NYCHA's Master Development Agreement with Essence Development and Related Companies for the Redevelopment of Fulton & Elliott-Chelsea Houses

NEW YORK CITY HOUSING AUTHORITY

November 2024

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Conceptual rendering of courtyard
Renderings are for illustrative purposes only.
The final designs will be determined in consultation with residents and subject to all applicable legal and regulatory approvals.

OUR OPPORTUNITY AND PROPOSED PLAN FOR THE REDEVELOPMENT OF FULTON, ELLIOTT-CHELSEA HOUSES

Transforming NYCHA's Fulton and Elliott-Chelsea Houses marks a pivotal moment in New York City, reshaping community living and setting a new standard for public housing. This historic partnership between residents, NYCHA, Essence Development, and Related Companies focuses on rebuilding and revitalizing each campus. With sustainability, safety, and inclusivity at its core, this proposed project is designed to meet the needs of current and future generations at Fulton and Elliott-Chelsea, including:

- 100% replacement of 2,056 NYCHA apartments within brand-new modern buildings (the "Replacement Buildings")
- New apartments for all existing authorized NYCHA residents, with a right to return for any temporarily relocated households, permanent affordability, and the preservation of all tenant rights as required by the PACT program
- Brand new community facilities and state-of-the-art amenities
- A phased construction plan to minimize disruption to current residents
- A comprehensive "Bridge Plan" for immediate repairs, improving safety, and enhancing living conditions starting in 2024
- Upon completion of the new NYCHA buildings, additional residential buildings will be constructed, creating thousands of new affordable and market-rate apartments

Subject to all applicable legal and regulatory approvals, our resident-led project will provide modern and permanently affordable housing for all existing NYCHA residents. This partnership can serve as a new model that repositions NYCHA's rapidly deteriorating public housing stock through the creation of inclusive mixed-income and mixed-use communities that better serve NYCHA families and individuals, while also expanding opportunities for New Yorkers, including low-income families, to access deeply affordable homes in high-amenity neighborhoods.

Conceptual rendering of West 25th Street looking to the West
Renderings are for illustrative purposes only.
The final designs will be determined in consultation with residents and subject to all applicable legal and regulatory approvals.

Conceptual rendering of building rooftop
Renderings are for illustrative purposes only.
The final designs will be determined in consultation with residents and subject to all applicable legal and regulatory approvals.

MASTER DEVELOPMENT AGREEMENT INFORMATION

For more information about the PACT program, you can visit NYCHA's PACT webpage, here.

In October of 2024, NYCHA's Board approved a Master Development Agreement for the Fulton and Elliott-Chelsea Houses Permanent Affordability Commitment Together (PACT) project. This agreement is between NYCHA and our resident-selected PACT Partners, Essence Development and Related Companies. For all PACT projects, NYCHA is required to submit project applications to HUD for approval. NYCHA's approval of the Master Development Agreement is a step forward for the project, which will continue to follow all HUD requirements all HUD requirements as well as all other applicable legal and regulatory requirements.

What is a Master Development Agreement?

A Master Development Agreement (also referred to as an 'MDA') is a common tool utilized by government entities in multi-phase projects with long timelines. It memorializes key project principles, priorities, responsibilities, timelines, and other critical agreements between the parties.

The proposed project at Fulton and Elliott-Chelsea is expected to include multiple phases, each with its own project-specific transaction. The MDA will keep NYCHA and the PACT Partner accountable to key project principles – for example, resident protections and design guidelines – while also providing the flexibility to finalize financial and project-specific details for each phase.

Why is this needed?

This is the first PACT project for NYCHA that contemplates a multi-phase project for the complete redevelopment of an existing NYCHA campus. Because of the number of phases required, the MDA memorializes commitments between NYCHA and the PACT Partner with respect to the needs of residents at Fulton and Elliott-Chelsea Houses throughout the project.

What happens next for residents and for the proposed redevelopment plan?

- **Enhanced repairs through the 'Bridge Plan'**: Starting in the Winter of 2024-2025, residents will benefit from enhanced property management services through a 'Bridge Plan.'
- **Continued engagement and planning**: NYCHA and the PACT Partner will continue to engage resident leadership, form and convene resident committees, and roll out resident surveys to better understand the housing and social services-related needs of the residents. The PACT Partner is committed to maintaining transparent and consistent updates to all residents. Additionally, a community plan will comprehensively document all community agreements reached during the planning process.
  - To find updates on upcoming or previous meetings, visit the Fulton and Elliott-Chelsea project website.
- **Next approvals and milestones**: In 2025, NYCHA and the PACT Partner anticipate HUD's approval of the environmental review and will work towards the first phase of anticipated transactions, which contemplates the relocation of residents in Chelsea Addition (441 West 26th Street and 436 West 27th Drive) and Fulton Building 11 (401 West 19th Street and 419 West 19th Street) and the demolition of these buildings. Where these buildings currently stand, new housing will be built for NYCHA residents.

KEY INDEX

The following pages outline key agreements and details that are included in the Fulton and Elliott-Chelsea Houses MDA. Page numbers are included so you can reference these sections in the MDA, which is attached here. You can use the following key to identify information and different themes within the actual MDA.

Project Guiding Principles

Pages 1-2

A key component of the MDA is the following set of Guiding Principles. The Guiding Principles outlined in the MDA reflect the commitment of NYCHA and the PACT Partner to honor the needs of residents throughout the proposed project. The Guiding Principles are:

- **One-for-one replacement**: NYCHA and the PACT Partner have committed to providing a one-for-one replacement of all existing public housing units. All existing NYCHA apartments will be replaced with new, high-amenity permanently affordable homes.
- **Build first**: The vast majority (94%) of households will remain in their existing apartments while NYCHA Replacement Buildings are constructed, thus avoiding the need for temporary relocation in most cases. NYCHA and the PACT Partner are committed to supporting the approximately 6% of households who will need to temporarily relocate before moving into their permanent homes.
- **A dignified wait**: While the Replacement Buildings are being constructed, the PACT Partner will add capacity to NYCHA property management with additional security, pest control, building system repairs, and in-unit repairs (part of the Bridge Plan).
- **Comprehensive, equitable planning**: NYCHA and the PACT Partner will work with residents to plan holistic new campuses. The campuses will be reimagined as mixed-income, mixed-use communities that are better integrated into the surrounding neighborhood and provide crucial new affordable housing.
- **Resident-led community planning**: As from the outset of this project, resident voices and expertise play a central role in the planning and design of each campus, culminating in the creation of a master plan to guide future development.
- **Right to remain and right to return**: Resident rights will be preserved through NYCHA's PACT program. Federal rules mandate that residents have the right to a new apartment on their home campus, or the right to return should temporary relocation be necessary.
- **Collaborative process**: NYCHA and the PACT Partner are committed to continuing existing and creating new partnerships with public and private stakeholders, businesses, non-profits, and voluntary organizations for the benefit of NYCHA residents.

Consistent with all PACT projects, existing NYCHA residents will benefit from HUD's Rental Assistance Demonstration or 'RAD' resident protections and affordability restrictions. These will be pursuant to the terms of individual transaction documents that will be finalized throughout the project.

Additional information about Resident Rights and Protections in the PACT program can be found below.

To see the **PACT Protects Resident Rights 2-pager**, please scan the QR code:

For more detailed information in the **Summary of Policies Preserving Resident Rights Under PACT**, please scan the QR code:

The Bridge Plan

***Referred to as the 'Meanwhile Plan'**

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All residents will benefit from the enhanced property management that will be provided as the redevelopment plan is finalized. The approval of the MDA ensured that these services continue until the project is completed. The MDA also requires that the PACT Partner provide services identified in the plan during 'Phase 0' of the project timeline. More information on the Bridge Plan can be found here. In the MDA, this plan is referred to as the 'Meanwhile Plan.'

- **Security**: Security staff have been patrolling the campuses since February 2024 and will continue to do so as part of the Bridge Plan;
- **Pest Control**: Additional pest control treatments and interventions will occur across the campuses. Some of this work started in February 2024 and will continue as part of the Bridge Plan;
- **Access Points**: Building entrances and doors will be repaired or replaced as needed;
- **Building Lobbies**: Lobbies will be refreshed with paint and signage, and TV screens will be installed to provide announcements and critical information to residents;
- **Heating**: The PACT Partner will assist NYCHA's Heating Division with repairs and ongoing maintenance of the boilers and steam traps;
- **Elevators**: The PACT Partner will ensure commonly repaired and damaged parts are procured and stored on campus, which will allow for proactive maintenance and expeditious repairs to be completed by NYCHA's elevator technicians; and
- **Existing In-Unit Work Orders**: The PACT Partner will provide support to NYCHA's management team for in-unit work orders for residents to ensure a fast response and documented completion.

Photos on the next page: The PACT Partner began mobilizing onsite to assist NYCHA's management team with work orders. Photo credit: Essence Development


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Proposed Project Phasing Plan

Pages 24-29 & Exhibit F

The MDA establishes a Project Phasing Plan. The Project Phasing Plan outlines work that both NYCHA and the PACT Partner team need to complete before moving forward with another phase of work at the project. To see a visual of the Proposed Project Phasing Plan, you can review the presentation prepared for NYCHA's Board linked here. The Proposed Project Phasing Plan information starts on slide 9.

Phase 0

- Work defined under the Bridge Plan will continue.
- NYCHA and the PACT Partner will work together to finalize a 'Relocation Plan' and to relocate residents of Chelsea Addition (441 West 26th Street and 436 West 27th Drive) and Fulton Building 11 (401 West 19th Street and 419 West 19th Street) in accordance with such Plan and HUD's RAD requirements and all applicable Federal requirements.
- NYCHA and the PACT Partner will also work together to plan and initiate the temporary relocation of the Hudson Guild center, currently located at Chelsea Addition.

Phase 1

This phase will require a final Environmental Impact Statement as approved by HUD (this is anticipated to happen in the Spring/Summer of 2025). Phase 1 can be constructed within the current zoning for the campuses.

- Once all conditions are satisfied for closing to occur, the closing for the applicable Replacement Buildings for Phase 1 will occur with execution of transactional documents including the long term ground lease, control agreement and financing document. Upon such closing, NYCHA and the PACT Partner will initiate the construction of the first two buildings. Specifically, this phase will require the demolition of Chelsea Addition and Fulton Building 11 and the construction of two new Replacement Buildings on those locations.
- The permanent relocation of residents into these NYCHA Replacement Buildings will occur during this phase once the new buildings are complete.

Phase 2

This phase will start only after all of Phase 1 is complete and may be subject to the approval of land use actions. **At the completion of Phase 2, all NYCHA residents will live in brand new, permanently affordable buildings on the campuses.** To have all residents in new buildings at the end of Phase 2, the rezoning needs to occur. Otherwise, some of the replacement construction would occur in Phase 3.

Phase 3

During this phase, the PACT Partner and NYCHA will collaborate on the construction of the new Mixed-Income buildings on both campuses.

Zoning Approval

Page 29

The MDA outlines responsibilities for the PACT Partner to coordinate and cooperate with NYCHA on the preparation and submission of the documentation required to obtain the necessary approvals as may be required for the redevelopment project pursuant to the City's Uniform Land Use Review Procedure, known as 'ULURP.'

If the land use actions are not approved, then the Replacement Buildings will be completed across three (3) phases, meaning it would take longer for all existing NYCHA residents to move into their new homes. A zoning change approval will also increase the number of mixed-income apartments in the Mixed-Income buildings. It is anticipated that the ULURP process will commence in 2025.

Resident Review Committee meeting with New York Citizens Housing and Planning Council (CHPC), 2021

Financing Principles

Page 34

The following principles will be followed as financing decisions are made throughout the lifecycle of the project:

- The development of the mixed-income buildings is available to support the financing for the construction of the Replacement Buildings.
- NYCHA will receive fair market value compensation for the use of its land.
- NYCHA and the PACT Partner will collaborate on budget and underwriting with key requirements defined.
- The types of eligible project predevelopment costs are outlined.

Chelsea, Chelsea Addition, and Elliott Houses

Environmental Review

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The project will comply with all applicable Federal, State, and City environmental requirements, and an Environmental Impact Statement is being prepared. For detailed information about the Environmental Review process, you can visit NYCHA's Fulton and Elliott-Chelsea webpage here.

