

LEASE AGREEMENT
AMONG
NEW YORK CITY HOUSING AUTHORITY
(LANDLORD),



(HDFC)

AND



(COMPANY AND COLLECTIVELY
WITH THE HDFC, THE TENANT)

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LEASE AGREEMENT

THIS LEASE AGREEMENT (this “**Lease**”) is made as of _____, by and among the NEW YORK CITY HOUSING AUTHORITY, a public benefit corporation created and organized pursuant to and in accordance with the laws of the State of New York with its principal office at 250 Broadway, New York, New York 10007 (the “**Landlord**” or the “**Authority**”), _____, a New York not-for-profit corporation duly organized pursuant to Article XI of the Private Housing Finance Law of the State of New York, having its principal office located at _____ (the “**HDFC**”) and _____, a New York limited liability company, having its principal place of business at _____ (the “**Company**” and together with the HDFC referred to herein collectively as the “**Tenant**”), each a “**Party**” and, collectively, the “**Parties.**”

RECITALS

WHEREAS, the Landlord owns fee title and maintains improved and unimproved parcels of real property (each a “**Parcel**”), all located in _____ County in the State and City of New York as more particularly described on Exhibit A attached hereto (collectively, the “**Land**”);

WHEREAS, Landlord also owns the Improvements (as hereinafter defined), which comprises the low-income housing development commonly known as _____ (the “**Development**”);

WHEREAS, the Development includes _____ buildings across _____ developments, containing _____ community facility space (the “**Community Facility Space**”), _____ (the “**Rental Units**”). _____ other residential units shall be designated as dwelling units for on-site superintendent staff (the “**Superintendent’s Units**”, together with the Rental Units, the “**Units**”) all as more particularly outlined on Exhibit A-1;

WHEREAS, the Authority has requested that the Company modernize or cause the modernization of the Development;

WHEREAS, as of the _____ developments in the Development, _____ developments, containing _____ Rental Units and _____ Superintendent’s Unit(s) are being conveyed from the Authority to the Tenant pursuant to that certain Section 18 Disposition Approval issued by HUD on _____ (the “**Section 18 Buildings**”);

WHEREAS, the Authority is project-basing _____ Section 8 vouchers in connection with the disposition of the Section 18 Buildings to the Tenant;

WHEREAS, of the _____ developments in the Development, _____ developments containing _____ Community Facility Space, _____ Rental Units and _____ Superintendent’s Unit(s) are being conveyed from the Authority to the Tenant and pursuant to the Rental Assistance Demonstration (the “**RAD Buildings**”);

WHEREAS, the Authority, the _____ Lender and the Lender (as hereinafter defined) will make certain loans or will participate in certain loans to be used in connection with the financing

of the Development's modernization, all of which shall be pursuant to loan agreements and other collateral agreements of even date herewith;

WHEREAS, the Company and the Authority intend for all of the Rental Units to be modernized, operated and managed (pursuant to the Management Agreement, as hereinafter defined) in accordance with HUD Program Requirements (as hereinafter defined), and such Rental Units are intended to receive the benefit of rental subsidies provided by the Authority pursuant to the HAP Contract (as hereinafter defined) in accordance with the provisions of this Lease;

WHEREAS, pursuant to a Declaration and Nominee Agreement between the Company and the HDFC dated as of the date hereof ("**Nominee Agreement**"), which Nominee Agreement and the arrangement contemplated thereunder has been approved by Landlord, the HDFC is entering into this Lease solely as the nominee of, and for and on behalf of, the Company, and the Leasehold Estate (as hereinafter defined) of the HDFC as Tenant under this Lease shall be held by the HDFC solely as such nominee, it being understood that the beneficial ownership in the Leasehold Estate from the date of this Lease and at all times in the future shall be vested in the Company and its successors and assigns, and the HDFC does not, and shall not, have any personal or beneficial interest of any kind in the Leasehold Estate;

WHEREAS, the Landlord desires to grant this Lease covering the Premises (as hereinafter defined) to the Company, through the HDFC as its nominee, in order that the Company may perform the Development Work and make available the Rental Units as required by the HUD Program Requirements and for the purposes set forth herein subject to the terms and conditions hereof;

WHEREAS, Landlord intends to assign to the Tenant, and the Tenant intends to assume pursuant to that certain Assignment and Assumption of Leases, Rents, Contracts and Personal Property (the "**Assignment**"): (i) public housing leases covering the Rental Units situated within the Buildings, including lease files, plans, records, registers and all other paper and documents which may be necessary, useful or appropriate for the proper operation and management of such Units, but excluding specifically any intellectual property of the Landlord, including, but not limited to, its logo (collectively, the "**Public Housing Leases**"); and (ii) other month-to-month occupancies under leases or occupancy agreements or contracts otherwise at law or in equity relating to Landlord's ownership and operation of the Premises, which such assignment shall include the right of Tenant to receive any payments due under such leases, agreements or contracts (if any); and

NOW THEREFORE, IN CONSIDERATION of the covenants and agreements of the Parties hereto, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged by each Party, Landlord hereby leases to HDFC, as nominee for the Company, and HDFC, as nominee for the Company, hereby leases from Landlord:

- (i) all of the Land (together with any and all rights, alleys, ways, waters, privileges, appurtenances and advantages, to the same belonging or in any way appertaining), but specifically excluding any and all existing and future FADR (as hereinafter defined) applicable to the Land and any Additional Parcel(s) (as

hereinafter defined) for which the Landlord retains all right, title and interest therein (collectively, the “**Exclusions**”), and

- (ii) the Improvements and the Unit Equipment (as hereinafter defined) (together with the Land, but specifically excluding the Exclusions, are hereinafter referred to collectively as the “**Premises**”).

TO HAVE AND TO HOLD the Premises unto HDFC, as nominee for the Company, its successors and permitted assigns, on the terms and conditions, which are hereinafter set forth:

1. Definitions.

As used herein, the following terms have the following meanings:

“Additional Development Rights” means any additional FADR (other than Bonus Development Rights (as hereinafter defined)) that may hereafter become available to a Zoning Lot (as hereinafter defined), which incorporates a Parcel, Parcels or a portion of a Parcel, whether by (i) expansion of such Zoning Lot (by the addition of one or more Additional Parcels (as hereinafter defined)), (ii) special permit, (iii) variance, or (iv) including, without limitation, any other procedure, transfer or in any other way now or hereafter allowed under the provisions of the Zoning Resolution (as hereinafter defined). In the case of Additional Development Rights that become available due to expansion of such Zoning Lot, the Bonus Development Rights appurtenant to the Additional Parcel shall be considered Additional Development Rights.

“Additional Parcel” means an additional parcel which is combined with a Parcel which expands a Zoning Lot.

“Additional Rent” shall mean the amount of any payment referred to as such in this Lease which accrues while this Lease is in effect, which Additional Rent shall include any and all charges or other amounts which Tenant is obligated to pay under this Lease, including, but not limited to, costs of taxes, insurance and public utility charges, other than the Base Rent, as hereinafter defined, which are paid by Landlord on behalf of Tenant.

“Affordability Requirements” shall mean the following:

- (i) All Rental Units within the Development shall be used solely as rental housing for households at or below eighty percent (80%) AMI at initial occupancy of any household in such Rental Unit (except for the residents of the Development as of the Commencement Date whose income may exceed this threshold);

- (ii) All Rental Units shall be rented to the residents of the Development as of the Commencement Date, or households meeting the most restrictive income eligibility requirements of the Regulatory Documents then in effect; and

- (iii) For all Rental Units, Tenant shall not charge rents that exceed the amounts set forth in the Regulatory Documents then in effect; and

(iv) If the HAP Contract is terminated prior to the expiration or earlier termination of the Lease, Tenant shall continue to comply with the requirements of the Regulatory Documents then in effect.

“AMI” shall mean the area median income calculated on an annual basis by HUD for all metropolitan areas and counties, and such term shall specifically refer to the middle value of all family incomes in an area, which is either a county or census-defined metropolitan area, and for the purposes of this Lease, shall mean the New York Metropolitan Area.

“Ancillary Land” shall mean Block _____, as more particularly depicted in the site plans on Exhibit F, attached hereto and incorporated herein.

“Architect” shall mean all architects retained by the Company in connection with the Development Work.

“Assignment” shall have the meaning set forth in the Recitals.

“Authority” shall have the meaning set forth in the introductory paragraph of this Lease.

“Bankruptcy” shall be deemed, for any Person (as hereinafter defined), to have occurred either:

(a) if and when such Person: (i) applies for or consents to the appointment of a receiver, trustee or liquidator of such Person or of all or a substantial part of its assets, (ii) files a voluntary petition in bankruptcy or admits in writing its inability to pay its debts as they come due, (iii) makes an assignment for the benefit of its creditors, (iv) files a petition or an answer seeking a reorganization or an arrangement with its creditors or seeks to take advantage of any insolvency law, (v) performs any other act of bankruptcy, or (vi) files an answer admitting the material allegations of a petition filed against such Person in any bankruptcy, reorganization or insolvency proceeding; or

(b) if: (1) an order, judgment or decree is entered by any court of competent jurisdiction adjudicating such Person a bankrupt or an insolvent, approving a petition seeking such a reorganization, or appointing a receiver, trustee or liquidator of such Person or of all or a substantial part of its assets, or (2) there otherwise commences with respect to such Person or any of its assets any proceeding under any bankruptcy, reorganization, arrangement, insolvency, readjustment, receivership or similar law, and if such order, judgment, decree or proceeding is commenced and continues unstayed for any period of _____ consecutive days after the expiration of any stay thereof.

“Base Rent” shall have the meaning set forth in Section 5(a) of this Lease.

“Bonus Development Rights” means any bonus FADR that are now or hereafter may become available to a Zoning Lot, which incorporates a Parcel, Parcels or a portion of a Parcel, including, without limitation, by (1) the provision of an amenity or public benefit, either on or off such Zoning Lot(s), and/or (2) a transfer from a Zoning Lot(s) that is not appurtenant to a Parcel, including, without limitation, bonus floor area generated as-of-right, by special permit, authorization, certification or any other means, in accordance with the Zoning Resolution.

“Building” shall mean a building located on the Land, all of which are part of the Improvements.

“Capitalized Rent Payment” shall have the meaning set forth in Section 5(a) of this Lease.

“Casualty” as defined in Article 13 hereof.

“Claims, Damages and Fees” shall have the meaning set forth in Section 8.A(a) of this Lease.

“Code” means the Internal Revenue Code of 1986, as amended from time to time, or any corresponding provision or provisions of succeeding law and all implementing regulations thereunder or in furtherance thereof.

“Commencement Date” means the date hereof.

“Company” shall have the meaning set forth in the introductory paragraph of this Lease.

“Completion Guaranty” shall mean that certain Completion Guaranty by _____, to Landlord, dated as of even date hereof.

“Community Facility Space” shall have the meaning set forth in the Recitals.

“Community Facility Lease” shall have any lease entered into for the Community Facility Space pursuant to Section 6(b)(ii) of this Lease.

“Condemnation Award Proceeds” shall have the meaning set forth in Section 13(b)(ii) of this Lease.

“Contractors” means each contractor(s), and its agents, subcontractors or consultants performing any of the activities that comprise the Development Work under this Lease at the Premises.

“Control Agreement” means that certain Control Agreement between the Authority and Company dated as of the date hereof.

“Current Tenants” shall mean tenants legally occupying a Rental Unit in the Development on the date the Lease is executed.

“Development Work” shall collectively mean all activities associated with the design, securing of debt and equity financing, rehabilitation and marketing of the Development and all the Units contained therein and the performance of all other work and other obligations to be performed or caused to be performed by the Company in accordance with the terms and conditions set forth in this Lease.

“Downsizing” shall mean a validly enacted amendment of the Zoning Resolution (or any other change in existing law) reducing the FADR.

“dwelling unit,” “floor area,” “floor area ratio,” “lot coverage,” “open space,” “Party in Interest,” “use,” and “bulk,” shall have the meanings set forth in Section 12-10 of the Zoning Resolution.

“Electing to Cure Permitted Leasehold Mortgagees” shall have the meaning set forth in Section 17(b)(iv) of this Lease.

“Electing to Lease Permitted Leasehold Mortgagees” shall have the meaning set forth in Section 17(b)(vi) of this Lease.

“Environmental Assessment” shall collectively mean that list of environmental studies, reports and material correspondence described on Exhibit E and attached hereto.

“Environmental Requirement” shall mean all present and future laws, statutes, ordinances, rules, regulations, orders, codes, licenses, permits, decrees, judgments, directives or the equivalent of or by any Governmental Authority and relating to or addressing the protection of the environment or human health.

“Event of Default” shall have the meaning set forth in Section 15 of this Lease.

“Exclusions” shall have the meaning set forth in the Recitals.

“Expiration Date” means the _____ anniversary of the Commencement Date of this Lease, or such earlier date as this Lease is terminated under the terms hereof or by law, whichever shall first occur.

“FADR” shall mean the rights, as determined in accordance with the Zoning Resolution, which are appurtenant to a Zoning Lot, to develop such Zoning Lot by erecting thereon building(s), structure(s) or any other improvement with (i) a total floor area determined by multiplying the area of the Zoning Lot by the basic maximum allowable floor area ratio for such building(s), structure(s) or other improvement(s) in the zoning district or districts in which the Zoning Lot is located, including any floor area resulting from an Upzoning; (ii) the inclusion of any Bonus Development Rights; (iii) the inclusion of any Additional Development Rights; and (iv) the inclusion of any use, bulk, density and other development rights permitted under the Zoning Resolution and which may be authorized to be developed by any appropriate body or agency of the City of New York, including without limitation, to the extent applicable, the permitted number of dwelling units, the maximum “lot coverage,” and the minimum amount of “open space”.

“Final Plans and Specifications” shall mean the final complete set of architectural and engineering construction documents prepared or caused to be prepared by the Architect in sufficient detail to describe and delineate fully the Development Work to be accomplished thereby and determined to be complete by Tenant and approved by Landlord, Lender and _____ Lender.

“Financing” shall have the meaning set forth in Section 9(a)(vi) of this Lease.

“Financing Documents” shall have the meaning set forth in Section 9(a)(vi) of this Lease.

“First Permitted Leasehold Mortgage” means collectively, (a) that certain Senior Building Loan Mortgage, Assignment of Rents, Security Agreement and Fixture Filing (Leasehold) and (b) that certain Senior Project Loan Mortgage, Assignment of Rents, Security Agreement and Fixture Filing (Leasehold), dated of even date herewith, by and among the Lender, the HDFC and the Company, and covering the Mortgaged Assets, approved by the Landlord as of the date hereof, and recorded among the Land Records, in the aggregate sum of _____ for and only for so long as such mortgage(s) covers the Mortgaged Assets or any portion thereof and is senior in priority to any other Mortgage covering the Mortgaged Assets or such portion thereof.

“Governmental Authority” means, collectively, all federal, state and municipal governments or quasi-governmental agencies and all departments, commissions, boards and officers thereof having jurisdiction over the Premises, the Improvements, or the Parties.

“HAP” shall mean the monthly housing assistance payments by the Authority pursuant to the HAP Contract.

“HAP Contract” shall mean, collectively, those certain Section 8 Project-Based Voucher Program Housing Assistance Payments Contracts by and between the Authority and the Company effective as of _____, 20__.

“Hazardous Condition” means the unauthorized or non-permitted presence, release, discharge, spill or emission of any Hazardous Substance, at, on, or under any portion of the Development, or any other condition, which, in the absence of a permit, waiver, or other authorization by an agency of government, would constitute a violation of any applicable Legal Requirement.

“Hazardous Substances” shall mean any material or substance that, whether by its nature or use, is now or hereafter defined as hazardous waste, hazardous substance, pollutant or contaminant under any Environmental Requirement in an amount or condition that violates any Environmental Requirement, or which is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic or otherwise hazardous and which is now or hereafter regulated under any Environmental Requirement, or which is or contains petroleum, gasoline, diesel fuel or another petroleum hydrocarbon product or which is mold, but shall not include the safe and lawful use and storage of quantities of (1) pre-packaged supplies, cleaning materials, petroleum products, household products, paints, solvents, lubricants and other materials customarily used in the construction, operation, maintenance or use of comparable multifamily properties, (2) cleaning materials, household products, personal grooming items and other items sold in pre-packaged containers for consumer use and used by tenants and occupants of the Units, and the Community Facility Space; and (3) petroleum products used in the operation and maintenance of motor vehicles from time to time.

“HDFC” shall have the meaning set forth in the introductory paragraph of this Lease.

“Housing Quality Standards” shall mean the HUD minimum quality standards for housing assisted under the Section 8 program, as set forth in 24 C.F.R. §982.401 and 24 C.F.R. §983.101.

“_____ Lender” means _____, and its successors, designees and/or assigns.

“____ Regulatory Agreement” means that certain Regulatory Agreement dated as of the date hereof by and between Landlord, Tenant, and ____ Lender to be recorded in the Land Records, and any amendments, modifications, consolidations and substitutes thereto

“HUD” means the United States Department of Housing and Urban Development.

“HUD Declaration” shall mean that certain Declaration of Restrictive Covenants and Use Agreement executed by the Tenant and the Authority with respect to permitted uses of the Premises and rights of potential beneficiaries.

“HUD Program Requirements” means (i) the RAD Program Requirements and RAD Use Agreement as applicable to the RAD Buildings; (ii) the PBV Requirements and HUD Declaration as applicable to all the Rental Units, all of which shall include, but not be limited to the Affordability Requirements.

“HUD Use Agreement” means (i) with respect to the RAD Buildings, the RAD Use Agreement, and (ii) with respect to the Section 18 Buildings, the HUD Declaration.

“Improvements” means, collectively:

(1) the Buildings, which include the Units (currently existing on the Premises) and the Community Facility Space;

(2) such utility lines and facilities, landscaping or other improvements or features as set forth on the ALTA/NSPS Land Title Survey prepared by _____, attached hereto as Exhibit D (the “**Survey**”);

(3) such interior Building amenities and exterior Building amenities located on the Land that are approved by Landlord, as described and specified in the Final Plans and Specifications, as defined above;

provided, however, “Improvements” excludes all personal property owned or leased by any tenant, guest, employee or other Person furnishing goods or services to the Premises, property and equipment owned by the Landlord which in the ordinary course of business of the Premises is not used exclusively for the business, operation or management of the Premises, leases with respect to telecommunication towers and antennas located on the roof of any of the Buildings, together with any rental or lease payments to be made thereunder and FADR.

“Initial Rent Payment” shall have the meaning set forth in Section 5(a) of this Lease.

“Insurance Requirements” shall mean the insurance requirements set forth in Section 8 hereof and Exhibit B of this Lease.

“Known Pre-Existing Hazardous Condition” shall have the meaning set forth in Section 6(a)(ii) of this Lease.

“Land” shall have the meaning set forth in the Recitals.

“Land Records” means the records of the offices of the City Register of the City of New York.

“Landlord” shall have the meaning set forth in the introductory paragraph of this Lease.

“Landlord Development Action” shall mean:

- (a) any sale, transfer or any other conveyance of any portion of the Landlord’s Excess FADR, or the granting of any security interest, lien or encumbrance upon same;
- (b) any subdivision or apportionment of a Parcel;
- (c) any merger of an Additional Parcel with a Parcel, Parcels or a portion of a Parcel, to create a new Zoning Lot;
- (d) any merger two or more Parcels to create a new Zoning Lot; and/or
- (e) any other use of the Landlord’s Excess FADR, including any development on any Ancillary Land following early removal from this Lease of such Ancillary Land, or any other action under the Zoning Resolution.

“Landlord’s Estate” means the Landlord’s fee simple estate in the Premises.

“Landlord’s Excess FADR” means the FADR less the Utilized Floor Area for each respective Zoning Lot associated with a Parcel, and any future Zoning Lot associated with such Parcel(s).

“Landlord’s Related Parties” shall mean and refer to Landlord’s members, officers, directors, affiliates, agents, employees and their respective heirs and personal representatives, successors and/or assigns.

“Landlord Utility Billing” shall have the meaning set forth in Section 5(j) of this Lease.

“Landlord Utility Rate” shall have the meaning set forth in Section 5(j) of this Lease.

“Lease Term” shall have the meaning set forth in Section 3(a) of this Lease.

