Person (whether or not the Declaration has been recorded).

10. Remedies Cumulative.

The rights and remedies of Landlord set forth in this Exhibit K shall be cumulative and the exercise or beginning of the exercise by Landlord of any one or more of the rights or remedies provided for in this Exhibit K does not preclude the simultaneous or later exercise by Landlord of any or all other rights or remedies provided for in this Exhibit K. Landlord shall not by any act, delay, omission or otherwise be deemed to have waived any of its rights or remedies hereunder, and no waiver shall be valid unless in writing, signed by Landlord, and then only to the extent therein set forth. A waiver by Landlord of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which Landlord would otherwise have had on any future occasion. No failure to exercise nor any delay in exercising on the part of Landlord any right, power or privilege hereunder shall operate as waiver thereof, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or future exercise thereof or the exercise of any other right, power or privilege. The rights and remedies hereunder provided are cumulative and may be exercised singly or concurrently, and shall be construed as affording Landlord rights additional to and not exclusive of any rights and remedies conferred under the laws of the State of New York or any other laws.

11. Inclusionary Housing Program.

Notwithstanding anything to the contrary contained therein, in the event that the Building is damaged as a result of a casualty and not restored in accordance with the provisions of the Lease, or if the Lease is terminated by reason of a taking by eminent domain, Landlord will have no further obligation to HPD under the Subordination Agreement or the Inclusionary Housing Agreement and the Premises shall be released from their respective provisions and shall no longer be affected thereby.

12. Miscellaneous.

A. Subject to the rights of Landlord under this Lease and any Unit Deed, the Condominium Board is entitled to maintain its lien for unpaid Common Charges as provided in the Condominium Act.

B. Except as otherwise specifically provided in this Lease, any notice, demand, request, consent, approval or other communication provided in this Lease or in any Unit Deed to be given by Landlord to Tenant or to a Unit Owner is effective if addressed to the Condominium Board on behalf of all Unit Owners and given or served as provided in Article 25 of the Lease, except any such notice, demand, request, consent, approval or other communication relating solely to a Unit Owner or such Unit Owner's Unit is effective only if addressed to the affected Unit Owner and given or served as provided in Article 25 of the Lease to the Unit Owner's address.

C. Subject to compliance with the provisions of Article 13 of the Lease, any Unit Owner, except a Defaulting Unit Owner, may make any changes, alterations or additions to the interior of its Unit

and may combine two or more of its Units and may subdivide and otherwise reconfigure a Unit without Landlord's consent.

D. The Introduction section of the Condominium Plan under the Special Risks Section is required to contain the following provision:

"ROOSEVELT ISLAND OPERATING CORPORATION HAS NOT AND WILL NOT MAKE A DETERMINATION THAT THIS PLAN AND THE DECLARATION AND BYLAWS OF THE CONDOMINIUM CONFORM TO THE PROVISIONS OF THE LEASE, AND ROOSEVELT ISLAND OPERATING CORPORATION HAS NOT APPROVED THIS OFFERING."

EXHIBIT L

INCLUSIONARY HOUSING AGREEMENT

EXHIBIT L

INCLUSIONARY HOUSING PROVISIONS

Lessor's Consent and Agreement.

(a) Lessor consents to the execution and delivery of this Agreement by Applicant and to all the terms and conditions of this Agreement.

(b) Commencing upon the date of issuance of the Certificate of Eligibility for a Zoning Bonus and for the life of the increased floor area of the Compensated Development(s), the Lease is and shall be subject to and subordinate to this Agreement. The City of New York, acting by and through the Department, consents to the subordination of the Lease to this Agreement.

(c) If the Lease is terminated after the issuance of the Certificate of Eligibility for a Zoning Bonus and during the life of the increased floor area of the Compensated Development(s) and Lessor then enters into a new lease (the "New Lease") with a third party, the New Lease shall also be subject to and subordinate to this Agreement.

(i) If the building continues to be subject to condominium ownership pursuant to the New York Condominium Act following such termination of the Lease and the Applicant or its permitted successor under this Agreement (collectively, "Operator") does not continue to own the Lower Income Units and operate such Lower Income Units subject to the Program and this Agreement, then the tenant under the New Lease ("New Lessee") shall be required to assume the ongoing obligations of Applicant pursuant to this Agreement for the life of the increased floor area of the Compensated Development(s).

(ii) If the building becomes a rental building following such termination of the Lease and the Operator does not continue to lease or sublease the Lower Income Units and operate such Lower Income Units subject to the Program and this Agreement, then the New Lessee shall be required to assume the ongoing obligations of Applicant pursuant to this Agreement for the life of the increased floor area of the Compensated Development(s).

(iii) Notwithstanding such termination, so long as the Operator is not in default (beyond the expiration of any applicable notice and grace periods) of its obligations as a condominium unit owner or tenant or subtenant of the Lower Income Units, as the case may be, Lessor shall not terminate the interest of the Operator as an owner, tenant, or subtenant of the Lower Income Units, as applicable, and the Operator may continue to own, lease, or sublease the Lower Income Units and operate such Lower Income Units subject to the Program and this Agreement, either (a) if the building continues to be subject to condominium ownership, pursuant to the terms of the condominium documents then applicable to unit owners generally, or (b) if the building becomes a rental building, upon rental terms applied to the building on a consistent basis, except as otherwise

provided in this Agreement. In such event, the Operator shall attorn to Lessor upon the terms set forth herein and shall recognize Lessor as the underlying lessor of the building (in the case of a condominium) or as its landlord or sublandlord (in the case of a rental building), and the Operator shall execute, acknowledge, and deliver such instruments as Lessor or the Department may reasonably require to evidence such attornment.

(iv) The parties hereto acknowledge that it is their intent that, if the Lease is terminated and the Operator is not then in default, the Operator shall continue to own, lease, or sublease the Lower Income Units and operate such Lower Income Units subject to the Program and this Agreement. The provisions of this Agreement shall be binding upon the Operator following any termination of the Lease.

(d) If the Lease or any New Lease is terminated after the issuance of the Certificate of Eligibility for a Zoning Bonus and during the life of the increased floor area of the Compensated Development(s), and Lessor then does not thereafter enter into a New Lease, the provisions of this Agreement will nevertheless continue to apply to the Lower Income Units and Lessor and the Department shall cooperate to assure that the Lower Income Units will be managed and operated in accordance with the Program and this Agreement.

(i) If, at the time of termination of the Lease or any New Lease or at any time thereafter, the Operator does not continue to own, lease, or sublease the Lower Income Units and operate such Lower Income Units subject to the Program and this Agreement (whether by reason of a default by the Operator or otherwise), then (a) the Department shall propose an entity that is qualified to manage and operate the Lower Income Units in accordance with the Program and this Agreement to succeed to the interest of the Operator, and (b) such entity shall be subject to the prior written consent of Lessor, which shall not be unreasonably withheld or delayed so long as such party is not a Prohibited Person, as such term is defined in the Lease.

(ii) Lessor shall take such steps as shall be reasonably necessary to provide any new Operator an interest in the Building that will enable such new Operator to manage and operate the Lower Income Units in accordance with the Program and this Agreement.

(e) So long as Lessor is a Governmental Authority (as defined in the Lease), including, but not limited to, the Roosevelt Island Operating Corporation, then, notwithstanding anything to the contrary in this Agreement, but subject to the other provisions contained in this Section 9-a, Lessor shall not be:

(i) obligated to complete any construction work required to be done by Tenant or the Operator pursuant to the provisions of the Lease or this Agreement or to reimburse the Department for any construction work done by the Department,

(ii) liable for any accrued obligation of Tenant or the owner or any prior owner of the Lower Income Units, or for any act or omission of Tenant or the owner or any prior owner of the Lower Income Units, whether prior to or after such termination,

(iii) liable under any indemnity provision of whatever nature contained herein or in any other agreement relating to the Lower Income Units, including, but not limited to, any environmental indemnity,

(iv) required to make any repairs to the Lower Income Units and/or to the Building, except any repairs required by law or other agreements which are applicable to Lessor by reason of Lessor's status as owner of the building in which the Lower Income Units are located,

(v) required to make any capital improvements to the Lower Income Units or the Building which Tenant or the owner or any prior owner of the Lower Income Units may have agreed to make, but had not completed, except any repairs required by law or other agreements which are applicable to Lessor by reason of Lessor's status as owner of the building in which the Lower Income Units are located,

(vi) subject to any offsets, claims or counterclaims which shall have accrued to Tenant or the owner or any prior owner of the Lower Income Units prior to the date on which the Lease was terminated, or

(vii) bound by any obligation in this Agreement other than (a) the obligation to maintain the Lower Income Units in accordance with the Program and this Agreement at the rental rates and tenant incomes permitted by the Program and this Agreement, and (b) Lessor's other obligations expressly set forth in this Section 9-a.

3636076_v4

EXHIBIT M

HDC REGULATORY AGREEMENT

REGULATORY AGREEMENT

among

RIVERWALK 8, LLC,

RIVERWALK 8 AFFORDABLE, L.P.,

RIVERWALK 8 HOUSING DEVELOPMENT FUND CORPORATION,

NEW YORK CITY HOUSING DEVELOPMENT CORPORATION,

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

and

ROOSEVELT ISLAND OPERATING CORPORATION

December 26, 2018

BLOCK: 1373

LOTS: Part of 1 and Part of 9 (to be known as new Lot 9)

COUNTY: New York

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 December 26, 2018, among **RIVERWALK 8, LLC** (the "Non-Tax Code Borrower"), a New York limited liability company, **RIVERWALK 8 AFFORDABLE, L.P.** (the "Tax Code Borrower" and together with the Non-Tax Code Borrower, jointly and severally, the "Beneficial Owner"), a New York limited partnership, each having an address at c/o The Related Companies, L.P., 60 Columbus Circle, New York, NY 10023, **RIVERWALK 8 HOUSING DEVELOPMENT FUND CORPORATION** (the "Legal Owner", and together with the Beneficial Owner, 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, NY 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, **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 and **ROOSEVELT ISLAND OPERATING CORPORATION** ("Ground Lessor"), a body corporate and politic constituting a political subdivision of the State of New York and a public benefit corporation having an office at 591 Main Street, Roosevelt Island, New York 10044.

PRELIMINARY STATEMENT

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

WHEREAS, Ground Lessor has conveyed leasehold title to the Premises to the Legal Owner and Non-Tax Code Borrower pursuant to a ground lease dated as of the date of this Agreement (the "Ground Lease"), which ground lease is a sub-lease of the Ground Lessor's leasehold interest in the Premises pursuant to that Agreement of Lease of Roosevelt Island by and between the City of New York and Empire State Development Corporation, dated December 23, 1969 and assigned by instrument dated July 21, 1988 to the Ground Lessor, as amended;

WHEREAS, as of the date of this Agreement, the Non-Tax Code Borrower and the Legal Owner have entered into a Declaration of Interest and Nominee Agreement (the "Nominee Agreement"), pursuant to which the Beneficial Owner is the beneficial owner of the Premises and the Legal Owner retains the record leasehold title to the Premises;

WHEREAS, as of the date of this Agreement, the Non-Tax Code Borrower and Legal Owner have 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 the Tax Code Borrower pursuant to a long-term master lease (the "LIHTC Master Lease"); the Tax Code Units are expected to receive Tax Credits and the lease of the Tax Code Units is expected to comprise the "building" for purposes of Section 42 of the Tax Code;

WHEREAS, HDC has agreed to make, pursuant to the HDC Commitment: (i) a co-first mortgage loan to the Beneficial Owner in the aggregate principal amount of $[12,900,000] (the "HDC Construction Loan"), which upon the Permanent Conversion will become a permanent mortgage loan in the aggregate principal amount of $12,900,000 (the "HDC Permanent Loan" and together with the HDC Construction Loan, the "HDC Loan"), (ii) a co-second-position mortgage loan to the Beneficial Owner in the aggregate principal amount of $20,292,199, of which $19,926,583 will be available during construction, to be funded by a grant of City Capital funds from HPD to HDC pursuant to a Grant Agreement between HPD and HDC, dated as of the date of this Agreement (the "HDC City Capital Loan"), and (iii) a co-second-position

mortgage loan to the Beneficial Owner in the aggregate principal amount of $12,500,000, to be funded by a participation interest in a loan from HDC comprised of Homes for Working Families funds from New York State Housing Finance Agency ("HFA") and subject to a Construction Loan Participation Agreement between HFA and HDC, dated as of the date of this Agreement (the "HDC HFA 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 Citibank, N.A. (the "Credit Provider") will purchase a 100% participation interest in (i) a co-first mortgage loan to the Beneficial Owner in the aggregate principal amount of $56,358,031 (the "Senior Bank Loan"), which upon Permanent Conversion will be partially prepaid and will become a permanent loan in the aggregate principal amount of $48,000,000 (the "Permanent Bank Loan") and (ii) a co-first mortgage loan to the Beneficial Owner in the aggregate principal amount of $18,284,264 (the "Bridge Loan" and together with the Senior Bank Loan the "Bank Loan" and together with the Permanent Bank Loan, the HDC Loan, the HDC City Capital Loan and the HDC HFA Loan, the "HDC Financing");

WHEREAS, the Credit Provider has agreed to make a third priority mortgage loan to the Beneficial Owner in the aggregate principal amount of $3,000,000 (the "Citibank Loan");

WHEREAS, the Beneficial Owner has requested that 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 and the Bank Loan 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 equity investor in the Tax Code Borrower will be WNC Holding, LLC as the limited partner and WNC Housing, L.P. as the special partner (collectively, the "Tax Credit Investor");

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

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 and the allocation of the Tax Credits;

WHEREAS, the Inclusionary Units will be subject to the IH Regulatory Agreement (each as defined below) in order to obtain certain benefits available under the New York City Zoning Resolution and a portion of the financing of the Project will be secured in part by a pledge of all purchase and sale agreements entered into by Beneficial Owner for the sale of air rights from such benefits and certain proceeds from the sale thereof (the "Air Rights Pledge");

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 the IH Regulatory 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.

"Air Rights Pledge" shall have the meaning set forth in the WHEREAS clauses.

"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, and for any Non-Tax Code Income-Restricted Unit, the percentage of AMI specified for the initial rents as set forth in Schedule B, such that, by way of example, the Applicable AMI Limit for a 100% of AMI Unit (the income restriction for occupancy) is 80% of AMI (the initial rent level).

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

"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.

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

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

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

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

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

"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.

"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.

"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.

"Ground Lessor" shall have the meaning set forth in the WHEREAS clauses.

"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 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 HFA 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.

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

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

"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).

"IH Regulatory Agreement" shall mean the Regulatory Agreement of even date herewith among the City, Ground Lessor, and Sponsor to be recorded prior hereto in the New York County office of the City Register, imposing certain restrictions on the Inclusionary Units.

"Inclusionary Units" shall have the meaning set forth in Section 4.02(e).

"Income-Restricted Unit" shall mean a Tax Code Unit or a Non-Tax Code Income-Restricted 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 Master Lease" shall have the meaning set forth in the WHEREAS clauses.

"Loan Agreement" shall mean the Building and Project Loan Agreements, 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.

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

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

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

"Non-Permanently Affordable Unit" shall mean all of the Units other than the Permanently Affordable Units.

"Non-Tax Code Income-Restricted Unit" shall mean any unit that is not a Tax Code Unit, but that is required to be leased pursuant to this Agreement to a tenant who qualifies as an Eligible Tenant with an Annual Income prior to initial occupancy that is at or below an income level or levels specified in Section 4.02. This category includes any units designated in Section 4.02 as having income restrictions for occupancy at any level above 60% of AMI.

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

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

"Permanent Bank Loan" 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(f).

"Permitted Mortgages" shall mean the HDC Mortgage, the Air Rights Pledge, the mortgage securing the Citibank Loan 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.

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

"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.

"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.

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

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

"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 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 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:

(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;

(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), 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;

(vii) 40 years from the date of the Permanent Conversion.

SECTION 2.02 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 for such units 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 2.03 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 2.04 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 Mortgage, this Agreement shall terminate only (i) upon written request of the owner of the HDC Mortgage, and (ii) 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 City Capital Loan is 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 and HPD, 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, including without limitation the IH Regulatory Agreement, 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, 69 units shall be Tax Code Units.

(i) The Sponsor shall lease no fewer than 11 Tax Code Units solely to Eligible Tenants whose Annual Income upon initial occupancy does not exceed 40% of AMI ("40% of AMI Units").

(ii) The Sponsor shall lease no fewer than 58 Tax Code Units solely to Eligible Tenants whose Annual Income upon initial occupancy does not exceed 50% of AMI ("50% of AMI Units").

(b) Non-Tax Code Income-Restricted Units. In accordance with the distribution set forth in Schedule B, 271 units shall be Non-Tax Code Income-Restricted Units.

(i) The Sponsor shall lease no fewer than 33 Non-Tax Code Income-Restricted Units solely to Eligible Tenants whose Annual Income upon initial occupancy does not exceed 80% of AMI ("80% of AMI Units").

(ii) The Sponsor shall lease no fewer than 68 Non-Tax Code Income-Restricted Units solely to Eligible Tenants whose Annual Income upon initial occupancy does not exceed 130% of AMI ("130% of AMI Units").

(iii) The Sponsor shall lease no fewer than 170 Non-Tax Code Income-Restricted Units solely to Eligible Tenants whose Annual Income upon initial occupancy does not exceed 165% of AMI ("165% of AMI 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 10 of the 50% of AMI Units and 5 of the 80% of AMI Units (for a total of 15 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") during the period commencing at the start of the Occupancy Restriction Period and ending on the 30th anniversary thereof. 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.

(e) Inclusionary Units. No fewer than 102 Units, consisting of the Tax Code Units and the 80% of AMI Units as delineated in Schedule B shall be subject to the requirements of HPD's voluntary inclusionary housing program (the "Inclusionary Units) and the IH Regulatory Agreement.

(f) Permanently Affordable Units. No fewer than 205 of the Income-Restricted Units as delineated in Schedule B shall be permanently affordable pursuant to this Agreement (the "Permanently Affordable 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 20.3%, 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 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 unit for transient occupancy, for occupancy by any Household that is not eligible, 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.

(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). For the period of time in which the lease of the Tax Code Units pursuant to the LIHTC Master Lease comprise 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. For the period of time in which the lease of the Tax Code Units pursuant to the LIHTC Master Lease comprises 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.

ARTICLE V. RENTS AND LEASES

SECTION 5.01 Compliance with Rent Stabilization.