Fulton Houses

Ground Leases, Control Agreements, & Joint Venture Agreements

Pages 43-54

Ground Lease

The agreement outlines when NYCHA will enter into a ground lease with the PACT Partner for all Replacement Buildings and mixed-income buildings. Each lease will have a term of ninety-nine (99) years.

Control Agreement

At the time of entering into a ground lease for the Replacement Buildings, NYCHA and the PACT Partner will also enter into a Control Agreement. The Control Agreement will be the standard PACT control agreement used on all of NYCHA's PACT projects and modified only to reflect the specific and unique circumstances of this proposed project.

Joint Venture Agreement

The MDA specifies how joint venture agreements will be entered into by NYCHA and the PACT Partner to reflect the partnership and economic interests in the applicable replacement or mixed-income project.

Design Guidelines

Exhibit I

The MDA outlines program requirements, design deliverable schedules, and design program requirements for the PACT Partner. Different components of the design program include:

- Site planning requirements for both campuses
- Common areas and amenity space requirements for the NYCHA Replacement Buildings
- Residential unit requirements
- Sustainability requirements
- Resilience assessment requirements
- Accessibility requirements as dictated by applicable laws and regulations
- Demolition requirements

Resident meeting at Fulton Houses, 2023

Relocation Plan Requirements

Exhibit J

Both NYCHA and the PACT Partner have outlined responsibilities to ensure that all relocations, as required under the proposed plan, are implemented in accordance with relevant federal requirements, including the RAD Relocation Requirements and the Uniform Relocation Act.

This section of the MDA outlines requirements for the PACT Partner to create and receive approval for a 'HUD Relocation Plan.' NYCHA and the PACT Partner will work closely with resident leaders and stakeholders to develop the 'HUD Relocation Plan' to comply with all applicable federal requirements and minimize the need for off-site temporary relocations.

As currently proposed, the Project is based on a "build first" model where only approximately one hundred twenty (120) households, or less than six percent (6%) of all 2,056 apartments will be required to temporarily relocate before moving into their new permanent homes. The remaining ninety-four percent (94%) of households will only move once – directly into their newly built homes in the Replacement Buildings.

The approximately one hundred twenty (120) households that must be relocated currently reside at Chelsea Addition and Fulton Building 11, where the first Replacement Buildings (one on each campus) are planned for construction. All of these households will be provided with appropriately-sized apartments, with a majority of these households being provided apartments within their home campus. In a limited number of instances where there are no appropriately-sized apartments available on-site, NYCHA and the PACT Partner will assist residents with temporary relocation apartments in privately managed buildings within the community or in other NYCHA public housing developments. Per HUD requirements, any household that is temporarily relocated off-site will have the right to return to their development once the associated Replacement Building is complete. The PACT Partner will be responsible for providing relocation assistance and paying any costs related to on-site and off-site relocations.

Community Engagement Plan & Master Campus and Social Services Plan

Page 39-40 & Exhibit K & L

The PACT Partner has agreed to adhere to the standard PACT Community Engagement Requirements as prescribed by NYCHA's Real Estate Development Department. The PACT Partner has agreed to adhere to the standard PACT Social Service Requirements and Guidelines.

Housing Opportunities Unlimited (HOU) team

Section 3, Resident Economic Opportunity Plan & M/WBE Policies

Page 41 & Exhibit M

Section 3 Labor Hour Requirements

This section of the MDA outlines what work will be subject to Section 3 of the Housing and Urban Development Act of 1968, as amended, and pursuant to the RAD Requirements. The MDA requires the PACT Partner to provide a Section 3 and Resident Economic Opportunity Plan to NYCHA for approval prior to the commencement of any work to which Section 3 is applicable. This section of the MDA outlines when Labor Hour forms and other reports are due to NYCHA during the project timeline.

Resident Economic Opportunity Plan

This section provides that the PACT Partner must create a 'NYCHA Resident Hiring Program' as an independent effort from their Section 3 labor hours requirement. PACT Partners must work directly with NYCHA's Resident Empowerment & Economic Sustainability (REES) team to identify NYCHA residents to apply for jobs during construction and the long-term operations of the project.

Minority and Women Business Enterprises (M/WBE)

The PACT Partner is required to follow NYCHA's M/WBE Policy to ensure that all business entities have an equal opportunity to benefit from the procurement, consulting, and construction activities related to this project. This section of the MDA outlines how the PACT Partner will take affirmative steps to ensure M/WBE participation and how the PACT Partner will report progress to NYCHA.

NEW YORK CITY HOUSING AUTHORITY

November 2024

NYCHA's Master Development Agreement with Essence Development and Related Companies for the Redevelopment of Fulton, Elliott-Chelsea Houses

MASTER DEVELOPMENT AGREEMENT

between

NEW YORK CITY HOUSING AUTHORITY,

and

ELLIOTT FULTON LLC

Premises:

Fulton Campus, New York, NY 10011

Elliott-Chelsea Campus, New York, NY 10001

Dated as of October 30, 2024

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MASTER DEVELOPMENT AGREEMENT




THIS MASTER DEVELOPMENT AGREEMENT (this "**Agreement**"), dated as of October 30, 2024 is made by and between NEW YORK CITY HOUSING AUTHORITY, a public benefit corporation incorporated created and organized pursuant to and in accordance with the laws of the State of New York, with its principal office at 90 Church Street, 5th Floor, New York, New York 10007 (the "**Authority**"), and ELLIOTT FULTON LLC, a New York limited liability company, with its principal offices at c/o Essence Development, LLC, 6 Greene St., New York, New York 10013, and c/o The Related Companies, L.P., 30 Hudson Yards, New York, New York 10001 ("**Developer**"; and together with the Authority, each, a "**Party**", and collectively, the "**Parties**").

KEY PROJECT PRINCIPLES

In the summer of 2023, the residents of the Fulton and Elliott-Chelsea Houses chose to move forward with an ambitious proposal to rebuild their community through the Authority's Permanent Affordability Commitment Together ("**PACT**") program, thereby providing residents with permanently affordable homes in new, modern buildings. The plan will also accommodate new residents in mixed-income apartments that will be added to the campus, as well as new, modern open spaces with expanded amenities and reimagined public spaces. The residents of the Fulton and Elliott-Chelsea Houses have entrusted the Authority and its selected PACT partner, a joint venture of Essence Development and The Related Companies, to carry out this redevelopment plan centering their needs and priorities and assuring their rights and protections as NYCHA residents. This Agreement reflects the commitment of the Authority and the PACT partner to honor the needs of the residents of the Fulton and Elliott-Chelsea Houses throughout this project and is guided by the following key project principles:

(a) **One-for-one Replacement**. The Authority and the PACT partner have committed to providing a one-for-one replacement of all existing public housing units, thus assuring, in accordance with the terms of this Agreement, that each and every one of the authorized residents of Fulton and Elliott-Chelsea Houses will receive a newly built, modern, safe, and permanently affordable home in a new building thoughtfully built to accommodate their needs and designed with their input.

(b) **Build First**. The vast majority of Fulton and Elliott-Chelsea residents will remain in place in their existing apartments while the first replacement buildings are being built, thus avoiding the need for temporary relocation or any other major disruptions to resident's everyday lives. This is assured through a build-first, phased approach to construction in which only a fraction of residents will be required to move two times. The Authority and the PACT partner are committed to supporting the approximately 6% of residents who are required to temporarily relocate through this transition and assuring a place for them in the first replacement buildings.

(c) **A Dignified Wait**. The Authority and the PACT partner will work together to proactively improve the quality of life of residents while they continue to reside in the Authority's public housing buildings and await the completion of their new homes. The PACT partner will add capacity to the Authority's property management with additional security, pest control, building system repairs, and in-unit repairs.

(d) **Comprehensive, Equitable Planning**. The Authority and the PACT partner will work with residents to plan holistic new campuses, where housing, retail, open spaces, services, and programming create a cohesive community for the safety, benefit, and enjoyment of all residents regardless of their income level.

(e) **A Resident-led Community Plan**. The Authority and the PACT partner are committed to continuing to center resident voices throughout the planning and design process for the new campuses. Through proactively engaging resident leadership, forming resident committees, rolling out resident surveys to understand housing and social services-related needs, and maintaining transparent and consistent updates to the resident-body, the Authority and the PACT partner will put together a community plan that will comprehensively document all community agreements reached during the planning process. The PACT partner is committed to honor this resident-led vision for the future campuses.

(f) **Residents' Right to Remain and Right to Return**. Although beneficial to the surrounding Chelsea community and New York City's mission to build more affordable housing, this redevelopment project is, first and foremost, for existing Fulton and Elliott-Chelsea residents and will assure their right to a permanent home on-site, as well as their federally mandated protections under the PACT program. NYCHA residents have the right to remain at their campuses by moving into a new unit in a new building on their campus or, if temporary relocation is necessary off campus, the right to return to the campus and a unit in the new building.

(g) **Collaborative Process**. The Authority and the PACT partner are committed to continuing existing partnerships with public and private stakeholders, businesses, non-profits, and voluntary organizations, as well as to creating new partnerships, in order to secure commitments for community and financial resources that will benefit NYCHA residents and ensure that the goals of the project are achieved.

RECITALS

WHEREAS, the Authority owns fee title to, and maintains, improved and unimproved parcels of real property (including all buildings, structures and/or improvements now or hereafter located thereat) (each a "**Parcel**" and together, the "**Parcels**" or "**Premises**"), all located in New York County in the State and City of New York as more particularly described on **Exhibit A** attached hereto;

WHEREAS, the Authority and Developer are parties to that certain Conditional Designation for Fulton-Elliott-Chelsea PACT Conversion Letter, dated April 7, 2022, which is superseded by this Agreement;

WHEREAS, the Parties intend to undertake a phased plan of rebuilding and redevelopment of the Authority's housing developments located on the Premises subject to the regulations of the U.S. Department of Housing and Urban Development ("**HUD**") commonly known as the Fulton Houses ("**Fulton Campus**") and Elliott-Chelsea Houses ("**Elliott-Chelsea Campus**", and together with Fulton Campus, each, a "**Campus**") that includes the replacement of the existing buildings at each of the Fulton Campus and Elliott-Chelsea Campus (each existing Building, an

"**Existing Building**", and collectively, the "**Existing Buildings**") with new Buildings by a joint venture of the Parties referred to herein and defined below as the RB Developer (each new replacement Building, a "**Replacement Building**", and collectively, the "**Replacement Buildings**");

WHEREAS, there will be a replacement of each of the 2,056 units collectively in the Fulton Campus and Elliott-Chelsea Campus and the replacement units in the Replacement Buildings will convert to long-term Section 8 Project Based Voucher ("**PBV**") assistance under Section 8 of the United States Housing Act of 1937, as amended (the "**Act**") pursuant to the HUD Rental Assistance Demonstration ("**RAD**") program and the HUD demolition and disposition process under Section 18 of the Act and regulations at 24 CFR 970 ("**Section 18**") (such replacement, the "**Replacement Project**");

WHEREAS, the Replacement Project will be undertaken such that residents occupying existing residential units at the Fulton Campus and Elliott-Chelsea Campus pursuant to properly executed residential leases ("**Residents**") will retain all rights and protections as provided by RAD, Section 18 and applicable HUD, federal and state statutes, regulations, and notices and the Authority's requirements, including, among other things, the right to return to the Fulton Campus or Elliott-Chelsea Campus, as applicable (collectively, "**Resident Rights**"), together with certain lower or base floor(s) or below-grade commercial, community benefit or amenity space therein, if any, as set forth in the Approved Plans and Specifications (as hereinafter defined) for each Replacement Building;

WHEREAS, as part of the phased redevelopment plan, the Parties intend for there to be the lease of certain portions of the Premises by the Authority to the MI Developer (as hereinafter defined) for the development of additional new mixed-income buildings (each new mixed-income Building, a "**Mixed-Income Building**", and collectively, the "**Mixed-Income Buildings**", and together with the Replacement Buildings, the "**New Buildings**") subject to all applicable affordable housing requirements (the "**Mixed-Income Project**"), together with certain lower or base floor(s) or below-grade commercial, community benefit or amenity space therein, if any, as set forth in the Approved Plans and Specifications for each Mixed-Income Building;

WHEREAS, each of the Parties desires to enter into this Agreement to set forth the conditions and agreements with respect to (i) the predevelopment of the Replacement Project and Mixed-Income Project; (ii) the leasing of the Parcels pursuant to lease agreements (each, a "**Lease**") for each Replacement Building and its corresponding Parcel on such terms set forth in, and otherwise agreed upon by the Parties in accordance with, **Section 6.1** hereof (each, a "**Replacement Building Ground Lease**") or for each Mixed-Income Building and its corresponding Parcel on such terms set forth in, and otherwise agreed upon by the Parties in accordance with, **Section 6.2** hereof (each, a "**Mixed-Income Ground Lease**"); (iii) the development and operation of each Replacement Building in accordance with a control agreement on such terms set forth in, and otherwise agreed upon by the Parties in accordance with, **Section 6.3** hereof (each, a "**Control Agreement**") and (iv) the construction of the New Buildings;

WHEREAS, Developer has paid or caused to be paid to the Authority all amounts required to be paid as of the date hereof in accordance with this Agreement; and

NOW, THEREFORE, in consideration of the foregoing and the covenants of the Parties set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE 1
DEFINITIONS AND INTERPRETATION

Section 1.1 Definitions. As used in this Agreement and except as otherwise provided, capitalized terms shall have the meanings set forth in this **Section 1.1**. Words in the singular form shall be construed to include the plural and vice versa.