“Leasehold Estate” means the leasehold estate in the Premises held by HDFC, as nominee for the Company, subject to the terms and conditions of this Lease but specifically excluding any FADR existing prior to the date hereof or created in the future pursuant to the Zoning Resolution or by the terms of this Lease.

“Legal Requirements” means, collectively, all obligations, standards, criteria and other requirements imposed by all applicable statutes, laws, ordinances, rules, regulations, permits, licenses, orders, directives, guidelines or policies, of any Governmental Authority, including, but not limited to: (i) all workers’ compensation, social security, unemployment insurance, hours of labor, wages, working conditions, licensing and other employer employee related matters, including, without limitation, all laws, rules and regulations with respect to nondiscrimination

based on race, sex or otherwise; (ii) the Environmental Requirements; (iii) Reserved (iv) the Housing Quality Standards; (v) the HUD Program Requirements, (vi) the Control Agreement; (vii) all those statutes as set forth in Section 18 herein; (viii) zoning regulations; and (ix) operational requirements imposed by local law.

“Lender” shall mean _____ and its successors, designees and/or assigns.

“Lender Addendum” shall mean that certain Lender Addendum attached hereto and incorporated herein as Exhibit G.

“Management Agent” shall have the meaning set forth in the Management Agreement.

“Management Agreement” shall mean that certain management agreement prepared by HDFC and/or the Company, and approved by the Landlord, which is applicable to the management and operation of the Development.

“Management Plan” shall have the meaning set forth in Section 10(d) of this Lease.

“Managing Member” means _____, a _____ limited liability company, which is the Managing Member of _____ a _____ limited liability company, which is the Sole Member of the Company.

“Mortgage” means any leasehold mortgage, including the Permitted Leasehold Mortgages, and/or assignment of leases and rents at any time encumbering any or all of the HDFC’s and the Company’s interest in the Mortgaged Assets, and any other security interest therein existing at any time under any other form of security instrument or arrangement used from time to time in the locality of the Development, provided that such mortgage, deed of trust or other form of security instrument, and an instrument evidencing any such other form of security arrangement, has been approved by Landlord, which approval shall not be unreasonably withheld, conditioned or delayed, recorded among the Land Records or in such other place as is, under applicable law, required for such instrument to give constructive notice of its contents.

“Mortgagee” means a Person who is the holder of a Mortgage.

“Mortgaged Assets” means, collectively, the Leasehold Estate, the Unit Equipment, the Improvements, any assignments of leases and rents, and all other property described in any Mortgage permitted under the terms of this Lease.

“Nominee Agreement” shall have the meaning set forth in Recitals.

“O&M Plans” means, collectively, those certain O&M Plans that are part of the Environmental Assessment described on Exhibit E and attached hereto.

“Operating Agreement” shall mean the Operating Agreement of the Managing Member.

“PBV Requirements” shall mean the legal requirements applicable to the Section 8 project-based voucher program including, without limitation, the Act; HUD regulations thereunder (and to the extent applicable, any HUD-approved waivers of regulatory requirements); any other federal

laws, regulations, notices, and Executive Orders pertaining to the Section 8 project-based voucher program; the Section 8 Administrative Plan; and the HAP Contract.

“Permitted Encumbrances” means any and all instruments and matters of record, or in fact, on the date hereof, listed in the title policy or policies to be issued to the First Leasehold Mortgagee.

“Permitted Leasehold Mortgagee” means, collectively, the Lender, ___ Lender, the Landlord as the holder of the Purchase Money Mortgage, or the holder of any other Mortgage subordinate to this Lease that is consented to by Landlord.

“Permitted Leasehold Mortgage” means any of the Permitted Leasehold Mortgages.

“Permitted Leasehold Mortgages” means, collectively, the First Permitted Leasehold Mortgage, the Second Permitted Leasehold Mortgage, the Purchase Money Mortgage, and any other Mortgage subordinate to this Lease that is consented to by Landlord.

“Permitted Use” shall mean the operation of the Units according to the HUD Program Requirements and the operation of the Community Facility Space in accordance with this Lease.

“Person” means a natural person, a trustee, a corporation, a partnership, a limited liability company and any other form of legal entity.

“Physical Needs Assessment” shall have the meaning set forth in Section 9(a)(ix) of this Lease.

“PILOT Agreement” shall mean that certain agreement between the City of New York and the Authority dated on or about the date hereof for payment in lieu of real property taxes on the Premises.

“PILOT Payments” shall have the meaning set forth in Section 24 of this Lease.

“PNA Comment Period” shall have the meaning set forth in Section 9(a)(ix) of this Lease.

“PNA Plan” shall have the meaning set forth in Section 9(a)(ix) of this Lease.

“PNA Repairs” shall have the meaning set forth in Section 9(a)(ix) of this Lease.

“Premises” has the meaning given it in the granting clause of this Lease; provided, that if at any time hereafter any portion of the Premises becomes no longer subject to this Lease, “Premises” shall thereafter mean so much thereof as remains subject to this Lease.

“Proceeds” shall have the meaning set forth in Section 13(a)(i) of this Lease.

“Public Housing Leases” shall have the meaning set forth in the Recitals.

“Purchase Money Mortgage” means the Purchase Money Leasehold Mortgage, Assignment of Leases and Rents and Security Agreement from HDFC and the Company to Landlord dated as of the date hereof and encumbering the Premises.

“Purchase Money Note” shall have the meaning set forth in Section 5(b) of this Lease.

“RAD Use Agreement” shall mean that certain Rental Assistance Demonstration Use Agreement executed among HUD, Landlord and Tenant with respect to permitted uses of the Premises and rights of potential beneficiaries.

“Real Property Tax Benefits” shall mean those benefits expected to be granted to the Development (1) pursuant to that certain PILOT Agreement or (2) by the City of New York or any other payment in lieu of taxes arrangement, real estate tax abatement or exemption program administered by the City of New York, including any regulations promulgated thereunder.

“Regulatory Agreement” means any agreement requiring that Rental Units existing upon the Premises are subject to certain requirements including, but not limited to, the Affordability Requirements.

“Regulatory Documents” means collectively the HAP Contract, HUD Use Agreement, that certain Regulatory Agreement executed by the HDPC, the Company and the Authority, dated as of even date hereof, with respect to permitted uses of the property and rights of potential beneficiaries, the __ Regulatory Agreement, and any additional Regulatory Agreement, for so long as each such document remains in effect. The expiration or earlier termination of any individual document shall not affect the applicability of any other document except as specifically set forth therein.

“Reimbursable Expenses” shall mean any and all actual costs and expenses including, but not limited to, all costs to cure an Event of Default pursuant to Section 15(e)(ii), along with any and all repossession costs, management expenses, operating expenses, reasonable legal and litigation-related expenses (such as court fees, vendor fees and expert fees) and reasonable attorneys’ fees (regardless of whether such reasonable attorneys’ fees arise without litigation, in preparation for litigation or in connection with litigation).

“Remediation Work” shall have the meaning set forth in Section 6(c)(v) of this Lease.

“Rent” means, collectively, all Base Rent and all Additional Rent.

“Rental Units” shall have the meaning set forth in the Recitals.

“Resident” shall mean a person occupying a Unit in the Development pursuant to a properly executed Resident Lease.

“Resident Lease(s)” shall mean, individually and collectively, all individual leases executed with respect to the Rental Units containing terms in accordance with the HUD Program Requirements and all Legal Requirements, including, but not limited to, any addendum required by HUD and any riders or other documentation required by Landlord, acting in its capacity as contract administrator of the HAP Contract.

“Restoration” means the repair, restoration or rebuilding of any or all of the Premises after any Casualty or Taking, with such alterations or additions as are made by Tenant in accordance

with this Lease, together with any temporary repairs or improvements made to protect the Premises pending the completion of such work.

“Second Permitted Leasehold Mortgage” means that certain Mortgage (Leasehold), dated of even date herewith, by and among the [REDACTED] Lender, the HDFC and the Company, approved by the Landlord as of the date hereof, and recorded among the Land Records, in the sum of [REDACTED] and 00/100 Dollars (\$ [REDACTED]) for and only for so long as such mortgage(s) covers the portion of Mortgaged Assets and is junior to the First Permitted Leasehold Mortgage and senior in priority to the Purchase Money Mortgage.

“Section 8 Administrative Plan” shall mean Landlord’s provisions for admission to the Rental Units receiving the benefit of rental subsidies provided by the Authority pursuant to the HAP Contract in accordance with the HUD Program Requirements and 24 C.F.R. Part 983, as amended.

“Section 18 Buildings” shall have the meaning set forth in the Recitals.

“Substantial Material Modification” shall mean (a) an amendment, modification or other alteration to the Final Plans and Specifications, and/or (b) any alteration, improvement or addition to any Parcel(s) that increases the Utilized Floor Area on any such Parcel(s) or changes the aggregate number of rooms or units, or changes the unit sizes or bedroom count of the Rental Units as set forth in the HAP Contract, all as existing as of the date of this Lease.

“Superintendent’s Units” shall have the meaning set forth in the Recitals.

“Taking” shall have the meaning set forth in Section 13(b)(i) of this Lease.

“Taxes” shall mean all real property and other taxes, or all payments due under the PILOT Agreement or other payments in lieu of taxes, charges or other assessments levied against any portion or all of: (i) the Premises; (ii) the Units; (iii) all other Improvements; (iv) the Community Facility Lease; and (v) the Unit Equipment, whether due from Landlord or Tenant or assessed against the Landlord’s Estate or the Leasehold Estate therein, and payable with respect to any calendar or tax year or other period falling wholly or partly within the Term, including, but not limited to, any assessments or fees levied against any of the foregoing, pursuant to any Permitted Encumbrances.

“Tenant” shall mean collectively, HDFC and the Company, and their successors and permitted assigns as holder of the Leasehold Estate.

“Tenant’s Related Parties” shall mean Tenant’s members, officers, directors, affiliates, agents, Contractors, sublessees, employees, and their respective heirs, personal representatives, successors and assigns, but shall specifically exclude the Authority.

“Term” shall mean the term of this Lease, commencing on the Commencement Date and terminating on the Expiration Date.

“Total Taking” shall have the meaning set forth in Section 13(b)(iii)(A) of this Lease.

“Transfer” means:

(a) other than the Permitted Leasehold Mortgages, (1) any assignment by Tenant of this Lease or any of its rights under this Lease as to all or any portion of the Premises, the Units, the rest of the Improvements, the Unit Equipment or the Premises generally, or (2) any voluntary or involuntary total or partial sale, lease, assignment, conveyance, mortgage, pledge, encumbrance or other transfer of any or all of the Premises, the Units, the rest of the Improvements, the Unit Equipment or the occupancy or use thereof; and/or

(b) any transfer, conveyance, or assignment of: (i) any interest of a managing member, general partner, or controlling stockholder (any such interest being referred to as a “**Controlling Interest**”) of the Tenant; or (ii) a Controlling Interest in any entity that has a Controlling Interest in the Tenant;

(c) Notwithstanding anything to the contrary contained herein, the following actions shall not be considered a Transfer, as such term is defined above and used herein: (i) conveyance of the beneficial and equitable interest in the Improvements to the Company pursuant to the Nominee Agreement, (ii) any transfer, conveyance, or assignment of a Controlling Interest in the Tenant to Landlord or an Affiliate of Landlord; (iii) the Resident Lease and any transfer, conveyance, or assignment pursuant to a Resident Lease; (iv) any transfer or conveyance for a reallocation of interests in the Company between the Managing Members and any other Member of the Company; and (v) the execution of leases or subleases with tenants of the Community Facility Space.

“Units” shall have the meaning set forth in the Recitals.

“Unit Equipment” shall mean any and all improvements, repairs, alterations and all other property attached to or otherwise installed as a fixture within the Premises by Landlord or Tenant and any exterior trash compactors that may be located on the Premises.

“Unknown Pre-Existing Hazardous Condition” shall have the meaning set forth in Section 6(a)(ii) of this Lease.

“Upzoning” shall mean any validly enacted amendment of the Zoning Resolution after the date of this Lease increasing the FADR appurtenant to the Zoning Lot or any part thereof.

“Use and Occupancy Fees” means an annual payment of \$ [REDACTED], to be charged by Landlord and payable by the Tenant in the event Tenant shall continue to use or occupy the Premises following the expiration or earlier termination of this Lease; together with any payment referred to in this Lease, which accrues while the Tenant continues to use or occupy the Premises following the expiration or termination of this Lease.

“Utility Reimbursement” shall have the meaning set forth in Section 5(j) of this Lease.

“Utilized Floor Area” is the floor area for each existing Building and/or structure on the Parcel, as determined by Landlord, in its sole and absolute discretion, at any time during the Lease Term, provided that the Landlord’s aforementioned determination does not cause the Development to fail to comply with all Legal Requirements.

“Waiver” is the Waiver, Subordination and Consent Agreement in substantially the form annexed hereto as Exhibit H.

“Zoning Lot” shall have the meaning as set forth in Section 12-10 of the Zoning Resolution and which is located within the Land.

“Zoning Lot Documents” shall mean all documents executed relating to a Landlord Development Action, including, without limitation, any declaration of zoning lot restrictions, any zoning lot and development agreement or similar instruments, and each additional amendment or replacement to any such document or instrument.

“Zoning Resolution” shall mean the Zoning Resolution of the City of New York, effective as of December 15, 1961, as amended to date, and as the same may hereafter be amended or restated from time to time.

2. Recitals. The Recitals set forth above are incorporated by reference into this Lease and made a part hereof.

3. Term of Lease.

(a) Length of Term. The term of this Lease commences on the Commencement Date and expires on the Expiration Date (the Expiration Date being the ___ anniversary of the Commencement Date hereof) or on such earlier date as this Lease shall be terminated by Landlord under the terms hereof or by law, whichever shall first occur (the “**Lease Term**”). Any provisions of this Lease that are expressly identified to survive the Expiration Date or earlier termination of this Lease, shall survive such Expiration Date or earlier termination date, as the case may be.

(b) Surrender of Premises. Tenant shall, on or before the Expiration Date or any earlier termination of this Lease (whether by reason of the occurrence of an Event of Default or otherwise) promptly yield up to Landlord, without lien or encumbrance (other than the Permitted Encumbrances and any liens or encumbrances subsequently approved by the Landlord), the Premises, ordinary wear and tear, and damage by Casualty and Taking (subject to Section 13 hereof) excepted. Upon such expiration or termination (whether by reason of the occurrence of an Event of Default or otherwise), neither Tenant nor its creditors and representatives shall thereafter have any right at law or in equity in or to any or all of the Premises or to repossess any of same under this Lease. Landlord shall automatically be deemed thereupon to have succeeded to all of Tenant’s interest in the Premises, without Landlord being required to execute any further instrument, free and clear of the right, title or interest of any creditor of Tenant or any other person, and Tenant shall execute and record any documents needed to effectuate the surrender of the Premises. Tenant hereby waives any and all rights of redemption which it may otherwise hold under applicable law.

(c) Holding Over. Nothing in this Lease shall be deemed in any way to permit Tenant to use or occupy the Premises after the Expiration Date or the sooner termination of this Lease. If Landlord and Tenant fail to agree in writing to extend the term of this Lease prior to or upon the expiration or earlier termination of this Lease, and Tenant continues to occupy the Premises after such expiration or termination thereafter:

(i) such occupancy shall (unless the Parties hereto otherwise agree in writing) be deemed a month-to-month tenancy only, which tenancy shall continue until either Party notifies the other in writing, by at least ____ days before the end of any calendar month, that the Party giving such notice elects to terminate such tenancy as of the end of such calendar month, in which event such occupancy shall so terminate, and Tenant shall surrender the Premises in accordance with Section 3(b) above;

(ii) Tenant shall pay Use and Occupancy Fees for the entire period of such occupancy;

(iii) such occupancy shall otherwise be on the same terms and subject to the same conditions as those set forth in this Lease, except that if Landlord gives Tenant, at least ____ days before the end of any calendar month during such month-to-month occupancy, written notice that such terms and conditions (including any relating to the amount and payment of Use and Occupancy Fees) shall, after such month be modified in any manner specified in such notice, then such occupancy shall, after such month, be on the said terms and subject to the said conditions, as so modified; and

(iv) Nothing contained herein may be construed as a waiver or diminution of any and all rights or remedies Landlord may have by law or in equity with respect to the continuing occupancy of the Premises by the Tenant beyond the expiration or sooner termination of this Lease.

(d) Title to and Surrender of Premises.

(i) Landlord hereby grants and demises unto the HDFC, as nominee of the Company, its successor and assigns, a leasehold interest to the Premises, together with all the tenements, hereditaments and appurtenances thereto belonging or in anywise appertaining, but specifically excluding any trademarks, copyright or intellectual property pertaining or relating to the Improvements, to have and to hold legal leasehold title to the same upon the terms and conditions contained in this Lease.

(ii) HDFC, as nominee for the Company, accepts the Premises subject to:

(A) The building restrictions and zoning regulations in effect as of the date hereof and any facts disclosed in the City of New York tax and zoning maps and Zoning Resolution;

(B) The provisions of all Legal Requirements existing as of the date hereof;

(C) The “as-is” condition of the Premises as of the date hereof (subject to the other terms and conditions of this Lease);

(D) The covenants, agreements, easements, and restrictions of record and encroachments, utility easements and rights of way that may affect the Improvements and underlying Land to the extent set forth in the title insurance policies issued to the Company as of the date hereof;

(E) Real estate taxes, water rates and sewer rents, and pending assessments, if any (subject to the other terms and conditions of this Lease, the Operating Agreement); and

(F) The trust fund provisions of Section 13 of the New York Lien Law.

(iii) The granting clause contained in this Section 3(d) shall provide a nominal leasehold interest in the Premises to HDFC, and the beneficial and equitable interest in the Premises to the Company, pursuant to the Nominee Agreement, and, during the Term, the Company alone shall be entitled to all of the tax attributes of ownership, including, without limitation, the right to claim depreciation or cost recovery deductions.

(iv) Notwithstanding anything to the contrary contained herein, Landlord's conveyance of a leasehold interest in the Ancillary Land to the Tenant is solely for the use existing as of the date of this Lease or such other use first approved in writing by Landlord in its sole and absolute discretion. In no event may Tenant erect on the Ancillary Land any structures or improvements. Landlord shall not approve any refinancing of the Premises following construction completion unless the appraisals obtained in connection therewith and the mortgages encumbering the Premises as security for such refinanced debt are exclusive of the Ancillary Land. At any point after construction completion and the release of the First Permitted Landlord Mortgage, Landlord shall have the right to terminate this Lease as it relates to the Ancillary Land at any time and in its sole discretion with _____ days prior notice to Tenant and the Lender. Such termination shall be effectuated with the filing of an Amended Memorandum of Lease in Land Records. As part of such termination, Landlord shall also coordinate with HUD the release of Tenant from that certain Declaration of Restrictive Covenants and Use Agreement executed by Landlord and Tenant for the benefit of HUD and recorded against the Ancillary Land on or about the date hereof. If Landlord has not terminated this Lease in relation to the Ancillary Land prior to the expiration or earlier termination of the Term of this Lease, then upon such expiration or earlier termination of the Term of this Lease, Tenant shall peaceably leave, quit and surrender the Ancillary Land in the manner required pursuant to Section 3(b) above.

(v) At the expiration or earlier termination of the Term of this Lease, Tenant shall peaceably leave, quit and surrender the Land, the Improvements and Unit Equipment in the manner required pursuant to Section 3(b) above, subject to the rights of Residents in possession of Units under executed Resident Lease(s) with Tenant. Upon such expiration or termination, the Land, the Improvements and Unit Equipment shall become the sole property of Landlord at no cost to Landlord, without Landlord being required to execute any further instrument, and shall be free of all liens and encumbrances, except for the Permitted Encumbrances or liens or encumbrances subsequently approved by Landlord and HUD, and in "as is" condition, subject only, and in the event of a casualty, to the provisions of Section 13 herein.

