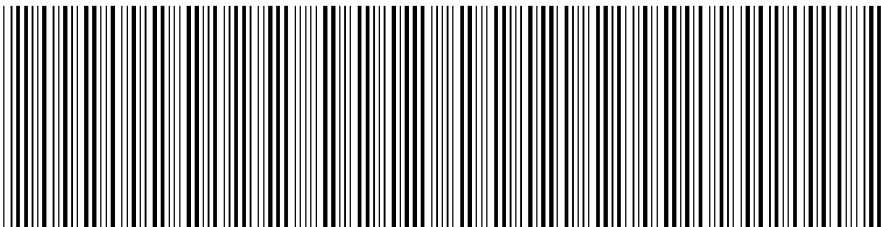


**NYC DEPARTMENT OF FINANCE
OFFICE OF THE CITY REGISTER**

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2020021300430045010EA995

RECORDING AND ENDORSEMENT COVER PAGE

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Document ID: 2020021300430045

Document Date: 02-12-2020

Preparation Date: 02-14-2020

Document Type: AGREEMENT

Document Page Count: 112

PRESENTER:

BELLROW TITLE AGENCY, LLC(200083)BL
125 PARK AVENUE, SUTE 1610
NEW YORK, NY 10017
212-376-0900
MERLYB@BELLROWTITLE.COM

RETURN TO:

BELLROW TITLE AGENCY, LLC(200083)BL
125 PARK AVENUE, SUTE 1610
NEW YORK, NY 10017
212-376-0900
MERLYB@BELLROWTITLE.COM

PROPERTY DATA

Borough	Block	Lot	Unit	Address
BROOKLYN	1794	11	Entire Lot	344 CLIFTON PLACE

Property Type: DWELLING ONLY - 2 FAMILY

Borough	Block	Lot	Unit	Address
BROOKLYN	1794	112	Entire Lot	346 CLIFTON PLACE

Property Type: DWELLING ONLY - 2 FAMILY

Additional Properties on Continuation Page

CROSS REFERENCE DATA

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

PARTIES

PARTY 1:

BROOKLYN HOUSING PRESERVATION L.P.
909 3RD AVENUE, 21ST FLOOR
NEW YORK, NY 10022

PARTY 2:

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

Additional Parties Listed on Continuation Page

FEES AND TAXES

Mortgage :

Mortgage Amount: \$ 0.00

Taxable Mortgage Amount: \$ 0.00

Exemption:

TAXES: County (Basic): \$ 0.00

City (Additional): \$ 0.00

Spec (Additional): \$ 0.00

TASF: \$ 0.00

MTA: \$ 0.00

NYCTA: \$ 0.00

Additional MRT: \$ 0.00

TOTAL: \$ 0.00

Recording Fee: \$ EXEMPT

Affidavit Fee: \$ 0.00

Filing Fee:

\$ 0.00

NYC Real Property Transfer Tax:

\$ 0.00

NYS Real Estate Transfer Tax:

\$ 0.00

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

CITY OF NEW YORK

Recorded/Filed 02-19-2020 14:49

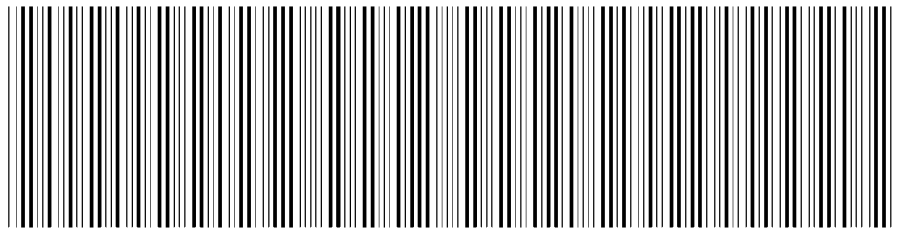
City Register File No.(CRFN):

202000064811



Annette McHill

City Register Official Signature



2020021300430045010CAB15

RECORDING AND ENDORSEMENT COVER PAGE (CONTINUATION)

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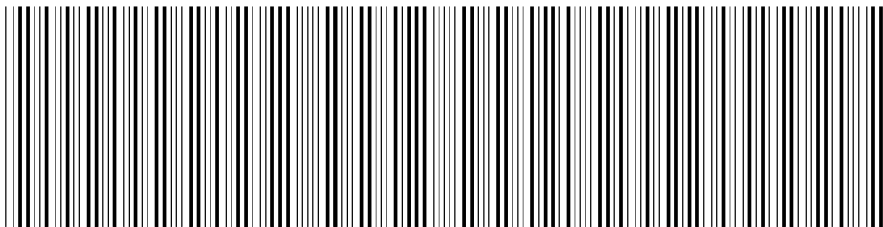
Document ID: 2020021300430045
Document Type: AGREEMENT

Document Date: 02-12-2020

Preparation Date: 02-14-2020

PROPERTY DATA

Borough	Block Lot	Unit	Address
BROOKLYN	1794 113 Entire Lot		348 CLIFTON PLACE
	Property Type: DWELLING ONLY - 2 FAMILY		
BROOKLYN	1794 114 Entire Lot		350 CLIFTON PLACE
	Property Type: DWELLING ONLY - 2 FAMILY		
BROOKLYN	1794 115 Entire Lot		352 CLIFTON PLACE
	Property Type: DWELLING ONLY - 2 FAMILY		
BROOKLYN	1794 116 Entire Lot		354 CLIFTON PLACE
	Property Type: DWELLING ONLY - 2 FAMILY		
BROOKLYN	1794 117 Entire Lot		356 CLIFTON PLACE
	Property Type: DWELLING ONLY - 2 FAMILY		
BROOKLYN	1794 118 Entire Lot		358 CLIFTON PLACE
	Property Type: DWELLING ONLY - 2 FAMILY		
BROOKLYN	1794 119 Entire Lot		360 CLIFTON PLACE
	Property Type: DWELLING ONLY - 2 FAMILY		
BROOKLYN	1794 120 Entire Lot		362 CLIFTON PLACE
	Property Type: DWELLING ONLY - 2 FAMILY		
BROOKLYN	1794 121 Entire Lot		366 CLIFTON PLACE
	Property Type: APARTMENT BUILDING		
BROOKLYN	1794 139 Entire Lot		384 CLIFTON PLACE
	Property Type: APARTMENT BUILDING		
BROOKLYN	1794 181 Entire Lot		N/A GREENE AVENUE
	Property Type: NON-RESIDENTIAL VACANT LAND		
BROOKLYN	1794 54 Entire Lot		545 GREENE AVENUE
	Property Type: APARTMENT BUILDING		
BROOKLYN	1802 43 Entire Lot		250 LEXINGTON AVENUE
	Property Type: DWELLING ONLY - 2 FAMILY		
BROOKLYN	1802 44 Entire Lot		252 LEXINGTON AVENUE
	Property Type: DWELLING ONLY - 1 FAMILY		