"**Act**" has the meaning provided in the Recitals of this Agreement.

"**Additional Base Rent**" has the meaning provided in **Section 6.2(j)(ii)** hereof.

"**Additional Closing Conditions**" has the meaning provided in **Section 8.3** hereof.

"**Administrative Fee**" has the meaning provided in **Section 3.1** hereof.

"**Advanced MI Parcel Payment**" has the meaning provided in **Section 5.6(a)** hereof.

"**Affiliate**" or "**Affiliates**" mean with respect to any Person, another Person (other than a natural person) that Controls, is Controlled by, or is under common Control with, such Person.

"**Agreement**" has the meaning provided in the Preamble of this Agreement.

"**Allocated Project Costs**" has the meaning provided in **Section 5.6(d)(ii)** hereof.

"**Amended License Agreement**" has the meaning provided in **Section 4.1(a)** hereof.

"**Anniversary Date**" means each anniversary of the Effective Date occurring during the Term.

"**Anticipated Scheduled MI Closing Date**" means the date that is three (3) months after the scheduled Substantial Completion date for: (i) with respect to the Mixed-Income Closing for the first Mixed-Income Parcel, the last Replacement Building, and (ii) with respect to each subsequent Mixed-Income Closing, the Mixed-Income Building(s) constructed in connection with the immediately preceding Mixed-Income Closing.

"**Approvals**" has the meaning provided in **Section 5.1** hereof.

"**Approved Guarantor**" means either (i) the guarantor that is providing the Completion Guaranty for the applicable Initial Construction Work to an Institutional Lender; or (ii) any other guarantor that is otherwise a creditworthy guarantor acceptable to the Authority in its sole discretion.

"**Approved Plans and Specifications**" means, (i) with respect to a Replacement Building, the Plans and Specifications for such Replacement Building's Initial Construction Work prepared

by the Developer and approved by the Authority in accordance with **Section 5.8**; and (ii) with respect to a Mixed-Income Building, the Plans and Specifications for such Mixed-Income Building's Initial Construction Work prepared by the Developer and approved by the Authority in accordance with **Section 5.9**.

"**Architect**" means Ismael Leyva Architects, or such other licensed architect in the State of New York reasonably approved by the Authority as the architect of record for a New Building.

"**Authority**" has the meaning provided in the Preamble of this Agreement, and includes any successors and/or assigns.

"**Authority Closing Obligations**" has the meaning provided in **Section 8.2** hereof.

"**Authority Delay**" means the actual delay which Developer suffers in the performance of its work or any of its covenants or obligations hereunder due to the Authority's failure to respond as provided for under **Sections 5.7,** or **5.8**, provided that the length of an Authority Delay shall be calculated as provided for in such applicable Section.

"**Authority's Related Parties**" means and refers to the Authority's members, officers, directors, Affiliates, agents, employees and their respective heirs and personal representatives, successors and/or assigns.

"**Background Questionnaire Forms**" has the meaning provided in **Section 5.3** hereof.

"**Building**" means individually and collectively, any and all buildings (including footings and foundations), Equipment, and other permanent improvements and appurtenances of every kind and description, which at the time of delivery thereof or during the term of the applicable Lease are erected, constructed, or placed upon the Premises or attached thereto, including capital improvements, and any and all permanent alterations and replacements thereof, additions thereto and substitutions therefor, but, in the case of each Replacement Building and each Mixed-Income Building, excluding any personal property, trade fixtures or Equipment that are temporary or movable in nature and that are owned by the applicable Ground Lessee or such Ground Lessee's subtenants or contractors.

"**Building-Specific Predevelopment Costs**" has the meaning provided in **Section 5.6(d)(i)** hereof.

"**Business Day**" or "**Business Days**" means any day other than a Saturday, Sunday, legal holiday, a day on which the City or the Authority is closed for business, or a day on which banking institutions in the City are authorized by law or executive order to close.

"**Campus**" has the meaning provided in the Recitals of this Agreement.

"**CER**" has the meaning provided in **Section 5.13** hereof.

"**City**" means the City of New York.

"**Claims, Damages and Fees**" has the meaning provided in **Section 17.1** hereof.

"**Closing**" "means, (i) with respect to any Replacement Building Parcel, an RB Closing, and (ii) with respect to any Mixed-Income Parcel, a Mixed-Income Closing.

"**Closing Date**" "means, (i) with respect to any RB Closing, an RB Closing Date, and (ii) with respect to any Mixed-Income Closing, a Mixed-Income Closing Date.

"**Closing Obligations**" means, (i) with respect to Developer, the Developer Closing Obligations and (ii) with respect to the Authority, the Authority Closing Obligations.

"**CNI**" has the meaning provided in **Section 5.2** hereof.

"**Completion Guaranty**" means a guaranty of lien-free completion of the applicable Initial Construction Work from an Approved Guarantor in the same form and substance provided to the Institutional Lender that is providing construction financing for the applicable Initial Construction Work, provided, that such Completion Guaranty will be subject and subordinate to such Institutional Lender's rights to enforce its completion guaranty (and the Authority shall forbear from exercising its rights under the Completion Guaranty unless and until the Institutional Lender fails to enforce such completion guaranty).

"**Confidentiality Agreement**" has the meaning provided in **Section 5.11** hereof.

"**Construction Contract**" has the meaning provided in **Section 10.3(a)** hereof.

"**Construction Outside Date**" means, with respect to a New Building, the "Construction Outside Date" for achieving Substantial Completion for such New Building, which is the date that is 60 months after the Closing for such New Building; provided, notwithstanding anything to the contrary herein, each Construction Outside Date shall automatically be extended on a day-for-day basis on account of Unavoidable Delay.

"**Contractor**" has the meaning provided in **Section 10.3(a)** hereof.

"**Control**" and its related terms "**Controlled**" or "**Controlling**" means, unless otherwise defined herein for a specific provision of this Agreement, with respect to any Person, the power directly or indirectly to direct the day-to-day management and affairs of such Person, whether through the ability to exercise voting power, by contract or otherwise, provided that (i) the mere right to make (or consent to) capital and other major decisions shall not in and of itself constitute Control and (ii) Control shall not be deemed absent solely because another Person shall have customary consent rights or veto power with respect to capital and other major decisions.

"**Control Agreement**" has the meaning provided in the Recitals of this Agreement.

"**CPI**" or "**Consumer Price Index**" shall mean the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the United States Department of Labor New York, Northern New Jersey, Long Island Area (1982-1984=100), or any successor index thereto, appropriately adjusted. If the Consumer Price Index ceases to be published, and there is no successor thereto, such other similar index as the Authority designates and shall reasonably designate as a substitute for the Consumer Price Index.

"**CPI Anniversary Date Adjustment**" means, a fraction, (i) the numerator of which shall be the difference between (x) the CPI for the second calendar month immediately preceding the month as of which the applicable determination is being made, and (y) the CPI for the second calendar month immediately preceding the Effective Date, and (ii) the denominator of which shall be the CPI obtained for (y). However, at no time shall the CPI Anniversary Date Adjustment be less than zero (0). By way of example, if the Effective Date was June 30, 2023, and the CPI Anniversary Date Adjustment was being calculated on the third (3rd) Anniversary Date, *i.e.* June 30, 2026, the calculation of the CPI Anniversary Date Adjustment would be [(CPI for April 2026) – (CPI for April 2023)] / (CPI for April 2023).

"**Cure Period**" has the meaning provided in **Section 16.1(e)** hereof.

"**DCP**" has the meaning provided in **Section 4.4(a)** hereof.

"**DEIS**" has the meaning provided in **Section 5.16(b)** hereof.

"**Deposit Escrow Agreement**" has the meaning provided in **Section 3.3(e)** hereof.

"**Design Guidelines**" has the meaning provided in **Section 5.8** hereof.

"**Developer**" has the meaning provided in the Preamble of this Agreement.

"**Developer Closing Obligations**" has the meaning provided in **Section 8.1** hereof.

"**Developer Default**" has the meaning provided in **Section 16.1** hereof.

"**Developer Principal**" or "**Developer Principals**" shall collectively mean (i) any Person possessing, directly or indirectly, the power to direct or cause the direction of the day-to-day management policies of Developer, whether through the ownership of voting securities, membership or partnership interests, or by contract or otherwise and (ii) any other Person that shall have direct or indirect ownership of more than ten percent (10%) of the voting interests in Developer.

"**Developer's Related Parties**" means Developer's members, officers, directors, Affiliates, agents, contractors, employees, and their respective heirs, personal representatives, successors and assigns, but shall specifically exclude the Authority.

"**Development Management Agreement(s)**" has the meaning provided in **Section 6.4(a)(ii)** hereof.

"**Development Plan**" has the meaning provided in **Section 4.1** hereof.

"**DOB**" means the New York City Department of Buildings.

"**Documents**" means any documents, studies, reports, data, drawings, schematics, plans, specifications, analyses, evaluations or other written information or materials in hard copy or electronic copy.

"**Effective Date**" has the meaning provided in **Section 2.2** hereof.

"**Elliott-Chelsea Campus**" has the meaning provided in the Recitals of this Agreement.

"**Environmental Consultant**" means Philip Habib & Associates or another reputable environmental consultant or engineer approved in advance by the Authority in its reasonable discretion.

"**Environmental Laws**" means any and all federal, state or local environmental, health and/or safety-related laws, regulations, standards, environmental impact filings and review and disclosure requirements, decisions of the courts, permits or permit conditions, currently existing or as amended or adapted in the future which are or become applicable to Developer or the Premises.

"**Equipment**" means all fixtures and personal property incorporated in, or attached to, and used or usable in the operation of the Premises and shall include, but shall not be limited to, all machinery, apparatus, devices, motors, engines, dynamos, compressors, pumps, boilers and burners, heating, lighting, plumbing, ventilating, air cooling and air conditioning equipment; chutes, ducts, pipes, tanks, fittings, conduits and wiring; incinerating equipment; elevators, escalators and hoists; partitions, doors, cabinets, hardware; books and stacks and shelving therefor; floor, wall and ceiling coverings; wash room, toilet and lavatory equipment; lobby decorations; windows, window washing hoists and equipment; communication equipment; solar panels; and all additions or replacements thereof, excluding, however, any movable furniture, machinery, equipment and contents owned by the applicable Ground Lessee.

"**Equity Interest**" means with respect to any entity, (A) the ownership of (i) outstanding stock of such entity if such entity is a corporation, a real estate investment trust or a similar entity, (ii) a capital, profits, membership, or partnership interest in such entity if such entity is a limited liability company, partnership or joint venture, or (iii) interest in a trust if such entity is a trust, (B) any right of a lender in connection with the Project to participate in cash flow, gross or net profits, gain or appreciation, or (C) any other interest that is the functional equivalent of any of the foregoing.

"**Escrow Agent**" has the meaning provided in **Section 3.3(a)** hereof.

"**Essence Control Group**" means (i) Essence, LLC, (ii) any Affiliate of Essence, LLC, (iii) Jamar Adams and/or any additional Person approved by the Authority pursuant to **Section 18.2(b)** (each, an "**Essence Control Party**" and collectively, the "**Essence Control Parties**"), and/or (iv) any spouse, ancestor, lineal descendant, sibling or lineal descendant of a sibling of an Essence Control Party or any trust for the benefit of any spouse, ancestor, lineal descendant, sibling or lineal descendant of a sibling of an Essence Control Party; provided that in each case where the Essence Control Group includes Persons described in any of clauses (i), (ii), and (iv) above, at least one Essence Control Party at all times retains Control of the Essence Control Group.