4. Assumption by Company. By virtue of the Nominee Agreement, the Company hereby assumes all of the rights, benefits, claims, obligations, responsibilities and liabilities of HDFC hereunder. Landlord hereby acknowledges the Nominee Agreement and, thereby, the Company's assumption of all of the HDFC's rights, benefits, claims, obligations, responsibilities and liabilities of HDFC hereunder. All references to Tenant hereunder shall be deemed to include the Company, unless such reference specifically relates to HDFC's role as nominee in connection with the

Nominee Agreement or as mere record holder to the Premises. So long as the HDFC shall hold record leasehold title to the Premises, any and all notices, statements and communications received by the HDFC, as holder of record leasehold title with respect to the Premises, shall be promptly delivered to the Company, all benefits, including any proceeds of any title insurance received accruing with respect to the Premises shall belong to the Company, and if received by the HDFC, shall be turned over to the Company immediately upon receipt, the HDFC shall not do or suffer to be done, any act or omission with respect to the Premises or the record title thereto, or convey or encumber the same, in any way, except as directed by the Company, its successors and assigns, the HDFC shall comply with all directions which may be given to it by the Company with respect to the Premises.

5. Payment at Commencement Date; Base Rent and Additional Rent. As rent for the Premises, Tenant shall pay to Landlord _____, which amount represents (a) the fair market value of the Improvements and Land (the “**Purchase Price**”).

(a) Base Rent. The Base Rent shall be comprised of the Initial Rent Payment and the Capitalized Rent Payments. As consideration for this Lease, Tenant shall pay to Landlord the sum of _____ as an initial rent payment _____ (the “**Initial Rent Payment**”). The remaining rent of _____ shall be due and payable in installments in accordance with Section 5(b) below (the “**Capitalized Rent Payment**” and with the Initial Rent Payment, the “**Base Rent**”).

(b) Capitalized Rent. The Capitalized Rent Payment shall be paid by delivery of that certain Purchase Money Note from Company in favor of Landlord in the original principal amount of _____, dated as of the date hereof (the “**Purchase Money Note**”), which promissory note shall bear interest at _____ percent per annum, and shall be secured by the Purchase Money Mortgage and recorded against the leasehold estate. The principal amount of the Purchase Money Note shall be paid down to the Capitalized Rent Payment amount with the payment of the Initial Rental Payment.

(c) Conditional Sale, Federal Income Tax. Landlord, Tenant and Company intend that this Lease shall be considered a conditional sales contract for federal tax purposes and not a Section 467 lease, and that Company shall be deemed to have acquired the Improvements, on the date hereof and thereafter, at all times during the term of this Lease, shall be exclusively entitled to possession, use and enjoyment of the Improvements in accordance with this Lease and to all of the tax attributes of ownership thereof including, without limitation, the right to claim depreciation or cost recovery deductions with respect to the Improvements and the equipment therein, the right to amortize capital costs incurred for the acquisition and rehabilitation of the Improvements and the right to claim any other federal tax benefits attributable to the Premises and the equipment therein. For the purposes of clarity, the parties agree that the Purchase Price is the fair market value of the Improvements and represents the properly allocable portion of the Base Rent. The Capitalized Rent Payment pursuant to paragraph (b) of this Section shall be treated by the parties as financing for the Purchase Price using an interest rate as specified in paragraph (b) of this Section.

(d) Payment.

(i) All payments to Landlord, required pursuant to Section 5(a), shall be paid in lawful currency of the United States of America, to Landlord by delivering or mailing such payment to Landlord's address, or to such other address or in such other manner as Landlord from time to time specifies by written notice to Tenant. The Base Rent and all other sums payable by Tenant hereunder as Additional Rent and/or Use and Occupancy Fees, as the case may be, shall be paid without notice or demand, and without set-off, counterclaim, recoupment, abatement, diminution, deduction, reduction or defense, except as otherwise specifically set forth herein.

(ii) Acknowledgement of Rent Prepaid. Notwithstanding the provisions of paragraph (d)(i) of this Section, the parties hereby acknowledge that the Base Rent for the Lease Term shall be prepaid by the Tenant as of the date hereof, with the Initial Rent of such amount paid in cash and the Capitalized Rent Payment of the Base Rent paid pursuant to the Purchase Money Note and Purchase Money Mortgage dated as of the date hereof. The Base Rent described above shall be payable in advance for the full Lease Term, and Landlord hereby acknowledges receipt of the Base Rent for the full Lease Term.

(iii) Each of Landlord, Tenant and Company acknowledges and agrees that the Base Rent due under this Section 5 and any additional rent for the Premises, including without limitation taxes, assessments, utility charges, costs associated with repair and maintenance and insurance at the Premises, due under this Lease constitute fair market rent under the circumstances and taking into account the restrictions on the use of the Premises, including without limitation the restrictions set forth in the HUD Use Agreement.

(e) Additional Rent and Use and Occupancy Fees. Additional Rent and/or as Use and Occupancy Fees, as the case may be, shall be payable monthly, or promptly upon Landlord's written demand therefor, as provided herein. Tenant's failure to pay any such Additional Rent, or Use and Occupancy Fees, as the case may be, shall, subject to the terms and conditions hereof, entitle Landlord to the same remedies available to Landlord for nonpayment of Base Rent. Nothing contained herein may be construed as a waiver or diminution of any and all rights or remedies Landlord may have by law or in equity with respect to the continuing occupancy of the Premises by the Tenant beyond the expiration or sooner termination of this Lease.

(f) Security Deposit. Landlord and Tenant acknowledge that Tenant has not deposited and shall not be obligated to deposit (except as otherwise expressly set forth herein) any sum of money in connection with a security deposit.

(g) Tax on Lease. If federal, state or local law now or hereafter imposes on Landlord any tax, assessment, levy or other charge (other than any income tax) directly or indirectly upon or in connection with: (i) Landlord with respect to this Lease or the value thereof (other than transfer or recordation taxes), (ii) Tenant's use or occupancy of the Premises, (iii) the Base Rent, Additional Rent, or Use and Occupancy Fees, or any other sum payable under this Lease, (iv) any changes in the beneficial ownership of HDFC or the Company, or (v) this transaction, Tenant shall pay the amount thereof to Landlord upon written demand, _____.

(h) Net Lease. All costs, expenses, liabilities, charges or other deductions whatsoever with respect to the Premises and the construction, ownership, leasing, operation, maintenance, repair, rebuilding, use, and occupation of any or all of the Improvements, or with respect to any interest of Landlord in the Premises, or with respect to a Permitted Leasehold Mortgage, or this Lease generally, shall be the sole and exclusive responsibility of and payable by Tenant. Such costs include, but are not limited to, any costs, expenses, liabilities, charges or other sums, in connection with the closing of a Permitted Leasehold Mortgage or Permitted Leasehold Mortgagee, and/or otherwise incurred by Landlord in connection with a Permitted Leasehold Mortgage or Permitted Leasehold Mortgagee, all of which costs, expenses, liabilities, charges or other sums shall be deemed Additional Rent.

(i) Utilities. Except as set forth below in Section 5(j), Landlord will transfer to Tenant all utility accounts currently servicing the Premises. Tenant agrees to: (i) establish in the Company's or Managing Agent's name any new required utility accounts and meters, whether temporary or permanent, (ii) pay, or cause to be paid, as Additional Rent, to respective utility companies, all utility charges incurred with respect to the Premises, except as provided in Section 5(j) below, including, but not limited to, utility charges for water, electricity, gas, sewage, telephone and such other utilities as shall be separately metered to Tenant. Tenant further agrees to contract for, and pay to the appropriate entity, all charges for waste and other garbage removal from the Premises. In the event Tenant fails to pay any of the foregoing when due, Landlord shall have the right, upon _____ days' written notice to Tenant, to pay the same and collect the amount thereof from Tenant in the same manner as Base Rent. Notwithstanding the foregoing, Landlord shall have the right to pay any utility charges directly to the applicable utility companies, and Tenant shall be obligated to reimburse Landlord for any such payments as Additional Rent hereunder.

(j) Landlord Utility Billing. Landlord receives a preferential utility rate from the New York Power Authority ("NYPA") for the Premises which are only available if invoices are sent to and paid by Landlord (the "**Landlord Utility Rate**"). The parties acknowledge that Landlord will continue to receive and pay invoices from NYPA for electricity for the Premises for the current established accounts.

(i) Landlord agrees to receive, process and pay the electric bills from NYPA for such current established accounts to enable the Premises to continue to receive the Landlord Utility Rate (the "**Landlord Utility Billing**"). The parties acknowledge that Landlord will continue to receive and pay invoices from NYPA for electricity for the Premises for the current and any newly established accounts. The Company shall immediately notify Landlord of any new accounts for electricity established in Landlord's name by email to Landlord's utility representatives set forth in Section 5(j)(v)(iii) below.

(ii) The Company shall reimburse Landlord for amounts paid for the Landlord Utility Billing (the "**Utility Reimbursement**"). Landlord shall provide the Company and the Management Agent with NYPA invoices for such Utility Reimbursement showing amounts billed for the Landlord Utility Billing on a monthly basis to the address set forth in the introductory paragraph of this Lease, for the Company, and (ii) the address designated in the Management Agreement, for the Management Agent.

(iii) The Company shall make payment by wire transfer in the amount of the Utility Reimbursement within ____ days of the date of such statement. Payment shall be wired to the following account:

Bank:

ABA #:

Acct Name: New York City Housing Authority- Revolving Fund Account

Bank Acct #:

To facilitate payment of utility charges and Utility Reimbursement, each Party has designated a representative. As of the date hereof, NYCHA's utility representatives are _____, Director, Accounts Payable, whose telephone number is (212) 306-_____ and whose email is _____@nycha.nyc.gov and _____, Chief of Energy, Accounts Payable & Utility Management, whose telephone number is (212) 306-_____ and whose email is _____@nycha.nyc.gov. Tenant's utility representative is _____, Chief Financial Officer _____, whose telephone number is _____ and whose email is _____.

6. Use of Premises.

(a) Condition of the Premises.

(i) Tenant acknowledges and agrees that, subject to the other terms and conditions of this Lease, the Premises shall be leased to Tenant, and Tenant shall accept the Premises, "as is, where is, and with all faults". Except as otherwise provided in this Lease, Landlord hereby expressly disclaims any and all representations and warranties of any kind or character, express or implied, with respect to the Premises. Landlord and Tenant further agree that except as otherwise provided herein, Landlord has not made, and is not making, any representations or warranties, express or implied, written or oral, as to: (A) the nature or condition, physical or otherwise, of the Premises or any aspect thereof, including, without limitation, any warranties of habitability, suitability, merchantability, or fitness for a particular use or purpose; (B) the soil conditions, drainage conditions, topographical features, access to public rights-of-way, availability of utilities or other conditions or circumstances which affect the Premises or any use to which Tenant may put the Premises; (C) any conditions at or which affect or may affect the Premises with respect to any particular purpose, use, development potential or otherwise; (D) any environmental, geological, meteorological, structural or other condition or hazard, or the absence thereof, affecting in any manner the Premises, including, but not limited to, the absence of asbestos or any Hazardous Substances on, in, under, or adjacent to the Premises; (E) compliance with the Zoning Resolution or any other zoning regulations and/or permitting requirements that may govern or in any way restrict the use of the Premises; or (F) compliance with any recorded or unrecorded documents that may in any way affect or restrict the Premises in connection with, and limited to, title, zoning and permitting.

(ii) Notwithstanding the foregoing, (A) Landlord covenants and agrees that Landlord is solely responsible for and shall indemnify and hold Tenant and Tenant's Related Parties harmless from all claims, actions, demands, costs and expenses and liability whatsoever,

including reasonable attorneys' fees, on account of any Hazardous Condition existing on any portion of the Premises on the Commencement Date that is not disclosed in the Environmental Assessment (an "**Unknown Pre-Existing Hazardous Condition**"), including any Hazardous Condition first occurring on any portion of the Premises from and after the Commencement Date that naturally results from an Unknown Pre-Existing Hazardous Condition, as well as any Hazardous Condition first occurring on any portion of the Premises from and after the Commencement Date that naturally results from a Hazardous Condition that was disclosed in the Environmental Assessment (a "**Known Pre-Existing Hazardous Condition**") and did not result from Tenant's negligence or misconduct; and (B) Tenant covenants and agrees that Tenant is solely responsible for and shall indemnify and hold Landlord and Landlord's Related Parties harmless from all claims, actions, demands, costs and expenses and liability whatsoever, including reasonable attorneys' fees, on account of any: (x) Hazardous Condition occurring on any portion of the Premises from and after the Commencement Date; or (y) any Known Pre-Existing Hazardous Condition existing on any portion of the Premises as of the Commencement Date, or condition resulting therefrom, which in either event is caused or unnaturally exacerbated by Tenant's acts or omissions; including without limitation Tenant's failure to comply with the terms of the O&M Plans; provided, however, that Tenant's indemnity hereunder shall not extend to any liability caused by the negligence or misconduct of Landlord, or Landlord's Related Parties, excluding any and all existing conditions on the Premises that may not be in compliance with the Zoning Resolution or any other zoning regulations and/or permitting requirements. Landlord further covenants and agrees that, to the extent that any violations of any Legal Requirements exist on any portion of the Premises as of the Commencement Date and subsequently results in the recording of a lien against such portion of the Premises, Landlord shall be solely responsible for the payment or other satisfaction of any such lien and shall indemnify and hold Tenant and Tenant's Related Parties harmless from all Claims, Damages and Fees (as such term is defined below) incurred on account of any such lien.

(b) Nature of Use. Tenant shall, throughout the Term, continuously use and operate the Premises, the Units, the Improvements, the Unit Equipment, and the fixtures and equipment upon the Premises only for the following uses, and such other uses as are reasonably and customarily attendant to such uses:

(i) The Units will be rehabilitated, operated and maintained strictly in accordance with the Permitted Use and all applicable Legal Requirements and the HUD Program Requirements. All of the Improvements will be rehabilitated, operated and maintained strictly in accordance with the Insurance Requirements and shall be modernized for use (and shall in fact be used) for and only for the purposes expressly set forth and contemplated by this Lease.

(ii) The Community Facility Space shall be used to provide social, educational, recreational, vocational, nutrition and other programs and services, by Tenant, and/or by agencies of the City of New York, and/or by third parties with whom Tenant, Landlord or the City of New York has service or provider contracts, and on an as-needed basis, including on a temporary rental basis, as locations for meeting and social events for residents and community groups.

(c) Compliance with Legal Requirements, Insurance Requirements and Other Covenants. Tenant, throughout the Term and at its sole expense, in connection with its use of the

Premises, the Units, the Improvements, the Unit Equipment, and the fixtures and equipment upon the Premises:

(i) shall comply with: (A) all Legal Requirements; (B) all Insurance Requirements; and (C) the provisions of the Permitted Encumbrances, all if and to the extent that any of the provisions of the Legal Requirements, the Insurance Requirements or the Permitted Encumbrances relate to any or all of the Premises, the Units, the Improvements, the Unit Equipment, the fixtures and equipment upon the Premises, or the use or manner of use thereof, whether any of the foregoing are foreseen or unforeseen, or are ordinary or extraordinary;

(ii) shall keep in force throughout the Term all licenses, consents and permits required from time to time by all applicable Legal Requirements necessary to permit the Premises, the Community Facility Space, the Units, the Improvements, the Unit Equipment, and the fixtures and equipment upon the Premises to be used in accordance with this Lease;

(iii) shall pay, or cause to be paid, when due, all personal property taxes, income taxes, license fees and other taxes assessed, levied or imposed upon Tenant or any other person in connection with the operation of any business upon the Premises or its use thereof in any other manner;

(iv) shall not take or fail to take any action, as the result of which action or failure to act Landlord's estate, right, title or interest in and to any or all of the Premises might be impaired; and

(v) Tenant shall not, nor shall the Tenant permit Tenant's Related Parties, or any party acting upon Tenant's behalf, or other third party, to bring, generate, handle, store, use or dispose of any Hazardous Substances at the Premises. The Tenant will, during the entire Term of this Lease, comply with all Legal Requirements of the Governmental Authorities, as applicable, concerned with the storage, treatment, generation, transportation, processing, handling, production or disposal of any Hazardous Substance. The presence of any Hazardous Substances other than Hazardous Substances constituting a Pre-Existing Hazardous Condition on, in, above or under the Premises that the Landlord has not consented to pursuant to this Lease or that the Tenant has not maintained in accordance with the provisions of this Section 6(c)(v) shall be considered a Hazardous Condition pursuant to this Section 6(c)(v), and the Landlord shall have all of the rights and remedies set forth in Section 15 below, in addition to all other rights and remedies provided in this Lease or at law or in equity. In the event that Tenant, Tenant's Related Parties, or any party acting upon Tenant's behalf, discovers, at any time, the presence of any Hazardous Substance or materials on, in or under the Premises, Tenant shall: (A) promptly disclose to Landlord and to all appropriate Governmental Authorities, in accordance with all applicable Legal Requirements, the presence of any Hazardous Substances or materials or the release or threatened release of any Hazardous Substances or materials onto, on, in, above or under the Premises occurring after the Commencement Date of this Lease; and (B) subject to any other obligations of Landlord set forth in this Lease, promptly undertake and diligently pursue to completion, at its sole cost and expense, all necessary, appropriate and legally authorized or required removal and/or remediation work (collectively, the "**Remediation Work**") with respect to such presence, release or threatened release of any Hazardous Substances or materials onto, on, in, above or under the Premises, provided that Tenant shall not undertake such removal and/or remediation work without the prior

written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. Tenant shall indemnify the Landlord from any liabilities or costs in relation to such condition and the Remediation Work. The foregoing contractual indemnification shall be in addition to any federal, state and local law liabilities imposed upon Tenant, and such indemnification shall cover any liabilities imposed upon the Landlord by federal, state and local law, as fee owner.

(d) Covenants Applicable to the Premises. Tenant agrees that, with the exception of: (i) the HUD Use Agreement; (ii) the Permitted Leasehold Mortgages or any other Permitted Encumbrances; (iii) the Community Facility Leases; (iv) the Resident Leases with eligible families for the Rental Units; neither the Premises nor any portion thereof shall be encumbered in any way, nor the assets of the Development pledged as collateral for a loan, without the prior written approval of Landlord and HUD, which consent shall not be unreasonably withheld, conditioned or delayed.

7. Taxes and Operating Expenses.

(a) Payment of Taxes. Tenant: (i) shall pay any and all Taxes applicable to the Premises, as and when due to the appropriate Governmental Authority, and before any penalty is incurred for late payment; (ii) shall deliver to Landlord, upon request, the receipted bill for such Taxes within ___ days after payment of same; and (iii) if any Taxes are permitted to be paid in installments, Tenant shall pay said installments on or before the date upon which any interest, penalty, fine or other cost is imposed upon said payments.

(b) Delivery of Bills and Notices. Each Party to this Lease shall deliver to the other, promptly after such Party's receipt, the originals of any and all bills for Taxes and notices of assessments or reassessments made, or to be made, for the purpose of levying any Taxes. If the Premises are not now treated as a separate tax lot or lots by the assessing authority, Landlord shall, upon Tenant's request and at Tenant's sole expense, cooperate with Tenant's efforts to have the Premises conform with the separate tax lots that are part of the Land and which exist as of the date of this Lease.

(c) Proceedings to Contest. Tenant may, without postponing payment, bring proceedings to contest the validity or the amount of any Taxes, or to recover any amount paid by Tenant, provided that Tenant, before the commencement of any such contest, notifies Landlord in writing that Tenant intends to take such action. Tenant shall indemnify and hold harmless Landlord against and from any expense arising out of any such action. Provided that Tenant diligently proceeds with such contest in accordance with the Legal Requirements, Landlord shall, upon written request by Tenant and at Tenant's sole cost and expense, reasonably cooperate with Tenant in taking any such action, provided that Tenant indemnifies and holds harmless Landlord against and from any expense or liability arising out of such cooperation. Furthermore, Tenant, at its expense, may attempt to obtain a lowering of the assessed valuation of the Premises for any year for the purpose of reducing taxes thereon. In such event, upon written request by Tenant and at Tenant's sole cost and expense, Landlord shall use its reasonable efforts to assist Tenant in such endeavor. Notwithstanding the foregoing, nothing in this Section 7(c) shall be deemed to require Landlord to undertake any efforts that would: (i) require Landlord to change its ownership interest

in the Premises or amend this Lease, (ii) perform alterations to the Premises, or (iii) adversely impact the ability of Landlord or its affiliate(s) to qualify for any benefit for the Premises.

(d) Payment of Operating Expenses.