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RECORDING AND ENDORSEMENT COVER PAGE (CONTINUATION)

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Document ID: 2020021300430045

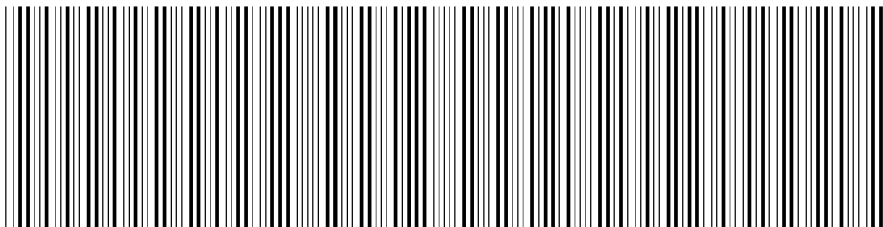
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Preparation Date: 02-14-2020

Document Type: AGREEMENT

PROPERTY DATA

Borough	Block Lot	Unit	Address
BROOKLYN	1802 51 Entire Lot		360 NOSTRAND AVENUE
	Property Type: APARTMENT BUILDING		
BROOKLYN	1803 11 Entire Lot		278 LEXINGTON AVENUE
	Property Type: DWELLING ONLY - 2 FAMILY		
BROOKLYN	1803 112 Entire Lot		280 LEXINGTON AVENUE
	Property Type: DWELLING ONLY - 2 FAMILY		
BROOKLYN	1803 113 Entire Lot		282 LEXINGTON AVENUE
	Property Type: DWELLING ONLY - 2 FAMILY		
BROOKLYN	1803 114 Entire Lot		284 LEXINGTON AVENUE
	Property Type: DWELLING ONLY - 2 FAMILY		
BROOKLYN	1803 115 Entire Lot		286 LEXINGTON AVENUE
	Property Type: DWELLING ONLY - 2 FAMILY		
BROOKLYN	1803 116 Entire Lot		288 LEXINGTON AVENUE
	Property Type: DWELLING ONLY - 2 FAMILY		
BROOKLYN	1803 117 Entire Lot		290 LEXINGTON AVENUE
	Property Type: DWELLING ONLY - 2 FAMILY		
BROOKLYN	1803 118 Entire Lot		292 LEXINGTON AVENUE
	Property Type: DWELLING ONLY - 2 FAMILY		
BROOKLYN	1803 119 Entire Lot		294 LEXINGTON AVENUE
	Property Type: DWELLING ONLY - 2 FAMILY		
BROOKLYN	1803 120 Entire Lot		296 LEXINGTON AVENUE
	Property Type: DWELLING ONLY - 2 FAMILY		
BROOKLYN	1803 121 Entire Lot		298 LEXINGTON AVENUE
	Property Type: DWELLING ONLY - 2 FAMILY		
BROOKLYN	1803 122 Entire Lot		300 LEXINGTON AVENUE
	Property Type: DWELLING ONLY - 2 FAMILY		
BROOKLYN	1803 123 Entire Lot		302 LEXINGTON AVENUE
	Property Type: DWELLING ONLY - 2 FAMILY		



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RECORDING AND ENDORSEMENT COVER PAGE (CONTINUATION)

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Document ID: 2020021300430045

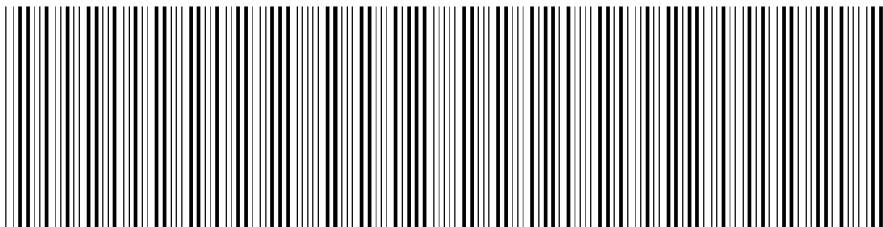
Document Date: 02-12-2020

Preparation Date: 02-14-2020

Document Type: AGREEMENT

PROPERTY DATA

Borough	Block Lot	Unit	Address
BROOKLYN	1803 124 Entire Lot		304 LEXINGTON AVENUE
	Property Type: DWELLING ONLY - 2 FAMILY		
BROOKLYN	1803 27 Entire Lot		306 LEXINGTON AVENUE
	Property Type: APARTMENT BUILDING		
BROOKLYN	1803 42 Entire Lot		308 LEXINGTON AVENUE
	Property Type: APARTMENT BUILDING		
BROOKLYN	1808 59 Entire Lot		475 GATES AVENUE
	Property Type: DWELLING ONLY - 2 FAMILY		
BROOKLYN	1808 160 Entire Lot		473 GATES AVENUE
	Property Type: DWELLING ONLY - 2 FAMILY		
BROOKLYN	1808 161 Entire Lot		471 GATES AVENUE
	Property Type: DWELLING ONLY - 2 FAMILY		
BROOKLYN	1808 162 Entire Lot		469 GATES AVENUE
	Property Type: DWELLING ONLY - 2 FAMILY		
BROOKLYN	1808 163 Entire Lot		467 GATES AVENUE
	Property Type: DWELLING ONLY - 2 FAMILY		
BROOKLYN	1808 164 Entire Lot		465 GATES AVENUE
	Property Type: DWELLING ONLY - 2 FAMILY		
BROOKLYN	1808 165 Entire Lot		463 GATES AVENUE
	Property Type: DWELLING ONLY - 2 FAMILY		
BROOKLYN	1808 166 Entire Lot		461 GATES AVENUE
	Property Type: DWELLING ONLY - 2 FAMILY		
BROOKLYN	1808 167 Entire Lot		459 GATES AVENUE
	Property Type: DWELLING ONLY - 2 FAMILY		
BROOKLYN	1808 168 Entire Lot		457 GATES AVENUE
	Property Type: DWELLING ONLY - 2 FAMILY		
BROOKLYN	1808 169 Entire Lot		455 GATES AVENUE
	Property Type: DWELLING ONLY - 2 FAMILY		