"**Evidence of Equity**" means a joint venture agreement or other similar agreement, or a term sheet or letter of intent for a joint venture agreement or other similar agreement, in either case, executed by or on behalf of Project Developer and its equity partner or partners that

demonstrates the equity and/or capital commitments available to such Project Developer for the applicable Initial Construction Work from either third-party equity investors or from Developer (it being understood that any such term sheet or letter intent for a joint venture agreement or other similar agreement will be executed and effective as of the applicable Closing).

"**Evidence of Financing**" means a financing commitment, term sheet or letter of intent executed by both a Project Developer (or its Affiliate) and its lenders or preferred equity investors that demonstrates the financing available for the applicable Initial Construction Work (it being understood that such agreements will be executed and effective as of the applicable Closing).

"**Existing Building**" or "**Existing Buildings**" has the meaning provided in the Recitals of this Agreement.

"**Existing Zoning Phasing Plan**" has the meaning provided in **Section 4.3** hereof.

"**Extension(s)**" has the meaning provided in **Section 7.2(a)** hereof.

"**Extension Fee**" has the meaning provided in **Section 7.2(a)** hereof.

"**Extension Notice**" has the meaning provided in **Section 7.2(a)** hereof.

"**FEIS**" has the meaning provided in **Section 5.16(b)** hereof.

"**First Closing**" means the first Closing of a Replacement Building Parcel.

"**Fulton Campus**" has the meaning provided in the Recitals of this Agreement.

"**Fulton Center**" has the meaning provided in **Section 1.4(n)** hereof.

"**Governmental Authority**" or "**Governmental Authorities**" means the United States of America, the State of New York, the City, and any agency, department, legislative body, commission, board, bureau, authority, instrumentality or political subdivision of any of the foregoing, now existing or hereafter created, having or claiming jurisdiction over the Parcels or any portion thereof or any street, road, avenue or sidewalk constituting a part of, or in front of, the Parcels, or any vault in or under the Parcels; provided, that the term Governmental Authority shall not include the Authority to the extent the Authority is acting solely in its proprietary capacity under the applicable Transaction Agreement (and not in its governmental capacity).

"**Ground Lessee**" means, (i) with respect to any Replacement Building Ground Lease, the RB Ground Lessee thereunder, and (ii) with respect to any Mixed-Income Ground Lease, the MI Ground Lessee thereunder.

"**Ground Lessor**" means the Authority.

"**Hazardous Substances**" means any (i) "hazardous substance" as defined under the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. Section 9601 et seq., or (ii) "hazardous waste" as defined under the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq., or (iii) "hazardous materials" as defined under the Hazardous

Materials Transportation Act, 49 U.S.C. Section 5101 et seq., or (iv) "hazardous waste" as defined in Sections 27-0901 and Section 27-1301 of the New York Environmental Conservation Law, or (v) "hazardous substance" as defined in Section 1321 of the Clean Water Act, 33 U.S.C. Section 1251 et seq., (vi) "petroleum" within the meaning of Article 12 of the New York State Navigation Law, or (vii) any other chemical, substance or material which is now or becomes in the future listed, defined or regulated in any manner by any Environmental Law based upon, directly or indirectly, its properties or effects. Each citation set forth in this paragraph shall be deemed to include the regulations adopted and publications promulgated thereunder.

"**HUD**" has the meaning provided in the Recitals of this Agreement.

"**HUD Approvals**" has the meaning provided in **Section 5.2(b)** hereof.

"**HUD Comfort Letter**" means that certain letter issued to the Authority by HUD on May 13, 2024.

"**HUD Declaration**" means each certain declaration of restrictive covenants and/or use agreement reflecting the applicable restrictions, RAD Requirements and Section 18 Requirements that is recorded with respect to a portion of the Premises.

"**HUD Requirements**" means, collectively and as applicable, the RAD Requirements, PBV Requirements, Section 18 Requirements and the Federal Requirements attached hereto as **Exhibit B** as such may be amended, and implemented by federal regulations and HUD, in each case to the extent that the same are applicable to the Developer, Project Developer, the Project or the Premises.

"**Hudson Guild Temporary Relocation**" means the temporary relocation of the Hudson Guild facilities located on the Elliott-Chelsea Campus, pursuant to a plan subject to the reasonable approval of Hudson Guild and the Authority.

"**Initial Construction Work**" means, with respect to a New Building, the construction work and demolition required in connection with the construction of such New Building consistent with the Approved Plans and Specifications and Permitted Uses.

"**Institutional Lender**" means (a) any savings bank, a savings and loan association, a commercial bank or trust company (whether acting individually or in a fiduciary capacity) or an Affiliate of any of the foregoing, (b) an insurance company organized and existing under the laws of the United States or any state thereof, (c) a real estate investment trust, a trustee or issuer of collateralized mortgage obligations, a loan conduit or other similar investment entity which (i) is regularly engaged in the business of and has expertise in providing real estate debt or preferred equity financing and (ii) acts through an institutional trustee, (d) a religious, educational or eleemosynary institution, a federal, state, or municipal employee's welfare, benefit, pension or retirement fund, a union pension or other retirement or investment fund, (e) any brokerage or investment banking organization regularly engaged in the business of providing debt, mezzanine or equity financing, (f) any investment brokerage, money management firm, mutual fund, investment banking organization or private equity fund or private investment or hedge fund, regularly engaged in the business of providing real estate and/or construction debt or equity

financing (including mezzanine financing) or (g) any combination of the foregoing entities and any other Person approved by the Authority; provided that each of the above entities shall qualify as an Institutional Lender only if it shall satisfy the Eligibility Requirements. For the purposes of this definition, "**Eligibility Requirements**" means, with respect to any Person, that such Person (i) is subject to the jurisdiction of the courts of the State of New York and (ii) has assets not less than the Required Threshold (it being understood and agreed that with respect to Institutional Lenders described in clauses (d), (e), (f) or (g), the Required Threshold may be satisfied (x) directly by such fund or firm, (y) by an entity which Controls, is Controlled by, or is under common Control with, such fund or firm or (z) by the manager of such fund or firm). "Institutional Lender" shall not include a Person designated as an "EB-5 Lender" by the United States Citizenship and Immigration Services or an entity formed by such a regional center.

"**Land Use Consultant**" means Fox Rothschild LLP or another a reputable land use consultant approved in advance by the Authority in its reasonable discretion.

"**Lease**" or "**Leases**" has the meaning provided in the Recitals of this Agreement.

"**Legal Fees Escrow Agreement**" has the meaning provided in **Section 3.5** hereof.

"**Legal Requirements**" means any and all applicable present and future statutes, laws, ordinances, codes, rules, regulations, orders or the like made by any Governmental Authority, now existing or hereafter created, and shall include, without limitation, HUD Requirements, in each case to the extent that the same are applicable to the Developer, Project Developer, the Project or the Premises.

"**LIHTC Unit**" has the meaning provided in **Section 6.1(b)** hereof

"**Master Campus Plan**" has the meaning provided in **Section 5.12** hereof.

"**Meanwhile Plan**" has the meaning provided in **Section 4.1(a)** hereof.

"**Memorandum of Lease**" means, with respect to each Lease, the memorandum of Lease in the form attached to the applicable Lease.

"**MI Developer**" has the meaning provided in **Section 4.1** hereof.

"**MI Ground Lessee**" has the meaning provided in **Section 6.2** hereof.

"**MI Land Valuation**" has the meaning provided in **Exhibit H** attached hereto.

"**MI Land Valuation Determination Date**" has the meaning provided in **Exhibit H** attached hereto.

"**Minimum Developer Ownership Percentage**" has the meaning provided in **Section 12.1(c)** hereof.

"**Minimum Equity Contribution**" has the meaning provided in **Section 5.6(b)** hereof.

"**Mixed-Income Building**" or "**Mixed-Income Buildings**" has the meaning provided in the Recitals of this Agreement.

"**Mixed-Income Closing**" has the meaning provided in **Section 7.1(b)** hereof.

"**Mixed-Income Closing Date**" has the meaning provided in **Section 7.1(b)** hereof.

"**Mixed-Income Closing Notice**" has the meaning provided in **Section 5.6(c)** hereof.

"**Mixed-Income Ground Lease**" has the meaning provided in the Recitals of this Agreement.

"**Mixed-Income Parcel**" means a Parcel that is leased pursuant to a Mixed-Income Ground Lease.

"**Mixed-Income Project**" has the meaning provided in the Recitals of this Agreement.

"**New Buildings**" has the meaning provided in the Recitals of this Agreement.

"**New Lot**" has the meaning provided in **Section 5.4(b)** hereof.

"**PACT**" has the meaning provided in "**Key Principles**" of this Agreement.

"**Parcel**" or "**Parcels**" has the meaning provided in the Recitals of this Agreement.

"**Party**" or "**Parties**" has the meaning provided in the Preamble of this Agreement.

"**PASSPort**" has the meaning provided in **Section 5.3** hereof.

"**PBV**" has the meaning provided in the Recitals of this Agreement.

"**PBV Requirements**" means, collectively and without limitation, the requirements of (a) any Section 8 Project-Based Voucher Program Agreement to Enter into a Housing Assistance Payments Contract (HUD 52531A and HUD 52531B); (b) any Section 8 Project-Based Voucher Program Housing Assistance Payments Contract (HUD 52530A); (c) Section 8 of the Act; (d) 24 CFR part 982, as applicable to PBV assistance under 24 CFR part 983; (e) 24 CFR part 983; (f) such other regulations, notices and requirements promulgated by HUD for the PBV program; and (g) the Section 8 Administrative Plan as applicable, but subject to any waivers issued by HUD applicable to the PBV units.

"**Percentage Interest**" has the meaning provided in **Section 6.4(a)** hereof.

"**Permitted Developer**" means a Person who (i) is a Permitted Person, (ii) has sufficient financial resources to undertake the Project and (iii) either is or has retained a Person(s) who has a proven successful history of at least ten (10) years operating project-based Section 8 developments for the Permitted Uses or similar uses in the City and in development, lease-up and management of project-based Section 8 projects of comparable size and quality to the Project. The Parties agree that Essence Development, LLC and The Related Companies, L.P. are each a

Permitted Developer. Any other Person proposed as a Permitted Developer is subject to the Authority's prior confirmation, in its sole discretion, that such Person satisfies the requirements of clauses (i) – (iii) of this definition.

"**Permitted Exceptions**" has the meaning provided in **Section 13.1** hereof.

"**Permitted Person**" means any Person which meets all of the following conditions: (A) such Person submits to PASSPort at least six (6) months (or as soon as such party is identified if less than six (6) months) prior to the anticipated date of the applicable Closing; (B) such Person is properly enrolled in PASSPort and provided all required information for a complete PASSPort review and such information does not indicate a lack of business integrity; and (C) such Person (i) is not in default or in breach, in any material respect, after any required notice, if applicable, and beyond any applicable grace period, of its obligations under any written agreement with the City or the Authority, unless such default or breach has been waived in writing by the City or the Authority, as the case may be (unless such default or breach is then being contested with due diligence in proceedings in a court or other appropriate forum); (ii) has not been convicted of a felony or any crime related to truthfulness or business conduct in the preceding ten (10) years; (iii) shall not have received formal written notice from a federal, state or local governmental agency or body that such Person is currently under investigation for a felony criminal offense, which investigation then is continuing; (iv) has not received written notice of default in the payment to the City of any taxes or impositions that have not been cured or satisfied, unless such default is then being contested with due diligence in proceedings in a court or other appropriate forum; (v) has not, at any time in the three (3) preceding years, owned any property which, while in the ownership of such Person, was acquired by the City by in rem tax foreclosure, other than a property in which the City has released or is in the process of releasing its interest to such Person pursuant to the City Admin. Code; and (vi) is not Controlled by a Person described in subsections (i) through (v) above.

"**Permitted Uses**" has the meaning in the applicable Lease.

"**Person**" means a natural person or any entity, whether a trustee, corporation, partnership, limited liability company, limited liability partnership, joint stock company, trust, estate, unincorporated organization, business association, tribe, firm, joint venture, any federal, state, county or municipal government, or any bureau, department or agency thereof, any Governmental Authority, governmental instrumentality, or any fiduciary acting in such capacity on behalf of any of the foregoing.