(i) Tenant's Obligation. Tenant will pay, or cause to be paid, directly to the providers of such services, all costs and expenses attributable to or incurred in connection with the development, rehabilitation, completion, marketing, leasing and occupancy of the Premises, the Improvements, the Unit Equipment, and the fixtures and equipment upon the Premises, including, without limitation: (A) all energy sources for the Improvements, such as propane, butane, natural gas, steam, electricity, solar energy and fuel oil; (B) all water, sewer and trash disposal services; (C) all maintenance, repair, replacement and rebuilding of the Improvements including, without limitation, all Unit Equipment; (D) all maintenance, repair and striping of all parking areas, if any; (E) all insurance premiums relating to the Premises and the Improvements in compliance with the Insurance Requirements and/or all applicable Legal Requirements, including, but not limited to, fire and extended coverage, public liability insurance, rental insurance and all risk insurance; and (F) the cost and expenses of all capital improvements or repairs (whether structural or non-structural) required to maintain the Improvements in good order and repair required by any Governmental Authorities.

(ii) Permits and Licenses. Tenant shall procure, or cause to be procured, at Tenant's sole cost and expense, any and all permits, licenses, or other authorizations required pursuant to all applicable Legal Requirements, for the lawful and proper installation and maintenance upon the Premises of wires, pipes, conduits, tubes, and other equipment and appliances for use in supplying any such service to the Improvements and upon the Premises. Landlord, upon request of Tenant, and at the sole expense and liability of Tenant, will join with Tenant in any application required for obtaining or continuing any such services.

8. Insurance Requirements.

(a) General. At all times during the Term, Tenant shall comply, and cause its Contractors and Management Agent to comply, with the Insurance Requirements set forth in Exhibit B, to the extent such insurance is commercially available. Failure to comply with the Insurance Requirements for the duration of the Lease, and any extension thereof, shall be deemed a breach of the Lease, unless such insurance is not commercially available. Insurance coverage in the amounts provided for herein shall not limit the Tenant's or its insurers liability and shall not relieve the Tenant or its insurers from any liability that might exceed such amounts, nor shall the Landlord be precluded by such insurance coverage from taking other actions that may be available to the Landlord under any other provisions of this Lease or otherwise.

(b) Increase in Risk. The Company shall not do or permit to be done any act or thing as a result of which either: (i) any policy of insurance of any kind covering any or all of the Premises or any liability of Landlord in connection therewith may become void or suspended, or (ii) the insurance risk under any such policy would (in the opinion of the insurer thereunder) be increased, and if such insurance is maintained by Landlord, shall pay as Additional Rent the amount of any increase in any premium for such insurance resulting from any breach of such covenant, within ten (10) days after Landlord notifies the Company in writing of such increase.

8.A. Indemnification of Landlord.

(a) Tenant shall, to the fullest extent provided by law, indemnify, defend (with counsel reasonably satisfactory to Landlord) and hold Landlord and Landlord's Related Parties harmless from and against any claims, liens, actions, administrative proceedings (including informal proceedings), judgments, damages, punitive damages, penalties, fines, costs, liabilities, interest or losses (including, without limitation, reasonable outside attorneys' fees and expenses incurred in enforcing this indemnity), consultant fees, and expert fees (collectively, "**Claims, Damages and Fees**") arising out of or relating to:

(i) The Tenant's use, occupancy, conduct, operation or management of the Premises during the Term;

(ii) any work or thing whatsoever done or not done on the Premises during the Term;

(iii) any negligent, intentionally tortious act or omission, or any other act or omission of the Tenant or Tenant's Related Parties, during the Term;

(iv) any bodily or personal injury to or death of any person, or damage to any property, occurring on the Premises during the Term;

(v) any failure of Tenant to comply with any of the terms, covenants and provisions of this Lease;

(vi) any default or breach by the Tenant of the Permitted Leasehold Mortgages, whether or not such default or breach is claimed or asserted by the Permitted Leasehold Mortgagees and is not cured within the period allowed by such mortgagee(s), and from and against all expenses and liabilities incurred in connection with any such claim or any action or proceeding brought thereon (including, but not limited to, reasonable and customary fees of attorneys, investigators and experts); and

(vii) any of the aforementioned acts committed or omitted, or alleged to have been committed or omitted, by Tenant's Related Parties.

(b) The obligations, indemnities and liabilities of the Tenant pursuant to this Section 8.A shall apply regardless of whether the claims or facts underlying such matters subject to this provision are actual or alleged, substantial or frivolous. The obligations, indemnities and liabilities of the Tenant pursuant to this Section 8.A shall not extend to any Claims, Damages and Fees to the extent such result from the gross negligence or intentional misconduct of the Landlord or Landlord's Related Parties. Any provisions or limits of insurance set forth in this Lease shall not limit the Tenant's liability under this Section 8.A. The Tenant's obligations pursuant to this Section 8.A shall survive termination or expiration of this Lease. Upon the receipt of any Claims, Damages and Fees, Landlord shall tender notice to Tenant advising Tenant of such receipt, invoking Tenant's obligation under this section and advising of Landlord's expectation with respect to the satisfaction of that obligation. Landlord may - at its sole discretion - demand Tenant pay on Landlord's behalf such obligations or demand Tenant reimburse Landlord as necessitated by such obligations, as and when incurred. Landlord reserves the right to procure and manage its own legal

defense at Landlord's sole discretion, subject to all provisions of this section, provided, however, that Landlord may only employ separate counsel at the expense of the Tenant, if (i) in the judgment of Landlord, a conflict of interest exists by reason of common representation or if all parties commonly represented do not agree as to the action (or inaction) of counsel, or (ii) the Legal Requirements or a Governmental Authority requires Landlord to employ separate counsel. Should Tenant object to or otherwise reject such tender notice in whole or in part, Tenant must provide their reasoning with ____ business days of either the receipt of initial letter of tender or upon subsequent determination by Tenant of such objection. Otherwise, all Claims, Damages and Fees shall be presumed to be the burden of the Tenant. All other references to indemnification, defense and hold harmless within other sections of this Lease are subject to the terms and conditions of this clause except as otherwise specifically provided for in that section.

9. Improvements to Premises.

(a) Rehabilitation of Improvements.

(A) Development Work. Tenant shall complete or cause to be completed the Development Work in accordance with the Final Plans and Specifications except as may be modified in accordance with Section 9(a)(ii) below, and in compliance with the Legal Requirements and the Financing Documents, all as applicable. Tenant and Landlord acknowledge and agree that Landlord has approved the Final Plans and Specifications for ____ Work (as such term is defined in the Completion Guaranty).

(ii) Amendments to Final Plans and Specifications. Tenant shall take no action to effectuate any Material Modification (as such term is defined below) to the Final Plans and Specifications unless Landlord has approved such, in writing, which approval shall not be unreasonably withheld, conditioned or delayed. Landlord shall respond to Tenant's written request for approval of a Material Modification to the Final Plans and Specifications within ____ business days of receipt of such request, delivered in accordance with Section 19(a); provided that Tenant shall submit to Landlord the request for approval and supporting information with a notice that bears a bold face legend substantially as follows: "**Important: Your Response is Required in _____**". After such _____ day period, if Landlord has not responded to Tenant's request in writing, the request shall be deemed approved by Landlord. For purposes of this Lease, a "Material Modification" is a structural amendment, structural modification or other structural alteration to the Final Plans and Specifications that: (A) materially changes the scope of work set forth in the Final Plans and Specification; (B) adds a category or categories of work not contemplated in the initial, or subsequently approved by Landlord, scope of work; (C) adversely affects the appearance, structural integrity or quality of the Improvements; or (D) modifies the Final Plans and Specifications in a manner that results in an increase in excess of _____ per instance.

(iii) Rehabilitation of Units. Tenant shall, in accordance with all applicable Legal Requirements, rehabilitate the Improvements as set forth in the Final Plans and Specifications. Any Development Work by or on behalf of Tenant shall be constructed in a good and workmanlike manner, in compliance with all applicable Legal Requirements, including, without limitation, the inclusion of wage rates under the Davis-Bacon Act (40 U.S.C.A. 276a-1 through 40 U.S.C.A. 276a-5) and implementing guidance, including but not limited to the March 9, 2015 HUD Federal Register Notice, as may be amended, modified or supplemented, and the

HUD Program Requirements. Failure of Tenant to complete rehabilitation of the Improvements substantially in accordance with the Final Plans and Specifications shall constitute an Event of Default by Tenant under this Lease.

(iv) Staging of Work. Tenant agrees to design and plan the staging of all work at the Development so as to ensure the safety of Persons and property thereon and adjacent thereto. Prior to the commencement of any construction or excavation activities by Tenant, Tenant shall contact all appropriate utility agencies for the purpose of verifying the location, depth and nature of all utilities affecting the Premises and any areas bordering upon the Premises.

(v) Alterations. Except for the Development Work in accordance with the Final Plans and Specifications, Tenant shall not make any structural alteration, improvement or addition to the Premises the cost of which exceeds _____ per year unless Landlord has approved such, in writing (including but not limited to Landlord's approval of the annual operating budget) and in advance, which approval shall not be unreasonably withheld, conditioned or delayed and which approval will be deemed granted if written disapproval is not received within _____ days of the Tenant's request. Notwithstanding anything to the contrary, the Tenant may, without the prior written consent of Landlord and HUD, undertake alterations, improvements or additions to the Premises that in the opinion of the Governmental Authorities or reasonable opinion of the Tenant are immediately necessary to ensure the health and safety of the residents of the Units or are required in order to maintain the Premises and Units as decent housing for the tenants thereof; provided that in such event Tenant shall notify the Landlord within _____ days of commencing such emergency work. Any improvements or additions made to the Premises by Tenant shall be made only in a good and workmanlike manner using new materials of the same quality as the original Improvements, and in accordance with all applicable building codes and the HUD Program Requirements.

(vi) Substantial Material Modification. Notwithstanding anything to the contrary in Sections 9(a)(ii) and (v) the Tenant shall take no action to effectuate any Substantial Material Modification unless the Landlord has approved such, in writing, which approval shall be at the Landlord's sole and absolute discretion. Further, Tenant's request for a Substantial Material Modification shall be not be "deemed approved" by Landlord's failure to respond to such request.

(vii) Financing of Improvements. As a material condition to this Lease: (A) to secure construction and permanent financing for the Development Work associated with the Development, Tenant must obtain such construction and permanent loans (collectively, the "**Financing**") and enter into all such loan and servicing agreements with respect thereto, together with any and all such further documents that may be required by the construction and permanent lender(s) and Landlord required for the financing, loan or the credit enhancement thereof, for the Development Work (collectively, the "**Financing Documents**"), subject to such review and approval as may be required pursuant to the Legal Requirements, as may be necessary to complete the Development; (B) Tenant and Landlord shall cooperate with the Permitted Leasehold Mortgagees and to promptly comply with any and all reasonable requests of the such lenders(s) in connection with the processing of Tenant's application(s) for the Financing of the Development, including cooperation with all due diligence activities conducted by the lenders in connection therewith; and (C) Tenant and Landlord, if required by a lender, must participate in closing(s) for

the construction and permanent financing of the Development, at which time(s), the Financing Documents will be executed and delivered to the appropriate parties.

(viii) Warranties. Tenant warrants to Landlord that all materials and equipment furnished in connection with the construction of the Improvements, or any alteration, addition, of the Improvements, will be of good quality and new, that all construction work associated with the Improvements will be free from any material defects, and that such construction work will comply in all material respects with the requirements of the approved Final Plans and Specifications. All construction work not conforming to these requirements, including substitutions, shall be considered defective and a breach of the warranty provided in this Section 9(a)(vii). If required by Landlord, Tenant shall furnish reasonably satisfactory evidence as to the kind and quality of materials and equipment. Tenant shall defend, indemnify and hold harmless Landlord and Landlord's Related Parties against and from any and all liability, claim of liability or expense arising directly or indirectly, wholly or in part out of any failure of Tenant's warranties hereunder to be true, complete and accurate in all material respects. Notwithstanding anything contained herein to the contrary, any breach by Tenant under this Section shall not be a cause for a termination of this Lease.

(ix) Landlord's Inspection of Units, Development and Development Work. Subject to tenant leases and other applicable laws, Landlord shall have the right to inspect the Units, the Development and the Development Work during the construction period and at other times as may be reasonably necessary, including without limitation, attending construction meetings. Landlord shall perform all inspections of any occupied Units in accordance with the terms of the applicable Resident Leases, pursuant to the Housing Quality Standards and HUD Program Requirements, as applicable.

(x) Physical Needs Assessment. Tenant shall, commencing twenty (20) years after the Commencement Date, perform a physical needs assessment of the Improvements; such assessment shall be undertaken in order to determine the physical condition of the Improvements and assess the need to make necessary capital improvement or repairs to the Improvements (the "**Physical Needs Assessment**"). Prior to the requirement to perform the Physical Needs Assessment, Tenant shall send a notice to Landlord, which notice shall set forth a schedule for the completion of the Physical Needs Assessment along with a detailed punch-list of the items required to be inspected by the Physical Needs Assessment (the "**PNA Plan**"). Tenant shall notify Landlord of the name and address of the engineer that will undertake the Physical Needs Assessment along with a document outlining the schedule for the completion of the Physical Needs Assessment. Landlord shall have ___ business days to return comment on the PNA Plan. Failure to return comments shall result in the acceptance by Landlord of the PNA Plan (the "**PNA Comment Period**"). Within ___ business days of PNA Comment Period, Tenant shall cause its selected engineer to perform the Physical Needs Assessment in accordance with the final PNA Plan. Upon the completion by Tenant's engineer of the Physical Needs Assessment, which completion shall occur within ___ calendar days from the expiration of the PNA Comment Period, Tenant shall cause a copy of the Physical Needs Assessment to be sent to Landlord. Landlord shall review the Physical Needs Assessment report and within ___ business days from the receipt of said report send a list of the required repairs to the Improvements (the "**PNA Repairs**"). The cost of conducting the Physical Needs Assessment and the cost of making the PNA Repairs shall be the

sole responsibility of Tenant; failure to undertake the completion of the Physical Needs Assessment and the PNA Repairs shall be an Event of Default under this Lease.

(b) Permitted Fee Mortgages. Neither the Landlord, nor any successor to the Landlord's interest to the Premises or any part thereof, shall, without the prior written consent of the Permitted Leasehold Mortgagees (while the Permitted Leasehold Mortgages remain outstanding), and Tenant, engage in any financing or other transaction creating any mortgage or other encumbrance or lien upon the Landlord's Estate by express agreement.

(c) Mechanics' Liens and Other Liens.

(i) Tenant shall: (A) promptly after the filing thereof, in accordance with any applicable Legal Requirements, release or cause to be released (by bonding or otherwise in accordance with such Legal Requirements) any mechanics', materialmen's or other lien filed or claimed against any or all of the Land, the Premises, or any other property owned or leased by Landlord, by reason of labor or materials provided for or about any or all of the Premises, the Units or the Improvements during the Term, or otherwise arising out of Tenant's or Tenant's Related Parties' use or occupancy of any or all of the Land, the Premises, the Units, or the rest of the Improvements; and (B) defend, indemnify and hold harmless Landlord and Landlord's Related Parties against and from any and all liability, claim of liability or expense (including but not limited to that of reasonable attorneys' fees) incurred by Landlord and Landlord's Related Parties on account of any such lien or claim.

(ii) Nothing contained in this Lease shall be deemed in any way: (A) to constitute Landlord's consent or request, express or implied, that any Contractor, laborer or materialman provide any labor or materials for any alteration, addition, improvement or repair to any or all of the Premises; or (B) to give Tenant any right, power or authority to take any action or fail to take any action (including but not limited to contract for or permit to be furnished any service or materials), if doing so would give rise to the filing of any mechanics' or materialmen's lien against any or all of the Premises or Landlord's estate or interest therein; or (C) to evidence Landlord's consent that the Premises be subjected to any such lien.

(d) Fixtures. Any and all improvements, repairs, alterations and all other property attached to or otherwise installed as a fixture within the Premises by Landlord or Tenant shall, immediately on the completion of such installation, become part of the Development and remain with the Development at the expiration or earlier termination of this Lease.

(e) Joinder. Landlord shall, during the Term hereof, and subject to the conditions contained in this Section 9(e), upon Tenant's reasonable request and at Tenant's sole expense, and without any assumption of any liability or obligation on Landlord's part, to assist Tenant to the extent Landlord is permitted or required by Legal Requirements, join in: (A) any and all applications for building permits, subdivision plat approvals or certificates of dedication thereon, public works or other agreements and permits for sewer, water or other utility services, or other authorizations required by any Governmental Authority with respect to any construction or other work to be performed on the Premises and to grant or cause to be granted all permits, licenses, easements and other governmental authorizations that are necessary for electric, telephone, gas, cable television, water, sewer, drainage, access and such other public or private utilities or facilities

as reasonably necessary in connection with the construction or operation of the Improvements; and (B) the granting of or entry into the Premises by any Governmental or quasi-Governmental Authority having jurisdiction over the Premises in connection with such applications. Tenant may, with Landlord's prior written consent, tap into the existing lines, facilities and systems of applicable electric, gas, cable, water, sewer, sewer treatment and other utilities serving the Premises. Upon written request by Tenant and at Tenant's sole cost and expense, Landlord agrees to use Landlord's reasonable efforts to assist Tenant to obtain waiver, reduction or deferral, as applicable, of all fees and other charges otherwise payable in connection with obtaining any permits, licenses, easements and other authorizations required by any Governmental Authority with respect to any construction or other work to be performed on the Premises in connection with the Improvements. Notwithstanding the foregoing, nothing in this Section 9(e) shall be deemed to require Landlord to undertake any efforts that would: (i) require Landlord to change its ownership interest in the Premises or amend this Lease, (ii) perform alterations to the Premises, or (iii) adversely impact the ability of Landlord or its affiliate(s) to qualify for any benefit for the Premises, or (iv) adversely impact Landlord's Excess FADR.

10. General Provisions.

(a) Leasing of Units. Tenant shall, during the Term of this Lease, make available all Units to be rented to households in accordance with the terms and conditions of the Management Agreement and Management Plan, and the HUD Program Requirements. The Tenant shall cooperate with the Landlord's procedures for verifying annual income and household size and otherwise complying with the Affordability Requirements and the HUD Program Requirements.

(b) Compliance with Legal Requirements. The Tenant shall, at all times during the Term of this Lease, continuously operate and maintain all Units in accordance with the Legal Requirements. The Landlord shall have the continuous right to monitor the Tenant's compliance with the Legal Requirements by inspection of each Unit at the commencement of the tenancy of a Resident, and, during the term of such tenancy, at the Landlord's discretion. As required under the HAP Contract, the Tenant shall, upon reasonable advance notice by the Landlord, make all Units available for inspection by authorized representatives of the Landlord, to ensure the Tenant's compliance with this Section 10, including, but not necessarily limited to, producing all records reasonably requested by the Landlord in connection therewith.

(c) Compliance with Requirements of Other Agencies. During the entire Term of this Lease, the Tenant shall do all things necessary: (a) not to impair the Real Property Tax Benefits for the Premises; and (b) to maintain in good standing any necessary permits issued by any Governmental Authority with jurisdiction over the Premises. Any default as to: (i) the terms or requirements of the Real Property Tax Benefits, or (ii) any permits or requirements of other Governmental Authorities, including, without limitation, those required to be obtained and maintained by the Tenant pursuant to the Financing Documents; or (iii) all applicable Legal Requirements shall constitute an Event of Default pursuant to Section 15 hereunder.

(d) Management Agent. The Management Agent for the Development shall be selected by the Company, subject to the prior approval of the Landlord, and as of the date hereof is _____. The Management Agent shall be retained pursuant to the Management Agreement to which shall be appended a management plan (the "**Management Plan**"). As of the date hereof,

both the Management Agreement and the Management Plan have been approved by Landlord; any modifications to or substitution of the Management Agreement and Management Plan shall be subject to Landlord's prior reasonable written approval (to the extent that the Management Agent is not the same entity as the Authority). The Company will ensure that the Management Agreement will hold the Management Agent responsible to the Company directly for management of the Development in accordance with the terms of this Lease and the HUD Program Requirements, including, without limitation, ensuring tenant lease compliance and overseeing any necessary tenant eviction procedures. The Management Agreement shall provide that the Landlord, HUD, the Comptroller General of the United States, and their respective agents, upon request therefor, shall be provided access to all books and records maintained by the Management Agent in relation to or affecting the Development or any of its activities as Management Agent for the Development or otherwise as necessary in connection with any allocation of the costs, expenses or income connected with the Development for review, excerpt, transcript, copying, and audit at all reasonable times upon reasonable advance notice. If the Management Agent has committed a material violation, breach, or failure to comply with any provision of, or obligation under, the HUD Program Requirements or the Management Agreement, the Landlord shall have the right to require the Company to terminate the Management Agreement, and the appointment of the Management Agent thereunder, subject to the notice and opportunity for cure provisions, if any, provided for in the Management Agreement. Notwithstanding anything to the contrary set forth herein, in the event of termination of any Management Agent for a material violation under this Lease or any default under its respective Management Agreement, the Company shall retain a replacement management agent under the Management Agreement, subject to the prior reasonable approval of the Landlord, none of which shall be unreasonably withheld, delayed or denied.