(a) All Units Subject to Rent Stabilization. All 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 for such Units 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 to a unit after the Occupancy Restriction Period for such unit 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.

(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.

(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.

(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) Non-Tax Code Income-Restricted Units.

(i) Initial Rents. The initial Actual Rent for a Non-Tax Code Income-Restricted Unit shall not exceed the lesser of:

1) the Legal Rent (as set forth in Schedule B); and

2) the initial Actual Rent set forth in Schedule B.

(ii) Lease Renewal. Upon lease renewal for a Non-Tax Code Income-Restricted Unit, the Sponsor may only increase the Actual Rent to 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).

(iii) Vacancy. Upon vacancy of a Non-Tax Code Income-Restricted Unit, the Actual Rent for the new Eligible Tenant shall not exceed the lesser of:

1) the Legal Rent; and

2) an amount that is the greater of (x) the Actual Rent that would have been permitted upon lease renewal for the prior tenant and (y) 30% of the Applicable AMI Limit (adjusted for a monthly rent).

(iv) 2% Floor. Notwithstanding the provisions of paragraph (b) above, upon lease renewal or vacancy of any Non-Tax Code Income-Restricted Unit, if the percentage increase that is allowed under Rent Stabilization is 2% or greater, but an Actual Rent at 30% of the Applicable AMI Limit (adjusted for a monthly rent) would restrict the rent increase to a percentage increase that is less than 2%, then the Sponsor may increase the tenant's Actual Rent by 2%.

(c) 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.

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

(e) Intentionally omitted.

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 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 30 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. For the period of time in which the lease of the Tax Code Units pursuant to the LIHTC Master Lease comprises a "building" as defined in Section 42 of the Tax Code, the Applicable Fraction (as defined in this section) for the Tax Code Units 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 Related Management Company, L.P. 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. 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 is a passive investor in the Beneficial Owner, transfers of (i) passive investment interests in the Tax Credit Investor and (ii) the Tax Credit Investor's passive investment interest in the Beneficial Owner 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 Beneficial Owner, is an affiliate of, and is and remains controlled by or under common control with, WNC & Associates Inc. Any interest in the Beneficial Owner 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 Beneficial Owner 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.

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 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 Transfer of Air Rights. Notwithstanding anything to the contrary contained herein, the air rights related to the Project that are subject to the Air Rights Pledge may be transferred pursuant to the terms of the IH Regulatory Agreement.

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. Ground Lessor and HFA 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 Citibank, N.A., 388 Greenwich Street, 8th Floor, New York, New York 10013, Attention: Transaction Management Group, Deal ID No. 25614 and 325 East Hillcrest Drive, Suite 160 Thousand Oaks, California 91360, Attention: Operations Manager/Asset Manager, Deal ID No. 25614, with a copy to Sidley Austin LLP, 787 Seventh Avenue, New York, New York 10019, Attention: Aviva Yakren, Esq. Notices required to be given to HFA shall be sent to [•]. 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 Levitt & Boccio, LLP, 423 West 55th Street, 8th Floor, New York, NY 10019, Attention: David Boccio, Esq., and to the Tax Credit Investor at WNC Holding, LLC, c/o WNC & Associates, Inc., 17782 Sky Park Circle, Irvine, CA 92614, Attn: David N.Shafer, with a copy to Holland & Knight LLP, 10 St. James Avenue, Boston, MA 02116, Attention: Jonathan I. Sirois, 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 11.17 Living Wage Law. The Beneficial Owner shall comply with the Living Wage Law Contract Provisions attached to this Agreement as Schedule E, where applicable.

SECTION 11.18 HFA Right to Receive Notice. Upon the occurrence of an Event of Default under this Agreement, HFA shall have the right to receive written notice pursuant to Section 10.01(a) of this Agreement.

SECTION 11.19 Consent of Ground Lessor (Ground Lease). The Ground Lessor is signing this Agreement to subject its leasehold interest in the Premises to this Agreement and to consent to the terms of this Agreement.

[Signatures follow]

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

RIVERWALK 8, LLC

By: _____
Name: Frank Monterisi
Title: Co-Manager

By: _____
Name: David Kramer
Title: Co-Manager

RIVERWALK 8 AFFORDABLE, L.P.

By Riverwalk 8, LLC, its general partner

By: _____
Name: Frank Monterisi
Title: Co-Manager

By: _____
Name: David Kramer
Title: Co-Manager

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

On the ____ day of December, 2018, before me, the undersigned, a notary public in and for said state, personally appeared **FRANK MONTERISI**, 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:

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

On the ____ day of December, 2018, before me, the undersigned, a notary public in and for said state, personally appeared **DAVID KRAMER**, 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:

RIVERWALK 8 HOUSING DEVELOPMENT FUND CORPORATION

By: _____
Name: Lee Warshavsky
Title: Secretary/Treasurer

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

On the ____ day of December, 2018, 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.

_____
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 ____ day of December, 2018, 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:

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

By: _____
Name:
Title:

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

On the ____ day of December, 2018, before me, the undersigned, a notary public in and for said state, personally appeared _____, 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:

APPROVED AS TO FORM BY STANDARD
TYPE OF CLASS FOR USE UNTIL December 31, 2018:

By: /s/ Amrita Barth
Acting Corporation Counsel

ROOSEVELT ISLAND OPERATING CORPORATION

By: _____
Name:
Title:

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

On the ____ day of December, 2018, before me, the undersigned, a notary public in and for said state, personally appeared _____, 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:

SCHEDULE A

LEGAL DESCRIPTION OF PREMISES

[Follows]

(ii) The Condominium Documents have been approved by Landlord as conforming to the Landlord approval criteria set forth in Section 10.10(a) of this Lease, or Landlord consents to the recording of the Declaration;

(iii) The Condominium Board and a Managing Agent have entered into a Condominium Management Agreement, a correct and complete copy thereof has been delivered to Landlord, the same is in full force and effect, and Landlord is a named third party beneficiary thereunder;

(iv) The Condominium Plan has been declared effective in accordance with its terms and a correct and complete copy of the letter issued by the Department of Law evidencing acceptance of an amendment declaring the Condominium Plan effective has been delivered to Landlord;

(v) No default of which Tenant has received written notice or Event of Default has occurred that has not been cured upon the date the Declaration shall be recorded;

(vi) Declarant has delivered to Landlord its certification that the conditions contained in this Section 3(B) are satisfied;

(vii) All conditions and requirements under Section 5 of this Exhibit K with respect to the Unit affected by the Initial Unit Transfer have been (or will, at the closing of the Initial Unit Transfer, be) satisfied; and

(viii) No default of which Tenant has received written notice or Event of Default has occurred that has not been cured upon the date of the Initial Unit Transfer.

C. As of the Condominium Date, provided Tenant has given ten (10) Business Days' prior written notice to Landlord, Landlord shall execute, acknowledge and deliver to Tenant, a statement in writing certifying that the Condominium Conditions have been satisfied (or if any such Condominium Condition has not been satisfied, specifying those Condominium Conditions not so satisfied).

(i) In no event shall Landlord be required to deliver any certificate pursuant to this Section 3(C), unless at least ten (10) Business Days prior thereto Tenant has delivered to Landlord evidence reasonably satisfactory to Landlord to document the satisfaction of such Condominium Conditions, including, a certification by Declarant that all of the Condominium Conditions contained in Section 3(B) of this Exhibit K are satisfied or shall be satisfied on the date of the Initial Unit Transfer. In addition (x) no such certificate shall release Tenant or any other Person of any of their obligations to Landlord hereunder or waive any of Tenant's obligations or Landlord rights hereunder, and (y) the certification as to matters referred to in Section 3(B) of this Exhibit K shall be to the best knowledge of Landlord, without independent investigation.

(ii) Tenant and Landlord hereby agree that the only effect of the delivery by Landlord of the certificate referred to in this Section 3(C) shall be to waive Landlord's ability to challenge the validity of the filing of the Declaration, and such certificate may, at the Landlord's option, contain such statement.

4. The Condominium Board.

A. The Condominium Documents shall establish the Condominium Board.

B. From and after the Condominium Date, the Condominium Board shall be deemed the Tenant under this Lease for all purposes hereof and shall be responsible and liable for all obligations of the Tenant hereunder, except that the Condominium Board shall not have any liability or responsibility for the initial obligations of Tenant to effect Substantial Completion of the Building in accordance with the Lease;

C. Each Unit Deed shall require that the Unit Owner named therein constitute and appoint the Condominium Board as said Unit Owner's true and lawful attorney-in-fact coupled with an interest for the purposes of performing and observing the Condominium Covenants applicable to such Unit.

D. At the request of Landlord at any reasonable time or times, the Condominium Board shall prepare and deliver to Landlord, within twenty (20) days after any such request, a true and correct listing of the names of all Unit Owners and the Units owned by such Unit Owners and copies of any other documents reasonably requested by Landlord. The Condominium Board shall permit Landlord and Landlord's designee to examine the records and books of account maintained by the Condominium Board and any Managing Agent at a location designated by the Condominium Board in New York City.

E. The Condominium Board shall enforce, at the sole cost and expense of the Unit owners, the duties and obligations of the Managing Agent under the Condominium Management Agreement, whether or not such duties and obligations are for the primary benefit of the Condominium Board or Landlord. The Managing Agent's failure to perform its duties under the Condominium Management Agreement shall not excuse the Condominium Board from any of its obligations under this Lease.

5. Transfers of Units.

A. No interest in any Unit may be sold, assigned, leased, otherwise transferred, mortgaged or otherwise encumbered at any time by Declarant or any Unit Owner (each such transaction is referred to herein as a "Sale") unless the provisions of this Section 5, have been complied with by the Unit Owner thereof (including without limitation, Declarant, with respect to Units not previously transferred by Declarant):

(i) Landlord has received the Conversion Payment or the Cooperative/Condominium Resale Payment, as applicable, and Landlord has received all Proportionate Rent for such Unit that is due and payable as of the date of such Sale; and

(ii) such Sale (other than mortgaging or leasing of such Unit) is effectuated pursuant to a Unit Deed, a correct and complete copy of which has been delivered to Landlord or an agent on Landlord's behalf.

B. No Sale of a Unit by a Unit Owner is permitted unless a Temporary or Permanent Certificate of Occupancy has been issued and has not been suspended or revoked for the applicable Unit and a correct and complete copy of such Certificate of Occupancy has been delivered to Landlord.

6. Unit Mortgages.

A. No Unit Owner shall be permitted to mortgage or encumber such Unit Owner's Unit except in strict compliance with the terms of this Section 6. A Unit Owner may mortgage its interest in a Unit to any Person (such mortgage which satisfies the conditions set forth below is herein referred to as a "Unit Mortgage" and the holder of such Unit Mortgage is herein referred to as a "Unit Mortgagee"), provided that such Unit Owner has complied with the provisions of this Section 6, and provided, further, that such Unit Mortgage is subject and subordinate to the terms, provisions and conditions of this Lease and the applicable Unit Deed. By accepting a Unit Mortgage, a Unit Mortgagee is deemed to be bound by all the terms, covenants, and conditions of this Lease and the Condominium Documents, and is deemed to have agreed that the lien of such Unit Mortgage is in all cases subordinate to the lien of the Condominium Board for that portion of Common Charges that constitutes Proportionate Rent payable at any time by the Unit Owner granting such Unit Mortgage, and that in the case of the lien of any mortgage other than a first mortgage, such lien is subordinate to the lien of the Condominium Board for all Common Charges.

B. Each Unit Mortgage must be subject and subordinate to this Lease and to all of the terms, covenants and conditions hereof. By accepting a Unit Mortgage, a Unit Mortgagee is deemed to be bound by all the terms, covenants, and conditions of this Lease and the Condominium Documents.

C. By acceptance of a Unit Mortgage, a Unit Mortgagee expressly waives any rights the Unit Mortgagee may have under and pursuant to Section 339(z) of the Condominium Act to the extent

any provision of said Section 339(z) may otherwise apply with respect to Proportionate Rent due from any Unit Owner, including any Defaulting Unit Owner.

D. The lien of the Condominium Board for that portion of Common Charges attributable to the Units which does not constitute Proportionate Rent due from a Unit Owner, including a Defaulting Unit Owner, shall be subordinate to the lien of a Unit Mortgage having first priority ahead of any other mortgage lien.

7. Landlord's Remedies for a Condominium Default. In the event of a Condominium Default, the following provisions apply:

A. In the case of a Condominium Default, Landlord shall give written notice to the Condominium Board, and the Condominium Board shall be required to give a copy of any such default notice to each Unit Owner, Mortgagee and Unit Mortgagee.

B. The Condominium Board or any Unit Mortgagee(s) may, no later than forty-five (45) days after Landlord has given to it such notice, remedy or cause such Condominium Default to be remedied; provided that if curing of such Condominium Default requires the imposition of an assessment or special meeting of any Unit Owners for such purpose and/or special meeting of any Unit Owners in order to replace the members of the Condominium Board, or work to be performed, acts to be done or conditions to be removed (collectively, "Unit Owner Action"), which cannot by their nature reasonably be imposed, conducted, performed, done, removed or completed, as the case may be, within such forty-five (45) day period, the Condominium Board, any Unit Owner(s) or any Unit Mortgagee(s) shall cause such Unit Owner Action to be commenced within such forty-five (45) day period and shall thereafter cause such Unit Owner Action to be prosecuted diligently, continuously and in good faith to completion and cause the Condominium Default promptly thereafter to be remedied; provided further that, in all events, such Condominium Default is required to be remedied within one hundred and eighty (180) days after the date on which Landlord has given notice as provided in Section 7(a) (or within such longer period to which Landlord may consent in writing). If Unit Owner Action is required to remedy a Condominium Default, the Condominium Board, the Unit Owners, or any Unit Mortgagee(s) on behalf of the Unit Owners, shall notify Landlord thereof and shall keep Landlord fully and currently informed of the status of such Unit Owner Action, the nature and timing of such Unit Owner Action and each step, act or thing done in connection therewith, together with the anticipated completion date of such Unit Owner Action.

C. So long as the Tenant is a Condominium and the Specified Rental Payment has been made:

(i) in the case of a Major Default, Landlord will not be entitled to exercise its right to terminate the Lease on account thereof unless and until (a) a final unappealable judgment is rendered by a court of competent jurisdiction determining the disputed matter against Tenant and in favor of Landlord, and (b) Tenant fails to cure such Major Default within ten (10) days after service by Landlord of a copy of said final unappealable judgment upon Tenant together with a notice of entry thereof; provided, however, in order to be entitled to the benefit of the foregoing provision limiting Landlord's termination remedy, Tenant must, within the time for cure applicable to such Event of Default, notify Landlord of its claim or claims disputing the occurrence of such Event of Default and promptly thereafter commence an action in a court of competent jurisdiction for a declaratory judgment concerning the matters set forth in the notice served pursuant to the provisions of this Section 7 and Article 24 of the Lease;

(ii) in the case of a Minor Default, Landlord shall not have a right to terminate the Lease therefor but shall be entitled to exercise any other right or remedy it may have under the terms of the Lease and at law or in equity, including, without limitation the remedy of specific performance;

(iii) if Tenant disputes the occurrence of a Minor Default, either Landlord or Tenant may submit the matter to arbitration pursuant to the provisions of Article 35 of the Lease; provided, however,

that either Landlord or Tenant may choose to commence an action in a court of competent jurisdiction in which event the matter will be determined by such court; and

(iv) in the event that any Condominium Unit owner has failed to pay such Owner's Impositions/TEP, Landlord's remedies therefor shall be limited to those contained in Section 8 of this Exhibit K.

D. If a Condominium Default is not remedied in accordance with Section 7(B) of this Exhibit K, Landlord shall have the right to replace the members of the Condominium Board responsible for failing to remedy such Condominium Default by exercising its right under the resignation signed by each member of the Condominium Board as a condition to such member serving on the Condominium Board, Landlord shall have the right, but not obligation, to designate new members to replace the members of the Condominium Board removed as aforesaid and to perform or cause compliance with the Condominium Covenant that gave rise to such Condominium Default. Any members appointed by Landlord shall have the right to 'resign at any time in accordance with the provisions of the Condominium Documents, and at Landlord's election, shall have terms of at least twelve (12) months from the curing of the Condominium Default which caused the removal of the Condominium Board Members.

E. The Condominium Board shall pay to Landlord, within twenty (20) days after demand therefor is delivered to the Condominium Board: any amounts payable to Landlord under this Lease that the Condominium Board has collected from any Unit Owner or otherwise, including Proportionate Rent and all reasonable costs and expenses incurred by Landlord, including without limitation, reasonable attorneys' fees and disbursements, in connection with any replacement of the members of the Condominium Board pursuant to the provisions of Section 7(D); and interest on the above amounts at the Involuntary Rate from the date of required payment to Landlord (in the case of amounts collected by the Condominium Board and payable to Landlord and from the date of Landlord's payment of each such cost or expense until the date of actual repayment to Landlord.

F. If a Condominium Default is not remedied in accordance with Section 7(B) of this Exhibit K and Landlord performs or causes to be performed the Condominium Covenant or cure the condition that gave rise to such Condominium Default in accordance with the provisions of Article 24 of this Lease or as otherwise permitted by law or hereunder, the Condominium Board shall pay to Landlord, within twenty (20) days after demand therefor is delivered to the Condominium Board: all reasonable costs and expenses incurred by Landlord, including without limitation, reasonable attorneys' fees and disbursements, in connection with such performance of such Condominium Covenant or cure of the Condominium Default, and if the Condominium Default is the failure of the Condominium Board to provide insurance or to keep the same in force as required under this Lease, the amount of the insurance premium or premiums not paid, the uninsured amount of any loss, damage and liability and the reasonable costs and expenses of suit, including, without limitation, reasonable attorneys' fees and disbursements, suffered or incurred by reason of such failure to provide insurance; and interest on the above amounts at the Involuntary Rate from the respective dates of Landlord's making of each such payment or incurring of each such cost or expense or loss or damage until the date of actual repayment to Landlord. The costs and any expenses and any loss or damage, together with interest at the Involuntary Rate, as described in Section 7(E) of this Exhibit K and this Section 7(F), are referred to herein collectively as "Landlord's Condominium Costs".