"**Phase**" means any "Phase" of the Project identified in **Section 4.1**, **4.2**, and/or **4.3** hereof or otherwise identified in the Development Plan.

"**Phase 1 Closing**" has the meaning provided in **Section 4.1(b)** hereof.

"**Phase 1 Replacement**" has the meaning provided in **Section 4.1(b)** hereof.

"**Phase 1 Replacement Buildings**" has the meaning provided in **Section 4.1(b)** hereof.

"**Phase 1EC Deposit Payment**" has the meaning provided in **Section 3.3(a)** hereof.

"**Phase 1EC Replacement Building**" has the meaning provided in **Section 4.1(b)** hereof.

"**Phase 1F Deposit Payment**" has the meaning provided in **Section 3.3(b)** hereof.

"**Phase 1F Replacement Buildings**" has the meaning provided in **Section 4.1(b)** hereof.

"**Phase 2EC Deposit Payment**" has the meaning provided in **Section 3.3(c)** hereof.

"**Phase 2F Deposit Payment**" has the meaning provided in **Section 3.3(d)** hereof.

"**Phase 2EC Replacement Buildings**" means the Replacement Building(s) to be constructed on the Elliott-Chelsea Campus as part of Phase 2 as described in **Article 4** below and further detailed in the Development Plan.

"**Phase 2F Replacement Buildings**" means the Replacement Building(s) to be constructed on the Fulton Campus as part of Phase 2 as described in **Article 4** below and further detailed in the Development Plan.

"**Phase 3EC Replacement Buildings**" means the Replacement Building(s) to be constructed on the Elliott-Chelsea Campus as part of Phase 3 (if any) as described in **Article 4** below and further detailed in the Development Plan.

"**Phase 3F Replacement Buildings**" means the Replacement Building(s) to be constructed on the Fulton Campus as part of Phase 3 (if any) as described in **Article 4** below and further detailed in the Development Plan.

"**Phasing Proposal Trigger Dates**" means:

(i) in the case of the Phase 1F Replacement Building, the date that is 32 months after the Closing for the Phase 1F Replacement Building;

(ii) in the case of the Phase 1EC Replacement Building, the date that is 42 months after the Closing for the Phase 1EC Replacement Building;

(iii) in the case of the Phase 2EC Replacement Buildings, the date that is 40 months after the Closing for the Phase 2EC Replacement Buildings; and

(iv) in the case of the Phase 2F Replacement Buildings, the date that is 40 months after the Closing for the Phase 2F Replacement Buildings.

"**PILOT Agreement Approvals**" has the meaning provided in **Section 5.17** hereof.

"**Plans and Specifications**" means completed signed and sealed final drawings and plans and specifications for the applicable Initial Construction Work, prepared by an Architect, for submission to DOB and conforming in all material respects to the requirements of this Agreement and the applicable Transaction Agreements.

"**Plans Objection**" has the meaning provided in **Section 5.8** hereof.

"**Predevelopment Costs**" means the cost incurred prior to the First Closing and between Closings for Allocated Project Costs and Building-Specific Predevelopment Costs of future Replacement Buildings.

"**Premises**" has the meaning provided in the Recitals of this Agreement.

"**Principal**" has the meaning provided in **Section 5.3** hereof.

"**Project**" means the rebuilding and development of the Fulton Campus and Elliott-Chelsea Campus through the Replacement Project and Mixed-Income Project.

"**Project Developer**" means (i) with respect to any Initial Construction Work pertaining to the construction of a Replacement Building or the performance of any other portion of the Replacement Project, the RB Developer or its subsidiary, and, (ii) with respect to any Initial Construction Work pertaining to the construction of a Mixed-Income Building or the performance of any other portion of the Mixed-Income Project, MI Developer or its subsidiary.

"**RAD**" has the meaning provided in the Recitals of this Agreement.

"**RAD Requirements**" means, collectively and without limitation, the requirements of (a) the Consolidated and Further Continuing Appropriations Act of 2012 (Pub. L. No. 112-55, approved November 18, 2011), as amended by the Consolidated Appropriations Act, 2014 (Pub. L. No. 113-76, approved January 17, 2014), the Consolidated and Further Continuing Appropriations Act, 2015 (Pub. L. No. 113-235, approved December 16, 2014), the Consolidated Appropriations Act, 2016 (Pub. L. No. 114-113, approved December 18, 2015), the Consolidated Appropriations Act, 2017 (Pub. L. No 115-31, approved May 5, 2017), the Consolidated Appropriations Act, 2018 (Pub. L. 115-141, approved March 23, 2018), the Consolidated Appropriations Act, 2022 (Pub. L. 117-103, approved March 15, 2022), and the Consolidated Appropriations Act, 2024 (Pub. L. No. 118-42, approved March 8, 2024), as may be further amended, and all applicable statutes and any regulations issued by HUD for the RAD program, as they become effective, except that changes subject to notice and comment rulemaking shall become effective only upon completion of the rulemaking process; (b) all current requirements in HUD handbooks, guides, notices (including but not limited to, HUD Notice H-2019-09 PIH-2019-23 (HA) (September 5, 2019), as amended by HUD Notice H-2023-08 PIH-2023-19 (HA) (July 27, 2023), as may be further amended from time to time) and Mortgagee Letters (if any) for the RAD program, and all future updates, changes, and amendments thereto, as they become effective, except that changes subject to notice and comment rulemaking shall become effective only upon completion of the rulemaking process, and provided that such future updates, changes, and amendments shall be applicable to the Premises and Buildings only to the extent that they interpret, clarify, and implement terms in the applicable closing document rather than add or delete provisions from such document; (iii) requirements of any HUD Declaration, including, without limitation, a RAD Use Agreement (Form HUD-52625) recorded against the Premises (or portion thereof); (iv) requirements of any RAD Housing Assistance Payments Contract executed in connection with the Project (or portion thereof); and (v) requirements of any RAD Conversion Commitment executed in connection with the Project (or portion thereof).

"**RB Closing**" has the meaning provided in **Section 7.1(a)** hereof.

"**RB Closing Date**" has the meaning provided in **Section 7.1(a)** hereof.

"**RB Developer**" has the meaning provided in **Section 6.4(a)** hereof.

"**RB Equity Investment**" has the meaning provided in **Exhibit G** attached hereto.

"**RB Equity Investor**" means, individually or collectively, as the context may require, Developer (solely with regard to its equity investment) and Third-Party RB Equity Investor.

"**RB Ground Lessee**" has the meaning provided in **Section 6.4(a)(i)** hereof.

"**RB Project Joint Venture Agreement**" has the meaning provided in **Section 6.4(a)** hereof.

"**Related Control Group**" means (i) The Related Companies, L.P., a New York limited partnership ("**TRCLP**"), and/or (ii) any Affiliate of TRCLP.

"**Relocation Plan**" has the meaning provided in **Section 5.10** hereof.

"**Replacement Building**" or "**Replacement Buildings**" has the meaning provided in the Recitals of this Agreement.

"**Replacement Building Development Budget**" has the meaning provided in **Section 5.6(b)** hereof.

"**Replacement Building Development Schedule**" has the meaning provided in **Section 5.7** hereof.

"**Replacement Building Ground Lease**" has the meaning provided in the Recitals of this Agreement.

"**Replacement Building Parcel**" means a Parcel that is leased pursuant to a Replacement Building Ground Lease.

"**Replacement Project**" has the meaning provided in the Recitals of this Agreement.

"**Required Threshold**" means capital/statutory surplus, shareholder's equity or net worth of no less than five hundred million dollars ($500,000,000) and total assets of not less than one billion dollars ($1,000,000,000), each such amount to be increased by adding to each such amount an amount equal to the product of (i) each such amount, and (ii) the CPI Anniversary Date Adjustment, provided that if an Institutional Lender comprises more than one Person (whether as Affiliated real estate investment trusts, Affiliated funds or otherwise), the Required Threshold shall be the combined assets of all such Affiliated Persons as of the date of the applicable construction financing.

"**Resident Advisor Fee**" has the meaning provided in **Section 3.2** hereof.

"**Resident Rights**" has the meaning provided in the Recitals of this Agreement.

"**Residents**" has the meaning provided in the Recitals of this Agreement.

"**Rezoning Phasing Plan**" has the meaning provided in **Section 4.2** hereof.

"**Schedule Objection**" has the meaning provided in **Section 5.7** hereof.

"**Scheduled Closing Date**" means, (i) with respect to any RB Closing, a Scheduled RB Closing Date, and (ii) with respect to any Mixed-Income Closing, a Scheduled Mixed-Income Closing Date.

"**Scheduled Mixed-Income Closing Date**" has the meaning provided in **Section 7.1(b)** hereof.

"**Scheduled RB Closing Date**" has the meaning provided in **Section 7.1(a)** hereof.

"**Section 3 & REO Plan**" has the meaning provided in **Section 5.15** hereof.

"**Section 8 Administrative Plan**" means the Authority's written plan describing the Authority's policies for administration of the Section 8 Project Based Voucher program.

"**Section 18**" has the meaning provided in the Recitals of this Agreement.

"**Section 18 Requirements**" means, collectively, without limitation and as applicable, the requirements of: (a) Section 18 of the Act; (b) 24 CFR Part 970; (c) HUD Notices, including, but not limited to, Notice PIH-2021-07, as may be amended, modified or replaced; (d) any demolition and/or disposition approval letter issued by HUD under (a) through (c); (e) any use restriction required by HUD under Section 18; and (e) the recorded HUD Declaration with respect to the Premises or portion thereof.

"**Security Deposit**" has the meaning provided in **Section 3.3(e)** hereof.

"**Security Deposit Escrow Account**" has the meaning provided in **Section 3.3(a)** hereof.

"**Social Services Plan**" has the meaning provided in **Section 5.14** hereof.

"**SOW**" has the meaning provided in **Section 5.16(b)** hereof.

"**Standard of Care**" has the meaning provided in **Section 5.5** hereof.

"**Substantial Completion**", "**Substantially Complete**", **Substantially Completed**" – and other form variations of the phrase – means, with respect to the applicable Initial Construction Work for a New Building (other than any work pertaining to the demolition of Existing Buildings that is required to construct subsequent or future New Buildings other than the New Building in question), that the following conditions have been satisfied: (i) DOB shall have issued either temporary or permanent certificates of occupancy or certificates of completion required for lawful occupancy and use and operation, as applicable, for at least 97% of the residential units in such New Building and any community facility space for the Hudson Guild (if applicable) that has been constructed on the applicable Parcel therein (such portions of the New Building, the "**Applicable**

Portions"); (ii) all utilities required for a temporary certificate of occupancy for the Applicable Portions of the New Building are connected; (iii) substantially all of the Applicable Portions of such New Building is available for occupancy for the use and purpose authorized by the applicable Transaction Agreements; (iv) all work has been completed in all material respects substantially in accordance with the Approved Plans and Specifications and such completion is substantiated by an AIA G704 certificate of substantial completion (or its equivalent) executed by the Architect, and all systems set forth in the Approved Plans and Specifications, as applicable, are operating and such work and systems have been accepted by the applicable Project Developer except for minor repairs, corrections, and adjustments of a "punch list" nature which can be completed promptly and with minimal interference to the occupancy and use of the applicable Building; and (v) the Authority shall have received written notice from Developer together with the certification of the Architect that the applicable Initial Construction Work has been substantially completed in accordance with the Approved Plans and Specifications.

"**Substantial Material Modification**" has the meaning provided in **Section 6.1(f)(ii)** hereof.

"**Survey**" means a survey of the Premises undertaken by Developer in accordance with **Section 5.4** hereof.

"**Target Milestone Date**" has the meaning provided in **Section 7.3** hereof.

"**Tax Lot Subdivision**" has the meaning provided in **Section 5.4(b)** hereof.

"**Term**" has the meaning provided in **Section 2.1** hereof.

"**Third-Party RB Equity Commitment Letter**" has the meaning provided in **Section 5.6(b)** hereof.

"**Third-Party RB Equity Investor**" has the meaning provided in **Section 5.6(b)** hereof.

"**Title Company**" means Bellrow Title Agency or such other reputable national title insurance company reasonably acceptable to the Authority, that is licensed to do business in the State of New York.

"**Title Reports**" has the meaning provided in **Section 13.1(a)(i)** hereof.