11. Repairs and Maintenance.

(a) Repairs. Tenant shall, throughout the Term and at its sole cost and expense: (i) take good care of the Premises and keep it in good order and condition; and (ii) promptly make any and all repairs, ordinary or extraordinary, to the Premises as are necessary to maintain the Premises in good condition and otherwise in compliance with all applicable Legal Requirements, including, without limitation, Housing Quality Standards, (including, but not limited to, any and all such repairs to the plumbing, heating, ventilating, air conditioning, electrical and other systems for the furnishing of utilities or services to the Premises), and replace or renew the same where necessary (using replacements at least equal in quality and usefulness to the original improvements, equipment or things so replaced), and Landlord shall have no obligation hereunder as to the same except as provided under Section 13(a). Tenant, subject to any approvals required by the Financing Documents or the Legal Requirements, may incur additional indebtedness secured by the Leasehold Estate in order to comply with the foregoing.

(b) Maintenance. Tenant shall keep and maintain all of the Premises in a clean and orderly condition, free of accumulation of dirt, rubbish, snow and ice.

12. Landlord's Right of Entry.

(a) Subject to the rights of any Resident under a Resident Lease and the tenants or occupants under the Community Facility Lease, Landlord and its authorized representatives shall

be entitled to enter upon the Development, the Units and the Premises at any time during Tenant's business hours and at such other reasonable times to:

(i) inspect the Premises at any time with reasonable prior notice, or without prior notice in the event of emergency;

(ii) access the Land to utilize the Landlord's Excess FADR; and

(iii) make any repairs thereto and/or take any other action therein which is required by Legal Requirements, including, without limitation, the Housing Quality Standards, or which Landlord is permitted to make by any provision of this Lease, after giving Tenant at least ___ days' written notice of Landlord's intention to take such action, if Tenant fails to respond within the ___ day period or elects not to take such action or after electing to take such action fails to diligently pursue same to completion (provided, that in any situation in which, due to an emergency or otherwise, the physical condition of the Development and Units or any other part of the Premises would be unreasonably jeopardized unless Landlord were to take such action immediately, Landlord shall give only such notice, if any, to Tenant as is reasonable under the circumstances, and may enter the same at any time).

(b) [Reserved]

(c) Nothing in this Section 12 shall be deemed to impose any duty upon Landlord to make any such repair or take any such action, and Landlord's performance thereof shall not constitute a waiver of Landlord's right under this Lease to have Tenant perform such work. Landlord may, while taking any such action upon the Premises, store therein any and all necessary materials, tools and equipment, and Tenant shall have no liability to Landlord for any damage to or destruction of any such materials, tools and equipment, except if and to the extent, that such damage or destruction is proximately caused by the gross negligence of Tenant or Tenant's Related Parties. So long as Landlord uses commercially reasonable efforts to minimize the disruption, Landlord shall not in any event be liable to Tenant for any inconvenience, annoyance, disturbance, loss-of business or other damage sustained by Tenant by reason of the making of such repairs or the taking of such action, or gaining such access described in Section 12(a), or on account of the bringing of materials, supplies and equipment onto the Premises during the course thereof, and Tenant's obligations under the provisions of this Lease shall not be affected thereby.

13. Casualties and Condemnation.

(a) Fire and Other Casualties.

(i) Restoration of the Development. If any or all of the Development is damaged or destroyed (a "**Casualty**"), Tenant shall promptly notify Landlord and commence and complete the Restoration of the Development with reasonable diligence to the extent of availability of insurance proceeds (the "**Proceeds**") for such purposes. In the event of Restoration, Tenant shall cause the Premises to be returned, as nearly as possible, to its value, condition and character immediately before the occurrence of the Casualty. Such Restoration shall also be performed substantially in accordance with the Final Plans and Specifications which shall have been approved in writing by Landlord, which approval will not be unreasonably withheld, conditioned or delayed and will be deemed given if disapproval is not received within _____ days of the delivery of the

Final Plans and Specifications. Notwithstanding anything to the contrary in this subsection, the Restoration shall not include any structural alteration, improvement or addition that increases the Utilized Floor Area on such Parcel(s) or changes the aggregate number of rooms or units or changes the unit sizes and bedroom count of the Rental Units as set forth in the HAP Contract, all as existing as of the date of this Lease, unless Landlord has approved such, in writing, which approval shall be at Landlord's sole discretion. Further, Tenant's request to conduct a Restoration that constitutes a Substantial Material Modification shall in no event be "deemed approved" by Landlord's failure to respond to such request.

(ii) Disbursement of Proceeds. Subject to the HUD Program Requirements and the rights of the Permitted Leasehold Mortgagee, as their interests may appear, all Proceeds (other than any Proceeds that are separately paid on account of any damage to or destruction of Tenant's own personal property, which shall be paid to Tenant) payable as a result of such casualty under policies of insurance held by or for the account of Tenant pursuant to Exhibit B hereto, and shall, unless Tenant is in default under this Lease or under the Permitted Leasehold Mortgages, be paid to Tenant from time to time as such Restoration progresses, to pay or reimburse Tenant for the cost of such Restoration. Proceeds shall be provided to Tenant upon Tenant's written request, accompanied by evidence reasonably satisfactory to Landlord and any such Permitted Leasehold Mortgagees, that an amount equal to the amount requested is then due and payable or has been paid, and is properly a part of such cost. Tenant shall also provide evidence reasonably satisfactory to such parties that the net Proceeds not yet advanced will be sufficient to complete such Restoration and, if the same are not sufficient to complete such Restoration, Tenant has deposited the shortfall in a federally insured bank or trust company approved by the Landlord and the Permitted Leasehold Mortgagees having an office in the State where the Development is located, and having executed with Company a depository agreement with the Landlord and the Permitted Leasehold Mortgagees, as applicable. Tenant shall bear ultimate responsibility (a) for providing funds to the extent available to Tenant, for such shortfall, and (b) for ensuring Restoration when a determination of feasibility is made based on a study demonstrating the feasibility or lack thereof of the replacement, repair, rebuilding or restoration of the Improvements. Such study shall include (i) the cost of the replacement, repair, rebuilding or restoration including any sums, in addition to remaining undisbursed loan proceeds and the Proceeds, required to complete the necessary work; and (ii) an evaluation of the date by which such replacement, repair, rebuilding or restoration of the Improvements can be completed (the "**Feasibility Study**"). Upon receipt by Landlord and any such Permitted Leasehold Mortgagee of evidence reasonably satisfactory to them that such Restoration has been completed, and the cost thereof paid in full, and that no mechanics', materialmen's or similar lien for labor or materials supplied in connection therewith may attach to the Premises, the balance, if any, of such Proceeds shall be paid to Tenant or as it may direct.

(iii) Application of Proceeds on Termination. Anything in this Lease to the contrary notwithstanding, upon the expiration or earlier termination of this Lease before such Restoration is completed free and clear of any such liens or if a determination shall be made that Restoration is not feasible based on the Feasibility Study, any Proceeds not applied to the cost of such Restoration shall be paid, subject to the rights of the Permitted Leasehold Mortgagee, as their interests may appear, first to Tenant, up to the cost of the Development, and then to Landlord.

(iv) No Termination. Except as provided below, no total or partial damage to, or destruction of, any or all of the Development shall entitle Tenant to surrender or terminate this

Lease, nor relieve Tenant from its liability hereunder to pay in full the Base Rent, any Additional Rent and all other sums and charges which are otherwise payable by Tenant under this Lease, or from any of its other obligations under this Lease, and Tenant hereby waives any right now or hereafter conferred upon it by statute or otherwise, on account of any such damage or destruction, to surrender this Lease, to quit or surrender any or all of the Development, or to have any suspension, diminution, abatement or reduction of the Base Rent or any Additional Rent or other sum payable by Tenant hereunder. However, if Landlord has, on account of any such Rent or other sum, received for its own account the proceeds of any rent insurance pursuant to the provisions of this Lease, Tenant shall be entitled to a credit against its obligations to pay such Rent and other sums, by applying such credit toward the unpaid installments of Base Rent in the order in which they fall due. Tenant hereby waives the provisions of New York Real Property Law Section 227 and agrees that the provisions of this Section 13 shall control. Notwithstanding the foregoing, to the extent that all or any portion of the Development suffers damage for which there are insufficient Proceeds to rebuild the Development to a state which is operational and habitable, the Parties agree that either Party shall, with the consent of the Permitted Leasehold Mortgagees, have the right to terminate this Lease as to such damaged Project only.

(b) Condemnation.

(i) Notice of Taking. Upon receipt by either Landlord or Tenant of notice of the institution of any proceedings for the taking or condemnation of all or a portion of the Development by the government of the United States, State of New York, or any other governmental authority, or any corporation under the right of eminent domain (a “**Taking**”), the Party receiving such notice shall promptly give written notice thereof to the other and such other Party may also appear in such proceeding and be represented by counsel, who may be counsel for the Party receiving such notice.

(ii) Restoration. Subject to the HUD Program Requirements and the rights of the Permitted Leasehold Mortgagee, as their interests may appear, Tenant, shall promptly commence and complete the Restoration of the remaining portion of the Development with reasonable diligence to the extent of any award or payment made by the condemning authority in connection with the exercise of its rights of condemnation or eminent domain (collectively, the “**Condemnation Award Proceeds**”). Such Restoration shall result in the Development’s being returned, as nearly as possible, to its value, condition and character immediately before such damage or destruction. Such Restoration shall be substantially in accordance with the Final Plans and Specifications. Notwithstanding anything to the contrary in this subsection, the Restoration shall not include any structural alteration, improvement or addition that increases the Utilized Floor Area on such Parcel(s) or changes the aggregate number of rooms or units or changes the unit sizes and bedroom count of the Rental Units as set forth in the HAP Contract, all as existing as of the date of this Lease, unless Landlord has approved such, in writing, which approval shall be at Landlord’s sole discretion. Further, Tenant’s request to conduct a Restoration that constitutes a Substantial Material Modification shall be in no event be “deemed approved” by Landlord’s failure to respond to such request.

(iii) Total Taking.

(A) In the event of a permanent Taking of the fee title to or of control of the Development or of the entire Leasehold Estate with respect to the Development hereunder (a “**Total Taking**”), this Lease shall thereupon terminate with respect to the Development as of the effective date of such Total Taking, without liability or further recourse to the Parties, provided that any Rent payable or obligations owed by the Tenant to the Landlord as of the date of said Total Taking shall be paid or otherwise carried out in full.

(B) If all of the Units in the Development are lost as a result of a Total Taking, the following provisions shall apply (and all Permitted Leasehold Mortgage documents encumbering the Development shall be consistent with these requirements):

(1) Except as otherwise provided, the Tenant’s interest, if any, in any Condemnation Award Proceeds shall be paid to the Permitted Leasehold Mortgagee, and applied in the manner provided in the associated Permitted Leasehold Mortgage, in accordance with the order of priority with which each such Permitted Leasehold Mortgage was recorded, unless the senior Permitted Leasehold Mortgagee notifies the Landlord in writing to the contrary.

(2) If the Tenant’s interests, if any, in Condemnation Award Proceeds are more than sufficient to pay off the amount of the outstanding indebtedness of all Mortgage(s) secured by the Development, including any Mortgage(s) held by Landlord, then, the amount of the Condemnation Award Proceeds in excess of such indebtedness shall be paid to Tenant.

(iv) Partial Taking. In the event of a permanent Taking of less than all of a Project (a “**Partial Taking**”):

(A) If Landlord and the Company reasonably determine that Restoration of the remaining portion of the Development is feasible and can be carried out in accordance with all applicable Legal Requirements and this Lease, then the Development shall be restored. Tenant and the Landlord shall reasonably agree upon and approve plans and specifications to modify the remaining portion of the Development, subject to the terms of this Lease, including without limitation, the Restoration limitation provided under subsections 13(a)(i) and (b)(ii). Upon approval of said plans, Tenant shall promptly proceed to commence and complete the Restoration in accordance with this Section 13. If the cost of the Restoration exceeds the amount of the Condemnation Award Proceeds, the deficiency shall be paid by the Tenant. Tenant’s obligation hereunder shall not be affected by the unavailability or insufficiency of the Condemnation Award Proceeds. The Condemnation Award Proceeds shall be allocated in accordance with Section (a)(ii) of this Section 13.

(B) If Landlord and the Company reasonably determine that Restoration of the remaining portion of the Development is not feasible, subject to the written consent of the senior Permitted Leasehold Mortgagee, Tenant shall surrender the Development to the Landlord and this Lease shall thereupon be terminated without liability or further recourse to the Parties, provided that any Rent or other obligations owed by the Tenant to the Landlord as a result of the

date of the Taking shall be paid in full. The Condemnation Award Proceeds shall be allocated in accordance with Section (b)(iii)(B) of this Section 13 of this Lease.

(v) No Waiver. No provisions in this Lease limit the rights of either the Landlord or Tenant to seek compensation from a condemning authority as provided by statute, common law, the State of New York or the United States Constitution.

14. Transfers.

(a) Consent. This Lease shall be binding upon and inure to the benefit of the successors and assigns of the Landlord and the Tenant, except that Tenant may not Transfer this Lease or any of its rights under this Lease as to all or any portion of the Premises, the Units, the rest of the Improvements, the Unit Equipment, without the prior written consent of (i) HUD, which consent may be withheld or delayed by HUD in its sole and absolute discretion, and (ii) Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. Any attempted Transfer without such consents shall be null and void.

(b) Prohibited Transfers. Tenant agrees for itself and its successors and assigns in interest hereunder that it will not:

(i) other than in accordance with (A) the Permitted Leasehold Mortgages, (B) the HUD Program Requirements, and (C) this Lease: (x) cause a Transfer of this Lease or any of its rights under this Lease as to all or any portion of the Premises, the Units, the rest of the Improvements, the Unit Equipment or the Premises generally, or (y) make or permit any voluntary or involuntary total or partial sale, lease, assignment, conveyance, mortgage, pledge, encumbrance or other Transfer of any or all of the Premises, the Units, the rest of the Improvements, the Unit Equipment or the occupancy or use thereof other (including but not limited to any sale at foreclosure or by the execution of any judgment of any or all of Tenant's rights hereunder any Transfer by operation of law except in accordance with (i)-(iii) of this paragraph). Any Person to whom any Transfer is attempted without such consent shall have no claim, right or remedy whatsoever hereunder against Landlord, and Landlord shall have no duty to recognize any Person claiming under or through the same. Notwithstanding anything to the contrary, the Tenant shall be entitled, subject to the prior written consent of Landlord and HUD, to refinance the Permitted Leasehold Mortgages or incur additional indebtedness in order to maintain the Development as safe and decent housing for the tenants thereof; or

(ii) transfer, convey, encumber, or grant a security interest in or lien upon the FADR for any Zoning Lot, which incorporates a Parcel, Parcels or a portion of a Parcel. Any Person to whom any Transfer is attempted without such consent shall have no claim, right or remedy whatsoever hereunder against Landlord, and Landlord shall have no duty to recognize any Person claiming under or through the same. Notwithstanding anything to the contrary, the Tenant shall be entitled, subject to the prior written consent of Landlord not to be unreasonably withheld, conditioned or delayed, and HUD, to refinance the Permitted Leasehold Mortgages or incur additional indebtedness in order to maintain the Development as safe and decent housing for the tenants thereof; provided, however, Landlord's consent should be at its sole and absolute discretion in connection with subsection (b)(ii) of this Section 14.

(c) No Waiver. Except as otherwise provided herein, if this Lease shall be sublet or assigned, or if the Premises or any part thereof be sublet or occupied by any Person or Persons other than Tenant and its tenants, Landlord may, after default by Tenant, collect rent from the assignee, subtenant or occupant and apply the net amount collected to the Rent herein reserved, but no such assignment, subletting, occupancy or collection of rent shall be deemed a waiver of the covenants in this Section 14, nor shall it be deemed acceptance by Landlord of the assignee, subtenant or occupant as a tenant, or a release of Tenant from the full performance by Tenant of all the terms, conditions and covenants of this Lease.

(d) Assumption of Lease. Each permitted assignee or transferee of the Tenant shall assume and be deemed to have assumed the obligations of Tenant, as applicable, under this Lease to be performed, or arising or accruing, on and after the effective date of such assignment or Transfer and shall be and remain liable jointly and severally with Tenant for the payment of Base Rent and Additional Rent, and for the due performance of all the terms, covenants, conditions and agreements herein contained on Tenant's part to be performed for the Term of this Lease; provided, however, that no such permitted assignee or transferee of the Tenant shall be liable for any Event of Default occurring or committed by the Tenant named herein prior to such assignment and assumption. Notwithstanding anything to the contrary contained herein, no assignment shall be binding on Landlord unless such assignee, subtenant or Tenant shall deliver to Landlord a duplicate original of the instrument of assignment which contains a covenant of assumption by the assignee of all of the obligations aforesaid and shall obtain from Landlord the aforesaid written consent, prior thereto. No assignment in whole or in part of this Lease shall release Tenant or any assignee of Tenant of its continuing liability under this Lease. Tenant shall reimburse Landlord on demand for any costs that may be reasonably and actually incurred by Landlord in connection with any such assignment.

(e) Approved Transfers. Notwithstanding the foregoing, Landlord is deemed to have consented to any transfer, conveyance, or assignment of a Controlling Interest in the Tenant to Landlord or an Affiliate of Landlord.

(f) Transfer by Landlord. Landlord shall not transfer all or any portion of its interest in Landlord's Estate, without the prior written consent of the Tenant and each Permitted Leasehold Mortgagee then in existence, which consent shall not be unreasonably withheld, conditioned or delayed (without limiting the generality of the foregoing, Landlord acknowledges that it is reasonable for a Permitted Leasehold Mortgagee to withhold its consent if the transfer would result in a termination of the PILOT Agreement), and, in any event, Landlord shall not transfer all or any portion of its interest in Landlord's Estate if the same would cause a violation or breach of (i) any Legal Requirement, (ii) the provisions of Subsections 16(b) and (c) below, or (iii) any agreement or contract to which Landlord is a party or by which Landlord is bound, if such violation or breach would have a materially adverse effect on Tenant or the Development. As a condition to any encumbrance of the Landlord's interest in Premises, Landlord shall obtain in favor of Tenant a non-disturbance agreement in form and substance satisfactory to Tenant. Notwithstanding anything to the contrary contained in this subsection, Landlord has the sole and absolute right to conduct a Landlord Development Action, and enter into and record any Zoning Lot Document(s) without the need to obtain any consent or to provide a non-disturbance agreement; provided however that Landlord shall advise Tenant of its intent to conduct Landlord Development Action and enter into and record any Zoning Lot Document(s).

15. Default.

(a) Tenant's Defaults. The occurrence of any of the following events shall constitute an event of default (each, an "**Event of Default**"):

(i) if Tenant shall fail or refuse to take possession of the Premises as of the Commencement Date; or

(ii) if Tenant shall fail to pay Base Rent, Additional Rent, and/or the Utility Reimbursement (after receipt of the underlying utility bills) to Landlord when the same is due and payable under the terms of this Lease and such failure shall continue for a period of ____ days after written notice thereof has been given to Tenant by Landlord.