G. In the event of any breach or threatened breach of a Condominium Covenant, Landlord shall have the right to obtain specific performance of such Covenant and/or to enjoin such breach or threatened breach, without showing any actual damages or that money damages would not afford an adequate remedy and without the need for any bond or other security, and in the event of a Condominium Default that is not remedied in accordance with Section 7(B) of this Exhibit K, and that does not consist of a failure of the Condominium Board to pay to Landlord Proportionate Rent, Landlord shall have the right to invoke any other rights and remedies allowed at law or in equity or by statute or otherwise, but

not including any right to terminate this Lease. To the extent permitted by applicable Requirements, Tenant waives, and the Bylaws shall require that each of the Condominium Board, each Unit Owner, and each Unit Mortgagee, respectively, waive the posting of bonds or other security in any action to enjoin such breach or threatened breach.

H. So long as Tenant is a Condominium and the Specified Rental Payment has been made, the Events of Default described in Sections 24.1(A)(d), 24.1(A)(e), 24.1(A)(f), 24.1(A)(i), and 24.1(A)(k) shall not be applicable.

8. Remedies with Respect to Unit Owner Defaults.

A. In the event of a failure of any Unit Owner (a "Defaulting Unit Owner") to pay Proportionate Rent including any Condominium Default Costs as required under this Lease (hereinafter a "Unit Owner Default"), Landlord and the Condominium Board may exercise any of the remedies provided under this Section 8.

B. Each Unit Owner is required to pay the Proportionate Rent attributable to such Unit Owner's Unit in the manner set forth in this Lease. The Unit Owners shall pay their respective Proportionate Rent to the Condominium Board as part of Common Charges. The obligation of a Unit Owner to pay Proportionate Rent runs to the Condominium Board and Landlord. The obligation of a Unit Owner to pay Default Costs runs to the Condominium Board. Within ten (10) Business Days after a Unit Owner Default, the Condominium Board shall serve a written notice upon the Defaulting Unit Owner specifying the amount of the Proportionate Rent including the amount of any Condominium Default Costs then due and unpaid (the "Default Notice"). Simultaneously with the giving of the Default Notice to the Defaulting Unit Owner, the Condominium Board shall deliver a copy of the Default Notice to Landlord. If the Condominium Board fails to send the Default Notice within the time period set forth above, the Default Notice may be sent by Landlord and such failure by the Condominium Board shall be deemed to be a Condominium Default.

C. Each such Unit Mortgagee shall be entitled to pay to the Condominium Board any portion of Proportionate Rent and Default Costs then due and owing by any Defaulting Unit Owner. Provided such Unit Owner Default shall be so remedied within twenty (20) days after service of the applicable Default Notice, Landlord shall not take any action against the Defaulting Unit Owner and each such Unit Mortgagee shall have the right to institute and thereafter prosecute foreclosure proceedings and such other proceedings as may be provided pursuant to the terms of the applicable Unit Mortgage. If such Unit Owner Default is not remedied within twenty (20) days after service of the applicable Default Notice, the Condominium Board or Landlord as provided below may commence against such Defaulting Unit Owner any action or proceeding at law or in equity as permitted under this Lease without any further notice to such Unit Mortgagee or Defaulting Unit Owner.

D. Landlord shall accept performance by a Unit Mortgagee of any covenant, condition or agreement on a Unit Owner's part to be performed with the same force and effect as though performed by such Unit Owner. If, with respect to any Unit there is more than one Unit Mortgagee, Landlord shall recognize the Unit Mortgagee whose Unit Mortgage is senior in lien as the Unit Mortgagee entitled to the rights afforded by this Exhibit K.

E. No earlier than twenty (20) Business Days and no later than ninety (90) calendar days after a Default Notice is given as provided for in Section 8(B), and provided that neither the Defaulting Unit Owner nor any Unit Mortgagee has cured said Unit Owner Default, the Condominium Board shall institute appropriate proceedings to foreclose the lien on such Unit arising from said Unit Owner Default as provided in Section 339-z of the Condominium Act, in the manner provided in Section 339-aa thereof or in any other manner permitted by Law. At any time not earlier than twenty (20) days after a Default Notice is given, Legal Proceedings may be maintained to recover a money judgment for unpaid Common Charges required to be paid for the benefit of Landlord or the Condominium Board.

F. If the Condominium Board fails to institute foreclosure proceedings within ninety (90) calendar days as described in Section 8(E), or after instituting such proceedings, fail diligently to prosecute the same to final judgment, then Landlord shall have the right to prosecute any Legal Proceeding in its own name or in the name of the Condominium Board, and the right of the Condominium Board to bring any Legal Proceeding is hereby collaterally assigned to Landlord to permit Landlord to bring, and confirm its, right to bring, any Legal Proceeding. In furtherance of the foregoing, the Condominium Board, as Tenant hereunder, hereby assigns to Landlord all of its right, title and interest in, to and under the lien for Common Charges granted to the Condominium Board under the Condominium Act or other applicable law for the purpose of bringing any Legal Proceedings to enforce any such lien or otherwise enforcing or collecting on such lien. Such assignment shall be self-operative and shall not require any further act or the execution of any further document to confer upon Landlord the direct right to institute and maintain such Legal Proceeding (including foreclosure proceedings) as set forth above. At the request of Landlord, the Condominium Board shall execute and deliver to Landlord such further documents and instruments to confirm and perfect such assignment, as shall reasonably be requested by Landlord. Such failure by the Condominium Board to institute foreclosure proceeding within ninety (90) calendar days, or the failure to diligently prosecute the same to final judgment shall be deemed to be a Condominium Default hereunder.

G. The Condominium Board shall cooperate with Landlord in any actions or proceedings brought or rights or remedies exercised by Landlord, including, without limitation, the Legal Proceedings, against any Defaulting Unit Owner (and such other Persons as Landlord may deem necessary or desirable) and, upon Landlord's request, and at no cost or expense to Landlord, shall promptly furnish to Landlord such information and documentation as may reasonably be requested by Landlord.

H. If, during the pendency of any such action or proceeding by Landlord, the Condominium Board or the Defaulting Unit Owner's Unit Mortgagee remedies such Unit Owner Default, Landlord shall take reasonable action to permit the party so acting to continue such action or proceeding.

I. Any funds received by the Condominium Board, by any Unit Mortgagee or by Landlord in respect of a Unit Owner Default shall be applied according to the following priority:

(i) first, to pay such Defaulting Unit Owner's Proportionate Rent obligations to Landlord, together with interest thereon at the Involuntary Rate commencing on the date on which such Proportionate Rent was due (the obligations described in this clause (i) are herein referred to as the "Unit Obligations");

(ii) second, to satisfy any tax liens and other liens, if any, with respect to the Unit or the Defaulting Unit Owner as to which such Unit Default has occurred, which have priority over the lien of the Condominium Board for Common Charges or the lien of any Unit Mortgagee;

(iii) third, to pay such Defaulting Unit Owner's monetary obligations to the Unit Mortgagee, if any, under a Unit Mortgage the lien of which has first priority ahead of any other mortgage lien;

(iv) fourth, pay to Landlord the balance of any amount due Landlord including any Landlord's Condominium Costs with respect to the Unit not otherwise reimbursed, together with the interest on the unpaid amount at the Involuntary Rate;

(v) fifth, to pay to the Condominium Board the balance of any Common Charges due and unpaid by such Defaulting Unit Owner, including all Condominium Default Costs and all late fees and interest;

(vi) sixth, to pay such Defaulting Unit Owner's monetary obligations to any Unit Mortgagee under a Unit Mortgage the lien of which does not have first priority ahead of all other mortgage liens; and

(vii) seventh, any excess to such Defaulting Unit Owner or as may otherwise be required by law.

J. Any foreclosure of a lien for nonpayment of Common Charges shall be subject and subordinate to, and shall not effect, any recorded agreement between the owner of a Subsidized Unit and New York City, acting through its Department of Housing Preservation and Development, regarding Subsidized Units.

9. Effect of Unit Owner Default on other Unit Owners.

If Tenant or any successor of Tenant, whether as Declarant or as Unit Owner or otherwise, fails to make any payment to Landlord required to be made under this Lease, or otherwise fails to perform any obligation required to be performed by Tenant under this Lease, and such failure occurs before the Condominium Date, then Landlord may exercise all of its rights and remedies under this Lease against any Tenant, Declarant and any other Person (whether or not the Declaration has been recorded).

10. Remedies Cumulative.

The rights and remedies of Landlord set forth in this Exhibit K shall be cumulative and the exercise or beginning of the exercise by Landlord of any one or more of the rights or remedies provided for in this Exhibit K does not preclude the simultaneous or later exercise by Landlord of any or all other rights or remedies provided for in this Exhibit K. Landlord shall not by any act, delay, omission or otherwise be deemed to have waived any of its rights or remedies hereunder, and no waiver shall be valid unless in writing, signed by Landlord, and then only to the extent therein set forth. A waiver by Landlord of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which Landlord would otherwise have had on any future occasion. No failure to exercise nor any delay in exercising on the part of Landlord any right, power or privilege hereunder shall operate as waiver thereof, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or future exercise thereof or the exercise of any other right, power or privilege. The rights and remedies hereunder provided are cumulative and may be exercised singly or concurrently, and shall be construed as affording Landlord rights additional to and not exclusive of any rights and remedies conferred under the laws of the State of New York or any other laws.

11. Inclusionary Housing Program.

Notwithstanding anything to the contrary contained therein, in the event that the Building is damaged as a result of a casualty and not restored in accordance with the provisions of the Lease, or if the Lease is terminated by reason of a taking by eminent domain, Landlord will have no further obligation to HPD under the Subordination Agreement or the Inclusionary Housing Agreement and the Premises shall be released from their respective provisions and shall no longer be affected thereby.

12. Miscellaneous.

A. Subject to the rights of Landlord under this Lease and any Unit Deed, the Condominium Board is entitled to maintain its lien for unpaid Common Charges as provided in the Condominium Act.

B. Except as otherwise specifically provided in this Lease, any notice, demand, request, consent, approval or other communication provided in this Lease or in any Unit Deed to be given by Landlord to Tenant or to a Unit Owner is effective if addressed to the Condominium Board on behalf of all Unit Owners and given or served as provided in Article 25 of the Lease, except any such notice, demand, request, consent, approval or other communication relating solely to a Unit Owner or such Unit Owner's Unit is effective only if addressed to the affected Unit Owner and given or served as provided in Article 25 of the Lease to the Unit Owner's address.

C. Subject to compliance with the provisions of Article 13 of the Lease, any Unit Owner, except a Defaulting Unit Owner, may make any changes, alterations or additions to the interior of its Unit

and may combine two or more of its Units and may subdivide and otherwise reconfigure a Unit without Landlord's consent.

D. The Introduction section of the Condominium Plan under the Special Risks Section is required to contain the following provision:

"ROOSEVELT ISLAND OPERATING CORPORATION HAS NOT AND WILL NOT MAKE A DETERMINATION THAT THIS PLAN AND THE DECLARATION AND BYLAWS OF THE CONDOMINIUM CONFORM TO THE PROVISIONS OF THE LEASE, AND ROOSEVELT ISLAND OPERATING CORPORATION HAS NOT APPROVED THIS OFFERING."

EXHIBIT L

INCLUSIONARY HOUSING AGREEMENT

EXHIBIT L

INCLUSIONARY HOUSING PROVISIONS

Lessor's Consent and Agreement.

(a) Lessor consents to the execution and delivery of this Agreement by Applicant and to all the terms and conditions of this Agreement.

(b) Commencing upon the date of issuance of the Certificate of Eligibility for a Zoning Bonus and for the life of the increased floor area of the Compensated Development(s), the Lease is and shall be subject to and subordinate to this Agreement. The City of New York, acting by and through the Department, consents to the subordination of the Lease to this Agreement.

(c) If the Lease is terminated after the issuance of the Certificate of Eligibility for a Zoning Bonus and during the life of the increased floor area of the Compensated Development(s) and Lessor then enters into a new lease (the "New Lease") with a third party, the New Lease shall also be subject to and subordinate to this Agreement.

(i) If the building continues to be subject to condominium ownership pursuant to the New York Condominium Act following such termination of the Lease and the Applicant or its permitted successor under this Agreement (collectively, "Operator") does not continue to own the Lower Income Units and operate such Lower Income Units subject to the Program and this Agreement, then the tenant under the New Lease ("New Lessee") shall be required to assume the ongoing obligations of Applicant pursuant to this Agreement for the life of the increased floor area of the Compensated Development(s).

(ii) If the building becomes a rental building following such termination of the Lease and the Operator does not continue to lease or sublease the Lower Income Units and operate such Lower Income Units subject to the Program and this Agreement, then the New Lessee shall be required to assume the ongoing obligations of Applicant pursuant to this Agreement for the life of the increased floor area of the Compensated Development(s).

(iii) Notwithstanding such termination, so long as the Operator is not in default (beyond the expiration of any applicable notice and grace periods) of its obligations as a condominium unit owner or tenant or subtenant of the Lower Income Units, as the case may be, Lessor shall not terminate the interest of the Operator as an owner, tenant, or subtenant of the Lower Income Units, as applicable, and the Operator may continue to own, lease, or sublease the Lower Income Units and operate such Lower Income Units subject to the Program and this Agreement, either (a) if the building continues to be subject to condominium ownership, pursuant to the terms of the condominium documents then applicable to unit owners generally, or (b) if the building becomes a rental building, upon rental terms applied to the building on a consistent basis, except as otherwise

provided in this Agreement. In such event, the Operator shall attorn to Lessor upon the terms set forth herein and shall recognize Lessor as the underlying lessor of the building (in the case of a condominium) or as its landlord or sublandlord (in the case of a rental building), and the Operator shall execute, acknowledge, and deliver such instruments as Lessor or the Department may reasonably require to evidence such attornment.

(iv) The parties hereto acknowledge that it is their intent that, if the Lease is terminated and the Operator is not then in default, the Operator shall continue to own, lease, or sublease the Lower Income Units and operate such Lower Income Units subject to the Program and this Agreement. The provisions of this Agreement shall be binding upon the Operator following any termination of the Lease.

(d) If the Lease or any New Lease is terminated after the issuance of the Certificate of Eligibility for a Zoning Bonus and during the life of the increased floor area of the Compensated Development(s), and Lessor then does not thereafter enter into a New Lease, the provisions of this Agreement will nevertheless continue to apply to the Lower Income Units and Lessor and the Department shall cooperate to assure that the Lower Income Units will be managed and operated in accordance with the Program and this Agreement.

(i) If, at the time of termination of the Lease or any New Lease or at any time thereafter, the Operator does not continue to own, lease, or sublease the Lower Income Units and operate such Lower Income Units subject to the Program and this Agreement (whether by reason of a default by the Operator or otherwise), then (a) the Department shall propose an entity that is qualified to manage and operate the Lower Income Units in accordance with the Program and this Agreement to succeed to the interest of the Operator, and (b) such entity shall be subject to the prior written consent of Lessor, which shall not be unreasonably withheld or delayed so long as such party is not a Prohibited Person, as such term is defined in the Lease.

(ii) Lessor shall take such steps as shall be reasonably necessary to provide any new Operator an interest in the Building that will enable such new Operator to manage and operate the Lower Income Units in accordance with the Program and this Agreement.

(e) So long as Lessor is a Governmental Authority (as defined in the Lease), including, but not limited to, the Roosevelt Island Operating Corporation, then, notwithstanding anything to the contrary in this Agreement, but subject to the other provisions contained in this Section 9-a, Lessor shall not be:

(i) obligated to complete any construction work required to be done by Tenant or the Operator pursuant to the provisions of the Lease or this Agreement or to reimburse the Department for any construction work done by the Department,

(ii) liable for any accrued obligation of Tenant or the owner or any prior owner of the Lower Income Units, or for any act or omission of Tenant or the owner or any prior owner of the Lower Income Units, whether prior to or after such termination,

(iii) liable under any indemnity provision of whatever nature contained herein or in any other agreement relating to the Lower Income Units, including, but not limited to, any environmental indemnity,

(iv) required to make any repairs to the Lower Income Units and/or to the Building, except any repairs required by law or other agreements which are applicable to Lessor by reason of Lessor's status as owner of the building in which the Lower Income Units are located,

(v) required to make any capital improvements to the Lower Income Units or the Building which Tenant or the owner or any prior owner of the Lower Income Units may have agreed to make, but had not completed, except any repairs required by law or other agreements which are applicable to Lessor by reason of Lessor's status as owner of the building in which the Lower Income Units are located,

(vi) subject to any offsets, claims or counterclaims which shall have accrued to Tenant or the owner or any prior owner of the Lower Income Units prior to the date on which the Lease was terminated, or

(vii) bound by any obligation in this Agreement other than (a) the obligation to maintain the Lower Income Units in accordance with the Program and this Agreement at the rental rates and tenant incomes permitted by the Program and this Agreement, and (b) Lessor's other obligations expressly set forth in this Section 9-a.

3636076_v4

EXHIBIT M

HDC REGULATORY AGREEMENT

REGULATORY AGREEMENT

among

RIVERWALK 8, LLC,

RIVERWALK 8 AFFORDABLE, L.P.,

RIVERWALK 8 HOUSING DEVELOPMENT FUND CORPORATION,

NEW YORK CITY HOUSING DEVELOPMENT CORPORATION,

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

and

ROOSEVELT ISLAND OPERATING CORPORATION

December 26, 2018

BLOCK: 1373

LOTS: Part of 1 and Part of 9 (to be known as new Lot 9)

COUNTY: New York

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 December 26, 2018, among **RIVERWALK 8, LLC** (the "Non-Tax Code Borrower"), a New York limited liability company, **RIVERWALK 8 AFFORDABLE, L.P.** (the "Tax Code Borrower" and together with the Non-Tax Code Borrower, jointly and severally, the "Beneficial Owner"), a New York limited partnership, each having an address at c/o The Related Companies, L.P., 60 Columbus Circle, New York, NY 10023, **RIVERWALK 8 HOUSING DEVELOPMENT FUND CORPORATION** (the "Legal Owner", and together with the Beneficial Owner, 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, NY 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, **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 and **ROOSEVELT ISLAND OPERATING CORPORATION** ("Ground Lessor"), a body corporate and politic constituting a political subdivision of the State of New York and a public benefit corporation having an office at 591 Main Street, Roosevelt Island, New York 10044.