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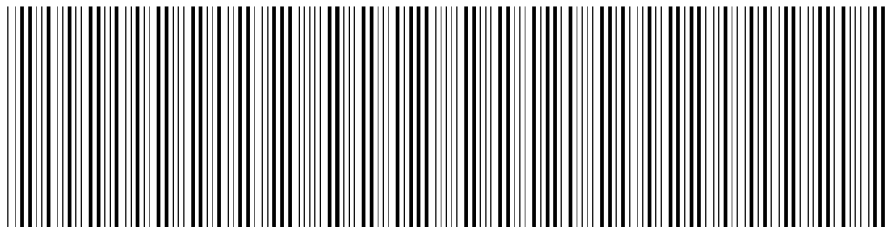
Document Date: 02-12-2020

Preparation Date: 02-14-2020

Document Type: AGREEMENT

PROPERTY DATA

Borough	Block Lot	Unit	Address
BROOKLYN	1808 170 Entire Lot		453 GATES AVENUE
	Property Type: DWELLING ONLY - 2 FAMILY		
BROOKLYN	1808 171 Entire Lot		451 GATES AVENUE
	Property Type: DWELLING ONLY - 2 FAMILY		
BROOKLYN	1808 172 Entire Lot		449 GATES AVENUE
	Property Type: DWELLING ONLY - 2 FAMILY		
BROOKLYN	1808 173 Entire Lot		447 GATES AVENUE
	Property Type: DWELLING ONLY - 2 FAMILY		
BROOKLYN	1808 174 Entire Lot		435 GATES AVENUE
	Property Type: APARTMENT BUILDING		
BROOKLYN	1799 44 Entire Lot		429 LEXINGTON AVENUE
	Property Type: APARTMENT BUILDING		
BROOKLYN	1804 10 Entire Lot		356 LEXINGTON AVENUE
	Property Type: APARTMENT BUILDING		
BROOKLYN	1809 1 Entire Lot		783 MARCY AVENUE
	Property Type: APARTMENT BUILDING		
BROOKLYN	1809 62 Entire Lot		499 GATES AVENUE
	Property Type: APARTMENT BUILDING		
BROOKLYN	1798 1 Entire Lot		311 NOSTRAND AVENUE
	Property Type: COMMERCIAL REAL ESTATE		
BROOKLYN	1798 2 Entire Lot		309 NOSTRAND AVENUE
	Property Type: COMMERCIAL REAL ESTATE		
BROOKLYN	1798 3 Entire Lot		307 NOSTRAND AVENUE
	Property Type: COMMERCIAL REAL ESTATE		
BROOKLYN	1798 4 Entire Lot		305 NOSTRAND AVENUE
	Property Type: COMMERCIAL REAL ESTATE		
BROOKLYN	1798 5 Entire Lot		303 NOSTRAND AVENUE
	Property Type: COMMERCIAL REAL ESTATE		



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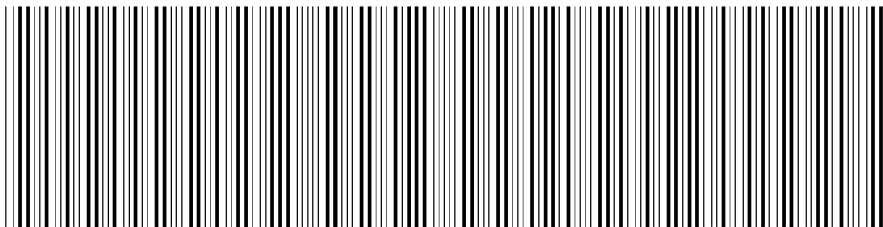
Document Date: 02-12-2020

Preparation Date: 02-14-2020

Document Type: AGREEMENT

PROPERTY DATA

Borough	Block Lot	Unit	Address
BROOKLYN	1798 77 Entire Lot		305 LEXINGTON AVENUE
	Property Type: APARTMENT BUILDING		
BROOKLYN	1798 20 Entire Lot		532 GREENE AVENUE
	Property Type: APARTMENT BUILDING		
BROOKLYN	1798 7 Entire Lot		492 GREENE AVENUE
	Property Type: NON-RESIDENTIAL VACANT LAND		
BROOKLYN	1798 8 Entire Lot		494 GREENE AVENUE
	Property Type: NON-RESIDENTIAL VACANT LAND		
BROOKLYN	1798 9 Entire Lot		496 GREENE AVENUE
	Property Type: NON-RESIDENTIAL VACANT LAND		
BROOKLYN	1341 1 Entire Lot	137	97 TROY AVENUE
	Property Type: APARTMENT BUILDING		
BROOKLYN	401 1 Entire Lot	200	131 3 AVENUE
	Property Type: APARTMENT BUILDING		
BROOKLYN	1341 12 Entire Lot	137	1620 PACIFIC STREET
	Property Type: APARTMENT BUILDING		
BROOKLYN	2145 8 Entire Lot		54 SOUTH 9TH STREET
	Property Type: APARTMENT BUILDING		
BROOKLYN	2145 27 Entire Lot		65A SOUTH 10 STREET
	Property Type: COMMERCIAL REAL ESTATE		
BROOKLYN	2145 28 Entire Lot		N/A SOUTH 10 STREET
	Property Type: COMMERCIAL REAL ESTATE		
BROOKLYN	2145 29 Entire Lot		63 SOUTH 10 STREET
	Property Type: COMMERCIAL REAL ESTATE		
BROOKLYN	2145 30 Entire Lot		N/A SOUTH 10 STREET
	Property Type: COMMERCIAL REAL ESTATE		
BROOKLYN	2145 31 Entire Lot		59 SOUTH 10 STREET
	Property Type: COMMERCIAL REAL ESTATE		