"**Transaction Agreement**" or "**Transaction Agreements**" means the applicable Lease, the applicable Control Agreement (with respect to each Replacement Building), Amended License Agreement, RB Project Joint Venture Agreement, Legal Fees Escrow Agreement, agreements required by HUD under the HUD Requirements, and any other contract or written agreement relating to the applicable Parcel or the Project entered into between or among the Authority, on the one hand, and the Developer and/or any Affiliate of Developer, on the other hand.

"**ULURP**" has the meaning provided in **Section 4.4(a)** hereof.

"**ULURP Application**" has the meaning provided in **Section 4.4(a)** hereof.

"**ULURP Application Approval**" has the meaning provided in **Section 4.4(a)** hereof.

"**ULURP Application Certification**" has the meaning provided in **Section 4.4(a)** hereof.

"**Unavoidable Delays**" means actual delays beyond Developer's reasonable control affecting the applicable work to be performed under this Agreement due to: (i) acts of God (including earthquakes, floods and inordinately severe weather conditions of extended duration and impact); (ii) strikes or other similar labor stoppages (not including labor actions specific to the Project); (iii) acts of Governmental Authorities of general applicability including without limitation the issuance and implementation of any orders or moratoria related to epidemics or pandemics ("**Governmental Restrictions**"); (iv) enemy action or terrorism; (v) civil commotion; (vi) fire or other casualty; (vii) supply chain disruption or the unavailability of or delay in obtaining materials, in each case, for which reasonably comparable replacements at comparable cost are not readily available; or (viii) an injunction or restraining order issued by any court of competent jurisdiction prohibiting or otherwise delaying construction of the Project; in each case, only to the extent the same is not attributable to the acts or omissions of Developer (provided that Developer shall not be permitted to assert Unavoidable Delay as of a date earlier than ten (10) Business Days prior to the date that Developer gave the Authority written notice of the same specifying the cause and extent of the actual delay and the steps taken by Developer to mitigate the effects thereof; provided that no delay shall constitute an Unavoidable Delay to the extent such delay (i) could have been avoided or mitigated by Developer's use of reasonable curative efforts and measures (including planning, scheduling and rescheduling) after Developer becomes aware of the occurrence of the cause of the delay or (ii) results from an event, act or omission occurring prior to the date hereof). The period of delay caused by any occurrence of an event of Unavoidable Delay shall not be deemed to have commenced any earlier than ten (10) Business Days before the date Developer gives written notification to the Authority of such occurrence. Under no circumstances shall (i) the non-payment of money or a failure attributable to a lack of funds, (ii) a delay due to Developer's financial condition or inability to obtain financing, (iii) customary waiting periods for obtaining construction related permits and regulatory approvals of Governmental Authorities in the ordinary course of business, or (iv) any delay arising out of disputes between or among present and former shareholders, officers, directors, Affiliates, Principals of Developer or members of Developer or between and among Developer, Principals of Developer, and Institutional Lender be deemed to be (or to have caused) an event of Unavoidable Delay. Further, a denial by a Governmental Authority to grant a permit or approval required to perform Developer's obligations hereunder beyond any right of appeal shall terminate the Unavoidable Delay related to such permit or approval. If and to the extent that an Unavoidable Delay continues as a result of a delay within the reasonable control of Developer, then such delay shall not be deemed an Unavoidable Delay for the period that the same could have been reduced by action within the reasonable control of Developer.

"**Updated MI Land Valuation**" has the meaning provided in **Section 7.1(b)** hereof.

"**Zoning Lot Merger**" has the meaning provided in **Section 5.4(c)** hereof.

"**Zoning Resolution**" means the Zoning Resolution of The City of New York, effective as of December 15, 1961, as the same may be amended and/or replaced, modified or supplemented from time-to-time.

Section 1.2 Recitals Incorporated Herein. The terms of the Recitals herein are incorporated into the body of this Agreement as if stated therein.

Section 1.3 Interpretation. Except as otherwise expressly provided herein, the following rules of interpretation shall apply to this Agreement:

(a) The singular includes the plural and the plural includes the singular.

(b) The word "or" is not exclusive.

(c) A reference to any law, ordinance, regulation, statute, order, code or other Legal Requirements includes any amendment or modification to such law, ordinance, regulation, statute, order, code or other Legal Requirements.

(d) A reference to a Person includes its permitted successors, permitted replacements and permitted assigns.

(e) The words "include", "includes" and "including" are not limiting and shall be construed as followed by the words "without limitation".

(f) In the event of any conflict between the provisions of this Agreement (exclusive of the Exhibits hereto) and any Exhibit hereto, the provisions of this Agreement shall control except for matters covered under **Exhibit B**, which shall control in such case.

(g) Unless otherwise expressly provided, references to any document, instrument or agreement shall include all exhibits, schedules and other attachments thereto, and (i) shall include all documents, instruments or agreements issued or executed in replacement thereof, only to the extent agreed to in writing by the Authority and Developer, and (ii) shall mean such document, instrument or agreement, or replacement or predecessor thereto, as amended, amended and restated, modified and supplemented from time-to-time and in effect at any given time.

(h) The words "hereof", "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement.

(i) References to "days" shall mean calendar days, unless the term "Business Day" shall be used.

(j) References to a time of day shall mean such time in New York, New York, unless otherwise specified.

(k) Wherever a party to this Agreement "shall" perform (or cause to be performed) any obligations hereunder, such performance shall be at such party's sole cost and expense, unless otherwise expressly provided in this Agreement.

Section 1.4 Existing Building References. For purposes of this Agreement, the following Existing Building references shall be to the Buildings on the Premises as identified on **Exhibit C** attached hereto:

(a) Chelsea Addition (including the Elliott Center/Hudson Guild)

(b) Chelsea 1

(c) Chelsea 2

(d) Elliott 1

(e) Elliott 2

(f) Elliott 3

(g) Elliott 4

(h) Fulton 1

(i) Fulton 2

(j) Fulton 3

(k) Fulton 4

(l) Fulton 5

(m) Fulton 6

(n) Fulton 7 (including Fulton Center, which is located at 119 9th Avenue, New York, New York ("**Fulton Center**"))

(o) Fulton 8

(p) Fulton 9

(q) Fulton 10

(r) Fulton 11

ARTICLE 2
TERM

Section 2.1 Term; Expiration Date. This Agreement (except for the provisions herein which expressly survive the applicable Closing or the earlier termination of this Agreement) shall be for a term (the "**Term**") commencing on the Effective Date and expiring on the earliest of (i) (A) the earlier of the last Closing Date and (B) solely with respect to any terms, conditions or provisions that relate to a specific Building and/or Parcel, the applicable Closing Date for such

Building and/or Parcel, (ii) the applicable Construction Outside Date if the applicable New Building has not been Substantially Completed subject to and in accordance with **Section 7.2(g)**, and (iii) the earlier termination of this Agreement pursuant to the terms hereof. Notwithstanding anything to the contrary herein, upon consummation of a Closing, the applicable Building and Parcel that is the subject of such Closing shall be automatically released from this Agreement and neither party nor the applicable Ground Lessee shall have any further rights, obligations or liabilities hereunder with respect to such Building and Parcel; it being acknowledged and agreed that following such Closing, the applicable Lease, the applicable Control Agreement (if applicable) and the RB Project Joint Venture Agreement (if applicable) shall contain all applicable provisions that govern and control the performance and completion of any construction work on such Parcel and operation and management of the New Building located thereon.

Section 2.2 Effective Date. The "**Effective Date**" of this Agreement is October 30, 2024.

ARTICLE 3
PAYMENTS

Section 3.1 Administrative Fee. On the date hereof, Developer shall pay to the Authority a non-refundable administrative fee of one hundred thousand dollars ($100,000) (the "**Administrative Fee**") by wire transfer of immediately available funds in accordance with wire instructions provided by the Authority.

Section 3.2 Resident Advisor Fee. On the date hereof, Developer shall pay to Public Works Partners a non-refundable resident advisor fee of one hundred fifty thousand dollars ($150,000) (the "**Resident Advisor Fee**") by wire transfer of immediately available funds in accordance with wire instructions provided by Public Works Partners.

Section 3.3 Development Security Deposit.

(a) By no later than ten (10) Business Days prior to commencing the permanent relocation of Residents into the Phase 1EC Replacement Buildings in accordance with the Relocation Plan, Developer shall deposit into a segregated interest-bearing escrow account (the "**Security Deposit Escrow Account**") with Title Company, as the escrow agent ("**Escrow Agent**"), an amount equal to two million five hundred thousand dollars ($2,500,000) (the "**Phase 1EC Deposit Payment**"). The Phase 1EC Deposit Payment shall be returned to Developer concurrently with the Closing of the last Phase 2EC Replacement Building.

(b) By no later than ten (10) Business Days prior to commencing the permanent relocation of Residents into the Phase 1F Replacement Buildings in accordance with the Relocation Plan, Developer shall deposit into the Security Deposit Escrow Account with Escrow Agent, an amount equal to two million five hundred thousand dollars ($2,500,000) (the "**Phase 1F Deposit Payment**"). The Phase 1F Deposit Payment shall be returned to Developer concurrently with the Closing of the last Phase 2F Replacement Building.

(c) By no later than ten (10) Business Days prior to commencing the permanent relocation of Residents into the Phase 2EC Replacement Buildings in accordance with the

Relocation Plan, Developer shall deposit into the Security Deposit Escrow Account with Escrow Agent, an amount equal to two million five hundred thousand dollars ($2,500,000) (the "**Phase 2EC Deposit Payment**"). The Phase 2EC Deposit Payment shall be returned to Developer concurrently with the Closing of the last Phase 3EC Replacement Building if there are any, otherwise concurrently with the Closing of the first Mixed-Income Building on the Elliott-Chelsea Campus.

(d) By no later than ten (10) Business Days prior to commencing the permanent relocation of Residents into the Phase 2F Replacement Buildings in accordance with the Relocation Plan, Developer shall deposit into the Security Deposit Escrow Account with Escrow Agent, an amount equal to two million five hundred thousand dollars ($2,500,000) (the "**Phase 2F Deposit Payment**"). The Phase 2F Deposit Payment shall be returned to Developer concurrently with the Closing of the last Phase 3F Replacement Building if there are any, otherwise concurrently with the Closing of the first Mixed-Income Building on the Fulton Campus.

(e) Each of the aforementioned development security deposit payments (**Section 3.3(a)-(d)**, as applicable), which for the avoidance of doubt are accretive to one another, are hereafter each interchangeably and collectively referred to as the "**Security Deposit**". The Security Deposit shall be held by Escrow Agent in accordance with an escrow agreement, the form of which is attached as **Exhibit D** ("**Deposit Escrow Agreement**").

Section 3.4 Draw Downs on Security Deposit.

(a) The Authority shall have the right to draw down on, or demand and receive immediate payment, under the Security Deposit if this Agreement is terminated due to a Developer Default in accordance with **Section 16.2**.

(b) Developer acknowledges that actual damages are likely to result from the foregoing, and that such damages would be difficult for the Parties to estimate. The Parties intend that Developer's forfeiture of the Security Deposit shall serve to compensate the Authority for any failure by Developer to complete the Project, and they do not intend for it to serve as punishment for any such breach by Developer.

Section 3.5 Legal Fees Escrow. In accordance with the legal fees escrow agreement entered into on the date hereof, the form of which is attached as **Exhibit E** (the "**Legal Fees Escrow Agreement**"), on the date hereof, Developer shall deposit into a segregated interest-bearing escrow account with Escrow Agent an amount equal to $100,000, such amount to be applied in accordance with the terms of the Legal Fees Escrow Agreement solely for the purpose of paying for the reasonable and customary out-of-pocket costs, including any litigation of a third party relating thereto, of: (i) one (1) law firm serving as the Authority's external legal counsel to the extent incurred by the Authority in connection with this Agreement, the Project-specific matters contemplated herein and/or any Closing; (ii) one (1) law firm serving as HUD regulatory counsel in connection with the Project; and (iii) one (1) law firm serving as environmental review counsel in connection with the Project. In accordance with the terms of the Legal Fees Escrow Agreement, in the event that the balance of such escrow account is less than $50,000, Developer shall deposit an amount so that the balance of such account is equal to $50,000. In addition, on the date hereof, Developer shall reimburse the Authority an amount equal to the out-of-pocket cost

of external legal counsel incurred by the Authority for the Project as of such date. For clarity, all legal costs that are paid by Developer pursuant to this **Section 3.5** shall constitute Project costs, to be allocated in accordance with **Section 5.6(d)**.