PRELIMINARY STATEMENT

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

WHEREAS, Ground Lessor has conveyed leasehold title to the Premises to the Legal Owner and Non-Tax Code Borrower pursuant to a ground lease dated as of the date of this Agreement (the "Ground Lease"), which ground lease is a sub-lease of the Ground Lessor's leasehold interest in the Premises pursuant to that Agreement of Lease of Roosevelt Island by and between the City of New York and Empire State Development Corporation, dated December 23, 1969 and assigned by instrument dated July 21, 1988 to the Ground Lessor, as amended;

WHEREAS, as of the date of this Agreement, the Non-Tax Code Borrower and the Legal Owner have entered into a Declaration of Interest and Nominee Agreement (the "Nominee Agreement"), pursuant to which the Beneficial Owner is the beneficial owner of the Premises and the Legal Owner retains the record leasehold title to the Premises;

WHEREAS, as of the date of this Agreement, the Non-Tax Code Borrower and Legal Owner have 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 the Tax Code Borrower pursuant to a long-term master lease (the "LIHTC Master Lease"); the Tax Code Units are expected to receive Tax Credits and the lease of the Tax Code Units is expected to comprise the "building" for purposes of Section 42 of the Tax Code;

WHEREAS, HDC has agreed to make, pursuant to the HDC Commitment: (i) a co-first mortgage loan to the Beneficial Owner in the aggregate principal amount of $[12,900,000] (the "HDC Construction Loan"), which upon the Permanent Conversion will become a permanent mortgage loan in the aggregate principal amount of $12,900,000 (the "HDC Permanent Loan" and together with the HDC Construction Loan, the "HDC Loan"), (ii) a co-second-position mortgage loan to the Beneficial Owner in the aggregate principal amount of $20,292,199, of which $19,926,583 will be available during construction, to be funded by a grant of City Capital funds from HPD to HDC pursuant to a Grant Agreement between HPD and HDC, dated as of the date of this Agreement (the "HDC City Capital Loan"), and (iii) a co-second-position

mortgage loan to the Beneficial Owner in the aggregate principal amount of $12,500,000, to be funded by a participation interest in a loan from HDC comprised of Homes for Working Families funds from New York State Housing Finance Agency ("HFA") and subject to a Construction Loan Participation Agreement between HFA and HDC, dated as of the date of this Agreement (the "HDC HFA 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 Citibank, N.A. (the "Credit Provider") will purchase a 100% participation interest in (i) a co-first mortgage loan to the Beneficial Owner in the aggregate principal amount of $56,358,031 (the "Senior Bank Loan"), which upon Permanent Conversion will be partially prepaid and will become a permanent loan in the aggregate principal amount of $48,000,000 (the "Permanent Bank Loan") and (ii) a co-first mortgage loan to the Beneficial Owner in the aggregate principal amount of $18,284,264 (the "Bridge Loan" and together with the Senior Bank Loan the "Bank Loan" and together with the Permanent Bank Loan, the HDC Loan, the HDC City Capital Loan and the HDC HFA Loan, the "HDC Financing");

WHEREAS, the Credit Provider has agreed to make a third priority mortgage loan to the Beneficial Owner in the aggregate principal amount of $3,000,000 (the "Citibank Loan");

WHEREAS, the Beneficial Owner has requested that 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 and the Bank Loan 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 equity investor in the Tax Code Borrower will be WNC Holding, LLC as the limited partner and WNC Housing, L.P. as the special partner (collectively, the "Tax Credit Investor");

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

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 and the allocation of the Tax Credits;

WHEREAS, the Inclusionary Units will be subject to the IH Regulatory Agreement (each as defined below) in order to obtain certain benefits available under the New York City Zoning Resolution and a portion of the financing of the Project will be secured in part by a pledge of all purchase and sale agreements entered into by Beneficial Owner for the sale of air rights from such benefits and certain proceeds from the sale thereof (the "Air Rights Pledge");

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 the IH Regulatory 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.

"Air Rights Pledge" shall have the meaning set forth in the WHEREAS clauses.

"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, and for any Non-Tax Code Income-Restricted Unit, the percentage of AMI specified for the initial rents as set forth in Schedule B, such that, by way of example, the Applicable AMI Limit for a 100% of AMI Unit (the income restriction for occupancy) is 80% of AMI (the initial rent level).

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

"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.

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

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

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

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

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

"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.

"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.

"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.

"Ground Lessor" shall have the meaning set forth in the WHEREAS clauses.

"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 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 HFA 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.

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

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

"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).

"IH Regulatory Agreement" shall mean the Regulatory Agreement of even date herewith among the City, Ground Lessor, and Sponsor to be recorded prior hereto in the New York County office of the City Register, imposing certain restrictions on the Inclusionary Units.

"Inclusionary Units" shall have the meaning set forth in Section 4.02(e).

"Income-Restricted Unit" shall mean a Tax Code Unit or a Non-Tax Code Income-Restricted 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 Master Lease" shall have the meaning set forth in the WHEREAS clauses.

"Loan Agreement" shall mean the Building and Project Loan Agreements, 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.

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

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

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

"Non-Permanently Affordable Unit" shall mean all of the Units other than the Permanently Affordable Units.

"Non-Tax Code Income-Restricted Unit" shall mean any unit that is not a Tax Code Unit, but that is required to be leased pursuant to this Agreement to a tenant who qualifies as an Eligible Tenant with an Annual Income prior to initial occupancy that is at or below an income level or levels specified in Section 4.02. This category includes any units designated in Section 4.02 as having income restrictions for occupancy at any level above 60% of AMI.

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

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

"Permanent Bank Loan" 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(f).

"Permitted Mortgages" shall mean the HDC Mortgage, the Air Rights Pledge, the mortgage securing the Citibank Loan 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.

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

"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.

"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.

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

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

"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 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 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:

(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;

(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), 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;

(vii) 40 years from the date of the Permanent Conversion.

SECTION 2.02 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 for such units 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 2.03 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 2.04 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 Mortgage, this Agreement shall terminate only (i) upon written request of the owner of the HDC Mortgage, and (ii) 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 City Capital Loan is 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 and HPD, 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, including without limitation the IH Regulatory Agreement, 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, 69 units shall be Tax Code Units.

(i) The Sponsor shall lease no fewer than 11 Tax Code Units solely to Eligible Tenants whose Annual Income upon initial occupancy does not exceed 40% of AMI ("40% of AMI Units").

(ii) The Sponsor shall lease no fewer than 58 Tax Code Units solely to Eligible Tenants whose Annual Income upon initial occupancy does not exceed 50% of AMI ("50% of AMI Units").

(b) Non-Tax Code Income-Restricted Units. In accordance with the distribution set forth in Schedule B, 271 units shall be Non-Tax Code Income-Restricted Units.

(i) The Sponsor shall lease no fewer than 33 Non-Tax Code Income-Restricted Units solely to Eligible Tenants whose Annual Income upon initial occupancy does not exceed 80% of AMI ("80% of AMI Units").

(ii) The Sponsor shall lease no fewer than 68 Non-Tax Code Income-Restricted Units solely to Eligible Tenants whose Annual Income upon initial occupancy does not exceed 130% of AMI ("130% of AMI Units").

(iii) The Sponsor shall lease no fewer than 170 Non-Tax Code Income-Restricted Units solely to Eligible Tenants whose Annual Income upon initial occupancy does not exceed 165% of AMI ("165% of AMI 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 10 of the 50% of AMI Units and 5 of the 80% of AMI Units (for a total of 15 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") during the period commencing at the start of the Occupancy Restriction Period and ending on the 30th anniversary thereof. 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.

(e) Inclusionary Units. No fewer than 102 Units, consisting of the Tax Code Units and the 80% of AMI Units as delineated in Schedule B shall be subject to the requirements of HPD's voluntary inclusionary housing program (the "Inclusionary Units) and the IH Regulatory Agreement.

(f) Permanently Affordable Units. No fewer than 205 of the Income-Restricted Units as delineated in Schedule B shall be permanently affordable pursuant to this Agreement (the "Permanently Affordable 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 20.3%, 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 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 unit for transient occupancy, for occupancy by any Household that is not eligible, 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.

(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). For the period of time in which the lease of the Tax Code Units pursuant to the LIHTC Master Lease comprise 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. For the period of time in which the lease of the Tax Code Units pursuant to the LIHTC Master Lease comprises 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.

ARTICLE V. RENTS AND LEASES

SECTION 5.01 Compliance with Rent Stabilization.

(a) All Units Subject to Rent Stabilization. All 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 for such Units 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 to a unit after the Occupancy Restriction Period for such unit 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.

(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.

(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.

(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) Non-Tax Code Income-Restricted Units.

(i) Initial Rents. The initial Actual Rent for a Non-Tax Code Income-Restricted Unit shall not exceed the lesser of:

1) the Legal Rent (as set forth in Schedule B); and

2) the initial Actual Rent set forth in Schedule B.

(ii) Lease Renewal. Upon lease renewal for a Non-Tax Code Income-Restricted Unit, the Sponsor may only increase the Actual Rent to 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).

(iii) Vacancy. Upon vacancy of a Non-Tax Code Income-Restricted Unit, the Actual Rent for the new Eligible Tenant shall not exceed the lesser of:

1) the Legal Rent; and

2) an amount that is the greater of (x) the Actual Rent that would have been permitted upon lease renewal for the prior tenant and (y) 30% of the Applicable AMI Limit (adjusted for a monthly rent).

(iv) 2% Floor. Notwithstanding the provisions of paragraph (b) above, upon lease renewal or vacancy of any Non-Tax Code Income-Restricted Unit, if the percentage increase that is allowed under Rent Stabilization is 2% or greater, but an Actual Rent at 30% of the Applicable AMI Limit (adjusted for a monthly rent) would restrict the rent increase to a percentage increase that is less than 2%, then the Sponsor may increase the tenant's Actual Rent by 2%.

(c) 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.

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

(e) Intentionally omitted.

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 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 30 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. For the period of time in which the lease of the Tax Code Units pursuant to the LIHTC Master Lease comprises a "building" as defined in Section 42 of the Tax Code, the Applicable Fraction (as defined in this section) for the Tax Code Units 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 Related Management Company, L.P. 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. 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 is a passive investor in the Beneficial Owner, transfers of (i) passive investment interests in the Tax Credit Investor and (ii) the Tax Credit Investor's passive investment interest in the Beneficial Owner 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 Beneficial Owner, is an affiliate of, and is and remains controlled by or under common control with, WNC & Associates Inc. Any interest in the Beneficial Owner 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 Beneficial Owner 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.

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 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 Transfer of Air Rights. Notwithstanding anything to the contrary contained herein, the air rights related to the Project that are subject to the Air Rights Pledge may be transferred pursuant to the terms of the IH Regulatory Agreement.

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. Ground Lessor and HFA 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 Citibank, N.A., 388 Greenwich Street, 8th Floor, New York, New York 10013, Attention: Transaction Management Group, Deal ID No. 25614 and 325 East Hillcrest Drive, Suite 160 Thousand Oaks, California 91360, Attention: Operations Manager/Asset Manager, Deal ID No. 25614, with a copy to Sidley Austin LLP, 787 Seventh Avenue, New York, New York 10019, Attention: Aviva Yakren, Esq. Notices required to be given to HFA shall be sent to [•]. 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 Levitt & Boccio, LLP, 423 West 55th Street, 8th Floor, New York, NY 10019, Attention: David Boccio, Esq., and to the Tax Credit Investor at WNC Holding, LLC, c/o WNC & Associates, Inc., 17782 Sky Park Circle, Irvine, CA 92614, Attn: David N.Shafer, with a copy to Holland & Knight LLP, 10 St. James Avenue, Boston, MA 02116, Attention: Jonathan I. Sirois, 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 11.17 Living Wage Law. The Beneficial Owner shall comply with the Living Wage Law Contract Provisions attached to this Agreement as Schedule E, where applicable.

SECTION 11.18 HFA Right to Receive Notice. Upon the occurrence of an Event of Default under this Agreement, HFA shall have the right to receive written notice pursuant to Section 10.01(a) of this Agreement.

SECTION 11.19 Consent of Ground Lessor (Ground Lease). The Ground Lessor is signing this Agreement to subject its leasehold interest in the Premises to this Agreement and to consent to the terms of this Agreement.

[Signatures follow]

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

RIVERWALK 8, LLC

By: _____
Name: Frank Monterisi
Title: Co-Manager

By: _____
Name: David Kramer
Title: Co-Manager

RIVERWALK 8 AFFORDABLE, L.P.

By Riverwalk 8, LLC, its general partner

By: _____
Name: Frank Monterisi
Title: Co-Manager

By: _____
Name: David Kramer
Title: Co-Manager

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

On the ____ day of December, 2018, before me, the undersigned, a notary public in and for said state, personally appeared **FRANK MONTERISI**, 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:

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

On the ____ day of December, 2018, before me, the undersigned, a notary public in and for said state, personally appeared **DAVID KRAMER**, 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:

RIVERWALK 8 HOUSING DEVELOPMENT FUND CORPORATION

By: _____
Name: Lee Warshavsky
Title: Secretary/Treasurer

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

On the ____ day of December, 2018, 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.

_____
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 ____ day of December, 2018, 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:

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

By: _____
Name:
Title:

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

On the ____ day of December, 2018, before me, the undersigned, a notary public in and for said state, personally appeared _____, 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:

APPROVED AS TO FORM BY STANDARD
TYPE OF CLASS FOR USE UNTIL December 31, 2018:

By: /s/ Amrita Barth
Acting Corporation Counsel

ROOSEVELT ISLAND OPERATING CORPORATION

By: _____
Name:
Title:

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

On the ____ day of December, 2018, before me, the undersigned, a notary public in and for said state, personally appeared _____, 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:

SCHEDULE A

LEGAL DESCRIPTION OF PREMISES

[Follows]

SCHEDULE B

DISTRIBUTION OF UNITS AND INITIAL RENTS

Project: **Riverwalk 8**
460 Main Street
New York, NY
Block: 1373, Lot: Part of 1 and Part of 9 (to be known as new Lot 9)

The Project shall contain 341 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, which are based on the FMR percentages given with no deduction for the utility allowance.

I. PERMANENTLY AFFORDABLE UNITS (205):

40% of AMI Units (all permanently affordable)

Unit Type	No. of Units	Legal Rent (initial) (30% of 40% of AMI)	Actual Rent (initial) (30% of 37% of AMI)
Studio	3	$553	$506
1-Bedroom	5	$707	$648
2-Bedroom	1	$862	$791
3-Bedroom	2	$991	$909
TOTAL	11		

50% of AMI Units (w/o rental assistance) (all permanently affordable)

Unit Type	No. of Units	Legal Rent (initial) (30% of 50% of AMI)	Actual Rent (initial) (30% of 47% of AMI)
Studio	13	$709	$662
1-Bedroom	22	$902	$844
2-Bedroom	7	$1,096	$1,026
3-Bedroom	6	$1,262	$1,180
TOTAL	48		

50% of AMI Units (w/ rental assistance) (all permanently affordable)

Unit Type	No. of Units	Legal Rent (initial) (30% of 80% of AMI)	Actual Rent (initial) (30% of 80% of AMI)*
Studio	2	$1,179	$1,179
1-Bedroom	4	$1,490	$1,490
2-Bedroom	2	$1,801	$1,801

3-Bedroom	2	$2,076	$2,076
TOTAL	10		

*The Actual Rent shall be 30% of 80% of AMI for so long as rental assistance is available. If rental assistance shall cease to be available, the Actual Rent shall be 30% of 47% of AMI.

80% of AMI Units (all permanently affordable)

Unit Type	No. of Units	Legal Rent (initial) (30% of 80% of AMI)	Actual Rent (initial) (30% of 77% of AMI)
Studio	8	$1,179	$1,132
1-Bedroom	13	$1,490	$1,431
2-Bedroom	3	$1,801	$1,730
3-Bedroom	4	$2,076	$1,994
TOTAL	28		

80% of AMI Units (all permanently affordable, Homeless)

Unit Type	No. of Units	Legal Rent (initial) (30% of 80% of AMI)	Actual Rent (initial)* (30% of 80% of AMI)
Studio	1	$1,179	$1,179
1-Bedroom	3	$1,490	$1,490
2-Bedroom	1	$1,801	$1,801
3-Bedroom	0	$2,076	$2,076
TOTAL	5		

*The Actual Rent shall be 30% of 80% of AMI for so long as rental assistance is available. If rental assistance shall cease to be available, the Actual Rent shall be 30% of 77% of AMI.