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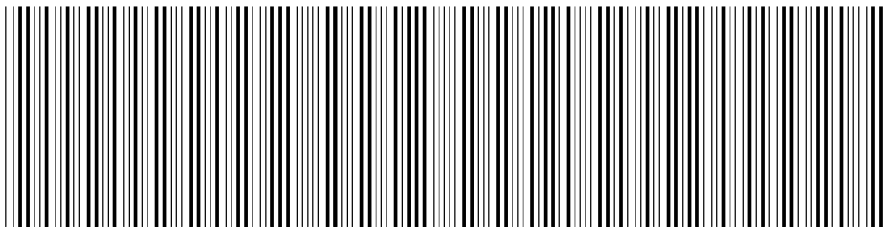
Document Date: 02-12-2020

Preparation Date: 02-14-2020

Document Type: AGREEMENT

PROPERTY DATA

Borough	Block Lot	Unit	Address
BROOKLYN	2145 32	Entire Lot	N/A SOUTH 10 STREET
Property Type: COMMERCIAL REAL ESTATE			
BROOKLYN	2145 33	Entire Lot	55 SOUTH 10 STREET
Property Type: COMMERCIAL REAL ESTATE			
BROOKLYN	2145 34	Entire Lot	53 SOUTH 10 STREET
Property Type: COMMERCIAL REAL ESTATE			
BROOKLYN	2145 35	Entire Lot	51 SOUTH 10 STREET
Property Type: COMMERCIAL REAL ESTATE			
BROOKLYN	2145 36	Entire Lot	N/A SOUTH 10 STREET
Property Type: COMMERCIAL REAL ESTATE			
BROOKLYN	2145 17	Entire Lot	74 SOUTH 9TH STREET
Property Type: COMMERCIAL REAL ESTATE			
BROOKLYN	2145 18	Entire Lot	440 BERRY STREET
Property Type: COMMERCIAL REAL ESTATE			
BROOKLYN	2145 26	Entire Lot	67 SOUTH 10 STREET
Property Type: COMMERCIAL REAL ESTATE			
BROOKLYN	2156 7	Entire Lot	46 SOUTH 10 STREET
Property Type: APARTMENT BUILDING			
BROOKLYN	2156 21	Entire Lot	448 BERRY STREET
Property Type: COMMERCIAL REAL ESTATE			
BROOKLYN	2156 22	Entire Lot	450 BERRY STREET
Property Type: COMMERCIAL REAL ESTATE			
BROOKLYN	2157 1	Entire Lot	N/A BERRY STREET
Property Type: NON-RESIDENTIAL VACANT LAND			
BROOKLYN	2157 2	Entire Lot	N/A BERRY STREET
Property Type: NON-RESIDENTIAL VACANT LAND			
BROOKLYN	2157 3	Entire Lot	451 BERRY STREET
Property Type: COMMERCIAL REAL ESTATE			



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RECORDING AND ENDORSEMENT COVER PAGE (CONTINUATION)

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Document ID: 2020021300430045

Document Date: 02-12-2020

Preparation Date: 02-14-2020

Document Type: AGREEMENT

PROPERTY DATA

Borough	Block Lot	Unit	Address
BROOKLYN	2157 4 Entire Lot		449 BERRY STREET
	Property Type: COMMERCIAL REAL ESTATE		
BROOKLYN	2157 5 Entire Lot		447 BERRY STREET
	Property Type: COMMERCIAL REAL ESTATE		
BROOKLYN	2157 6 Entire Lot		80 SOUTH 10 STREET
	Property Type: APARTMENT BUILDING		
BROOKLYN	2157 19 Entire Lot		100 SOUTH 10 STREET
	Property Type: COMMERCIAL REAL ESTATE		
BROOKLYN	2157 20 Entire Lot		462 BEDFORD AVENUE
	Property Type: COMMERCIAL REAL ESTATE		
BROOKLYN	2157 21 Entire Lot		464 BEDFORD AVENUE
	Property Type: COMMERCIAL REAL ESTATE		
BROOKLYN	2157 22 Entire Lot		466 BEDFORD AVENUE
	Property Type: COMMERCIAL REAL ESTATE		
BROOKLYN	2172 1 Entire Lot	372	83 TAYLOR STREET
	Property Type: APARTMENT BUILDING		
BROOKLYN	2176 1 Entire Lot	372	73 WILSON STREET
	Property Type: APARTMENT BUILDING		
BROOKLYN	2140 26 Entire Lot	229	325 ROEBLING STREET
	Property Type: APARTMENT BUILDING		
BROOKLYN	2141 19 Entire Lot	348	188 MARCY AVENUE
	Property Type: APARTMENT BUILDING		
BROOKLYN	2145 1 Entire Lot		N/A WYTHE AVENUE
	Property Type: COMMERCIAL REAL ESTATE		

PARTIES

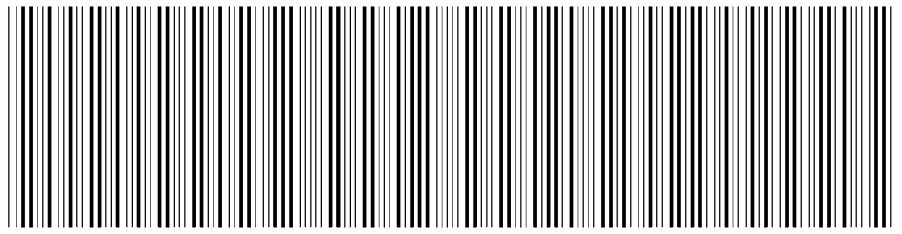
PARTY 1:

WILLIAMSBURG HOUSING PRESERVATION L.P.
909 3RD AVENUE, 21ST FLOOR
NEW YORK, NY 10022

PARTY 1:

BROOKLYN PACT II HOUSING DEVELOPMENT
FUND
CORPORATION, 90 CHURCH STREET, 5TH FLOOR
NEW YORK, NY 10007

NYC DEPARTMENT OF FINANCE
OFFICE OF THE CITY REGISTER



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RECORDING AND ENDORSEMENT COVER PAGE (CONTINUATION) PAGE 9 OF 121

Document ID: 2020021300430045
Document Type: AGREEMENT

Document Date: 02-12-2020

Preparation Date: 02-14-2020

PARTIES

PARTY 1:

WILLIAMSBURG PACT HOUSING DEVELOPMENT
90 CHURCH STREET, 5TH FLOOR
NEW YORK, NY 10007

REGULATORY AGREEMENT

among

BROOKLYN HOUSING PRESERVATION L.P.,

WILLIAMSBURG HOUSING PRESERVATION L.P.,

BROOKLYN PACT II HOUSING DEVELOPMENT FUND CORPORATION,

WILLIAMSBURG PACT HOUSING DEVELOPMENT FUND CORPORATION,

and

NEW YORK CITY HOUSING DEVELOPMENT CORPORATION

February 12, 2020

BLOCK: _____ (See Schedule A attached hereto)

LOT: _____ (See Schedule A attached hereto)

COUNTY: KINGS

RECORD AND RETURN TO:

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

REGULATORY AGREEMENT (as may be amended, this "Agreement"), entered into as of February 12, 2020, among **BROOKLYN HOUSING PRESERVATION L.P.** (the "OZ Beneficial Owner"), a New York limited partnership with an address at 909 3rd Avenue, New York, NY 10022, 21st Floor, **WILLIAMSBURG HOUSING PRESERVATION L.P.** (the "Non-OZ Beneficial Owner") and together with the OZ Beneficial Owner, jointly and severally, the "Beneficial Owner", a New York limited partnership with an address at 909 3rd Avenue, New York, NY 10022, 21st Floor, **BROOKLYN PACT II HOUSING DEVELOPMENT FUND CORPORATION** (the "OZ Legal Owner"), a New York not-for-profit corporation with an address at 90 Church Street, 5th Floor, New York, NY 10007, **WILLIAMSBURG PACT HOUSING DEVELOPMENT FUND CORPORATION** (the "Non-OZ Legal Owner", and together with the OZ Legal Owner, the "Legal Owner"; together, Legal Owner and Beneficial Owner, jointly and severally, are the "Sponsor"), a New York not-for-profit corporation with an address at 90 Church Street, 5th Floor, New York, NY 10007, and **NEW YORK CITY HOUSING DEVELOPMENT CORPORATION** ("HDC"), a New York public benefit corporation with its address at 110 William Street, New York, NY 10038.

PRELIMINARY STATEMENT

WHEREAS, HDC has agreed to provide a portion of the costs of the leasehold acquisition, rehabilitation and permanent financing for certain rental housing developments and related facilities, to be rehabilitated on the premises identified in Schedules A-1 – A-9 (collectively, the "Premises"), as further described in Schedules B-1 – B-9 (collectively, the "Projects"; any reference to the "Projects" shall mean all of the Projects collectively and any Project individually);

WHEREAS, the New York City Housing Authority (together with any successor agency, the "Authority" or "Fee Owner") has conveyed leasehold title to the Premises to the Sponsor pursuant to those certain Lease Agreements by and among the Authority, the Beneficial Owners and the Legal Owners, as applicable (collectively, the "Lease");

WHEREAS, as of the date of this Agreement, the Beneficial Owner and the Legal Owner have entered into those certain Declaration of Interest and Nominee Agreements (collectively, the "Nominee Agreement"), pursuant to which the Beneficial Owner is the beneficial leasehold owner of the Premises and the Legal Owner retains the record leasehold title to the Premises;

WHEREAS, HDC has agreed to make, pursuant to the HDC Commitment (as defined below; capitalized terms used but not defined in this preliminary statement are defined in Section 1.01): (i) those certain senior Mortgage Loans in the aggregate original principal amount of \$122,000,000; (ii) that certain subordinate A Mortgage Loan in the original principal amount of \$337,500,000; and (iii) that certain subordinate B Mortgage Loan in the aggregate original principal amount of \$37,500,000 (together, (i), (ii) and (iii) are, the "HDC Loan" or the "HDC Financing"); the HDC Financing 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, the Federal Home Loan Mortgage Corporation (together with its successors and assigns, the "Credit Provider") has provided one or more credit enhancement instruments, letters of credit or alternate security instruments acceptable to HDC to secure the A Mortgage Loan (the "Credit Instrument"), and the Credit Provider and HDC have agreed that the Credit Provider's servicer (initially Merchants Capital Corp.) will service the A Mortgage Loan and the B Mortgage Loan pursuant to the terms and conditions of a Servicing, Intercreditor and

Appointment Agreement among HDC, Credit Provider and Beneficial Owner and acknowledged, accepted and agreed to by Merchants Capital Corp., as servicer (the "Servicing and Intercreditor Agreement");

WHEREAS, the Authority, HDC, and Sponsor, *inter alia*, are parties to that certain Second Amendment and Partial Release of Regulatory Agreement dated the date hereof, in connection with that certain Regulatory Agreement dated March 16, 2010 and recorded in the Office of the City Register of the City of New York as CRFN 2010000099891 on March 24, 2010, wherein Sponsor has acknowledged and agreed that this Agreement contains certain provisions sufficient to preserve the exclusion from gross income for the purposes of federal income taxation of interest on the Original Obligations (as defined in the said Second Amendment and Partial Release of Regulatory Agreement) with respect to the premises identified in Schedule A-6 (commonly known as Independence) and Schedule A-9 (commonly known as Williams Plaza);

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

WHEREAS, the Projects expect to receive Rental Assistance in the form of rental subsidies provided through Section 8;

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

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

ARTICLE I. DEFINITIONS

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

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

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

"AMI" shall mean the area median income for the New York metropolitan area, as determined by HUD from time to time, for a family of four, as adjusted for family size. All percentage of AMI numbers provided in this Agreement shall be calculated as the appropriate percentage adjustment to the income levels, as determined by HUD from time to time, for 50% of AMI families (also known as "very low income" families), as adjusted for family size. For example, 60% of AMI is equal to 120% of the 50% of AMI figure published by HUD, and 100% of AMI is equal to 200% of the 50% of AMI figure. If HUD publishes the income levels for a percentage of AMI number other than 50% of AMI, then HDC may determine, in its 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.