(iii) if Tenant shall fail to perform any other duty or obligation imposed upon it pursuant to this Lease and such failure shall, except in the case of an emergency, continue for a period of ____ days after written notice thereof has been given to Tenant by Landlord, unless such Event of Default cannot be reasonably remedied within _____ days after Tenant's receipt of Landlord's notice, in which event Tenant shall have no more than _____ days from the expiration of the original ____ day period, within which to cure the Event of Default. In the case an Event of Default shall constitute or create an emergency, Tenant shall commence immediately to cure such default and Tenant shall continue to cure such default until it is completely cured, without regard to any cure period contained in this Section 15; or

(iv) if Tenant abandons or vacates the Premises or any portion of the Premises for a period of _____ consecutive days; or

(v) if Tenant shall assign, sublet, transfer, mortgage, or otherwise encumber its Leasehold Estate in the Premises, in whole or in part, without the prior written consent of the Landlord, except as provided in Sections 14(a) and (b) above or as otherwise specified herein; or

(vi) if Tenant shall use the Premises for any purpose other the purposes set forth in this Lease; or

(vii) if at any time any representation or warranty made by Tenant herein shall prove to be incorrect in any material respect when made, or when deemed to have been repeated and it is not cured within _____ consecutive calendar days after written notice from Landlord, or such longer time as may be necessary to cure;

(viii) other than a Pre-Existing Hazardous Condition, if Tenant shall create or fail to prevent a Hazardous Condition; or, permit a Hazardous Condition to continue at the Premises and fail to cure a Hazardous Condition in accordance with Section 6(c)(v) above; or

(ix) other than a violation for which Landlord is responsible pursuant to the terms of Section 6(a)(ii) of this Lease or a violation that will be cured as part of the Development Work, if Tenant fails to comply with all applicable Legal Requirements, and such failure shall continue for ____ days after receiving written notice of the violation from the Authority; or

(x) the occurrence of Tenant's Bankruptcy; or

(xi) a receiver of any property of Tenant in or upon the Premises is appointed in any action, suit, or proceeding by or against Tenant and such appointment shall not be vacated or annulled within _____ days; or

(xii) the interest of Tenant in the Premises shall be sold under execution or other legal process; or

(xiii) Tenant shall fail to assume or reject this Lease within ____ days after an order for bankruptcy relief has been entered against Tenant; or

(xiv) if Tenant or any of Tenant's Related Parties shall (A) use any Landlord's Excess FADR without Landlord's prior written approval, (B) interfere in any way with Landlord's interest in the Landlord's Excess FADR, including, without limitation, by impairing or delaying in any way Landlord's ability to exercise any Landlord Development Action, including, without limitation (1) a new, or increase in any existing, non-conforming use or non-compliance under the Zoning Resolution, and/or (2) a violation of the Zoning Resolution or any building code, fire code, or other law, rule or regulation, (C) fail to execute any Waiver (as hereinafter defined) request or obtain same from Parties in Interest pursuant to Section 20(p) of this Lease, and/or (D) file an application pursuant to the Zoning Resolution which could adversely impact Landlord's Excess FADR and/or any Landlord Development Action without the Landlord's prior written approval, which may be withheld in Landlord's sole and absolute discretion; or

(xv) Tenant's failure to obtain any requested Waiver; or

(xvi) Tenant shall fail to perform any other duty or obligation imposed upon it pursuant to this Lease and such failure shall, except in the case of an emergency, continue for a period of _____ days after written notice thereof has been given to Tenant by Landlord, unless such Event of Default cannot be reasonably remedied within ____ after Tenant's receipt of Landlord's notice, in which event Tenant shall have no more than ____ days from the expiration of the original _____ day period, within which to cure the Event of Default. In the case an Event of Default shall constitute or create an emergency, Tenant shall commence immediately to cure such default and Tenant shall continue to cure such default until it is completely cured, without regard to any cure period contained in this Section 15.

(b) Notice. If an Event of Default occurs, Landlord shall not exercise any right or remedy on account thereof, which it holds under this Lease or applicable law, unless and until Landlord gives written notice thereof to Tenant and each Permitted Leasehold Mortgagee at the addresses set forth in **Exhibit C** attached hereto and in accordance with Section 19 of this Lease. The notice must identify the specific covenants, statutes, executive orders, regulations, or contractual provisions alleged to have been violated; identify the specific events, actions, failure to act, or conditions that constitute the alleged Event of Default; in the case of a monetary Event of Default, specify and itemize the amounts of such default; and provide a specific timeframe for the Tenant to cure the Event of Default, which shall be ____ days for monetary defaults and ____ days for non-monetary defaults after the receipt of notice of an Event of Default from Landlord; provided however that any defaults related to Hazardous Conditions or Hazardous Substances shall be cured immediately. Tenant hereby waives the provisions of New York Real Property Law Section 232(a) and (c), and agrees that the provisions of this Section 15 shall govern and control.

(c) Landlord's Rights on Event of Default. If an Event of Default occurs, and is not cured by the time period specified in Landlord's notice of default (as required by the terms of this Lease), or, in the event of an Event of Default which may not reasonably be cured within such time, and such cure is not immediately commenced and thereafter diligently prosecuted to completion, or such Event of Default is not cured by a Permitted Leasehold Mortgagee pursuant to Section 17 hereof, Landlord may take any or all of the following actions:

(i) re-enter and repossess any or all of the Premises and any or all Improvements thereon and additions thereto; and/or

(ii) declare the entire balance of the Rent for the remainder of the Term to be due and payable immediately, and collect such balance in any manner not inconsistent with all applicable Legal Requirements; provided that if Landlord elects to re-let any or all of the Premises, following such acceleration of Rent, the provisions of subparagraph (iv) of this Section 15(c) shall be applicable to the rights of Landlord and Tenant. Accelerated payments payable hereunder shall not constitute penalty or forfeiture or liquidated damages, but shall merely constitute payment of Rent in advance; and/or

(iii) terminate this Lease by giving written notice of such termination to Tenant, which termination shall be effective as of the date of such notice or any later date therefor specified by Landlord therein. Landlord shall not be deemed to have accepted any abandonment or surrender by Tenant of any or all of the Premises or Tenant's Leasehold Estate under this Lease unless Landlord has so advised Tenant expressly and in writing, unless Landlord has reentered or re-let any or all of the Premises or exercised any or all of Landlord's other rights under this Section 15 or applicable law. On the date specified in Landlord's notice, Tenant's right to possession of the Premises will cease and the Leasehold Estate conveyed by this Lease upon Tenant shall re-vest in Landlord without any further action required to be undertaken by Landlord. Notwithstanding the foregoing, so long as the managing member of the Company is an wholly-owned subsidiary of the Landlord, Landlord shall not be entitled to exercise the termination right set forth in this Section 15(c)(iii); and/or

(iv) in Landlord's own name, re-let any or all of the Premises with or without any additional premises, for any or all of the remainder of the Term use commercially reasonable efforts to mitigate its damages. Tenant shall have no right in or to any surplus which may be derived by Landlord from any such re-letting, if the proceeds of such re-letting exceed any Rent, installment thereof or other sum owed by Tenant to Landlord hereunder. Tenant's liability under this Lease shall not be diminished or affected by any such failure to re-let or the giving of any such initial or other concessions or "free rent" or reduced rent periods in the event of any such re-letting. Tenant hereby waives any and all rights which it may have under applicable law, the exercise of which would be inconsistent with this subparagraph; and/or

(v) enforce any one or more of the HUD Program Requirements; and/or

(vi) cure such Event of Default in any other manner; and/or

(vii) pursue any combination of such remedies, and/or any other right or remedy available to Landlord, on account of such Event of Default under this Lease and/or at law or in equity.

(d) Landlord's Rights on Event of Default under Section 15(a)(xiv). If an Event of Default described by subsection 15(a)(xiv) occurs, and is not cured by the time period specified in Landlord's notice of default (as required by the terms of this Lease), or, in the event of an Event of Default thereunder, which may not reasonably be cured within such time, and such cure is not immediately commenced and thereafter diligently prosecuted to completion, or such Event of Default is not cured by a Permitted Leasehold Mortgagee pursuant to Section 17 hereof, (A) Landlord shall be entitled to recover from Tenant, and Tenant shall be liable to Landlord for, all Reimbursable Expenses incurred by Landlord to cure such Event of Default or incurred in any legal, administrative or other proceeding where Landlord asserts and substantially prevails on any claim at law or in equity against Tenant for such Event of Default, (B) Landlord shall be entitled to seek declaratory and/or equitable relief against Tenant, and (C) Tenant shall be liable to Landlord for any monetary damages allowed by law as a result of such Event of Default. If an Event of Default arises under subsection 15(a)(xiv), such Event of Default shall be deemed attributable to _____.

(e) Tenant's Agreements.

(i) No such expiration or termination of this Lease, or summary dispossession proceedings, abandonment, re-letting, bankruptcy, re-entry by Landlord or vacancy, shall relieve Tenant of any of its liabilities and obligations under this Lease (whether or not any or all of the Premises are re-let), and Tenant shall remain liable to Landlord for all damages resulting from any Event of Default, including, but not limited to, any damage resulting from the breach by Tenant of any of its obligations under this Lease to pay Rent and any other sums which Tenant is obligated to pay hereunder.

(ii) If an Event of Default occurs and is continuing beyond applicable notice and cure periods, Tenant shall, immediately on its receipt of a written demand therefor from Landlord, reimburse for and/or indemnify Landlord from: (A) all Reimbursable Expenses actually incurred by Landlord: (1) in curing or seeking to cure any Event of Default; and/or (2) in exercising or seeking to exercise any of Landlord's rights and remedies under this Lease, at law or in equity on account of any Event of Default including without limitation, by maintaining, commencing, defending or otherwise participating in any legal, administrative action or other proceeding, including appeals; and/or (3) otherwise arising out of any Event of Default; and/or (4) (regardless of whether it constitutes an Event of Default) in connection with any action, proceeding or matter of the types referred to in this Section 15(d)(ii); plus (B) interest on all such expenses, at the highest rate then permitted on account thereof by applicable law all of which expenses and interest shall be Additional Rent and shall be payable by Tenant immediately on demand therefor by Landlord.

(f) Reserved.

16. Landlord Covenants, Representations and Warranties. As of the time of the execution and delivery of this Lease by the Parties hereto, the Landlord hereby represents and warrants:

(a) that Landlord: (i) is the owner of a fee simple estate in and to the Premises, subject to the operation and effect of and only of the Permitted Encumbrances, Resident Leases, and the occupants of the Community Facility Space; (ii) has the full right, power and authority to enter into this Lease and thereby to lease the Premises, and (iii) no other party has any right or option to or in connection with the Premises;

(b) that there are no outstanding notices of, nor, to Landlord's actual knowledge with no duty to inquire, any pending or threatened Taking relating to all or any part of the Premises;

(c) covenants that the entry by Landlord into this Lease with Tenant and the performance of all of the terms, provisions and conditions contained herein will not, in any material respect, violate or cause a breach or default under any other agreement relating to the Premises to which Landlord is a party or by which it is bound, including, without limitation, the Permitted Encumbrances that would have a materially adverse effect on Tenant or the Development;

(d) warrants that, except for those parties having rights under the Resident Leases, there is no tenant, lessee or other occupant of the Premises having any right or claim to possession or use of the Premises; and possession of the Premises shall be delivered free of the rights or claims of any tenants, occupants or other parties in possession of, or claiming any right to possession or use of the Premises; and

(e) that, excluding any and all existing conditions on the Premises that may not be in compliance with the Zoning Resolution or any other zoning regulations and/or permitting requirements, there are no outstanding notices of, nor, to Landlord's actual knowledge with no duty to inquire, any material violations of any Legal Requirements affecting any portion of the Premises that: (i) would have a materially adverse effect on Tenant or the Development; or (ii) will not be cured by the completion of the Development Work. Landlord agrees to reasonably cooperate with Tenant in Tenant's efforts to obtain clearance for any material violations of any Legal Requirements affecting any portion of the Premises that are in existence as of the Commencement Date once they are cured by the completion of the Development Work.

Nothing in this Lease shall be deemed to impose on Landlord any liability on account of any act or failure to act by any Person other than Landlord (or, where expressly so provided herein, Landlord's Related Parties). Landlord shall notify Tenant in writing promptly if any of the above representations and warranties becomes untrue.

16.A. The Landlord hereby covenants and agrees:

(a) that Tenant will have quiet and peaceful possession of the Premises during the Term so long as all of Tenant's obligations hereunder are timely performed, except if and to the extent that such possession is terminated pursuant to Section 15 or any other provision of this Lease; and

(b) that subject to any Legal Requirements or Taking it will not convey or encumber its interest in the Land, except Landlord shall be permitted to conduct Landlord Development Actions and enter into any Zoning Lot Documents; and

Notwithstanding anything to the contrary in Sections 16(a)(ii), 16(c), and 16.A.(a), Landlord makes no representations or warranty with respect to the Restrictive Covenants.

17. Permitted Leasehold Mortgages.

(a) In addition to any other rights herein granted, Tenant is hereby given the right to grant a Permitted Leasehold Mortgage or other security interest in Tenant's interest in this Lease and the Premises, to each Permitted Leasehold Mortgagee only and in the order of lien priority as set forth on Exhibit C, subject to the terms and conditions of this Lease. Such Permitted Leasehold Mortgages shall be subordinate and subject to Landlord's interest in the Land, any Zoning Lot Documents or any Landlord Development Action. Tenant shall cause any such Permitted Leasehold Mortgagee to evidence such subordination of any such Permitted Leasehold Mortgage(s) by executing any requested waiver within _____ days of Landlord's request.

(b) Provided Tenant or each Permitted Leasehold Mortgagee sends to Landlord a copy of its Permitted Leasehold Mortgage, together with written notice specifying the name and address of each such Permitted Leasehold Mortgagee (and Landlord acknowledges that it has received the names and addresses of the Permitted Leasehold Mortgagees holding Permitted Leasehold Mortgages as of the date hereof), then so long as each such Permitted Leasehold Mortgage shall remain unsatisfied of record, or their credit enhancement remains outstanding, as the case may be, or until written notice of satisfaction is given by the holder of such Permitted Leasehold Mortgage or security agreement to Landlord, the following provisions shall apply with respect to each of the Permitted Leasehold Mortgagees in the order of their respective lien priorities, as they are set forth on Exhibit C, unless Landlord is notified in writing to the contrary:

(i) Landlord shall not, in the absence of an uncured Event of Default of Tenant under the Lease, disturb the possession, interest or quiet enjoyment of Tenant or any subtenant of Tenant which would adversely affect the security provided to the Permitted Leasehold Mortgagees.

(ii) Except as otherwise permitted by the terms of a Permitted Leasehold Mortgage, neither Tenant acting alone, nor Landlord and Tenant acting jointly, shall cancel, surrender, or accept surrender of this Lease, or amend or modify any material term or condition of this Lease, that, in the reasonable discretion of each Permitted Leasehold Mortgagee, would adversely affect the security provided to such Permitted Leasehold Mortgagee, without in each case obtaining the prior written consent of such Permitted Leasehold Mortgagee, and no merger shall result from the acquisition by, or devolution upon, any one entity of the fee and the leasehold estates in the Premises.

(iii) Provided that Landlord has received prior written notice of their current addresses, Landlord shall, upon serving Tenant with any notice or other communication, whether of default or otherwise, including but not limited to any notice or communication made by or to the Landlord in connection with the PILOT Agreement, simultaneously and in the same manner serve a copy of such notice upon each Permitted Leasehold Mortgagee, and no such notice or other communication to Tenant shall be deemed given unless a copy is so served upon each Permitted Leasehold Mortgagee.

(iv) Upon receipt of a notice of an Event of Default from Landlord (except in the case of an emergency), the Permitted Leasehold Mortgagees shall each have the right to elect to remedy or cause to be remedied any alleged Event of Default on the part of Tenant (an "**Electing to Cure Permitted Leasehold Mortgagee**") and upon such election shall have the greater of (i)

the same time period provided to Tenant under this Lease or (ii) for monetary defaults ____ days, and for non-monetary defaults, ____ days, after the receipt of notice of an Event of Default from Landlord, to remedy or cause to be remedied any alleged Event of Default on the part of Tenant, provided that if any such non-monetary Event of Default cannot, with the exercise of reasonable diligence, be remedied within such period, then so long as such Electing to Cure Permitted Leasehold Mortgagees commences taking action to remedy such Event of Default within such ____ day period and thereafter continues with reasonable diligence to obtain such remedy with the exercise of reasonable diligence, such extended cure period not to exceed _____ days, Landlord shall accept such performance by or at the instigation of such Electing to Cure Permitted Leasehold Mortgagees as if same had been done by Tenant. Each notice of Event of Default given by Landlord will clearly state (x) if monetary, the amounts claimed due under this Lease, (y) if non-monetary, the nature of the Event of Default and the remedy required under this Lease, and (z) in either case, whether Landlord has a right to terminate this Lease based on the alleged Event of Default. Nothing contained in this Section 17(b)(iv) shall require any Permitted Leasehold Mortgagee to cure any Event of Default by Tenant under this Lease. The time period provided to the Permitted Leasehold Mortgagees hereunder shall not expand any time period provided to the Tenant under this Lease for curing its monetary and non-monetary Events of Default.

(v) Except in the case of an emergency that renders the giving of notice impracticable and subject to the rights of HUD under the HUD Program Requirements, upon notice from Landlord of the termination of this Lease following an Event of Default, the Permitted Leasehold Mortgagees shall also have the separate right to postpone and extend the specified date for the termination of this Lease, as fixed by Landlord in its notice of termination, for a period of not more than _____ months, provided that the Permitted Leasehold Mortgagees shall, within _____ days from the receipt of such notice, cure or cause to be cured any then existing monetary Events of Default and within _____ days shall have commenced or caused to commence the remedy of all non-monetary Events of Default which are not personal to the Tenant and which are reasonably susceptible of being cured by the Permitted Leasehold Mortgagees, and meanwhile pay or cause to be paid the Rent and to perform the covenants of this Lease reasonably susceptible of being performed by the Permitted Leasehold Mortgagees, and provided further that the Permitted Leasehold Mortgagees shall forthwith take steps to acquire or sell Tenant's interest in this Lease by foreclosure of the Permitted Leasehold Mortgages or otherwise and shall prosecute the same to completion with reasonable diligence. If at the end of said ____ month period the Permitted Leasehold Mortgagees shall be actively engaged in steps to acquire or sell Tenant's interest in this Lease, the time of the Permitted Leasehold Mortgagees to comply with this provisions shall be amended for such period as shall be reasonably necessary to complete such steps with reasonable diligence and meanwhile pay or cause to be paid the Rent and to perform all other covenants of this Lease with reasonable diligence and meanwhile pay or cause to be paid the Rent, and to perform all other covenants of this Lease reasonably susceptible of being performed by the Permitted Leasehold Mortgagee. If the Permitted Leasehold Mortgagees are prohibited from commencing or prosecuting foreclosure or other appropriate proceedings by any process or injunction issued by any court or by reason of any action by any court having jurisdiction of any bankruptcy, debtor rehabilitation or insolvency proceedings involving Tenant, the said ____ month period shall be extended for the period of such prohibition, provided that the Permitted Leasehold Mortgagees shall diligently attempt to remove any such prohibition and meanwhile pay or cause to be paid Rent, and to perform all other covenants of this Lease reasonably susceptible of being performed by the Permitted Leasehold Mortgagees. If Tenant's interest is acquired or sold

as aforesaid by foreclosure of the Permitted Leasehold Mortgages or otherwise during _____ month period, as same may be extended as aforesaid, the intended termination of this Lease by Landlord under the aforesaid notice will be automatically nullified and this Lease will continue as if said notice of termination had never been given.

(vi) In the event of termination of this Lease by reason of any uncured Event of Default by Tenant, Landlord will, subject to Section 17(b)(v) of this Lease, promptly notify the Permitted Leasehold Mortgagees of such termination and the amount of the sums then due to Landlord under this Lease. Upon the receipt of such notice, the Permitted Leasehold Mortgagees shall each have the right to elect (the senior so electing Permitted Leasehold Mortgagee, the **“Electing to Lease Permitted Leasehold Mortgagee”**) to have Landlord enter into a new lease of the Premises with the Electing to Lease Permitted Leasehold Mortgagee or its nominee or designee, containing substantially the same terms and conditions as set forth in this Lease, in accordance with Section 14(d) hereof and the following provisions:

(A) The Electing to Lease Permitted Leasehold Mortgagee or its nominee or designee shall be entitled to such new lease if the Electing to Lease Permitted Leasehold Mortgagee or its nominee or designee shall make written request to Landlord for such new lease on or before the date which is _____ days after the date on which the Electing to Lease Permitted Leasehold Mortgagee shall have received the notice from Landlord of such termination and if such written request is accompanied by the Electing to Lease Permitted Leasehold Mortgagee’s agreement to pay to Landlord within _____ days after the execution and delivery of the new lease all sums then due and owing to Landlord under this Lease, including, without limitation all amounts of Rent and Additional Rent due and owing up to and including the date of such new lease, and within _____ days, commences or cause to be commenced the remedy of the non-monetary defaults under the Lease, to the extent any requirements are then in default and are curable by the Electing to Lease Permitted Leasehold Mortgagee, and to prosecute or cause the prosecution of same to completion with reasonable diligence.