130% of AMI Units

Unit Type	No. of Units	Legal Rent (initial) (30% of 100% of AMI)	Actual Rent (initial) (30% of 100% of AMI)
Studio	14	$1,492	$1,492
1-Bedroom	33	$1,881	$1,881
2-Bedroom	10	$2,270	$2,270
3-Bedroom	11	$2,618	$2,618
TOTAL	68		

165% of AMI Units

Unit Type	No. of Units	Legal Rent (initial) (30% of 130% of AMI)	Actual Rent (initial) (30% of 130% of AMI)
Studio	10	$1,961	$1,961
1-Bedroom	15	$2,468	$2,468
2-Bedroom	5	$2,974	$2,974
3-Bedroom	5	$3,432	$3,432
TOTAL	35		

II. NON- PERMANENTLY AFFORDABLE UNITS (135):

165% of AMI Units

Unit Type	No. of Units	Legal Rent (initial) (30% of 130% of AMI)	Actual Rent (initial) (30% of 130% of AMI)
Studio	41	$1,961	$1,961
1-Bedroom	63	$2,468	$2,468
2-Bedroom	21	$2,974	$2,974
3-Bedroom	20	$3,432	$3,432
TOTAL	135		

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 the Regulatory 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, unless such Covered Employer is exempt under Section 6-134(d) or excluded by EO 7, 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, which ever 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 exempt under Section 6-134(d) ort 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 subsaction (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, which ever 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:_____

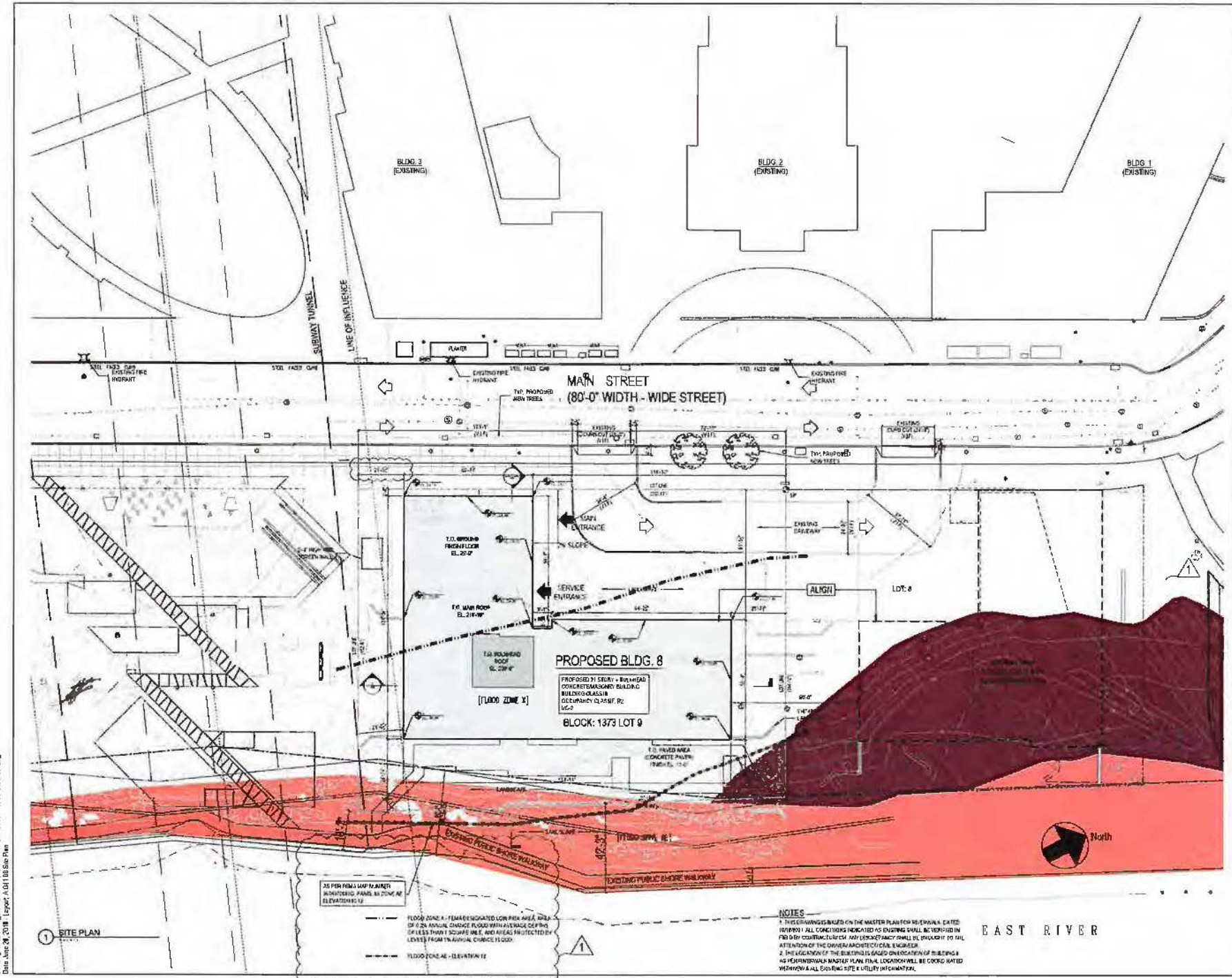
Date:_____

EXHIBIT N

SITE PLAN

EXHIBIT N

SITE PLAN



1 SITE PLAN

HANDEL ARCHITECTS LLP
120 Broadway 39th Floor New York, NY 10271

OWNER
THE HUDSON COMPANIES INC.
625 Broadway 11th Floor
New York, New York 10002
T. 212 777 8500 F. 212 777 8503

OWNER
THE RELATED COMPANIES
60 Columbus Circle
New York, New York 10023
T. 212 801 1000 F. 212 801 1727

ARCHITECT
HANDEL ARCHITECTS LLP
120 Broadway 39th Floor
New York, New York 10271
T. 212 935 4118 F. 212 366 6032

STRUCTURAL ENGINEER
SEVERUD CONSULTING ENGINEERS
140 Broadway, 35th Floor
New York, New York 10005
T. 212 232 2221 F. 212 480 6136

MEP ENGINEER
DWORSKY ENGINEERING, PLLC
29 Broadway
New York, New York 10006
T. 212 480 2551 F. 212 480 2554

VERTICAL TRANSPORTATION
VAN DEUSEN & ASSOCIATES, INC.
120 Eagle Rock Avenue Suite 310
East Hanover, New Jersey 07936
T. 973 884 8220 F. 973 994 2538

CIVIL ENGINEER
PHILIP HABIB & ASSOCIATES
102 Madison Avenue, 11th Floor
New York, New York 10016
T. 212 828 8150 F. 212 828 8606

LANDSCAPE ARCHITECT
FUTURE GREEN STUDIO
16 Bay Street
Brooklyn, New York 11231
T. 718 855 8345 F. 718 228 7004

No	Date	Remarks
-	02/24/17	SCHEMATIC RESUBMISSION
-	05/31/17	ISSUED FOR DOB FILING
-	06/29/17	DESIGN DEVELOPMENT SET
-	08/18/17	ISSUED FOR TVA CO
-	09/01/17	ISSUED FOR BIDS REVIEW
-	09/06/17	ISSUED FOR BIDS REVIEW
-	01/31/18	ISSUED FOR DOB PERMIT
-	01/31/18	ISSUED FOR CONSTRUCTION
-	04/25/18	ISSUED FOR BIDS REVIEW
-	05/11/18	ISSUED FOR BIDS REVIEW
-	05/24/18	ISSUED FOR BIDS REVIEW
01	06/29/18	ISSUED FOR PERMIT

RIVERWALK 8
460 Main Street
New York, NY 10044

SITE PLAN

02/24/17 N.T.S

AD

1243.01

A-041.00

NYC DOB NO 121762015

Drawing: k:\1243-01_riverwalk 8\CAD\03-CD\Sheets\A000A-041 00 Site Plan.dwg
Date: June 26, 2018 | Layout: A-041 00 Site Plan

EXHIBIT O

COMFORT STATION WORK SPECIFICATIONS

1. Structure and Interior:
    a. Structure shall accommodate one female bathroom with 3 regular stalls plus an ADA stall and one male bathroom with two urinals, one regular stall and one ADA stall.
    b. Each bathroom shall accommodate two sinks and one hand dryer.
    c. Both bathrooms will be equipped with typical additional amenities/fixtures including but not limited to: hot/cold water, mirrors, grab bars, soap dispensers, floor drains etc.
    d. The minimum overall dimensions for each bathroom (male/female) is 22ft by 12ft.
    e. The structure shall also accommodate a finished storage space with minimum dimensions of 11ft by 12ft. The storage space shall have two double door openings opposite each other (one facing the field and one facing the street) for ease of equipment storage and deliveries.
    f. The structure shall accommodate two drinking fountains (one shall be bottle-filler type) fixed to the exterior of the comfort station with weatherproofing as needed.
    g. All finishes and fixtures shall be approved by RIOC.
    h. The comfort station's electrical panel shall have enough capacity to support comfort station lighting, sports field lighting and any supplemental lighting or electrical needs within the limit of work.
    i. The structure shall also accommodate at least two exterior hose bibs to provide water sources for maintenance.
    j. The exterior walls/roof of the structure shall be insulated concrete and contain enough operable windows to provide natural light and ventilation to the satisfaction of Landlord.
    k. Appropriate waterproofing and drainage for the full scope of work shall be ensured.

2. Utility Hook-ups. Utility connection points for the comfort station have been identified along Main Street by the traffic circle. Tenant's general contractor will be responsible for all agency coordination necessary for utility connections.

3. Exterior of Structure. Exterior iinprovements shall include repairs to the sidewalk as needed, incorporation of a hardscape plaza around the Comfort station and extending south and west towards Main Street. The hardscape area shall have seating, lighting and signage for the comfort station and field. This exterior area shall also receive landscape improvements including shrubs and trees.

4. Field Relocation – The following minimum requirements will be met:
    a. The field shall be relocated to create enough space along East Main Street for the comfort station (currently roughly 20ft). The shift will require removal of all existing backstops, fencing, dugouts, bleachers, drinking fountain etc. None of these materials should be re-used; all improvements shall be completed with new materials.
    b. The existing irrigation system may be repaired or replaced, at Landlord's discretion.

EXHIBIT P

HPD REGULATORY AGREEMENT

REGULATORY AGREEMENT

(Inclusionary Housing)

AGREEMENT (this "Agreement") made as of December 26, 2018, by and among

ROOSEVELT ISLAND OPERATING CORPORATION, a body corporate and politic constituting a political subdivision of the State of New York and a public benefit corporation having an office at 591 Main Street, Roosevelt Island, New York 10044 ("Ground Lessor"),

RIVERWALK 8 HOUSING DEVELOPMENT FUND CORPORATION, a New York not-for-profit housing development fund corporation having an office at c/o Settlement Housing Fund, Inc., 247 West 37th Street, 4th Floor, New York, New York 10018 ("HDFC"),

RIVERWALK 8, LLC, a New York limited liability company having an office at c/o The Related Companies, 60 Columbus Circle, New York, New York 10023 ("Applicant"; HDFC and Applicant being, collectively, "Ground Lessee"),

RIVERWALK 8 AFFORDABLE, L.P., a New York limited partnership having an office at c/o The Related Companies, 60 Columbus Circle, New York, New York 10023 ("Tax Credit Master Lessee"), and

and the **CITY OF NEW YORK** ("the City"), a municipal corporation acting by and through its **DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT** ("Department"), having an office at 100 Gold Street, 9th Floor, New York, New York 10038.

WITNESSETH:

WHEREAS, the City is the owner of fee title to certain real property in the County, City and State of New York known as and by the street address **460 Main Street, New York, New York**, identified on the tax map of the City as **Block 1373, part of Lots 1 and 9 (to be designated as Lot 9)**, and more particularly described in **Exhibit A** attached hereto and made a part hereof (the "Premises"); and

WHEREAS, Ground Lessor is the owner of a leasehold interest in the Premises pursuant to the Agreement of Lease of Roosevelt Island by and among the City, New York State Urban Development Corporation, and Welfare Island Development Corporation (also known as Roosevelt Island Development Corporation), dated December 23, 1969, and assigned by New York State Urban Development Corporation to Ground Lessor on July 21, 1988 (as heretofore or hereafter amended, the "Roosevelt Island Master Lease"); and

WHEREAS, Ground Lessee is the owner of a sub-leasehold interest in the Premises pursuant to an Agreement of Lease dated as of the date hereof by and between Ground Lessor, as landlord, and Ground Lessee, as tenant (the "Ground Lease"), a memorandum of which shall be recorded in the office of the City Register, New York County; and

WHEREAS, pursuant to a Declaration of Interest and Nominee Agreement dated as of the date hereof between HDFC and Applicant (the "Nominee Agreement"), to be recorded prior hereto in the office of the City Register, New York County, HDFC is the nominal owner of the sub-leasehold interest in the Premises demised under the Ground Lease and Beneficial Owner is the beneficial and equitable owner thereof; and

WHEREAS, Applicant intends to construct improvements on the Premises and desires to obtain certain benefits available under the Inclusionary Housing Program administered by the Department pursuant to Section 23-90 et seq. of the New York City Zoning Resolution (the "Resolution"; the Resolution and the Guidelines adopted by the Department pursuant thereto being, collectively, the "Program"; all capitalized terms used in these recitals and not otherwise defined shall have the meanings ascribed to such terms in Section 23-911 of the Resolution); and

WHEREAS, in order to obtain such benefits under the Program, Applicant must, among other things, submit to the Department an Affordable Housing Plan describing the Affordable Housing to be provided on the Premises, and the Department must enter into a Regulatory Agreement with the owner of the Premises providing for compliance with the Affordable Housing Plan and the applicable provisions of the Program; and

WHEREAS, Applicant has filed with the Department the Affordable Housing Plan attached hereto as Exhibit B and made a part hereof (the "Plan") to develop Affordable Housing Units on the Premises, and the Department has evaluated and approved the Plan as such terms and requirements of the Plan are reflected in this Agreement; and

WHEREAS, Applicant intends to provide the Affordable Housing Units developed on the Premises to Low Income Households in accordance with the Plan and this Agreement in order to generate Floor Area Compensation for one or more Compensated Developments pursuant to Sections 23-154 (Inclusionary Housing designated areas) and 23-90, inclusive, of the Resolution; and

WHEREAS, Tax Credit Master Lessee is the lessee of certain Affordable Housing Units identified in and pursuant to a Master Lease of even date herewith between Ground Lessee and Tax Credit Master Lessee (the "Tax Credit Master Lease"; the Affordable Housing Units so leased being the "Tax Credit Units"; Tax Credit Master Lessee, HDFC, Applicant, and Ground Lessor each being, to the extent of its interest in the Affordable Housing, an "Owner"); and

WHEREAS, Applicant or, during the term of the Tax Credit Master Lease, Tax Credit Master Lessee, will, in addition to this Agreement, provide the Tax Credit Units in accordance with (a) the Regulatory Agreement of even date herewith by and among New York City Housing Development Corporation, the City, acting by the Department, Ground Lessor, Ground Lessee, and Tax Credit Master Lessee (the "HDC Regulatory Agreement") in order to qualify for a low income housing income tax credit pursuant to Sections 42 and 142 of the United States Internal Revenue Code, and (b) the Regulatory and Use Agreement of even date herewith by and among Citibank, N.A., Ground Lessee, and Tax Credit Master Lessee; and

WHEREAS, the parties hereto wish to enter into this Agreement to set forth their rights and obligations hereunder,

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, it is hereby agreed as follows:

1. Capitalized terms not specifically defined herein shall have the meaning set forth in the Program.

2. Applicant will create, through new construction, one hundred and two (102) Affordable Housing Units pursuant to building plans submitted to and approved by the Department

(the "Building Plans") for a new building to be located on the Premises (the "Building"). Attached hereto as Exhibit C is a list identifying the Affordable Housing Units in the Building.

3. All of the one hundred and two (**102**) Affordable Housing Units shall be occupied by Low Income Households, as defined in the Resolution, which will permit Floor Area Compensation in conformance with the Resolution.

4. The authority to create additional Floor Area in Compensated Development(s) pursuant to the Resolution and granted in accordance with this Agreement may be transferred by Applicant or by whomever Applicant directs the Department, in writing, to receive such transfer authority, subject to the geographic and zoning limitations set forth in the Resolution and subject to the requirements of the Program.

5. The parties hereto agree that the site of the Affordable Housing Units is eligible for the construction of Low Income Floor Area pursuant to the Program and the requirements of Section 23-90 (Inclusionary Housing), inclusive of the Resolution. The parties hereto further agree that (a) Applicant shall not permit the Building Plans to be professionally certified to the City of New York Department of Buildings ("DOB") and (b) Applicant shall submit such Building Plans to a DOB plan examiner for review, and (c) applicable zoning calculations also shall be approved by a DOB plan examiner, and (d) construction of Affordable Housing Units, as described in the request, is in accordance with the Program requirements and with the Building Plans, with respect to the Affordable Housing Units, (which Program requirements and Building Plans are collectively defined as the "Construction Requirements"). Construction Requirements that relate to the Program requirements or Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) shall not be altered without the Department's written approval.

   Applicant shall complete the construction of the Affordable Housing Units within three (3) years from the date of this Agreement or, upon notice to the Department explaining the need for additional time and the expected completion date, such longer period as shall be provided in the Loan Documents (as hereinafter defined) or otherwise approved by the Department (the "Completion Deadline"). The construction of the Affordable Housing Units shall be deemed complete upon the Department's issuance, for presentation to the DOB, of a Completion Notice in accordance with Section 9 of this Agreement ("Completion").

6. This Agreement is subject to the Applicant's compliance with the requirements set forth in the Program. The Department acknowledges that, as of the date of this Agreement, Applicant has satisfied applicable requirements set forth in Section 23-90 (Inclusionary Housing), inclusive of the Resolution.

7. Affordable Housing Units created pursuant to this Agreement will be occupied solely by tenants who are Low Income Households at the time of such tenant's Initial Occupancy of such Affordable Housing Unit and shall be operated as Affordable Housing for Low Income Households for the entire period of time during which any Floor Area Compensation generated by Affordable Floor Area on the Premises is the subject of a permit, temporary certificate of occupancy or permanent certificate of occupancy issued by the Department of Buildings, or is otherwise under construction or in use in a Compensated Development (such period being the "Regulatory Period" defined in

Section 23-911 of the Resolution and referred to herein as "the term of this Agreement"). Such obligation shall run with the tax lot(s) within the zoning lot containing such Affordable Housing Units.

8. (a) The monthly rent charged to the tenant of an Affordable Housing Unit upon Rent-up shall not exceed the amount set forth in Exhibit D attached hereto for such Affordable Housing Unit, which amount is the initial monthly rent established by the Department pursuant to Section 23-961(b) of the Resolution. Each Affordable Housing Unit shall be registered with the New York State Division of Housing and Community Renewal or any successor agency ("DHCR") at the initial monthly rent established by the Department (such rent being the Legal Regulated Rent (as defined in Section 23-912 of the Resolution)) and shall thereafter remain subject to Rent Stabilization for the term of this Agreement and thereafter in accordance with Section 8(d) hereof. Applicant shall register all Affordable Housing Units with DHCR not later than (A) the Rent-up Date for 100% of the Affordable Housing Units, or (B) one (1) year after the Completion Deadline, whichever shall first occur (the "DHCR Registration Deadline").

If the rent charged for an Affordable Housing Unit, whether upon Rent-up, Initial Occupancy after Rent-up, or lease renewal, is less than the rent permitted to be charged under Rent Stabilization, such rent shall be a "preferential rent" for the purposes of Rent Stabilization and the lease of such Affordable Housing Unit must describe the registered rents and preferential rents in the manner required by DHCR.

(b) The monthly rent charged to the tenant of an Affordable Housing Unit upon Initial Occupancy after Rent-up or upon renewal of a lease of an Affordable Housing Unit shall not exceed the lesser of (i) the rent allowed by Rent Stabilization or (ii) the Maximum Monthly Rent for Low Income Households, or (iii) for Affordable Housing Units rented to households with incomes, at Initial Occupancy, below the Low Income Limit, the last rent charged for such unit increased by the percentage authorized by the New York City Rent Guidelines Board or its successor entity at the time of such renewal or lease.