"Authority" shall mean the New York City Housing Authority (and any successor agency).

"Authority Requirements" shall have the meaning set forth in Section 11.16.

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

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

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

"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, 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.

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

“HAP Contract” shall mean any PBV or TBV Section 8 housing assistance payments contract covering units in the Project, as may be amended or renewed. The Projects shall initially benefit from the HAP Contracts set forth on Schedule B.

“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 Commitment” shall mean the 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 Financing” 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.

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

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

“HPD” shall mean the City of New York, acting by and through its Department of Housing Preservation and Development.

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

“Income-Restricted Unit” shall mean a Tax Code Unit.

“Legal Owner” shall have the meaning set forth in the preamble.

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

“Loan Agreement” shall mean the Rehabilitation Escrow, Building and Project Loan Agreement among HDC, the Beneficial Owner, the Legal Owner, Credit Provider and Servicer, dated as of the date of this Agreement and as may be amended.

“Loan Closing” shall mean the closing of the HDC Financing.

“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-Income Generating Unit” shall mean those certain 5 units held vacant by Sponsor and not subject to a HAP Contract.

“Non-OZ Beneficial Owner” shall have the meaning set forth in the preamble.

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

"Obligations" shall mean the obligations issued by HDC to fund the HDC Loan, in whole or in part, pursuant to the Resolution (as defined herein), together with the Original Obligations.

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

"Over-Income Tenant" shall mean a tenant who is in legal occupancy of a unit as of the date of this Agreement but who does not qualify as an Eligible Tenant.

"Over-Income Units" shall have the meaning set forth in Section 4.02.

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

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

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

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

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

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

"Real Property Tax Benefits" shall mean exemption from real estate taxes for the Project pursuant to a Payment in Lieu of Taxes Agreement between the City of New York and the Authority.

"Reimbursement Agreement" shall mean that certain Reimbursement and Security Agreement among OZ Beneficial Owner, Non-OZ Beneficial Owner and Credit Provider, dated as of the date of this Agreement.

"Reimbursement Mortgage" shall mean that certain Multifamily Mortgage, Assignment of Rents and Security Agreement (Reimbursement) among Sponsor and Credit Provider, dated as of the date of this Agreement.

"Reimbursement Security Documents" shall have the meaning set forth in the Reimbursement Agreement.

"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 or any similar rental subsidy program approved by HDC in its sole discretion, including, but not limited to (x) Project-Based Vouchers ("PBV") pursuant to (i) the Rental Assistance Demonstration Program created by the Consolidated and Further Continuing Appropriations Act of 2012 (Public Law 112-55) and the corresponding Notice H 2019-09 PIH 2019-23 (September 5, 2019), as may be amended (the "RAD Program"), (ii) pursuant to Section 18 of the U.S. Housing Act of 1937, as amended ("Section 18"), or pursuant to retention outside of the public housing program pursuant to 2 CFR Section 200.311 ("Part 200") and (y) Tenant-Based Vouchers ("TBV") or (z) Housing Choice Vouchers pursuant to the HUD-Veterans Affairs Supportive Housing (HUD-VASH) program.

"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. In the case of any unit covered by a HAP Contract, the unit will be deemed a Rental Assistance Unit and the Rental Assistance Rent shall be the HAP

Contract rent approved by the government agency issuing the HAP Contract. The Project may have multiple types of Rental Assistance Rents, at the same time (e.g., if the Project has a partial HAP Contract and other units are occupied by tenants with vouchers) or over many years (e.g., if a HAP Contract terminates with respect to a unit and the unit is later occupied by a tenant with a Rental Assistance voucher).

"Rental Assistance Termination" shall mean the date on which any Rental Assistance or HAP Contract terminates. For the avoidance of doubt, if a TBV HAP Contract terminates with respect to a tenant in a certain unit receiving Section 8 assistance pursuant to Part 200 and such unit is subsequently added to a HAP Contract within 120 days, such TBV HAP Contract termination shall not be considered a Rental Assistance Termination.

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

"Resolution" shall mean (i) HDC's Multi-Family Housing Revenue Bonds Bond Resolution adopted on July 27, 1993, as amended or supplemented, and (ii) HDC's Housing Impact Bonds Bond Resolution adopted on November 26, 2019, as amended or supplemented.

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

"Servicing and Intercreditor 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.

"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 Section 142 of the Tax Code, as applicable, prior to initial occupancy, or for any existing tenants, as otherwise permitted under the Tax Code. 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 and Non-Income Generating Units) that are Tax Code Units. Over-Income Units that are to become Tax Code Units upon vacancy are included as Tax Code Units in this percentage.

"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 minimum of 40 years from the date of issuance of the Obligations. The Occupancy Restriction Period may be longer than this minimum period, and shall end on the latest of the following dates:

- (a) the date that is 15 years after the date on which 50% of the units are first occupied;
- (b) the first day on which no Obligation or other tax-exempt private activity obligation with respect to the Project is outstanding;
- (c) the date on which any project-based voucher assistance provided with respect to the Project under Section 8 of the United States Housing Act of 1937, as amended, terminates;
- (d) Reserved;
- (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 with respect to the Project has been satisfied;
- (g) 40 years from the date hereof.