(B) The term of such new lease shall equal the unexpired term of this Lease as if this Lease had not been terminated, effective as of the date of such termination, and shall incorporate therein the Rent and Additional Rental charges at the rate set forth in this Lease, and such other terms, provisions, covenants, options and agreements in this Lease as shall be mutually agreeable.

(C) Such new lease shall have the same lien priority as this Lease with respect to any mortgage or other lien, charge or encumbrance of the fee of the Premises. The tenant under the new lease will have the same right to obtain a non-disturbance agreement as Tenant under this Lease.

(D) The Electing to Lease Permitted Leasehold Mortgagee or its nominee or designee as tenant under the new lease shall have the same right, title and interest in and to the Improvements and Unit Equipment as Tenant has under this Lease, but shall not have any liability for any event that arose or occurred prior to entering into such new lease.

(E) The conveyance or assignment by the Electing to Lease Permitted Leasehold Mortgagee or its nominee or designee of its interest as tenant under the new lease and

the Premises shall require the consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed; provided, however, that one-time conveyance or assignment by the Electing to Lease Permitted Leasehold Mortgagee or its nominee or designee of its interest as tenant under the new lease following the entry into the new lease shall not require the consent or approval of Landlord or constitute a breach of any provision of or an Event of Default under this Lease or the new lease..

(F) Notwithstanding anything to the contrary contained herein, the Electing to Lease Permitted Leasehold Mortgagee shall provide that a New York not-for-profit corporation duly organized pursuant to Article XI of the Private Housing Finance Law of the State of New York shall act as legal owner of the leasehold under any such new lease in accordance with this Section 17(b)(iv).

(vii) No fire or casualty loss claims made and prosecuted by the Tenant or the Electing to Lease Permitted Leasehold Mortgagees shall be settled and no agreements will be made in respect of any Condemnation Award Proceeds for claims made and prosecuted by the Tenant or the Electing to Lease Permitted Leasehold Mortgagees except as in accordance with the provisions of this Lease, and in each case without the prior written consents of the other Permitted Leasehold Mortgagees and the Landlord, in accordance with this Lease, which consent of the Landlord shall not be unreasonably withheld, conditioned or delayed..

(viii) Landlord shall send the Permitted Leasehold Mortgagees written notice of any extension or renewal option in this Lease, if any, _____ days prior to the expiration date of Tenant's right to exercise such option, if any, and the Permitted Leasehold Mortgagees, within _____ days after receipt of such notice, may exercise such option, if any, by providing written notice to Landlord, on behalf of Tenant.

(ix) Notwithstanding any provision contained herein to the contrary, foreclosure of any Permitted Leasehold Mortgage or any sale of Tenant's interest in this Lease in connection with a foreclosure, whether by judicial proceedings or by virtue of any power of sale contained in a Permitted Leasehold Mortgage, or any conveyance of Tenant's interest in this Lease from Tenant to a Permitted Leasehold Mortgagee or its nominee or designee by virtue of or in lieu of foreclosure or other appropriate proceedings, or a one-time conveyance of Tenant's interest in this Lease by a Permitted Leasehold Mortgagee or its nominee or designee shall not require the consent or approval of Landlord or constitute a breach of any provision of or an Event of Default under this Lease.

(x) Each Party hereto covenants and agrees, at any time and from time to time, as reasonably requested by the other Party or a Permitted Leasehold Mortgagee, upon not less than _____ days' prior notice, to execute, acknowledge and deliver to the other a statement in writing certifying that this Lease is unmodified and, if such be the case, in full force and effect (or if there have been, modifications, that the same is in full force and effect, if such be the case, as modified and stating the date of each such modification), certifying the dates to which the Rent and Additional Rent and other charges, if any, have been paid, and stating whether or not, to the best knowledge of the signer, the other Party is in default in performance of any of its obligations under this Lease, and, if so, specifying each such default of which the signer may have knowledge, it

being intended that any such statement delivered pursuant hereto may be relied upon by others with whom the Party requesting such certificate may be dealing.

18. Federal Requirements.

In addition to all Legal Requirements, Tenant's use of the Premises shall comply with each of the following requirements, as the same may be amended from time to time:

(a) The Fair Housing Act, 42 U.S.C. §§3601-19, and regulations issued thereunder as set forth in 24 C.F.R. Part 100; Executive Order 11063 (Equal Opportunity in Housing) and regulations issued thereunder as set forth in 24 C.F.R. Part 107; the fair housing poster regulations as set forth in 24 C.F.R. Part 110, and advertising guidelines set forth in 24 C.F.R. Part 109.

(b) Title VI of the Civil Rights Act of 1964, 42 U.S.C. §2000d, and regulations issued thereunder, relating to nondiscrimination in housing set forth in 24 C.F.R. Part 1.

(c) Age Discrimination Act of 1975, 42 U.S.C. §§6101-07, and regulations issued thereunder, set forth in 24 C.F.R. Part 146.

(d) Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. §794, and regulations issued thereunder set forth in 24 C.F.R. Part 8; the Americans with Disabilities Act, 42 U.S.C. §§12181-89, and regulations issued thereunder, set forth in 28 C.F.R. Part 36, and the Architectural Barriers Act of 1968, as amended (42 USC §4151) and regulations issued pursuant thereto set forth in 24 C.F.R. Part 40.

(e) Title 24 of the Code of Federal Regulations, Part 24, which applies to the employment, engagement of services, awarding of contracts, subgrants, or funding of any recipients, or Contractors, during any period of debarment, suspension, or placement in ineligibility status.

(f) Executive Order 11246 of September 24, 1965 entitled, "Equal Employment Opportunity," as amended by Executive Order-11375 of October 13, 1967, and as supplemented in Department of Labor regulations contained in 41 C.F.R. Chapter 60). (All construction contracts awarded in excess of \$10,000 by Federal grantees and their contractors or subcontractors.)

19. Notice.

(a) Any notice, demand, consent, approval, request or other communication or document to be provided hereunder to Landlord or Tenant: (i) shall be in writing; and (ii) shall be deemed to have been provided on the earlier of: (A) (1) three (3) business days after being sent as certified or registered mail in the United States mails, postage prepaid, return receipt requested; or (2) the next business day after having been deposited (in time for delivery by such service on such business day) with Federal Express or another reputable national courier service; or (B) (if such Party's receipt thereof is acknowledged in writing) its having been given by hand or other actual delivery to such Party.

20. Miscellaneous.

(a) Complete Understanding. This Lease represents the complete understanding between the Parties as to the subject matter hereof, the Premises, the Units, the rest of the Improvements, the Unit Equipment, or the rest of the Premises, and the rights and obligations of the Parties as to the same, and supersedes all prior negotiations, representations, guaranties, warranties, promises, statements or agreements, either written or oral, between the Parties as to the same. No inducements, representations, understandings or agreements have been made or relied upon in the making of this Lease, except those specifically set forth in this Lease. Neither Party has any right to rely on any other prior or contemporaneous representation made by anyone concerning this Lease which is not set forth herein.

(b) Access. Tenant agrees to grant a right of access to the Landlord and HUD, the Comptroller General of the United States, or any of their authorized representatives, with respect to any books, documents, papers, or other records related to this Lease.

(c) Amendment. This Lease may be amended by mutual agreement of the Landlord and Tenant, provided however that any amendments shall also require each Permitted Leasehold Mortgagee's prior written consent. All amendments must be in writing and signed by both Parties and that no amendment shall impair the obligations of the Tenant to develop and operate the Development in accordance with the HUD Program Requirements.

(d) No Waiver. No Party shall be deemed to have waived the exercise of any right which it holds hereunder unless such waiver is made expressly and in writing. No such waiver made in any instance involving the exercise of any such right shall be deemed a waiver as to any other such instance, or any other such right. No action taken or not taken by Landlord under any provision of this Lease (including, but not limited to, Landlord's acceptance of the payment of Rent after an Event of Default occurs) shall operate as a waiver of any right to be paid a late charge or of any other right or remedy which Landlord would otherwise have against Tenant on account of such Event of Default under this Lease or applicable law.

(e) Applicable Law. This Lease shall be given effect and construed by application of the law of the State of New York, and any action or proceeding arising hereunder shall be brought in the courts of the County of New York; provided, that if any such action or proceeding arises under the Constitution, laws or treaties of the United States of America, or if there is a diversity of citizenship between the parties thereto, so that it is to be brought in a United States District Court, it shall be brought in the United States District Court for the Southern District of New York or any successor federal court having original jurisdiction.

(f) Time of Essence. Time shall be of the essence of this Lease, except that, whenever the last day for the exercise of any right or the discharge of any obligation hereunder falls on a Saturday, Sunday or statutory holiday, the Party having such right or obligation shall have until 5:00 p.m. on the next succeeding day which is not a Saturday, Sunday or statutory holiday to exercise such right or discharge such obligation.

(g) Headings. The headings of the Sections, subsections, paragraphs and subparagraphs hereof are provided herein for and only for convenience of reference, and shall not be considered in construing their contents.

(h) Construction. As used herein, all references made (i) in the neuter, masculine or feminine gender shall be deemed to have been made in all such genders, (ii) in the singular or plural number shall be deemed to have been made, respectively, in the plural or singular number as well, and (iii) to any Section, subsection, paragraph or subparagraph shall be deemed, unless otherwise expressly indicated, to have been made to such Section, subsection, paragraph or subparagraph of this Lease.

(i) Exhibits. Each writing or instrument referred to as being attached to this Lease as an Exhibit, or otherwise designated as an exhibit to this Lease, is hereby expressly made a part of the Lease.

(j) Severability. No determination by any court, governmental or administrative body or agency or otherwise that any provision of this Lease or any amendment hereof is invalid or unenforceable in any instance shall affect the validity or enforceability of: (i) any other such provision; or (ii) such provision in any circumstance not controlled by such determination. Each such provision shall remain valid and enforceable to the fullest extent allowed by, and shall be construed wherever possible as being consistent with, applicable law.

(k) Conflicts. Except as otherwise provided herein, in the event of a conflict between any requirement contained in this Lease (or between any requirement contained in any document referred to in this Lease, including any Mortgage) and the HUD Program Requirements, the HUD Program Requirements shall in all instances be controlling.

(l) Commissions. Each Party to this Lease hereby represents and warrants to the other that, in connection with the leasing of the Premises hereunder, it has not dealt with any real estate broker, agent or finder, and there is no commission, charge or other compensation due on its account. Each Party shall defend, indemnify and hold harmless the other against and from any liability, claim of liability or expense arising out of any inaccuracy in such Party's representation.

(m) Counterparts. This Lease may be executed in any number of counterparts and all of such counterparts shall constitute one and the same Lease.

(n) Non-Recourse. Notwithstanding any provision hereof to the contrary, or any other express or implied agreement between the Parties, or any act or course of conduct hereunder, the obligations of the Landlord set forth herein shall solely be those of the entity named as "Landlord" in the first paragraph of this Lease, and no officer, director, shareholder, Member, employee or agent of Landlord shall have any personal liability whatsoever under this Lease, and the obligations of the Tenant set forth herein shall solely be those of the entities named as "Tenant" in the first paragraph of this Lease, and no officer, director, shareholder, Member, employee, affiliate or agent of HDFC or the Company shall have any personal liability whatsoever under this Lease.

(o) HUD-Required Provisions. Notwithstanding any other clause or provision in this Lease and so long as the RAD Use Agreement or HUD Declaration, as applicable, is in effect, the following provisions shall apply:

(i) If any of the provisions of this Lease conflict with the terms of the RAD Use Agreement, the provisions of the RAD Use Agreement shall control. If any of the provisions of this Lease conflict with the terms of the HUD Declaration, the provisions of the HUD Declaration shall control.

(ii) The provisions in this Section 20(o) are required to be inserted into this Lease by HUD and may not be amended without HUD's prior written approval.

(iii) Violation of the RAD Use Agreement or the HUD Declaration constitutes a default of this Lease.

(iv) Notwithstanding any other contract, document or other arrangement, upon termination of this Lease, title to the real property leased herein shall remain vested in the Authority, and title to the buildings, fixtures, improvements, trade fixtures, and equipment that belong to Tenant shall vest in the Authority.

(v) This Lease shall in all respects be subordinate to the RAD Use Agreement and HUD Declaration. Subordination continues in effect with respect to any future amendment, extension, renewal, or any other modification of the RAD Use Agreement, the HUD Declaration or this Lease.

(vi) Neither the Tenant nor any of the Tenant's Related Parties shall have any authority to:

(A) Take any action in violation of the RAD Use Agreement or HUD Declaration;

(B) Cause the early termination of the HAP Contract through defaults thereunder or fail to renew the HAP Contract upon such terms and conditions applicable at the time of renewal when offered for renewal by the Authority or HUD; or

(C) Except to the extent permitted by the HAP Contract, RAD Use Agreement, or HUD Declaration and the normal operation of the Rental Units, the HDFC, as nominee for the Company, shall not have any authority without the consent of the Authority, such consent not to be unreasonably withheld, conditioned or delayed, to sell, transfer, convey, assign, mortgage, pledge, sublease or otherwise dispose of, at any time, the Premises or any part thereof.

(p) Retention of Rights by Authority.

(i) The demise of the Premises herein is subject to Landlord's reservation for itself of all right, title and interest in and use of, enjoyment and benefit of all FADR, including all Landlord Development Actions; provided that the Landlord's use of the FADR does not cause the Development to fail to comply with all Legal Requirements.

(ii) Except as otherwise provided for herein, Tenant, without Landlord's approval, which approval shall be at Landlord's sole and absolute discretion, shall not record any documents in the Land Records relating to the Land.

(iii) Any Mortgage or Financing Documents that Tenant enters into shall include:

(A) a covenant that such lien is recorded solely against the Mortgaged Assets, and not against the FADR; and

(B) a waiver of any right Mortgagee or any other lien holder may have to the status of a Party in Interest with respect to any Zoning Lot, which incorporates a Parcel, Parcels or a portion of a Parcel, and to participate or consent to any Landlord's Development Action, and a representation that any such Mortgagee or other lien holder agrees that Landlord may execute any and all Zoning Lot Documents without the joinder, waiver, consent or other act of such Mortgagee or other lien holder. Notwithstanding and without limiting the foregoing sentence, such Mortgagee or other lien holder agrees, within _____ after receipt of demand from Landlord, to execute, acknowledge and deliver any such Zoning Lot Documents or deliver any requested Waiver.

(iv) In the event of a Landlord Development Action:

(A) Tenant hereby consents to, and all future Parties in Interest to the Land that acquired their interests thereto through this Lease, are deemed hereby to have consented to, waived objection to, and subordinated their interest in (1) any Zoning Lot, which incorporates a Parcel, Parcels or a portion of a Parcel that is subject to a Landlord Development Action, (2) any Landlord Development Action, and (3) any and all Zoning Lot Documents, entered into in connection with the foregoing.

(B) Without limiting the generality of the foregoing subsection (a), Tenant hereby:

(1) waives any right it may have to the status of a Party in Interest with respect to any Zoning Lot, which incorporates a Parcel, Parcels or a portion of a Parcel, and to participate or consent to such Landlord Development Action, and

(2) waives their respective rights to execute, and subordinates its interest to any and all Zoning Lot Documents, without the joinder, waiver, consent or other act of Tenant.

(C) Notwithstanding and without limiting the validity and effectiveness of the foregoing subsections (a) and (b), Tenant agrees, within _____ days after receipt of demand from Landlord, to execute, acknowledge and deliver any and all Zoning Lot Documents or deliver any requested Waiver, and to use commercially reasonable efforts to cause any person(s) who might be deemed to be a Party in Interest with respect to the Premises to waive each of their rights to execute any such documents. Nothing in this Lease shall abrogate or diminish Landlord's rights as a Party in Interest. The provisions of this Section 20(p)(v) shall survive the expiration or termination of this Lease.

(v) If following a Downzoning, the allocation of FADR shall be as follows:

(A) If only one of the Buildings on a Zoning Lot suffers a casualty, then, the FADR for rebuilding such Building, calculated by utilizing the square footage of the original Zoning Lot that such Building is located on as of the date of this Lease, shall be limited to the lesser of (1) the Utilized Floor Area for such Building if permitted pursuant to the provisions of the Zoning Resolution, or (2) the amount of FADR available pursuant to the Zoning Resolution which is not being utilized by any other existing Building on the Zoning Lot as of the date of such casualty; or

(B) If more than one or all of the Buildings on a Zoning Lot suffer a casualty then, the FADR for rebuilding such Buildings, shall be limited to the lesser of (1) the Utilized Floor Area for such Buildings, if permitted pursuant to the provisions of the Zoning Resolution for all of the respective Buildings, or (2) the proportionate share of FADR available to each Building on such Zoning Lot based upon each Building's Utilized Floor Area; provided, however, if the Zoning Lot that exists as of the date of the casualty includes an Additional Parcel that had previously been merged into the Zoning Lot and a new building has not been constructed on the Additional Parcel, then the FADR for rebuilding such Buildings shall be calculated by utilizing the square footage of the original Zoning Lot that such Buildings were located on as of the date of this Lease.

(vi) Following an Upzoning, any and all increases in FADR attributed to the Zoning Lot shall be the sole and exclusive property of Landlord.

(vii) All of the grants, covenants, agreements and conditions contained in this Section 20(p):

(A) shall run with the Land; and

(B) shall inure to the benefit of and be binding upon every party having any right, title or interest therein or any part of the Land and the heirs, distributes, successors and assigns of any such party.

(q) No Presumption Against Drafter. This Lease has been freely negotiated by both Parties. In any controversy, dispute or contest over the meaning, interpretation, validity, or enforceability of this Lease or any of its terms or conditions, there shall be no inference, presumption, or conclusion drawn whatsoever against either Party by virtue of that Party having drafted this Lease or any portion hereof.

(r) Further Documents. Landlord and Tenant agree to execute such other and further documents as Landlord and Tenant shall deem necessary or proper for the consummation of the transaction contemplated by this Lease.

(s) Memorandum of Lease. The Parties shall execute and acknowledge a memorandum of ground lease which shall be recorded at Tenant's expense. Such memorandum shall include such information as is required in order for Tenant to obtain an ALTA Leasehold Owners Policy and an ALTA Leasehold Loan Policy in favor of a Permitted Leasehold Mortgagee, and such other information as may be reasonably requested by either Party. Upon the expiration of the Term, at the request of Landlord, Tenant shall execute a quitclaim termination of the Leasehold Estate to Landlord.

21. HDFC's and Company's Representations and Warranties.

(a) HDFC's and Company's Representations and Warranties. As a material inducement to Landlord to enter into this Lease and the transactions and the agreements contemplated hereby, HDFC and the Company, as applicable, represents and warrants to Landlord that, as of the Commencement Date of this Lease

(i) HDFC is a not-for-profit corporation duly organized and validly existing under the laws of the State of New York;

(ii) The Company is a limited liability company duly organized under the laws of New York;

(iii) Each of HDFC and the Company is a single-purpose entity;

(iv) The execution of this Lease and the performance by Tenant of its obligations 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;

(v) No officer or executive of Tenant has ever been convicted of a felony and is not presently the subject of a complaint or indictment charging a felony;

(vi) No officer or executive of Tenant has been suspended, debarred or otherwise restricted by any Governmental Authorities from doing business with such Governmental Authorities; and

(vii) Neither Tenant nor its affiliates has defaulted on an obligation covered by a surety or performance bond, nor has been subject of a claim under an employee fidelity bond.

(b) Changes to Representations and Warranties. Tenant shall be required to notify Landlord in writing promptly if any of the above representations and warranties becomes untrue.

22. Continued Affordability. If the HAP Contract is terminated prior to the expiration or earlier termination of the Lease due to a permanent reduction in or termination of the Section 8 rental subsidy program that prevents the Tenant from satisfying the Affordability Requirements:

(a) Tenant shall continue to comply with the requirements of the Regulatory Documents then in effect; and

(b) If the Regulatory Documents terminate or expire following a prior expiration or termination of the HAP Contract, Tenant shall comply with Section 23 of this Lease.