(c) Notwithstanding anything to the contrary contained herein, neither Applicant nor any successor lessor of an Affordable Housing Unit shall utilize any exemption or exclusion from any requirement of Rent Stabilization to which such lessor might otherwise be or become entitled with respect to such Affordable Housing Unit, including, but not limited to, any exemption or exclusion from the rent limits, renewal lease requirements, registration requirements, or other provisions of Rent Stabilization due to (i) the vacancy of a unit where the Legal Regulated Rent exceeds a prescribed maximum amount, (ii) the fact that tenant income and/or the unit's Legal Regulated Rent exceeds prescribed maximum amounts, (iii) the nature of the tenant, or (iv) any other factor.

(d) Each Affordable Housing Unit that is occupied by a tenant at the end of the Regulatory Period shall remain subject to Rent Stabilization for so long as such tenant continues to occupy such Affordable Housing Unit.

(e) Applicant and any successor lessor of an Affordable Housing Unit shall (i) grant to all tenants the same rights that they would be entitled to pursuant to Rent Stabilization without regard to whether such Affordable Housing Units are statutorily subject to Rent Stabilization, and (ii) provide these rights in each lease of an Affordable Housing Unit. If any court declares that Rent Stabilization is statutorily inapplicable to an Affordable

Housing Unit, these rights shall continue in effect for the remainder of the Regulatory Period and thereafter in accordance with Section 8(d) hereof.

9. Issuance of the Completion Notice for Generating Sites that are not Compensated Developments

The Department shall issue a Completion Notice upon satisfaction of the following conditions (a) though (n) of this Section (9):

(a) receipt by the Department of a Certificate of Occupancy ("C of O") or a Temporary Certificate of Occupancy ("T C of O") for all of the Affordable Housing Units;

(b) determination by the Department in its sole discretion, based on such inspections and documentation as the Department shall request, that the Affordable Housing Units satisfy the requirements of (i) Sections 23-96(b), (c) and (d) of the Resolution and (ii) the Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and the implementing regulations at 24 CFR part 8.

(c) funding of the Special Reserve Fund in accordance with Section 15 of this Agreement; and

(d) submission of proof satisfactory to the Department that the Affordable Housing Units are being rented in accordance with Sections 8, 21 and 22 of this Agreement and that Applicant has entered into leases with tenants for at least 10% of the Affordable Housing Units in accordance with the Program, pursuant to which the tenants may begin occupancy upon the issuance of a C of O or T C of O; and

(e) submission of certificates satisfactory to the Department evidencing the insurance required by Section 12 of this Agreement and that the premiums therefor have been paid for the current year; and

(f) submission, on or after the date of the C of O or the T C of O, as the case may be, for the Affordable Housing Units of (i) a policy of title insurance issued by a title company in good standing licensed to issue title insurance in the State of New York insuring, as of the date of the Ground Lease, that Ground Lessee owns a leasehold interest in the Affordable Housing Units under the Ground Lease subject to no liens or encumbrances other than those approved by the Department and containing an endorsement in substantially the form attached hereto as Exhibit E, or, in lieu thereof, a lender's policy of title insurance evidencing such ownership; (ii) proof of payment of premiums therefor; and (iii) a title search performed by the title company from the date of such policy to the date of submission thereof under this paragraph together with a letter from the title company confirming that there are no liens or encumbrances other than those previously approved by the Department and no mechanics liens which have not been bonded; and

(g) submission of an executed contract between the Department and the Administering Agent in accordance with Section 11 of this Agreement; and

(h) submission of a copy of this Agreement evidencing recordation in the Office of the City Register in accordance with Section 29 and, if applicable, a Memorandum of Regulatory Agreement evidencing recordation in the Office of the City Register in accordance with Section 24; and

(i) submission of proof that each Affordable Housing Subordination Agreement (as hereinafter defined) was recorded immediately following execution thereof and that Applicant fully complied with the requirements of Section 19 of this Agreement; and

(j) submission of (i) proof of registration of the Building (or the portion thereof containing the Affordable Housing Units) and all occupied Affordable Housing Units with DHCR, and, if not all of the Affordable Housing Units are occupied, an affidavit stating that Applicant shall register all remaining units as they become occupied; (ii) proof that the Building is entirely free of violations of record issued by any City or State agency pursuant to the Multiple Dwelling Law, the Building Code, the Housing Maintenance Code and the Program, and (iii) an affidavit stating that Applicant shall complete the registration of the Building as a multiple dwelling in accordance with the New York City Housing Maintenance Code; and

(k) certification that the representations, warranties and statements made by the Applicant that are contained in this Agreement and in any other documents executed in connection with this Agreement remain true and correct as of the date on which the foregoing conditions have been satisfied; and

(l) submission of (i) proof that the Building Plans were reviewed by a DOB plan examiner and (ii) submission of a zoning sheet with zoning calculations for the Affordable Housing Units approved by DOB after the issuance of one or more T C of O's for the Affordable Housing Units, the Department's issuance of the Completion Notice being based upon such DOB approved calculations; and

(m) where applicable, submission of proof of completion of all applications for tax exemptions and/or abatements and that Applicant has fully complied with Section 5 of this Agreement; and

(n) compliance with all terms of this Agreement and the Program.

10. Warranties. Applicant shall obtain and retain commercially reasonable warranties of the work on the Affordable Housing Units from the general contractor and all subcontractors performing such work and, at the Department's request, shall submit such warranties for inspection.

11. Renting Affordable Housing Units. The Premises will be managed and operated by RELATED MANAGEMENT COMPANY, L.P. as the Administering Agent ("Administering Agent"). The Administering Agent shall ensure that Affordable Housing Units are rented at Rent-up and each subsequent vacancy, in compliance with the Plan and all of the requirements of the Program. Within (60) sixty days of the DHCR Registration Deadline, the Administering Agent shall submit an affidavit to the Department attesting that the Monthly Rent registered and charged for each Affordable Housing Unit, complied with the Monthly Rent requirements for such unit, at Initial Occupancy. Each year after the DHCR Registration Deadline, in the month of March, the Administering Agent shall

submit an affidavit to the Department attesting that each lease or sublease of an Affordable Housing Unit or renewal thereof, during the preceding year, complied with the applicable Monthly Rent requirements of the Program. A contract between the Administering Agent and the Department ("Administering Agent Agreement") is attached and made a part hereof as Exhibit F. The Department reserves the right to replace the Administering Agent in the event that the Affordable Housing Units are not rented at Rent-up and each subsequent vacancy thereafter in compliance with the Program. If, for any reason, the Administering Agent Agreement shall terminate at any time during the term of this Agreement, Applicant shall immediately enter into an Administering Agent Agreement with a new Administering Agent permitted or approved by the Department in accordance with Section 23-96(e) of the Zoning Resolution.

12. Insurance.

(a) Required Insurance.

(i) Applicant shall obtain and maintain in force all-risk casualty insurance, including broad form extended coverage that, in the event of a casualty to the Building containing the Affordable Housing Units, will pay an amount of insurance equal to full replacement value of the Building containing the Affordable Housing Units.

(ii) Applicant shall obtain and maintain in force commercial general liability insurance and other insurance of commercially reasonable types and amounts with respect to the Building containing the Affordable Housing Units.

(b) Casualty.

(i) In the event of a casualty, Applicant and/or the Administering Agent shall promptly notify the Department thereof. The Department agrees that, subject to the terms and conditions set forth in this Section 12, the proceeds of the insurance on the Premises may be utilized as determined by the lender or lenders participating in or making loans for the construction or permanent financing of the Building and permitted or approved under Section 19 of this Agreement (the "Financiers") in accordance with the documents governing or securing such loans, copies of which have been provided to the Department (the "Loan Documents"), and the Affordable Housing Subordination Agreements executed by such Financiers. Applicant shall promptly inform the Department of the disposition of such insurance proceeds.

(ii) (A) In the event of a partial casualty, to the extent that any additional Floor Area created pursuant to this Agreement continues to exist or is reconstructed after such casualty, the Affordable Housing Units shall be reconstructed so as to maintain in the Building the same ratio of Affordable Housing to the additional Floor Area as existed prior to such casualty, notwithstanding the availability of, or priority of payment of, insurance proceeds, and the terms of this Agreement shall remain in full force and effect.

(B) If the Applicant and Financiers determine that due to the nature of the casualty and the condition of the remaining structure, it is not practicable to include the Affordable Housing Units as originally configured in the replacement building, the Affordable Housing Units may be reconstructed in a location other than the Premises in accordance with the requirements of this Agreement and the Program.

(iii) In the event of a total casualty, where all additional Floor Area created pursuant to this Agreement ceases to exist and the Applicant elects not to utilize the additional Floor Area in the restored building, if any, then all proceeds shall be applied in accordance with the Loan Documents.

(iv) Applicant agrees that if the Building containing the Affordable Housing Units is reconstructed as provided in Section 12(b)(ii), then: (A) at such time as the restored portion of the Building or any new building is ready for occupancy, the Affordable Housing Units on each restored floor shall be made available for occupancy; (B) Applicant shall restore, repair, replace rebuild, alter or otherwise improve the Affordable Housing Units in accordance with this Agreement and the Program in effect as of the date hereof; (C) such construction shall be free of all violations under the New York City Building Code, the New York State Multiple Dwelling Law and the New York City Housing Maintenance Code and (D) Applicant shall, upon request of the Department, amend this Agreement to reflect any changes to the number, configuration or location of the Affordable Housing Units in any replacement building or off site location for the Affordable Housing Units made in accordance with this Section 12.

(v) Nothing contained herein shall limit the right, if any, of Ground Lessee or Tax Credit Master Lessee under any current or future Loan Documents to require a Financier to use the insurance proceeds for the rebuilding of the Premises and the Building (with certain protective procedures).

13. Construction Monitoring. The Department may monitor the construction of the Affordable Housing Units in any reasonable manner, including inspection of the Premises. Upon request of the Department, (a) Applicant shall give the Department notice of planning and construction progress meetings by telephone or in writing and (b) the Department may (i) participate in planning and construction progress meetings, (ii) review construction contracts, plans, specifications and materials samples and (iii) review proposed changes to the foregoing. Applicant shall give to the Department (x) following the Department's request pursuant to the preceding sentence, notice of proposed changes to any such documents or materials, and (y) notice of any casualty to or other material event concerning the work on the Affordable Housing Units.

14. Disclosure of Financial Arrangements. Upon the request of the Department, Applicant shall fully disclose the financial terms and arrangements relating to the Affordable Housing Units and sale or use by Applicant of Floor Area Compensation generated by the Affordable Floor Area of the Building. In the event that the Department obtains information pursuant to this Section 14, the Department shall thereafter disclose such information to third parties only as required by law, except that such data may be used and disclosed without attribution to Applicant as part of an analysis of the Program.

15. Special Reserve Fund. Simultaneous with or prior to the issuance of a Completion Notice, Applicant will fund a special operating reserve fund (the "Special Reserve Fund") in an amount equal to (a) **$81,667**, which represents $1.15 for each square foot of Affordable Housing stated in the architect certification previously submitted to the Department or (b) $1.15 per square foot for each square foot Affordable Housing stated in the zoning calculations approved by DOB and submitted in accordance with Section 9(l), whichever is greater, which amount shall be placed in a blocked reserve account to be administered by the Department or its designee. The Special Reserve Fund and the interest accrued thereon shall belong to the Applicant or its successor or assigns and shall be used solely for the benefit of the Affordable Housing Units. The Special Reserve Fund is separate from the Building reserve fund built into the rent roll that will accumulate over time. The proceeds of the Special Reserve Fund shall be available to pay for unanticipated increases in the cost of operating and maintaining the Affordable Housing Units (including, but not limited to, escalating real estate taxes or payments in lieu of taxes pursuant to the Ground Lease allocable to the Affordable Housing Units), or for capital repairs or improvements, the cost of which cannot be covered by the Building's capital reserve fund (collectively, "Project Costs") (the amount required to be deposited in the Special Reserve Fund at any time under this Section 15, together with interest thereon, being the "Minimum Balance").

In addition, Applicant may from time to time deposit additional sums in the Special Reserve Fund upon the sale of Additional Floor Area pursuant to Section 36 hereof, which amounts may be used for Project Costs or other purposes approved by the Department. Expenditures from the Special Reserve Fund shall be made solely at the discretion of the Department and may be made by the Department on behalf of Applicant for Project Costs in an aggregate amount not to exceed the Minimum Balance.

If, at any time, the balance in the Special Reserve Fund shall be less than the Minimum Balance, Applicant shall replenish the Special Reserve Fund by depositing therein the excess of collected rents over actual operating expenses and debt service on Initial Debt or Subsequent Debt (each as defined in Section 19 hereof) approved by the Department until the balance in the Special Reserve Fund shall be equal to the Minimum Balance. Such repayments into the Special Reserve Fund shall be made within ninety (90) days after the end of each year prior to the payment of any unpaid developer, syndication or partnership fees. In addition, such repayments shall be supported by financial statements for the preceding year prepared and certified by independent certified public accountants, an independent auditor's report, if prepared, and a rent roll for the Premises. Applicant may choose to replenish such Special Reserve Fund on a calendar year basis or on a fiscal year basis. In addition, upon sale, transfer or other disposition the Affordable Housing Units or any interest therein, Applicant shall repay, in full, all amounts withdrawn from and owed to the Special Reserve Fund up to the Minimum Balance.

Upon the termination or expiration of the HDC Regulatory Agreement, Applicant shall deposit into the Special Reserve Fund an additional amount equal to $1.10 per square foot of the Affordable Housing plus interest, compounded from the date of the issuance of the Completion Notice until such date at a rate equal to the rate at which the initial deposit to the Special Reserve Fund earned interest and such amount shall be included in the Minimum Balance.

In addition, upon the termination or expiration of the HDC Regulatory Agreement, Applicant shall transfer or cause to be transferred any funds remaining in the "Operating Reserve Fund" held pursuant to Loan Documents between Applicant and New York City Housing Development Corporation, but in no event less than $341,000, into an interest bearing reserve account ("Project Reserve") to be held and administered by the Department or its designee. The Project Reserve shall be used to pay for unanticipated increases in the cost of operating and maintaining all the residential units on the Premises, including the Affordable Housing Units. The Project Reserve is separate from the building reserve fund built into the rent roll that will accumulate over time and the Special Reserve Fund. If the Department authorizes any expenditure to be made from the Project Reserve, Applicant shall replenish the Project Reserve in the amount of such expenditures by depositing therein the excess of collected rents over actual operating expenses and debt service on Initial Debt or Subsequent Debt approved by the Department until all such repayments have been made. Such repayments into the Project Reserve shall be made within ninety (90) days after the end of each year after the Special Reserve Fund has been replenished in accordance with the preceding paragraphs of this Section, but prior to the payment of any unpaid developer, syndication or partnership fees. In addition, such repayments shall be supported by financial statements for the preceding year prepared and certified by independent certified public accountants, an independent auditor's report, if prepared, and a rent roll for the Premises. Applicant may choose to replenish such Project Reserve on a calendar year basis or on a fiscal year basis. In addition, upon sale, transfer, or other disposition of the Affordable Housing Units or any interest therein, Applicant shall repay, in full, all amounts withdrawn from and owed to the Project Reserve.

16. Inspection.

(a) The Department shall have full authority to inspect the Affordable Housing Units without prior notice during business hours and Applicant and the Administering Agent shall cooperate fully with the Department in any such inspection. The Department shall have authority to inspect the Affordable Housing Units other than during business hours on three (3) days prior notice.

(b) The Department shall have full authority to inspect the books and records of Applicant and the Administering Agent with respect to the Affordable Housing Units without prior notice during business hours and Applicant and the Administering Agent shall cooperate fully with the Department in any such inspection. Applicant and the Administering Agent shall furnish copies of all books and records with respect to the Affordable Housing Units, to the Department, without cost to the Department, upon five (5) days' prior written request.

17. Operating Accounts. Applicant shall provide the Department with the names and locations of all bank accounts established with respect to the management and operation of the Affordable Housing Units by Applicant (the "Operating Accounts"). All such accounts shall confer plenary authority on the Department to freeze such accounts, which authority the Department shall exercise subject to Section 18 of this Agreement. Furthermore, Applicant shall provide the Department with annual operating statements for the Affordable Housing Units.

18. Remedies of the Department.

(a) If Applicant violates any of the terms of this Agreement, or if any of the representations and warranties by Applicant set forth in Section 9(k) of this Agreement are determined to be false, then the Department may declare a default under this Agreement.

(b) Upon declaration of a default under this Agreement, the Department shall give Applicant and the Administering Agent, as applicable, and Tax Credit Master Lessee notice thereof in accordance with Section 28 of this Agreement and a reasonable opportunity to cure (if such default can be cured). If at the end of the cure period (if any) the default has not been cured, then the Department shall provide Applicant and the Administering Agent, as applicable, and Tax Credit Master Lessee notice thereof and shall provide Applicant and the Administering Agent an opportunity to be heard on not less than three (3) days prior written notice. Following such hearing, upon the existence of an uncured default under this Agreement, the Department may (i) assume responsibility for management of the Affordable Housing Units directly or through a third party designated by it, (ii) freeze the Operating Accounts, (iii) seek specific performance of this Agreement or an injunction against its violation, (iv) have a receiver of its choice appointed during the pendency of any litigation, (v) seek monetary damages against Applicant, and/or (vi) terminate this Agreement with respect to any portion of the Affordable Housing for which a Completion Notice pursuant to Section 9 has not been issued. If the Department exercises its rights under clause (ii) of this Section 18(b), the Department shall use funds in the Operating Accounts to make payments due under the Loan Documents for Initial Debt or Subsequent Debt approved by the Department and to pay the reasonable and customary operating expenses of the Affordable Housing Units.

During the term of the Tax Credit Master Lease, the Tax Credit Master Lessee shall have the right (but not the obligation) to cure any default hereunder in the same manner and within the same time, if any, as Applicant or Administering Agent shall have for curing such default hereunder

(c) If an Affordable Housing Subordination Agreement has been entered into by a Financier in accordance with Section 19 of this Agreement, the Department shall terminate this Agreement at any time prior to the issuance of the Completion Notice at the request of such Financier, or its successors or assigns, if such Financier, its successors or assigns, commences foreclosure proceedings or receives a deed in lieu of foreclosure with respect to the mortgage loan that is the subject of such Affordable Housing Subordination Agreement. If the Department terminates this Agreement pursuant to this Section 18(c), (i) all benefits granted pursuant to this Agreement to any project will be revoked, and (ii) this Agreement shall become null and void. The Department shall provide written confirmation of termination in recordable form upon the written request of Applicant and/or Financier.