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 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 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 Required. This Agreement shall not be terminated without the prior written consent of HDC, except as provided otherwise in this section.
- (b) Foreclosure. In the event of a foreclosure or deed in lieu of foreclosure of the mortgages securing the HDC Loan, this Agreement shall terminate only (i) upon written request of the owner of the mortgage securing the HDC Loan, (ii) with the prior written consent of the Credit Provider, and (iii) if, within a reasonable period, the Obligations are retired (it being agreed that HDC shall cause the Obligations to be retired within a reasonable period pursuant to the terms of the Resolution) and the HDC 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 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 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 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) Reserved.
- (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, the City of New York, acting by and through its Department of Housing Preservation and Development (“HPD”) and HUD, in good standing and (iii) to comply with the requirements of such agencies, including any HAP Contract and

Use Agreement between the Sponsor and the Authority. Any violation of the requirements of the Real Property Tax Benefits, or any permits or agreements with or requirements of any government agencies, may be declared an Event of Default under this Agreement.

SECTION 3.02 More Restrictive Provisions Control. If this Agreement conflicts with any other applicable agreement, law, regulation or permit, or if any provision of this Agreement conflicts with any other provision of this Agreement, the more restrictive provision (as determined by HDC) 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, including any requirements pertaining to Eligible Tenants or Income-Restricted Units, (ii) all provisions of the Tax Code that may or shall affect the exclusion from gross income for purposes of federal income taxation of interest on the Obligations, (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 or Non-Income Generating 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, 2,625 units shall be Tax Code Units.
 - (i) The Sponsor shall lease no fewer than 2,625 Tax Code Units solely to Eligible Tenants whose Annual Income upon initial occupancy does not exceed 60% of AMI ("60% of AMI Units"), except as set forth in Section 4.02(e) below.
- (b) 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.
- (c) Homeless Units. Any requirement to lease certain Tax Code Units solely to tenants who are referred by the New York City Department of Homeless Services, HPD or an alternate referral source acceptable to HDC ("Homeless Units"), shall be implemented pursuant to the HUD-approved NYCHA Housing Choice Voucher Program Administrative Plan, also known as the Section 8 Administrative Plan.
- (d) Reserved.
- (e) Over-Income Units. It is anticipated that 123 units will be occupied initially by Over-Income Tenants ("Over-Income Units"). Each Over-Income Unit is

otherwise identified as a Tax Code Unit pursuant to this section, but prior to the vacancy of the Over-Income Tenant, the unit shall be deemed not to be a Tax Code Unit. Upon vacancy of the Over-Income Tenant, the Sponsor shall lease the unit to an Eligible Tenant, and the unit shall thereafter be considered a Tax Code Unit.

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.
- (b) Tax Code Unit Percentage. The Sponsor shall not reduce the Tax Code Unit Percentage for each Project below 100%, unless the Sponsor receives the prior written consent of HDC, which may be granted in the sole discretion of HDC.

SECTION 4.04 General Requirements for Units.

- (a) Rental to the General Public; Non-Transient Units. Each unit (excluding any Superintendent Unit or other Non-Income Generating Unit) shall be rented or made available for rental on a continuous basis to the general public, subject to any preferences such as required under this Agreement including eligible applicants from the Authority's site-based waiting list. 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 rehabilitated and shall contain living, sleeping, eating, cooking and sanitation facilities for a single person or family.
- (d) Reserved.

SECTION 4.05 Marketing Guidelines. HDC reserves 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. The Project shall initially be marketed pursuant to the Borrower's Marketing Plan, as approved by HDC. In the event of a conflict between HUD and HDC's marketing requirements, HUD's requirement shall control. HDC acknowledges that all

prospective tenants shall be certified applicants from the Authority's site-based waiting list who are qualified under this Agreement to be tenants in the Project.

SECTION 4.06 Qualification of Eligible Tenants. The Sponsor shall comply with the procedures and requirements of HDC 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 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 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 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.
- (c) Annual Tenant Certifications (Tax Code Units). On an annual basis, the Sponsor shall certify to HDC as to the Household size and student status of each tenant residing in a Tax Code Unit.
- (d) Annual Agency Reviews (Tax Code Units). The Sponsor shall furnish to HDC, on an annual basis or more frequently if required in writing by HDC 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). The Sponsor shall also furnish any reports or other documents that HDC reasonably determines 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 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 Reserved.

SECTION 4.09 Reserved.

SECTION 4.10 Reserved.

ARTICLE V. RENTS AND LEASES

SECTION 5.01 Compliance with Rent Stabilization

- (a) All Units Subject to Rent Stabilization. On and after a Rental Assistance Termination, all units under the applicable HAP Contract or other Rental Assistance contract that is terminated 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. Upon any unit becoming subject to Rent Stabilization, the Sponsor shall not claim any exemption or exclusion from Rent Stabilization to which the Sponsor might be entitled with respect to the unit. This includes any exemption or exclusion from the rent limits, lease renewal requirements, registration requirements or other provisions of Rent Stabilization due to (i) the vacancy of a unit where the rent exceeds a prescribed maximum amount, (ii) the fact that the tenant's income or rent exceeds prescribed maximum amounts, (iii) the nature of the tenant or (iv) any other factor. This section shall continue to apply to Income-Restricted Units after the Occupancy Restriction Period ends until any such unit becomes vacant (except for any vacancy resulting from a breach of the warranty of habitability, harassment, constructive eviction or any similar action caused by the Sponsor).
- (c) Permitted Increases under Rent Stabilization
 - (i) In General. Where this Agreement allows rent increases under Rent Stabilization for Income-Restricted Units (subject to the other restrictions on increases contained in this Agreement), such language shall permit only those increases that are based on the percentage increases for one- and two-year lease renewals approved annually by the New York City Rent Guidelines Board (or any successor). Subject to the exceptions given in this paragraph (c), rents shall not be increased or registered at a greater amount for any other reason typically allowed under Rent Stabilization, including vacancy lease increases, major capital improvement ("MCI") increases or individual apartment improvement ("IAI") increases. This prohibition applies to both Legal Rents (the

registered legal regulated rents) and Actual Rents (which are to be registered as preferential rents). To be clear, this section shall not apply after the Occupancy Restriction Period ends.

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

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

SECTION 5.02 Registration in Accordance with Rent Stabilization. Upon any Rental Assistance Termination, the Sponsor shall register the rents for each unit that was formerly

assisted under the applicable HAP Contract or other Rental Assistance Contract that was terminated, in accordance with Rent Stabilization as follows:

- (a) Legal Rents. The initial legal regulated rent for each unit shall be 30% of 60% (adjusted for a monthly rent) of AMI for the year in which the Rental Assistance Termination Occurs. 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 within 120 days of any Rental Assistance Termination. Such forms shall document registration in accordance with this Agreement effective as of the date of Rental Assistance Termination.
- (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.