Section 3.6 Environmental Review Fee.

Developer shall pay to the applicable Governmental Authority, as and when such amounts are payable, the environmental review filing fee required by such Governmental Authority, or if it is determined by the Authority that any additional or supplemental environmental analysis, review, study, application, assessment or impact statement under any Federal, State, or City Environmental Laws is required by the Authority or a Governmental Authority with respect to the Project, a filing fee in an amount equal to the amount charged by the applicable rules, regulations or policies of the Authority or any other Governmental Authority for such environmental review and any related fees due to the Authority or any other Governmental Authority after the filing fee. The environmental review shall include environmental review required by any of the National Environmental Policy Act (NEPA), New York State Environmental Quality Review Act (SEQRA), and/or the City of New York Environmental Quality Review (CEQR).

If an exemption from any of the fees set forth above in this **Section 3.6** is available by reason of the Authority's involvement in the applicable transaction, then Developer shall make payments to the Authority in lieu of such fees in an amount equal to the fees that would have been payable to the applicable Governmental Authority had such exemption not existed as and when such amounts would have otherwise been payable. For the avoidance of doubt, the above-mentioned fees are not included in the Administrative Fee.

Section 3.7 Requirements. All payments required under this **Article 3** shall be non-refundable, except as otherwise expressly set forth herein or in any Transaction Agreement that governs the application and disbursement of the escrowed funds described in this **Article 3**, and may not be used as a credit against any other amounts due and payable under any of the other Transaction Agreements, except as expressly set forth herein; provided, that any remaining funds in a given escrow that are not utilized for payment in accordance with such escrow's intended purpose expressly set forth in this **Article 3** shall be refunded to the Developer in accordance with the terms of the Deposit Escrow Agreement and Legal Fees Escrow Agreement, as applicable.

ARTICLE 4
PHASING PLAN

Section 4.1 Initial Project Phasing Plan. Subject to the terms of the Transaction Agreements, Legal Requirements and receipt of Approvals and in accordance with the Development Plan attached as **Exhibit F** (the "**Development Plan**"), the Parties shall undertake the following initial phases for the Project set forth in this **Section 4.1**. For the purposes of clarity, (i) the Replacement Project shall be undertaken and performed by, and, except as otherwise set forth herein or in any Transaction Agreement, the cost and responsibility therefor shall borne by RB Developer, which shall be a joint venture between Developer and the Authority, as more particularly described in **Section 6.4** below, provided that in no event shall the costs of the Replacement Project be borne solely or disproportionately by the Authority because of its participation in the joint venture; and (ii) the Mixed-Income Project shall be undertaken and

performed by, and, except as otherwise set forth herein or in any Transaction Agreement, the cost and responsibility therefor shall borne by, one or more joint ventures between Developer, one or more equity partners to be identified following the date hereof and as approved by the Authority in accordance with the terms of this Agreement, such approval not to be unreasonably withheld, conditioned or delayed, and the Authority or its Affiliate to the extent applicable in accordance with **Section 5.6(c)(ii)** below (together with any directly or indirectly wholly-owned subsidiary(ies) of such joint venture(s), individually or collectively, as the context may require, the "**MI Developer**"). For the avoidance of doubt and notwithstanding anything to the contrary herein, any "phase" of the Project that consists of the construction of more than one (1) New Building, may be sequenced to occur over multiple Closings (subject to satisfaction of all Closing Obligations and Additional Closing Conditions applicable to the New Building that is the subject of such Closing) and such Closings need not occur concurrently.

(a) Phase 0:

(i) RB Developer and the Authority shall enter into an amended and restated license agreement (as amended, the "**Amended License Agreement**") pursuant to which RB Developer will provide the services identified in the "Meanwhile Plan" (as defined and outlined in the Amended License Agreement and to be performed in a manner jointly approved by the Parties, referred to as the "**Meanwhile Plan**") for the Elliott-Chelsea Campus and Fulton Campus and the Authority will perform such actions and have such responsibilities as set forth in the Meanwhile Plan, in each case subject to the terms and conditions set forth in the Meanwhile Plan.

(ii) Parties shall work together in good faith on the temporary relocation of residents in Fulton 11 and Chelsea Addition in accordance with this Agreement and the Relocation Plan.

(iii) Parties shall work together on arranging and executing the Hudson Guild Temporary Relocation in accordance with this Agreement.

(b) Phase 1 Replacement:

(i) Upon satisfaction of all Closing Obligations and Additional Closing Conditions applicable to each of the first two (2) Replacement Buildings (one to be located on the Elliott-Chelsea Campus and one to be located on the Fulton Campus) (the "**Phase 1EC Replacement Building**" and "**Phase 1F Replacement Building**", respectively, and together, the "**Phase 1 Replacement Buildings**"), the Parties shall consummate the Closing for such applicable Phase 1 Replacement Building(s) in accordance with **Articles 7** and **8** below (a "**Phase 1 Closing**"), which, for the purposes of clarity, shall include closing on construction financing for the construction of the applicable Phase 1 Replacement Building(s) and the execution of the applicable Replacement Building Ground Lease(s) for the applicable Phase 1 Replacement Building(s); it being agreed that RB Developer is not required to consummate a Closing for both Phase 1 Replacement Buildings concurrently. In connection with Phase 1, RB Developer shall undertake the following activities:

(1) Following a Phase 1 Closing, the development and

construction of the applicable Phase 1 Replacement Building(s) in accordance with this Agreement, the applicable Transaction Agreements and applicable Legal Requirements. Such development and construction shall include RB Developer's demolition of Fulton 11 or Chelsea Addition, as applicable, by RB Developer, and construction of the applicable Phase 1 Replacement Building(s); and

(2) Following Substantial Completion of each Phase 1 Replacement Building, the permanent relocation of residents into such Phase 1 Replacement Building in accordance with this Agreement and the Relocation Plan.

(ii) In preparation for Phase 2EC Replacement, the Parties shall cooperate in good faith and in accordance with this Agreement to enable the RB Developer to effectuate the relocation of residents in Elliott 1 and Chelsea 2 in accordance with this Agreement and the Relocation Plan.

(iii) In preparation for Phase 2F Replacement, the Parties shall cooperate in good faith and in accordance with this Agreement to enable the RB Developer to effectuate the relocation of residents in Fulton 5, Fulton 7 (including Fulton Center), Fulton 8 and Fulton 10 in accordance with this Agreement and the Relocation Plan.

The steps to be undertaken pursuant to the provisions of this **Section 4.1(b)** shall be the "**Phase 1 Replacement**".

Section 4.2 Rezoning Phasing Plan. Subject to the terms of the Transaction Agreements, Legal Requirements and receipt of Approvals, including the ULURP Application Approval for Phase 2EC, Phase 2F, Phase 3EC and Phase 3F Replacement Buildings, the Developer shall undertake subsequent phases of the Project upon completion of the Phase 1 Replacement in accordance with the following phasing plan ("**Rezoning Phasing Plan**"), recognizing, however, that the Rezoning Phasing Plan may require modification due to the ULURP Application Approval obtained. Any such modification to the Rezoning Phasing Plan shall be subject to the mutual agreement of the Parties, in each Party's reasonable discretion.

(a) Phase 2EC Replacement:

(i) Upon consummating the Closing(s) for each of the two (2) Replacement Buildings on the Elliott-Chelsea Campus, RB Developer shall undertake the development and construction of such Replacement Building(s) in accordance with this Agreement, the applicable Transaction Agreements and applicable Legal Requirements. Such development and construction shall include the demolition of Elliott 1 and Chelsea 2, as applicable, by RB Developer.

(ii) In preparation for Phase 3EC, the Parties shall cooperate in good faith and in accordance with this Agreement to enable the RB Developer to effectuate the relocation of residents in Elliott 2, Elliott 3, Elliott 4 and Chelsea 1 in accordance with this Agreement and the Relocation Plan.

(b) Phase 2F Replacement:

(i) Upon consummating the Closing(s) for each of the two (2) Replacement Buildings on the Fulton Campus, RB Developer shall undertake the development and construction of such Replacement Building(s) in accordance with this Agreement, the applicable Transaction Agreements and applicable Legal Requirements. Such development and construction shall include the demolition of Fulton 5, Fulton 7 (including Fulton Center), Fulton 8 and Fulton 10, as applicable, by RB Developer.

(ii) In preparation for Phase 3F, the Parties shall cooperate in good faith and in accordance with this Agreement to enable the RB Developer to effectuate the relocation of residents in Fulton 1, Fulton 2, Fulton 3, Fulton 4, Fulton 6 and Fulton 9 in accordance with this Agreement and the Relocation Plan.

(c) Phase 3EC: Upon consummating the Closing for each of the Mixed-Income Buildings on the Elliott-Chelsea Campus, MI Developer shall undertake the development and construction of such Mixed-Income Building(s) in accordance with this Agreement, the applicable Transaction Agreements, and Legal Requirements applicable to the Mixed-Income Buildings. Such development and construction shall include the demolition of Elliott 2, Elliott 3, Elliott 4 and Chelsea 1, as applicable, by MI Developer.

(d) Phase 3F: Upon consummating the Closing for each of the Mixed-Income Buildings on the Fulton Campus, MI Developer shall undertake the development and construction of such Mixed-Income Building(s) in accordance with this Agreement, the applicable Transaction Agreements, and Legal Requirements applicable to the Mixed-Income Buildings. Such development and construction shall include the demolition of Fulton 1, Fulton 2, Fulton 3, Fulton 4, Fulton 6 and Fulton 9, as applicable, by MI Developer.

Section 4.3 Existing Zoning Phasing Plan. In the event that the ULURP Application Approval is not received for the Rezoning Phasing Plan or Developer and Authority mutually elect not to pursue the ULURP Application Approval or not to proceed with the Rezoning Phasing Plan, but subject to the terms of the Transaction Agreements, Legal Requirements and receipt of applicable Approvals, the Developer shall undertake the subsequent phases of the Project upon completion of the Phase 1 Replacement in accordance with the following phasing plan ("**Existing Zoning Phasing Plan**") or with a mutually agreed upon phasing plan that accounts for any additional as-of-right development rights due to changes to the Zoning Resolution. Each party agrees to act reasonably in connection with agreeing to any such election.

(a) Phase 2EC Replacement:

(i) Upon consummating the Closing for each of the two (2) Replacement Buildings on the Elliott-Chelsea Campus, RB Developer shall undertake the development and construction of such Replacement Building(s) in accordance with this Agreement, the applicable Transaction Agreements and applicable Legal Requirements. Such development and construction shall include the demolition of Elliott 1 and Chelsea 2, as applicable, by RB Developer.

(ii) In preparation for Phase 3EC, the Parties shall cooperate in good faith and in accordance with this Agreement to enable the RB Developer to effectuate the relocation of residents in Elliott 2, Elliott 3 and Chelsea 1 in accordance with this Agreement and the Relocation Plan.

(b) Phase 2F Replacement:

(i) Upon consummating the Closing for each of the two (2) Replacement Buildings on the Fulton Campus, RB Developer shall undertake the development and construction of such Replacement Building(s) in accordance with this Agreement, the applicable Transaction Agreements and applicable Legal Requirements. Such development and construction shall include the demolition of Fulton 5, Fulton 7 (including Fulton Center), Fulton 8 and Fulton 10, as applicable, by RB Developer.

(ii) In preparation for Phase 3F, the Parties shall cooperate in good faith and in accordance with this Agreement to enable the RB Developer to effectuate the relocation of residents in Fulton 6 and Fulton 9 in accordance with this Agreement and the Relocation Plan.

(c) Phase 3EC:

(i) Upon consummating the Closing for one (1) Replacement Building on the Elliott-Chelsea Campus, RB Developer shall undertake the development and construction of such Replacement Building in accordance with this Agreement, the applicable Transaction Agreements and applicable Legal Requirements. Such development and construction shall include the demolition of Elliott 2, Elliott 3 and Chelsea 1 by RB Developer.

(ii) Upon completion of the one (1) Replacement Building, the Parties shall cooperate in good faith and in accordance with this Agreement to enable the RB Developer to effectuate the relocation of residents in Elliott 4 in accordance with this Agreement and the Relocation Plan.

(iii) Upon consummating the Closing for each of the Mixed-Income Buildings on the Elliott-Chelsea Campus, MI Developer shall undertake the development and construction of such Mixed-Income Building(s) in accordance with this Agreement, the applicable Transaction Agreements and Legal Requirements applicable to the Mixed-Income Buildings. Such development and construction shall include the demolition of Elliott 4 by MI Developer.