(d) The remedies set forth in Section 18(b) shall be cumulative with any other remedies available to the Department at law or in equity and exercise of one or more remedies set forth in Section 18(b) shall not limit the Department in the

exercise of one or more other remedies set forth therein or otherwise available to the Department at law or in equity.

(e) The Department may exercise the remedies set forth in Section 18(b) without the notice, opportunity to cure or hearing provided therein if the Department determines that exigent circumstances require immediate action to protect the Affordable Housing Units or the tenants thereof. The Department will provide notice and a hearing as provided in Section 18(b) promptly following exercise of its remedies as set forth therein.

(f) If the Department elects to assume responsibility for management of the Affordable Housing Units pursuant to this Section 18, Applicant shall immediately deliver (or cause the Administering Agent to deliver) possession of the Affordable Housing Units and all books and records kept in connection therewith to the Department or the person designated by the Department and shall cooperate fully in effectuating the orderly transfer of management and control of the Affordable Housing Units, including execution of written instruments and provision of notice to third parties.

(g) Applicant hereby grants the Department and its designees an irrevocable license to enter and remain on the Affordable Housing Units for the purpose of managing such Affordable Housing Units as provided in this Section 18.

19. Debt Restrictions.

(a) Initial Debt: In accordance with Section 23-96(f) of the Resolution, no Owner shall mortgage or otherwise encumber its interest in the Affordable Housing Units or this Agreement as security for a debt without the prior written consent of the Department and the subordination of such mortgage or encumbrance to this Agreement pursuant to an Affordable Housing Subordination Agreement in the form annexed hereto as Exhibit K or otherwise approved by the Department (the "Affordable Housing Subordination Agreement") executed by the Department and the holder(s) of such mortgage or encumbrance. Immediately following execution of an Affordable Housing Subordination Agreement, the Owner granting such mortgage or encumbrance or the holder thereof shall cause such Agreement to be recorded as an encumbrance on the Affordable Housing Units in the Office of the City Register for the county in which the Affordable Housing Units are located, and shall pay all required fees and taxes in connection therewith.

Attached hereto as Exhibit J is the development budget approved by the Department setting forth the sources and uses of financing for the construction of the Affordable Housing, including mortgage loans to be made by one or more lenders. Provided that the lender holding a mortgage securing such debt executes an Affordable Housing Subordination Agreement and the Department receives proof of recordation of such Agreement immediately following execution thereof in the Office of the City Register for the county in which the Premises are located, such debt shall be deemed approved by the Department ("Initial Debt").

(b) Subsequent Debt: Notwithstanding anything to the contrary contained herein, on or after the date of issuance of the Completion Notice in accordance with Section

9 of this Agreement, or, if more than one Completion Notice is issued, on or after the date of the final Completion Notice, no Owner shall (i) mortgage or otherwise encumber its interest in the Affordable Housing Units or this Agreement as security for a debt other than Initial Debt approved by the Department, or (ii) modify the terms of any debt secured by a mortgage or other encumbrance on the Affordable Housing Units previously approved by the Department to increase the debt service payable thereon, unless, in either case, (A) such Owner has notified the Department of such debt or modification; (B) the lender is a local, state, or federal agency, savings bank, commercial bank, life insurance company, public real estate investment company, pension fund, Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), or other lender approved by the Department, (C) if the debt service coverage ratio, by reason of such new debt or modification, is less than 1.1, such Owner has obtained the prior written consent of the Department, and (D) if such debt is a new indebtedness and/or secured by a new mortgage, the lender has executed an Affordable Housing Subordination Agreement with the Department and such Agreement shall be recorded immediately following execution thereof in the Office of the City Register for the county in which the Premises are located. Upon satisfaction of the foregoing conditions, such subsequent debt shall be deemed approved by the Department ("Subsequent Debt")

20. Plan Certification. Following the execution of this Agreement, the Department will, upon the request of Applicant, certify that the Plan has been submitted and approved and is in compliance with the Program.

21. Marketing of Affordable Housing Units. The Administering Agent shall be required to market the Affordable Housing Units in accordance with the Program. Furthermore, each lease for an Affordable Housing Unit shall provide that such lease may be terminated and such tenant may be evicted if such tenant falsely or fraudulently certifies income or household composition.

22. Initial Occupancy Certification. Within sixty (60) days following the DHCR Registration Deadline, the Administering Agent shall submit to the Department an affidavit attesting that, at Initial Occupancy, (a) each Household occupying an Affordable Housing Unit complied, with the annual income eligibility requirements of the Program and (b) the Monthly Rent registered and charged for each Affordable Housing Unit, complied with the rent requirements of Section 6 hereof. For the purposes hereof, "annual income" shall mean the anticipated total income from all sources to be received by the household head and spouse and by each additional member of the household, including all net income derived from assets, for the relevant twelve (12) month period and be determined in accordance with the federal regulations at 24 C.F.R. 5.609 or any successor regulations,. The Administering Agent also shall retain all records and documents relating to income determination for a minimum of three (3) years after the date a tenant commences occupancy in an Affordable Housing Unit.

23. Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns. Except as provided in Sections 34 and 35 hereof, no Owner, or their respective successors or assigns shall sell, transfer or otherwise dispose of any of its interests in the Affordable Housing Units (including a lease of all or substantially of the Affordable Housing Units)

without the prior approval of the Department. Before any such sale, transfer, or other disposition of an interest in the Affordable Housing Units, the purchaser or transferee shall assume the obligations and duties of the transferor thereof under this Agreement pursuant to an Assignment and Assumption Agreement in the form attached hereto as Exhibit G or otherwise in form and substance satisfactory to the Department, to be recorded in the office of the City Register for the County in which the Premises are located and proof thereof delivered to the Department. Nothing contained herein shall limit or restrict the sale or transfer of the Affordable Housing Units to a Permitted Person (as defined in the Ground Lease) pursuant to the exercise of remedies by a Financier, including foreclosure or assignment or deed in lieu of foreclosure or the subsequent transfer of the Affordable Housing Units by such Financier following the exercise of such remedies, in accordance with an Affordable Housing Subordination Agreement executed by such Financier and the Department.

24. Condominium Conversion. Applicant shall not subdivide the Building into condominium units (the "Condominium Units"), unless (a) the Department shall have approved the condominium declaration and by-laws and any other documents necessary to effectuate such subdivision of the Building prior to recordation thereof, (b) the Condominium Units meet the requirements of Section 339-m of the Real Property Law, (c) the Department determines that the Affordable Housing Units will be operated pursuant to the requirements set forth in the Agreement and the Program, (d) the Memorandum of Regulatory Agreement in the form attached hereto as Exhibit H is recorded against the Condominium Units immediately upon recordation of the condominium declaration, and (e) the consent of Ground Lessor is obtained if required under the Ground Lease. Upon recordation of a condominium declaration and by-laws approved by the Department providing, among other things, for reconstruction of the Affordable Housing Units in the Building in accordance with Section 12(b) hereof, the Department will execute and deliver an instrument in recordable form releasing Condominium Units not containing any Affordable Housing Units from this Agreement.

25. Investigation Clause. Applicant and Administering Agent shall be bound by and comply with the provisions of the Investigation Clause annexed hereto as Exhibit I.

26. Modifications.

(a) No provision of this Agreement may be extended, modified, waived or terminated orally, but only by an instrument in writing signed by the party against whom enforcement is sought.

(b) Applicant and/or the Administering Agent, as applicable, shall comply with all modifications to Program reporting requirements as set forth in the Guidelines, of which the Applicant shall be deemed to have constructive notice, concerning: (i) the type of documents to be retained; (ii) the length of time for which such documents must be retained; and (iii) the form and method of submitting such documents to the Department.

27. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together shall be deemed one and the same instrument.

28. Notices. All notices, approvals, requests, waivers, consents or other communications given or required to be given under this Agreement shall be in writing and sent or transmitted as follows:

If to Applicant:
RIVERWALK 8, LLC
c/o The Related Companies
60 Columbus Circle
New York, NY 10023
Attn: Frank Monterisi
Facsimile (212) 801-1036

with a copy to:
The Hudson Companies, Inc.
826 Broadway, 11th Floor
New York, NY 10003
Attn: David Kramer
Facsimile (212) 777-9501

and a copy to:
Levitt & Boccio, LLP
423 West 55th Street, 8th Floor
New York, NY 10019
Attn: David S. Boccio, Esq.
Facsimile (212) 801-3762

If to Tax Credit Master Lessee:
Riverwalk 8 Affordable, L.P.
c/o WNC Holding, LLC
17782 Sky Par Circle
Irvine, CA 92614
Attn: David N. Shafer
Facsimile (714) 662-4412

with a copy to:
Holland & Knight LLP
10 St. James Avenue
Boston, MA 02116
Attn: Jonathan I. Sirois, Esq.
Facsimile (617) 523-6850

If to Ground Lessor:
Roosevelt Island Operating Corporation
591 Main Street
Roosevelt Island, NY 10044
Attn: Susan Rosenthal
Facsimile (___) ___-____

with a copy to:
Roosevelt Island Operating Corporation
591 Main Street
Roosevelt Island, NY 10044
Attn: General Counsel
Facsimile (___) ___-____

and a copy to:
Carter Ledyard & Milburn LLP
2 Wall Street
New York, NY 10005

Attn: Barbara Brown, Esq.
Facsimile (212) 732-3232

If to HDFC: Riverwalk 8 Housing Development Fund Corporation
c/o Settlement Housing Fund, Inc.
247 West 37th Street, 4th Floor
New York, New York 10018
Attn: Lee Warshavsky
Facsimile (212) 757-0571

If to the Department: Department of Housing Preservation and Development
100 Gold Street
New York, NY 10038
Attn: Assistant Commissioner for Housing Incentives
Facsimile (212) 863-5899

with a copy to: Department of Housing Preservation and Development
100 Gold Street
New York, NY 10038
Attn: General Counsel
Facsimile (212) 863-8375,

provided that failure to give a copy of any notice will not render such notice invalid or ineffective and neither Applicant or the Department shall be liable for any damages incurred or sustained as a result of the failure to give any such copy.

Notices must be hand delivered, transmitted via facsimile or sent by certified or registered U.S. mail, return receipt requested or overnight delivery by a reputable national carrier. Notice shall be deemed to have been given upon (i) delivery if sent by hand delivery, U.S. mail, or overnight courier, and (ii) confirmed receipt, if sent by facsimile, to both the addressee and the person entitled to receive a copy thereof. Each party named above may designate a change of address by written notice to all of the other parties

29. Recordation. Applicant shall, prior to commencement of construction, cause this Agreement to be recorded against the Premises in the Office of the City Register for the County in which the Premises are located and shall pay all required fees and taxes in connection therewith.

30. Choice of Law. The covenants, provisions and terms of this Agreement and the rights and obligations of the parties hereunder shall be governed by, and construed and interpreted in accordance with, the laws of the State of New York.

31. Termination.

(a) The Department reserves the right to terminate this Agreement with notice, in accordance with Section 28, to Applicant if Applicant does not complete the Affordable Housing Units by the Completion Deadline.

(b) Applicant may terminate this Agreement upon notice given in accordance with Section 28 to the Department at any time prior to the issuance of the Completion Notice.

32. Primary Residence. Affordable Housing Units may only be occupied as a primary residence, as defined in Rent Stabilization, by natural persons or families pursuant to a one or two year lease who have met the applicable income requirements for Low Income Households at the time of such tenant's initial occupancy of such unit. Applicant shall only offer a vacant dwelling unit for occupancy by persons or families intending to occupy such 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 dwelling unit for transient occupancy, for occupancy by any household that is not income eligible, or to any corporation or other entity.

33. More Restrictive Provisions Govern. In the event of any conflict between the terms of this Agreement and the terms of the HDC Regulatory Agreement or Citibank Regulatory Agreement with respect to the Affordable Housing Units, then (a) the more restrictive of the applicable provisions shall govern, and (b) nothing herein, including but not limited to, Sections 7, 8 and 11, shall limit, reduce or affect in any way the duration of any restrictions imposed on the operation or occupancy of the Affordable Housing Units by this Agreement.

34. Consent to Tax Credit Master Lease. The Department has approved the Tax Credit Master Lease, subject to the following:

(a) The Tax Credit Master Lease, and the rights and interests of Tax Credit Master Lessee thereunder are and shall be subject and subordinate to all of the terms, covenants, and conditions of this Agreement, and the Tax Credit Master Lessee shall comply with the all of the terms, covenants, and restrictions of this Agreement applicable to the Tax Credit Units.

(b) If the Tax Credit Master Lease shall terminate during the term of this Agreement and Ground Lessee executes a new master lease of the Tax Credit Units in form and substance satisfactory to the Department to a third party acceptable to the Department, such new master lease shall be deemed the Tax Credit Master Lease and the new lessee shall be deemed the Tax Credit Master Lessee for the purposes hereof.

Any such new Tax Credit Master Lease and the rights and interests of the new Tax Credit Master Lessee thereunder shall be subject and subordinate to the terms, covenants, and conditions of this Agreement, and such new Tax Credit Master Lease shall expressly provide for such subordination and that the new Tax Credit Master Lessee will comply with the all of the terms, covenants, and restrictions of this Agreement applicable to the Tax Credit Units.

(c) The Tax Credit Master Lease (including any new Tax Credit Master Lease executed pursuant to the preceding Section 34(b)) shall not be amended, modified or assigned, nor shall all or substantially all of the Tax Credit Units be further subleased, without the prior written consent of the Department; provided that the consent of the Department shall not be required for an amendment or

modification that is furnished to the Department prior to execution thereof and does not affect a material term of the Tax Credit Master Lease.

(d) In the event of any conflict between the terms of the Tax Credit Master Lease and the terms of this Agreement, the terms of this Agreement shall govern.

35. Ground Lessor's Consent and Agreement.

(a) The Ground Lease, and the rights and interests of Ground Lessor and Ground Lessee thereunder, are and shall be subject and subordinate to all of the terms, covenants, and conditions of this Agreement, and the Ground Lease shall expressly provide for such subordination. The City of New York, acting by and through the Department, consents to the execution and delivery of this Agreement by Ground Lessor.

(b) If the Ground Lease shall terminate during the term of this Agreement, Ground Lessor shall thereupon be deemed the Applicant and, subject to the provisions of Section 35(h) below, shall have all of the rights and perform all of the obligations of the Applicant hereunder (except the obligations of Applicant under Section 35(d) below) unless and until (i) Ground Lessor enters into a new lease of the Premises with a Financier or its designee in accordance with the Ground Lease, or (ii) Ground Lessor enters into a new lease of the Premises in form and substance satisfactory to the Department with a third party acceptable to the Department (any such new lease pursuant to clause (i) or (ii) being a "New Lease" and the lessee being a "New Lessee"), whereupon the New Lease shall be deemed the Ground Lease and New Lessee shall be deemed the Applicant for the purposes hereof and New Lessee shall perform all of the obligations of the Applicant hereunder; *provided, however*, that if the Ground Lease shall terminate prior to the issuance of a Completion Notice by the Department in accordance with Section 9 hereof, the Department shall, subject to the rights of Financiers under the Ground Lease and their Loan Documents, terminate this Agreement upon request of Ground Lessor.

The New Lease and the rights and interests of Ground Lessor and New Lessee thereunder shall be subject and subordinate to the terms, covenants, and conditions of this Agreement, and the New Lease shall expressly provide for such subordination. The New Lease shall not be effective unless and until New Lessee assumes, by written instrument acceptable to the Department, the obligations of Applicant under this Agreement.

(d) If the Ground Lease shall terminate during the term of this Agreement, Applicant shall deliver to Ground Lessor or, if a New Lease has been executed, New Lessee, (i) a copy of all books and records maintained with respect to the Affordable Housing Units and (ii) all funds in the Operating Accounts maintained by Applicant to be deposited in new Operating Accounts established in accordance with Section 17 hereof.

(e) [omitted]

(f) In the event of any conflict between the terms of the Agreement and the terms of the Ground Lease, the terms of this Agreement shall govern.

(e) Notwithstanding execution of this Agreement by HDFC, Ground Lessor, and the City, the Department shall look only to the Applicant from time to time for performance of the obligations of Applicant under this Agreement.

(f) Each Owner will promptly execute and deliver to the Department such documents as the Department may request to effectuate the terms of this Agreement.

(g) The City, including, but not limited to, the Department, shall have: (i) no obligation or liability under the Ground Lease and/or any Loan Documents, (ii) no duty or obligation to determine whether any act or omission of the Ground Lessee (including, without limitation, any sale, transfer or other disposition of any interest in any Floor Area Compensation and/or the Affordable Housing Units) is in compliance with the terms of the Ground Lease and/or any Loan Documents, or to enforce the terms of the Ground Lease and/or any Loan Documents, and (iii) no duty or obligation to determine whether any exercise of any Financier's rights under Section 18(c) above is in compliance with the terms of the Ground Lease, the Loan Documents, or any other agreement between or among an Owner and/or any Financier. In addition, no Owner, or their respective successors and assigns, including but not limited to any Financier, shall have any claim or cause of action against the City, including, but not limited to, the Department, for any breach of the terms of the Ground Lease or any Loan Documents or the exercise by any Financier of its rights under Section 18(c).