Initial Rents. The initial Actual Rent for a Tax Code Unit that is a Rental Assistance Unit shall not exceed:

- 1) the Rental Assistance Rent.

If the unit is not a Rental Assistance Unit because it is an Over-Income Unit, but such unit is subject to a HAP Contract pursuant to Part 200, the initial Actual Rent shall not exceed the least of:

- 1) the Rental Assistance Rent ; and
- 2) 30% of the tenant's adjusted gross income.

If the unit is not a Rental Assistance Unit because it is an Over-Income Unit, but such unit is subject to a HAP Contract pursuant to RAD and/or Section 18 the initial Actual Rent shall not exceed:

- 1) 30% of the tenant's adjusted gross income.

(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 (applicable upon Rental Assistance Termination);
- 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 (applicable upon Rental Assistance Termination); and
- 2) the Rental Assistance Rent;

(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 (applicable upon Rental Assistance Termination); 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 (applicable upon Rental Assistance Termination); and
- 2) the Rental Assistance Rent;

(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.

(v) HAP Contract Rents. The Sponsor shall provide to HDC for its review and approval a schedule or exhibit of the initial Actual Rents for all units covered by the HAP Contract. The Actual Rent for each unit shall be included on the rent schedule or exhibit filed by the Sponsor with HUD pursuant to the HAP Contract.

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

(c) Reserved.

(d) Reserved.

(e) Reserved.

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 5.02, 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.

- (c) Reserved.

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) Reserved.
- (c) Reserved.

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. To the extent legally permissible, this Agreement shall take precedence and shall control over any other requirements. This paragraph shall not apply to any unit while the HAP Contract is in effect covering the unit.
- (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 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). This paragraph shall not apply to any unit while the HAP Contract is in effect covering the unit.
- (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).

ARTICLE VI. RESERVED

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. In particular, the Sponsor shall obtain HDC's written approval of the Managing Agent and the Management Agreement prior the Loan Closing. 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. All approvals of the Managing Agent and the Management Agreement shall not be unreasonably withheld. HDC approves Reliant Realty Services LLC as the Managing Agent for purposes of the Loan Closing for the Projects further described on Schedules A-5, A-6 and A-9 (commonly known as Berry Street –South 9th Street, Independence and Williams Plaza). HDC approves Progressive Management of NY LLC as the Managing

Agent for purposes of the Loan Closing for the Projects further described on Schedules A-1 – A-4, A-7 and A-8 (commonly known as Armstrong I, Armstrong II, Marcy Ave-Greene Ave Sites A & B, 572 Warren Street and Weeksville Gardens).

SECTION 7.02 Requirements for Management Agreement. The Management Agreement shall be acceptable to HDC 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 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-supervised project in proper compliance). If so, HDC may provide a written demand to the Sponsor to terminate the Management Agreement. HDC may also provide a period for the Sponsor to cure any non-compliance, in the sole discretion of HDC. 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 demand. In addition, the Sponsor shall make timely arrangements to have the continuing management of the Project approved in writing by HDC and shall submit such arrangements to HDC for prior review.

SECTION 7.04 Credit Provider Consent. If the Credit Instrument is in effect, HDC's approval of the Managing Agent and Management Agreement shall be subject to the Credit Provider's prior review and consent, which shall not be unreasonably withheld. HDC and the Sponsor acknowledge that the Servicing and Intercreditor Agreement and/or other agreements between the Credit Provider and the Sponsor give the Credit Provider certain rights and obligations regarding the management of the Project (including the obligation to consult with HDC prior to granting consent to a new Managing Agent or Management Agreement).

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, 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 shall reasonably require in connection with the assumption.
- (b) Residential Leases. This covenant shall not require HDC'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, including, but not limited to, any release of certain real property from the leasehold estate of the Sponsor to the Authority in accordance with the Lease and the release of such real property from this Agreement. Upon the Authority's satisfaction of all conditions set forth in Exhibit K of the Lease, HDC agrees to perform any such acts and execute such documents as reasonably requested by the Authority in connection with said release.

- (d) Foreclosure. This covenant shall not require HDC'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.
- (e) Transfers Directed by Credit Provider. This covenant shall not require HDC's consent to a Transfer if the Credit Provider certifies to HDC (i) that an event of default has been declared under the Reimbursement Security Documents or the Loan Documents, and (ii) that the Transfer is the best reasonable alternative available to the Credit Provider to eliminate the condition that caused the event of default.

SECTION 8.02 Non-Residential Lease Approval. The Sponsor shall obtain the prior written approval of HDC 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. 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. This paragraph shall not apply to (i) the Credit Provider if it owns the Project or any portion of the Project at any time, or (ii) to an entity that has acquired the Project or a portion thereof from the Credit Provider or its designee, or has acquired the Project or a portion thereof at a foreclosure sale held by the Credit Provider or its designee; provided, however, that any changes to the structure of the entity that owns the Project or a portion thereof, as described in (ii) above, subsequent to such entity's acquisition of the Project or a portion thereof, shall be subject to the provisions of this paragraph.

SECTION 8.04 Reserved.

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, other than any member of the board of directors that holds their position *ex officio*, without the prior written consent of HDC. This paragraph shall not apply to (i) the Credit Provider if it owns the Project or any portion of the Project at any time or (ii) to an entity that has acquired the Project or a portion thereof at a foreclosure sale held by the Credit Provider or its designee; provided, however, that any changes to the structure of the entity that owns the Project or a portion thereof, as described in (ii) above, subsequent to such

entity's acquisition of the Project or a portion thereof, shall be subject to the provisions of this paragraph.

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. Prior to any such transfer, prompt notice must be given to HDC, and the transferee must comply with the applicable HDC 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. 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 Financing 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 Credit Provider 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 Credit Provider.

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 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.

SECTION 8.11 Reserved.

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, in a form satisfactory to HDC, 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.

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