23. Rent Stabilization.

(a) Unless as otherwise required by the Financing, Tenant shall register all the Rental Units under the New York City Rent Stabilization Code, or city, state or federal successor rent regulatory laws then in effect upon a permanent reduction in or termination of a subsidy program applicable to the Development that prevents the Tenant from satisfying the Affordability

Requirements or if a Tenant otherwise fails to meet the Affordability Requirements for some or all of the Rental Units and such failure continues beyond the cure period as set out in Article 15 hereof, and the rent amounts shall be proscribed and regulated by the New York City Rent Stabilization Code or city, state or federal successor rent regulatory laws thereafter; and

(b) Upon such registration required by Section 23(a) above, the Tenant will agree to advise the New York State Division of Housing and Community Renewal (“**DHCR**”) in writing that it has agreed to submit itself to the jurisdiction of the DHCR, or any successor agency administered by the State or New York City having jurisdiction over rent stabilized buildings (the “**Regulatory Body**”). Upon advising the DHCR that the Tenant has further agreed to submit itself to the jurisdiction of the Regulatory Body, the Tenant shall comply with all of the requirements thereof and shall remain subject to the jurisdiction thereof, or of any successor association or agency for the duration of the Lease.

24. PILOT Agreement.

(a) Payments. Tenant shall make any payments due under the PILOT Agreement (“**PILOT Payments**”) to the Authority or, if so directed by the Authority, to the City, pursuant to a schedule as provided by the Authority. The obligation of Tenant to make PILOT Payments under this Lease shall be absolute, unconditional and irrevocable. Tenant shall pay any and all such PILOT Payments applicable to the Premises, as and when due, and before any penalty is incurred for late payment. The Authority’s failure to promptly transmit such PILOT Payments to the City in accordance with the PILOT Agreement shall not create an Event of Default under this Lease by Tenant.

(b) Amount and Duration of PILOT Payments.

(i) PILOT Payments shall be an amount equal to real property taxes reduced by tax abatements as set forth in the PILOT Agreement. For so long as the Tenant complies with the Affordability Requirements, the Development shall receive 100% tax abatement and the PILOT Payments shall be \$0 for the duration of the Lease;

(ii) If Tenant fails to comply with the Affordability Requirements, the PILOT Payments for the period of such non-compliance shall be an amount equal to the real property taxes which would be payable by the owner of the Development if the Tenant (without regard to the Authority’s equity participation in the Development) were the owner and no PILOT Agreement was in effect, subject to the cure period for default if Tenant shall fail to perform any other duty or obligation imposed upon it pursuant to this Lease as set forth in Section 15(a)(iii) of this Lease.

(iii) Pre-existing non-residential leases (community facility or commercial space leases) with space tenants that have been transferred or entered into with the Tenant as of the date hereof and will receive full real property tax abatements through the remainder of such particular space lease’s term.

(A) Upon expiration of any pre-existing community facility lease, real property taxes will continue to be abated for new or renewed community facility leases subject to rent restrictions as set forth in the PILOT Agreement.

(B) Upon the expiration of any pre-existing commercial lease to a for-profit entity, the real property tax then due will be phased in over a five-year period upon lease renewal or new commercial space lease operated by a for-profit entity.

(C) Units in which a superintendent resides shall not affect PILOT payments.

(c) Interest and Penalties. Tenant shall pay to the Authority any interest and penalties assessed for late PILOT Payments, as such rate is determined from time to time by resolution of the City Council of the City, until such PILOT Payments are made.

(d) Notices under PILOT. Any notice received under the PILOT Agreement by the Authority shall promptly be delivered by the Authority to the Tenant. Furthermore, the Authority shall not agree to, or enter into, any amendment, restatement or modification of the PILOT Agreement which has any impact or effect on the Tenant or any of Tenant's obligations hereunder or in connection with the PILOT Agreement, without the prior written consent of the Tenant and each Permitted Leasehold Mortgagee.

(e) Remedy for Failure to make PILOT Payments.

(i) The City shall have the right, to enforce the obligation of the Tenant to make PILOT Payments (including all penalties and interest thereon), provided that the City's remedy will be a monetary judgment against Tenant and Tenant's leasehold interest, and any judgment lien obtained by the City in enforcing such obligation shall encumber only the leasehold interest of the Tenant and not the fee title held by the Authority in the Premises.

(ii) The City is deemed to be a third-party beneficiary of the Tenant's covenant under this Lease to make PILOT Payments and shall be entitled to the rights and benefits thereunder with respect to PILOT Payments and may enforce the provisions of the Lease as if it were a party thereto for the sole purpose of enforcing the Tenant's obligation under the Lease to make PILOT Payments (including all penalties and interest thereon).

(iii) The Permitted Leasehold Mortgagees shall have the right to cure Tenant's failure to make PILOT Payments in accordance with Section 2.2(e)(iv) of the PILOT Agreement and Section 17(b)(iv) hereof.

25. Investigations.

(a) The Parties to this Lease 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 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 the with respect to the transaction, submitted bid, submitted proposal, agreement, contract, lease, license, or person dealing with the Landlord 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, contract, lease or license entered into with the Landlord, 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;

(i) 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 the Landlord, or 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 Landlord or government agency, and is seeking testimony concerning the award of, or performance under, any transaction, agreement, contract, lease or license entered into with the Landlord, the City, the State, or any political subdivision thereof or any local development corporation within the City; then

(ii) The commissioner or agency head whose agency is a party in interest to the transaction, submitted bid or proposal, contract, lease, permit or license shall convene a hearing, upon no 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;

(iii) If any non-governmental party to the hearing requests an adjournment, the commissioner or agency head who convened the hearing, or his/her designee, may, upon granting the adjournment, suspend any agreement, contract, lease or license with such party pending the final determination pursuant to subsection (b) below without the Landlord or City incurring any penalty or damages for delay or otherwise.

(c) The penalties which may attach a final determination by the commissioner or agency head, or his/her designee, may include but shall not exceed:

(i) 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 agreement, contract, lease or license with or from the Landlord or the City; and/or

(ii) The cancellation or termination of any and all such existing Landlord or City agreements contracts, leases or licenses that the refusal to testify concerns and that have not been assigned as permitted under this Lease, 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 Landlord 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 or the Landlord as applicable.

(d) The commissioner or agency head, or his/her designee, shall consider and address in reaching his or her determination and in assessing an appropriate penalty the factors in

subsections (i) and (ii) immediately below. He or she may also consider, if relevant and appropriate, the criteria established in subsections (iii) and (iv) immediately below in addition to any other information which may be relevant and appropriate.

(i) 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;

(ii) 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;

(iii) The nexus of the testimony sought to the subject entity and its agreements, contracts, leases or licenses with the Landlord or the City; and

(iv) 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 subsection (b) above, provided that the party or entity has given actual notice to the commissioner or agency head, or his/her designee, upon the acquisition of the interest, or at the hearing called for in Section 25(a)(iii) 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.

(e) The Company, upon knowledge of such event(s), shall promptly report in writing to the Commissioner of the Department 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 Landlord or other person, firm corporation or entity for any purpose which may be related to the procurement or obtaining of the Lease by, or affecting the performance under the Lease. Failure to promptly report is an Event of Default under this Lease.

(f) The Company, upon knowledge of such event(s), shall promptly report in writing to the Commissioner of the Department 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 Landlord or other person, firm corporation or entity for any purpose which may be related to the procurement or obtaining of the Lease by, or affecting the performance under the Lease. Failure to promptly report is an Event of Default under this Lease.

26. Lender Addendum. Notwithstanding any provision herein to the contrary, the Lender Addendum attached hereto as Exhibit G shall apply for so long as the First Permitted Leasehold Mortgage is outstanding. In the event any provision in this Lease conflicts with the Lender Addendum, the provision in the Lender Addendum shall prevail.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, each Party has executed this Lease or caused it to be executed on its behalf by its duly authorized representatives, the day and year first above written.

LANDLORD:

NEW YORK CITY HOUSING AUTHORITY,
a New York public benefit corporation

By: _____
Name: _____
Title: _____

TENANT:

HDFC:

_____ **HOUSING DEVELOPMENT FUND**
CORPORATION,
a New York not-for-profit corporation

By: _____ **PARENT HOUSING DEVELOPMENT FUND**
CORPORATION, its sole member

By: _____
Name: _____
Title: _____

[Signatures continue on next page]

COMPANY:

_____, **LLC**,
a ____ - limited liability company

By: _____ LLC,
a ____ limited liability company

By: _____
Name: _____
Title: _____

ACKNOWLEDGEMENTS

NEW YORK CITY HOUSING AUTHORITY

State of New York }
 }ss:
County of New York }

On this ___ day of _____, 20___, 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/she executed the same in his/her capacity and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public
Commission expires:

NYCHA [REDACTED] HOUSING DEVELOPMENT FUND CORPORATION

State of New York }
 }ss:
County of New York }

On this ___ day of _____, 20___, before me, the undersigned, personally appeared [REDACTED] 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 upon behalf of which individual acted, executed the instrument.

Notary Public
Commission expires:

LLC

State of New York }
 }ss:
County of New York }

On this ___ day of _____, 20___, 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/she executed the same in his/her capacity and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public
Commission expires:

Table of Exhibits

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Exhibit A
Legal Description

[Attached]

Exhibit A-1
Description of Development

[Attached]

Exhibit B
Insurance Requirements

[Subject to NYCHA Risk Management Review]

The Tenant shall obtain and maintain, or cause to be obtained and maintained, throughout the term of the Lease the following types and amounts of insurance:

1. **Commercial General Liability** insurance in an amount of not less than \$25,000,000 per occurrence and aggregate. If such insurance is provided under an insurance program that insures other properties, the primary policy aggregate limit must be issued on a per location basis. Additionally, this policy must:

- a. Name the Landlord and the Landlord's Related Parties as Additional Insured
- b. Apply on a Primary/Non-Contributory Basis to any insurance carried by the Landlord
- c. Include a Waiver of Subrogation in favor of the Landlord
- d. Include the provision commonly known as Separation of Insureds or Severability of Interests
- e. Include coverage for both residential & commercial use of the Premises, all liability assumed under this contract, which is not otherwise excluded from the Commercial Liability policy, including, without limitation, liability of subcontractors, broad form property damage, employer's liability over-actions and assault & battery.

With respect to Premises under construction, General Liability policy must include completed operations tail coverage sufficient to cover the applicable statute of limitation with respect to the type of construction, and contain no special exclusions related to the Premises being under construction. Alternatively, coverage may be placed under an OCIP or CCIP Form during a period of development and renovation provided the same is a) compliant with all Insurance Requirements contained herein and b) is otherwise consistent with the type and amount of insurance typically procured for similar construction and development projects in New York City, such consistency to be determined at Landlord's sole discretion, but approval not to be unreasonably withheld.

2. **Commercial Auto Liability** insurance in an amount of not less than \$5,000,000 per Accident. Policy must include coverage for all owned, hired, leased and non-owned vehicles operating on or from the leased Premises or in the course of operations related thereto. Additionally, this policy must name the Landlord and the Landlord's Related Parties as Additional Insured

3. **Workers' Compensation / Employer's Liability** – insurance as required by New York State Law covering all employees operating on or from the leased Premises or in the

course of operations related thereto. Additionally, this policy must include a Waiver of Subrogation in favor of the Landlord.

4. **Environmental / Pollution Legal Liability** insurance in an amount of not less than \$10,000,000 per claim and in the aggregate covering all pollution conditions for which it is the Tenant's duty to indemnify the Landlord pursuant to this Lease.

5. **Directors and Officers / Employment Practices Liability** insurance in an amount of not less than \$5,000,000 per claim and in the aggregate covering the wrongful acts of the Directors and Officers of the Tenant, and the wrongful acts of the Tenant as employer including third party coverage.

6. **All-Risk Property** insurance covering 100% of the replacement cost of the Improvements with no deduction for depreciation and no coinsurance, and a Waiver of Subrogation in favor of the Landlord. The policy must include Business Interruption and Rental Income limits equal to no less than 24 projection of Base Rent, Additional Rent and Use and Occupancy Fees on an Actual Loss Sustained (ALS) basis. Tenant shall substantiate to Landlord at the time of insurance policy placement and renewal that insurable values are credibly sourced, subject to Landlord's approval. Property coverage must also include:

a. Equipment Breakdown a.k.a. Boiler & Machinery Insurance equal to the Total Insured Value of any structure in which such equipment is contained and which equipment is adjacent to with respect to damage caused by a breakdown in the insured equipment, and 100% replacement cost value of such structures.

b. Earthquake, Windstorm, and Flood limits commensurate with a credible analysis of Probable Maximum Loss (PML) as substantiated by Tenant and approved by the Landlord, but no less than \$25,000,000 per occurrence as respects Windstorm, and \$5,000,000 per occurrence and in the annual aggregate separately as respects Earthquake and Flood.

c. Ordinance or Law Coverage – Coverage must be provided for the costs associated with enforcement of any ordinance or law associated with any physical property (building, structure, machinery or equipment), to demolish any physically damaged and undamaged portion or for the increased cost for repair or rebuilding of the physically damaged and undamaged portions, whether or not demolition is required.

With respect to Premises under construction, All-Risk Property insurance must include course of construction coverage on a completed value basis, which includes delay-in-completion and soft costs coverage and does not contain special exclusions related to the Premises being under construction. Alternatively, a Builders Risk completed value form policy may be procured, provided the same is a) compliant with all Insurance Requirements contained herein and b) is otherwise consistent with the type and amount of insurance typically procured for similar construction and development projects in New York City, such consistency to be determined at Landlord's sole discretion, but approval not to be unreasonably withheld.

All-Risk Property insurance must identify Landlord, its successors and/or assigns (ISAOA) as a Loss Payee as their interests may appear (ATIMA).

7. Additional Provisions & Clauses – The procurement and maintenance of all required insurance policies above shall be governed by the following additional provisions and clauses:

a. **Insurers** – All insurance must be underwritten by an insurance company that is licensed - or otherwise legally permitted - to transact business in the state of New York and has an AM Best's policyholder rating of A- or greater and a financial size category of VII or greater. Insurance may alternately be underwritten by a Lloyd's of London syndicate or Surplus Lines Insurers authorized to underwrite business in New York.

b. **High Retention / Alternative Risk Financing** – Insurance policies with retentions/deductibles excess of \$100,000 must be declared to and approved by Landlord. Approval of self-insurance, captive insurance, participation in risk purchasing groups or approval of other alternative risk financing mechanisms must be declared to and approved by Landlord. Such approval will not be unreasonably withheld provided that provided that – whichever mechanism is used – the financial resources and responsibility to pay claims in a manner consistent with the insurance required herein is lawful, demonstrable and credible at Landlord's sole discretion. Tenant is responsible for all deductibles, retentions and other self-insured costs, irrespective of amount.

c. **Notice of Cancellation** – It is Tenant's sole responsibility to ensure that all required insurance is obtained and maintained, covering all operations at, from or otherwise related to the Premises. Each insurance policy must provide that such policies may not be canceled at least thirty (30) days' prior written notice to Landlord for any reason excepting non-payment of premium for which policy must provide ten (10) days prior written notice of cancellation. In the event of failure to obtain and maintain the required insurance, Landlord reserves the right to a) address any gap in insurance coverage required at its own discretion at the Tenant's sole expense and/or b) require the Tenant to provide formal financial guarantees, such as a bond or letter of credit in the amount equal to the reasonable projection of the costs of claims which would have been insured if not for Tenant's failure to comply.

d. **Primary/Excess Policies** – Insurance requirements may be achieved through any combination of primary and excess insurance which is otherwise consistent with these requirements.

e. **First Named Insured** – Insurance requirements herein may be met by Tenant or Tenant's Related Parties on Tenant's behalf, provided such policies a) identify the Tenant as an insured or additional insured and b) otherwise comply with all requirements herein. However, it shall remain Tenant's sole responsibility to ensure that all required insurance is obtained and maintained, covering all operations at, from or otherwise related to the Premises.

f. **Blanket Insurance** – Insurance policies covering the Premises along with other locations and operations of the Tenant or Tenant Related Parties are permissible subject to the approval of the Landlord, such approval not to be unreasonably withheld.

g. **Insurance Compliance** – Certificates of Insurance and supplementary documentation demonstrating compliance with these requirements shall be submitted upon

execution of this Lease, upon each insurance policy renewal, and otherwise upon demand and per the direction of the Landlord. Landlord is entitled, upon demand, to receive and review complete copies of each insurance policy, including full disclosure of policy rates and underwriting information as well as claims history as relates to the Premises and operations arising therefrom.

h. Waivers of Requirements – Waivers of the above requirements must be requested and justified in writing by Tenant, and may only be approved at the sole discretion of the Landlord’s Risk Management Department or Law Department.

i. Minimum Limits – The limits of insurance required herein are the minimum required by Landlord and shall not be misconstrued by Tenant or Tenant’s insurer as representing any cap or limitation on Tenant’s liability under this Lease, or Landlord’s right to seek coverage or protection under the insurance policies required herein.

j. Landlord’s Insurance – Tenant acknowledges that Landlord may carry insurance policies which address Landlord’s liability and other risk exposure with respect to the Premises. Tenant acknowledges that neither Tenant nor Tenant’s related parties have any right to nor expectation of any coverage, protection or proceeds from Landlord’s insurance policies.

k. Contractors – Provided all insurance requirements are met by Tenant or Tenant’s Related Parties as described above, Tenant and Tenant’s Related Parties may enforce such requirements upon Contractors as they see fit, subject to any statutory requirements provided, and provided Landlord is indemnified in each contract, and named as an additional insured on each liability policy.

Exhibit C

Order of Priority and Names and Addresses of Permitted Leasehold Mortgagees

First Priority Lender

With copies to:

and

Second Priority Lender

With copy to:

Third Priority Lender

With copies to:

Exhibit D
Survey

Exhibit E
Environmental Assessment

Exhibit F
Ancillary Land

Exhibit G
Lender Addendum

Exhibit H
Form of Waiver, Subordination and Consent Agreement

N.B.# _____
or
ALT.# _____

WAIVER OF DECLARATION OF ZONING LOT RESTRICTIONS AND CONSENT AND
SUBORDINATION TO ZONING LOT DEVELOPMENT AND EASEMENT AGREEMENT
AND CONSTRUCTION AND MAINTENANCE EASEMENT AGREEMENT AND RELEASE

_____, having an address _____ (“Lender”), being a "party in interest" as defined in Section 12-10(d) of the Zoning Resolution of the City of New York effective December 15, 1961, as amended, with respect to the lands known as Tax Lot(s) _____ in Block ___ on the Tax Map of the City of New York, County of _____, and known as and by street addresses _____, _____, New York, as more particularly described in Exhibit "A" annexed hereto (the "Property"), does hereby (i) waive its right to execute a Declaration of Zoning Lot Restrictions (the "Declaration") between _____ and _____, dated of even date and intended to be recorded simultaneously herewith, declaring that the Property and adjacent Tax Lots _____ in Block _____ are to be treated as one zoning lot (the “Merged Zoning Lot”), as more particularly described in Exhibit “B” annexed hereto, for the purposes of and in accordance with the provisions of the aforementioned Zoning Resolution and shall have the effect therein set forth, (ii) consent to (1) that certain Zoning Lot Development and Easement Agreement between _____ and _____, dated of even date and intended to be recorded simultaneously herewith (the “ZLDA”), and (2) that certain _____ (Easement Agreement – if any) _____ between _____ and _____, dated of even date and intended to be recorded simultaneously herewith (the “Easement”), relating to the above described tracts of land, and (iii) subordinate its interest in the above described tracts of land to the Declaration, the ZLDA (and the Easement- if any) (including, without limitation, all rights of _____ as provided in the ZLDA (and the Easement- if any)).

Notwithstanding the foregoing, the undersigned hereby agrees to execute and deliver from time to time, within ten (10) days after request therefor, such further waivers, consents, subordinations and releases that may be required pursuant to the Zoning Resolution of the City of New York to effectuate the intent of this instrument. This instrument shall (i) run with the lands and the buildings affected by this instrument and the undersigned's interest therein and (ii) be binding upon the undersigned, and its successors and assigns.