(h) Notwithstanding any provision of this Agreement to the contrary, so long as Ground Lessor is Roosevelt Island Operating Corporation or another Governmental Authority (as defined in the Lease), the following additional provisions shall apply:,

(i) if the Ground Lease (including any New Lease) terminates during the term of this Agreement and Ground Lessor does not enter into a new lease with a Financier or its designee pursuant to the Ground Lease or with any other third party reasonably acceptable to Ground Lessor and the Department, then the Department shall endeavor to propose an entity qualified to manage and operate the Affordable Housing Units in accordance with the Program and this Agreement as the New Lessee, and, if such entity would have qualified as a "Permitted Person" (as such term was defined in the Ground Lease) and is willing to enter into a New Lease on the terms and conditions of the Ground Lease, Ground Lessor shall promptly enter into a New Lease with such entity, whereupon the New Lease shall be deemed the Ground Lease and New Lessee shall be deemed the Applicant for the purposes hereof; and

(ii) until the Department shall propose a Permitted Person as the New Lessee and such New Lessee and Ground Lessor shall enter into a New Lease on the terms and conditions of the Ground Lease or otherwise acceptable to Ground Lessor in accordance with this Section 35, Ground Lessor and the Department will cooperate to assure that the Affordable Housing Units will be managed and operated in accordance with the Program and this Agreement. and

(iii) In no event shall Ground Lessor be:

(A) obligated to complete any construction work required to be done by Ground Lessee pursuant to the provisions of the Ground Lease or this Agreement or to reimburse the Department for any construction work done by the Department,

(B) liable for any accrued obligation of Ground Lessee or any prior owner of an interest in the Affordable Housing Units, or for any act or omission of Ground Lessee or any prior owner of an interest in the Affordable Housing Units, whether prior to or after such termination,

(C) liable under any indemnity provision of whatever nature contained herein or in any other agreement relating to the Affordable Housing Units, including, but not limited to, any environmental indemnity,

(D) required to make any repairs to the Affordable Housing Units and/or to the Building, except any repairs required by law or other agreements applicable to Ground Lessor by reason of its status as owner of the Building in which the Affordable Housing Units are located,

(E) required to make any capital improvements to the Affordable Housing Units or the Building which Ground Lessee or the owner or any prior owner of an interest in the Affordable Housing Units may have agreed to make, but had not completed, except any repairs required by law or other agreements applicable to Ground Lessor by reason of its status as owner of the Building in which the Affordable Housing Units are located,

(F) subject to any offsets, claims or counterclaims which shall have accrued to Ground Lessee or the owner or any prior owner of an interest in the Affordable Housing Units prior to the date on which the Ground Lease was terminated, or

(G) bound by any obligation in this Agreement other than (1) the obligation to lease the Affordable Housing Units in accordance with Sections 7 and 8, maintain insurance in accordance with Section 12, replenish the Special Reserve Fund from excess rents in accordance with Section 15 in amounts determined from time to time by Ground Lessor, maintain an Operating Account in accordance with Section 17, and comply with the provisions of Sections 19 and 23 with respect to mortgages and transfers of the Affordable Housing Units, and (2) Ground Lessor's other obligations expressly set forth in this Section 35, *provided that* the obligations set forth in clause (1) shall terminate upon execution of a New Lease in accordance with this Section 35; and

(iv) By execution of this Agreement, Ground lessor acknowledges that the conditions set forth in Sections 45.1(i), (ii), and (iii) of the Ground Lease have been satisfied or waived.

36. Sale of Floor Area Compensation.

(a) For the purposes of this Section,

(i) "Additional Floor Area" shall mean the aggregate Floor Area Compensation available for Compensated Developments determined in accordance with the Zoning Resolution on the basis of the Affordable Floor Area stated in the Completion Notice.

(ii) "IH Sale Proceeds" shall mean the total consideration payable for Additional Floor Area pursuant to a PSA.

(iii) "PSA" shall have the meaning ascribed to it in Section 36(b).

(iv) "Schedule of Payments" shall mean the schedule approved in writing by Applicant and the Department setting forth the manner in which IH Sale Proceeds are to be applied

(v) "Transfer Certificate" shall mean a "Completion Notice – Certificate of Floor Area Compensation Transfer" issued by, and bearing the raised seal of, the Department to evidence the transfer of Affordable Floor Area, naming Applicant as transferor, and the recipient of such Additional Floor Area, as transferee, and specifying the address of the Premises as the generating site. The Transfer Certificate may, but need not, specify the property to receive the Affordable Floor Area transferred thereby.

(b) Applicant may, following receipt of a Completion Notice hereunder, sell Additional Floor Area for use in Compensated Developments to the extent permitted in the Resolution. Each such sale of Additional Floor Area shall be made pursuant to a purchase and sale agreement (each a "PSA") on terms and conditions satisfactory to the Department for a minimum price per square foot of Additional Floor Area consistent with

(i) the price per square foot of land for existing developable sites in either (A) the Community Board in which the Premises are located or (B) within one-half mile of the Premises in a Community Board adjacent to the Community Board in which the Premises are located as of the date of such PSA, as determined by the Department, or

(ii) such other price as may be approved by the Department, including, but not limited to, the best price attainable for Additional Floor Area within the geographic area in which the Additional Floor Area from the Premises may be used.

The Department must receive, as a condition to delivery of a Transfer Certificate in connection with a sale of Additional Floor Area, satisfactory evidence that the sales price in the PSA meets the foregoing minimum price requirement together with a statement of the payments to be made from IH Sale Proceeds upon the closing of such sale and the aggregate amount of IH Sale Proceeds received and paid in accordance with the Schedule of Payments from all prior sales.

(c) The Department acknowledges that the Initial Debt includes a loan to Applicant and Tax Credit Master Lessee in the original principal amount of $18,284,264 (the "IH Bridge Loan") secured by, among other things, a pledge to Citibank, N.A., ("Bank") of all Additional Floor Area, PSAs, IH Sale Proceeds and Transfer Certificates pursuant to a Pledge and Assignment of Inclusionary Air Rights, Purchase Agreements and Proceeds dated as of the date hereof among Applicant, Tax Credit Master Lessee, HDFC, and Bank (the "Pledge Agreement"). In furtherance thereof, Applicant, Tax Credit Master Lessee, and HDFC hereby (i) direct the Department to deliver to Bank or its designee, upon receipt of a written request from Bank, one or more Transfer Certificates for all Additional Floor Area not theretofore transferred, (ii) agree that any such request by Bank shall be deemed conclusive evidence that Bank is entitled thereto pursuant to the Pledge Agreement, and (iii) authorize Bank to sell such Additional Floor Area for any price acceptable to Bank. Upon receipt of any such request from Bank, the Department shall, provided that a Completion Notice shall have been issued hereunder, deliver such Transfer Certificates as directed by Bank, and Bank or its designee(s) shall be entitled to sell the Additional Floor Area evidenced by such Transfer Certificates without any further approval or consent of the Department provided that all IH Sale Proceeds are applied in accordance with the Schedule of Payments. If Applicant or Tax Credit Master Lessee or an affiliate of either of them shall purchase or otherwise acquire any Additional Floor Area transferred to, or at the direction of, Bank hereunder, any subsequent sale of such Additional Floor Area shall be subject to the provisions of this Section 36.

[NO FURTHER TEXT ON THIS PAGE; SIGNATURE PAGE FOLLOWS]

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

THE CITY OF NEW YORK
By its Department of Housing Preservation and Development

By: _____
Meghan Smith
Chief of Staff, Office of Development

RIVERWALK 8 HOUSING DEVELOPMENT FUND CORPORATION

By: _____
Lee Warshavsky, Secretary/Treasurer

RIVERWALK 8, LLC

By: _____
Frank Monterisi, Manager

By: _____
David Kramer, Manager

RIVERWALK 8 AFFORDABLE, L.P.
By: Riverwalk 8, LLC, its general partner

By: _____
Frank Monterisi, Manager

By: _____
David Kramer, Manager

ROOSEVELT ISLAND OPERATING CORPORATION

By: _____
Susan Rosenthal, President

APPROVED FOR USE
UNTIL DECEMBER 31, 2019:
/s /Isabel Galis-Menendez
ACTING CORPORATION COUNSEL

UNIFORM ACKNOWLEDGEMENTS

STATE OF NEW YORK)
) SS:
COUNTY OF NEW YORK)

On this ____ day of December, 2018, before me, the undersigned, a Notary Public in and for said State, personally appeared **MEGHAN SMITH**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to in the within instrument and acknowledged to me that [s]he executed the same in [her]his capacity, and that by [her]his signature on the instrument, the individual, or the person on behalf of which the individual acted, executed the instrument.

NOTARY PUBLIC

STATE OF NEW YORK)
) SS:
COUNTY OF NEW YORK)

On this ____ day of December, 2018, before me, the undersigned, a Notary Public in and for said State, personally appeared **FRANK MONTERISI**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to in the within instrument and acknowledged to me that [s]he executed the same in [her]his capacity, and that by [her]his signature on the instrument, the individual, or the person on behalf of which the individual acted, executed the instrument.

NOTARY PUBLIC

STATE OF NEW YORK)
) SS:
COUNTY OF NEW YORK)

On this ____ day of December, 2018, before me, the undersigned, a Notary Public in and for said State, personally appeared **DAVID KRAMER**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to in the within instrument and acknowledged to me that [s]he executed the same in [her]his capacity, and that by [her]his signature on the instrument, the individual, or the person on behalf of which the individual acted, executed the instrument.

NOTARY PUBLIC

UNIFORM ACKNOWLEDGEMENTS, continued

STATE OF NEW YORK)
) SS:
COUNTY OF NEW YORK)

On this ____ day of December, 2018, 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 in the within instrument and acknowledged to me that [s]he executed the same in [her]his capacity, and that by [her]his signature on the instrument, the individual, or the person on behalf of which the individual acted, executed the instrument.

_____
NOTARY PUBLIC

STATE OF NEW YORK)
) SS:
COUNTY OF NEW YORK)

On this ____ day of December, 2018, before me, the undersigned, a Notary Public in and for said State, personally appeared **SUSAN ROSENTHAL**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to in the within instrument and acknowledged to me that [s]he executed the same in [her]his capacity, and that by [her]his signature on the instrument, the individual, or the person on behalf of which the individual acted, executed the instrument.

_____
NOTARY PUBLIC

EXHIBIT A
PROPERTY DESCRIPTION

ALL those certain plots, pieces or parcels of land situate, lying and being in the City and State of New York described as follows:

Borough: Manhattan

County: New York

Block: 1373

Lot: parts of Lots 1 and 9, to be designated as Lot 9

Address: 460 Main Street

and more particularly described as follows:

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

BEGINNING at a point on the southeasterly side of a road known as Main Street (80 feet wide) said point having a coordinate of North 12,732.424, East 17,128.330 (Roosevelt Island Coordinate System);

RUNNING THENCE along the southeasterly side of Main Street, North 35 degrees 55 minutes 19 seconds East, a distance of 200.92 feet;

THENCE South 54 degrees 04 minutes 41 seconds East, 144.83 feet;

THENCE South 33 degrees 45 minutes 37 seconds West, a distance of 201.06 feet;

THENCE North 54 degrees 04 minutes 41 seconds West, a distance of 152.42 feet to the point and place of BEGINNING

EXHIBIT B
AFFORDABLE HOUSING PLAN

[next page]

EXHIBIT C
AFFORDABLE HOUSING UNITS

(next page)

EXHIBIT D
SCHEDULE OF RENTS AND EXPENSES

[next page]

EXHIBIT E
STANDARD NEW YORK ENDORSEMENT
(OWNER'S POLICY)

1. The following is added to the insuring provisions on the face page of this policy:

"__. Any statutory lien for services, labor or materials furnished prior to the date hereof, and which has now gained or which may hereafter gain priority over the estate or interest of the insured as shown in Schedule A of this policy."

2. Exclusion Number 5 is deleted, and the following is substituted:

5. Any lien on the Title for real estate taxes, assessments, water charges or sewer rents imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as Shown in Schedule A.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

IN WITNESS WHEREOF, _____Insurance Company of New York has caused this Endorsement to be signed and sealed on its date of issue set forth herein.

DATED:

COUNTERSIGNED_____
Authorized Signatory

_____Insurance Company

By:_____

EXHIBIT F
ADMINISTERING AGENT AGREEMENT
INCLUSIONARY HOUSING PROGRAM

[next page]

EXHIBIT G
AFFORDABLE HOUSING TRANSFEREE AGREEMENT

WHEREAS, _____, a New York _____ having an office AT _____, New York _____ ("Transferor"), is simultaneously herewith transferring to _____, a _____ having an address at _____ ("Transferee") all of its right, title and interest in and to certain real property known as **460 Main Street, New York, New York** and identified on the New York City tax map as **Block 1373, Lot 9** (the "Premises"); and

WHEREAS, the Premises is subject to a Regulatory Agreement dated December ___, 2018 among Transferor and the City of New York, acting by and through its Department of Housing Preservation and Development (the "Department"), among others, recorded in the office of the City Register for the County in which the Affordable Housing is located on _____, 20__ as CRFN _____ (the "Regulatory Agreement"); and

WHEREAS, the Regulatory Agreement provides that the Premises may not be transferred unless Transferee executes a transferee agreement to perform the obligations of Transferor under the Regulatory Agreement with respect to the Affordable Housing Units identified therein,

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, receipt of which is acknowledged,

(a) Transferee agrees to hereafter perform all of the obligations of Transferor under the Regulatory Agreement with respect to the Affordable Housing Units,

(b) Transferor shall continue to perform the obligations of Transferor under the Regulatory Agreement, and

(c) all notices, approvals, requests, waivers, consents or other communications given or required to be given to Transferor and/or the Department under the Regulatory Agreement shall hereafter be given simultaneously to Transferee in the manner provided in the Regulatory Agreement at the following address(es):

_____
_____
_____
Attn: _____
Facsimile: (__) _____

with a copy to:

_____
_____
_____
Attn: _____
Facsimile: (__) _____

IN WITNESS WHEREOF, Transferor and Transferee have executed this Transferee Agreement as of the date specified below.

Dated: _____, 20__

[TRANSFEROR]

By:_____
Name:
Title:

[TRANSFEREE]

By:_____
Name:
Title:

UNIFORM ACKNOWLEDGEMENTS

STATE OF NEW YORK)
) SS:
COUNTY OF NEW YORK)

On this _____ day of _____, 20___, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to in the within instrument and acknowledged to me that [s]he executad the same in [her]his capacity, and that by [her]his signature on the instrument, the individual, or the person on behalf of which the individual acted, executed the instrument.

_____
NOTARY PUBLIC

STATE OF NEW YORK)
) SS:
COUNTY OF NEW YORK)

On this _____ day of _____, 20___, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to in the within instrument and acknowledged to me that [s]he executed the same in [her]his capacity, and that by [her]his signature on the instrument, the individual, or the person on behalf of which the individual acted, executed the instrument.

_____
NOTARY PUBLIC

EXHIBIT H
MEMORANDUM OF REGULATORY AGREEMENT

THIS MEMORANDUM OF REGULATORY AGREEMENT made this ____ day of _____, 20__, by **RIVERWALK 8 HOUSING DEVELOPMENT FUND CORPORATION**, a New York housing development fund corporation, and **RIVERWALK 8, LLC**, a New York limited liability company, each having an office at c/o The Related Companies, 60 Columbus Circle, New York, New York 10023 (collectively, "Owner").

WITNESSETH:

1. The Owner is owner of a leasehold interest in the premises located in the County, City and State of New York known as and by the street address **460 Main Street, New York, New York** and identified on the tax map of the City as **Block 1373, Lot 9** (as more particularly described in Exhibit A attached hereto, the "Premises"); and

2. The Owner has agreed to provide Affordable Housing Units on the Premises as defined in and in accordance with a Regulatory Agreement dated as of December __, 2018 between Owner and the City of New York, a municipal corporation acting through its Department of Housing Preservation and Development ("HPD"), among others, recorded in the Office of the City Register for New York County on [*insert date*] as CFRN [*insert CFRN number*] (the "Regulatory Agreement"); and

3. The Regulatory Agreement and the covenants contained therein shall run with the land constituting the Premises and be binding upon Owner's successors, assigns, heirs, grantees and lessees, and is, by this reference, made a part hereof *[together with the provisions of Section 23-90 (Inclusionary Housing) of the Zoning Resolution of the City of New York]*; and

4. This Memorandum of Regulatory Agreement is intended to provide constructive notice of the existence and terms of the Regulatory Agreement and in no way modifies or amends the Regulatory Agreement. If any provision of this Memorandum of Regulatory Agreement conflicts with a provision of the Regulatory Agreement, the terms of the Regulatory Agreement shall prevail. The Owner at its sole cost and expense shall cause this Memorandum of Regulatory Agreement to be recorded against each tax lot within the zoning lot containing the Affordable Housing whether or not such tax lot existed at the time the Regulatory Agreement was recorded.

[NO FURTHER TEXT ON THIS PAGE; SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, this Memorandum of Regulatory Agreement has been executed as of the date first set forth above.

RIVERWALK 8, LLC

By: _____
Frank Monterisi, Manager

By: _____
David Kramer, Manager

RIVERWALK 8 HOUSING DEVELOPMENT FUND CORPORATION

By: _____
Lee Warshavsky, Secretary / Treasurer

UNIFORM ACKNOWLEDGEMENTS

STATE OF NEW YORK)
) SS:
COUNTY OF NEW YORK)

On this _____ day of _____, 20__, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to in the within instrument and acknowledged to me that [s]he executed the same in [her]his capacity, and that by [her]his signature on the instrument, the individual, or the person on behalf of which the individual acted, executed the instrument.

_____
NOTARY PUBLIC

STATE OF NEW YORK)
) SS:
COUNTY OF NEW YORK)

On this _____ day of _____, 20__, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to in the within instrument and acknowledged to me that [s]he executed the same in [her]his capacity, and that by [her]his signature on the instrument, the individual, or the person on behalf of which the individual acted, executed the instrument.

_____
NOTARY PUBLIC

EXHIBIT I
INVESTIGATION CLAUSE

(a) The parties to this Agreement agree to cooperate fully and faithfully with any investigation, audit or inquiry conducted by a State of New York (State) or City of New York (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, contracts, 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 witness 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 of New York, 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 witness 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 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 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 (5) 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 paragraph (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 (5) years from the date of an adverse determination for 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 such existing City contracts, leases, permit, 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; moneys 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 paragraphs (1) and (2) below. He or she may also consider, if relevant and appropriate, the criteria established in paragraphs (3) and (4) below 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 refuses 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 (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 (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 moneys, 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 in association with another person or entity as a partner, officer, principal or employee.

(i) In addition to and notwithstanding any other provisions of this Agreement the Commissioner or agency head may in his or her sole discretion terminate this Agreement upon not less than three (3) days written notice in the event the contractor fails to promptly report in writing to the Commissioner of Investigation of the City of New York 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 Agreement.

EXHIBIT J
DEVELOPMENT BUDGET

[next page]

EXHIBIT K
FORM OF AFFORDABLE HOUSING SUBORDINATION AGREEMENT

[next page]

REGULATORY AGREEMENT

AMONG

THE CITY OF NEW YORK,

ROOSEVELT ISLAND OPERATING CORPORATION,

RIVERWALK 8 HOUSING DEVELOPMENT FUND CORPORATION,

RIVERWALK 8, LLC,

AND

RIVERWALK 8 AFFORDABLE, L.P.

Borough:	Manhattan
County:	New York
Block:	1373
Lot:	parts of Lots 1 and 9, to be designated as Lot 9
Address:	460 Main Street

RECORD AND RETURN TO:
Department of Housing Preservation
and Development
Office of Legal Affairs
100 Gold Street, Room 5Q1
New York, NY 10038