(d) Phase 3F:

(i) Upon consummating the Closing for each of the two (2) Replacement Buildings on the Fulton Campus, RB Developer shall undertake the development and construction of such Replacement Building(s) in accordance with this Agreement, the applicable Transaction Agreements and applicable Legal Requirements. Such development and construction shall include the demolition of Fulton 6 and Fulton 9, as applicable, by RB Developer.

(ii) Upon completion of the two (2) Replacement Buildings, the Parties shall cooperate in good faith to enable the RB Developer to effectuate the relocation of residents

in Fulton 1, Fulton 2, Fulton 3 and Fulton 4 in accordance with this Agreement and the Relocation Plan.

(iii) Upon consummating the Closing for each of the Mixed-Income Buildings on the Fulton Campus, MI Developer shall undertake the development and construction of such Mixed-Income Building(s) in accordance with this Agreement, the applicable Transaction Agreements and Legal Requirements applicable to the Mixed-Income Buildings. Such development and construction shall include the demolition of Fulton 1, Fulton 2, Fulton 3 and Fulton 4, as applicable, by MI Developer.

Section 4.4 ULURP

(a) Developer shall be responsible for coordinating and cooperating with the Authority on the preparation and submission of the documentation required to obtain the necessary approvals for any City map changes, zoning district changes, zoning text changes, zoning special permits and other approvals as may be required for the development of the Project in accordance with the Rezoning Phasing Plan pursuant to the City's Uniform Land Use Review Procedure ("**ULURP**") under Section 197-c or 197-d of the City Charter (the "**ULURP Application**"), as well as all other land use approvals required in connection with the Mixed-Income Project required by the New York City Department of City Planning ("**DCP**") or the City Planning Commission, which, if applicable, may include environmental criteria (in addition to the environmental analysis included in CEQR) and all fees related thereto at Developer's sole cost and expense, which costs shall be included in the Allocated Project Costs as set forth in **Section 5.6(d)(ii)**. The ULURP Application will comply with applicable Mandatory Inclusionary Housing requirements and the Design Guidelines. The certification of the ULURP Application as complete by the DCP is referred to herein as the "**ULURP Application Certification**". The term "**ULURP Application Approval**" shall mean approval of the ULURP Application by all necessary Governmental Authorities (or deemed approval pursuant to applicable Legal Requirements in the absence of action by a necessary body). Developer also agrees to pursue all other applicable land use approvals required in connection with the Rezoning Phasing Plan. Notwithstanding anything herein to the contrary, (i) Developer and Authority may mutually elect to not pursue the ULURP Application Approval, and (ii) if the ULURP Application Approval is not obtained or Developer and Authority otherwise mutually elect not to proceed with the Rezoning Phasing Plan, upon completion of the Phase 1 Replacement, the Parties shall undertake the Project in accordance with the Existing Zoning Phasing Plan or with a mutually agreed upon phasing plan that accounts for any additional as-of-right development rights due to changes to the Zoning Resolution. Each party agrees to act reasonably in connection with agreeing to any such election.

(b) Developer shall be responsible for the preparation of the materials customarily prepared by private applicants for land use actions and that are required for the completion of and approval of any and all required environmental reviews, assessments and impact statements in connection with the Project. The Parties acknowledge and agree that to complete such reviews, assessments and impact statements, and the work necessary in connection therewith, Developer shall retain the Environmental Consultant and the Land Use Consultant at its sole cost

and expense, which costs shall be included in the Allocated Project Costs as set forth in **Section 5.6(d)(ii)**.

(c) Developer shall submit to the Authority for approval (not to be unreasonably withheld, conditioned or delayed) all materials required to be submitted in connection with the ULURP Application, including all fees required to be paid, and such other materials as DCP shall require or as may be reasonably requested by DCP and/or other applicable agencies in connection with the ULURP Application Certification process.

(d) The Parties shall work in diligence and good faith with each other to achieve the ULURP Application Certification, including, without limitation, timely and complete responses to any reasonable requests from DCP and/or other applicable agencies in connection with the ULURP Application Approval process; *provided that* the failure to achieve the ULURP Application Certification shall not constitute a Developer Default. Developer acknowledges and agrees that the final Rezoning Phasing Plan shall comply in all respects with the ULURP Application Approval.

(e) Developer and the Authority shall collaborate in good faith on the preparation and submission of the documentation required in connection with all environmental review applicable to the ULURP Application Approval process in accordance with **Section 5.16**.

Section 4.5 Mixed-Income Fulton Campus Phasing Proposal Option. MI Developer shall not consummate a Closing with respect to any Mixed-Income Parcel in a Campus until Substantial Completion of the last Replacement Building in that Campus has occurred and all Residents of that Campus have been offered to be relocated to the Replacement Buildings, and those that have accepted have been actually relocated to a Replacement Building unless otherwise approved in writing by the Authority in its sole discretion. Notwithstanding the foregoing, in the event that Substantial Completion of each Replacement Building in Phase 1 has occurred by the Phasing Proposal Trigger Dates, Developer shall have the right to make a proposal to the Authority with respect to consummating a Closing with respect to the first Mixed-Income Building on the Fulton Campus prior to the Substantial Completion of the last Replacement Building in the Fulton Campus provided that no market-rate tenants move into residential units in such Mixed-Income Building until all Residents of the Fulton Campus have been offered to be relocated to the Replacement Buildings or the affordable units of the Mixed-Income Building and those that have accepted have been actually relocated to a Replacement Building or Mixed-Income Building, as applicable. Such proposal shall be subject to the Authority's prior reasonable consent.

Section 4.6 Construction Easements and Licenses. The Authority agrees to grant to RB Developer (and each applicable RB Ground Lessee) and MI Developer (and each applicable MI Ground Lessee) such licenses and easements as reasonably requested by such applicable Project Developer to facilitate the construction of the New Buildings and the overall phased development and/or to allow such applicable Project Developer to pursue and complete the construction work in a timely and coordinated manner; provided, in each case, that such license and easement rights do not interfere in any material respect with the residents' occupancy of any of the Existing Buildings. In connection with the foregoing, the Parties agree to cooperate and negotiate in good

faith and to enter into such license and easement agreements, each in form and substance reasonably acceptable to each Party (or its applicable Affiliate(s)).

ARTICLE 5
COVENANTS AND OBLIGATIONS OF THE PARTIES

Section 5.1 Approvals in General. During the Term, Developer, at its sole cost and expense, shall diligently perform and undertake or cause to be undertaken all actions which are prudent and/or necessary to be performed and undertaken by Developer and to coordinate and cooperate with the Authority in obtaining all public approvals and determinations required to proceed with the Project in accordance with this Agreement, including the HUD Approvals (collectively, the "**Approvals**"). The Parties shall cooperate in good faith to pursue and obtain the Approvals in accordance with this Agreement.

Section 5.2 HUD Requirements and Approvals.

(a) *General*. The Authority shall be primarily responsible for, and in connection therewith Developer shall provide its good faith cooperation and assistance in, obtaining all necessary approvals from HUD in connection with the Project. Developer shall comply with all HUD Requirements including, but not limited to, the requirements of this Section. The Parties acknowledge and agree that the Section 8 PBV rents for each Replacement Building shall be determined in accordance with applicable RAD Requirements and PBV Requirements prior to the Closing of each Replacement Building.

(b) *HUD Approvals*. Developer will use best efforts to assist the Authority with its efforts to obtain the approval of HUD for all activities contemplated herein or with respect to the Project over which HUD has authority, including without restriction, demolition and disposition of public housing under the Section 18 Requirements and/or RAD Requirements (as applicable), the use of Section 8 tenant-based voucher assistance for relocation, PBV assistance under the RAD Requirements and PBV Requirements (as applicable), the development, leasing and/or siting of new units, and the operation and management of such units (collectively, the "**HUD Approvals**"). The Authority shall share with Developer and shall not unreasonably withhold any relevant information it may have or gain from HUD with respect to the Project or pertaining to the HUD Approvals. Prior to the First Closing, and as a condition thereto, HUD shall have issued a phased HUD Section 18 Approval Letter, which substantially reflects and includes the approvals described as part of the "Section 18 Approval Letter" in the HUD Comfort Letter.

(c) *HUD Communication*. The Authority shall be in contact with HUD and will have sole and direct responsibility for contact and communication with HUD on any and all matters relating to the Project; provided, that the Authority shall reasonably coordinate with Developer in connection with such communications directly relating to the Project. In furtherance of the foregoing and notwithstanding anything to the contrary contained in this Agreement, (i) the Authority shall provide Developer prior notice of any formal submissions to HUD and (ii) the Authority agrees that it shall not enter into any agreements with HUD with respect to the Project that create a material obligation for the Developer, the RB Developer or any RB Ground Lessee, in each case without the prior knowledge of Developer. Further, the Parties acknowledge and agree that nothing in this Agreement prohibits Developer or its Affiliates or contractors from

communicating with HUD regarding matters other than the Project; provided, in the event of incidental communications between the Developer and HUD regarding the Project, the Developer shall either include the Authority on such communications or provide the Authority written notice of such communications, including a summary of such communications, within three (3) Business Days thereafter.

(d) *HUD Requirements Generally*. Developer shall comply with all HUD Requirements, including, without limitation the requirements attached hereto as **Exhibit B**.

(e) *Treatment of HUD Funds*. Any transfer of public housing funds under this Agreement will not be an assignment of public housing funds or be deemed an assignment of public housing funds. Developer will not succeed to any rights or benefits the Authority may have under the applicable grant agreements or contracts with HUD or attain any privilege, authority, interest, or right under applicable grant agreements or contracts between the Authority and HUD. Nothing contained in this Agreement will be construed to create any relationship of third party beneficiary or otherwise with HUD.

(f) *Environmental Review*. Developer acknowledges that because the Project has applied for RAD, will apply under the Section 18 Requirements and will occur as HUD assisted, Developer will comply with all applicable HUD environmental review requirements, including but not limited to those under 24 C.F.R. Part 58. Without limiting the foregoing, until the Project has received the necessary environmental approvals from HUD, and until the Developer receives written confirmation regarding such approvals, Developer will not take any action in furtherance of the Project or spend any federal or non-federal funds on the Project that would be considered a "choice-limiting" action under applicable law, except that Developer may expend funds to conduct routine title, survey, site physical conditions, zoning, demolition planning, design, permitting, insurance, traffic and other due diligence so long as such expenditures are not subject to environmental review or would not violate environmental review requirements under applicable law. Developer understands that if Developer performs any Initial Construction Work or other similar work that results in physical changes at the Premises, or takes any "choice-limiting" action under applicable law, before receiving the applicable HUD Approvals, such action may result in a Developer Default in accordance with **Section 16.1**.

(g) *Development Obligations*. Developer is an independent contractor and not an agent of the Authority. Therefore, except as may be expressly set forth herein or in any Transaction Agreement (including the RB Project Joint Venture Agreement), Developer shall have no authority to bind the Authority. Except as expressly set forth herein, the applicable Project Developer will provide all services, equipment, and materials for the Project and will furnish, directly or through contractors or subcontractors, professional expertise, management, labor, materials, supplies, fixtures, equipment, tools and machinery, testing, supervision, facilities, and other services required for the completion of the Project.

(h) *Choice Neighborhood Initiative (CNI) Funding Applications*. Authority and the Developer agree to cooperate in good faith to apply for a Choice Neighborhoods Initiative ("**CNI**") implementation grant from HUD in future rounds. Through collaborative partnerships with Residents, area schools, non-profit organizations and local social service providers, Authority plans to work with the Developer and the City to develop a broader community plan that

compliments the Project. The Parties agree to cooperate in good faith to amend this Agreement to the extent necessary to better position the Project for CNI funding and/or implement the terms and requirements of any CNI grant awarded for the Project.

Section 5.3 Background Investigation Questionnaire. On or before the Effective Date, Developer shall complete and submit to the Authority and shall cause its Developer Principals (for purposes of this **Section 5.3**, as defined in the Background Questionnaire Forms) to complete and submit to the Authority the qualification and background investigation forms ("**Background Questionnaire Forms**") required and provided to Developer by the Authority and thereafter, throughout the Term, Developer and its Developer Principals shall promptly provide an update to such Background Questionnaire Forms if and when any information contained therein shall change. For purposes of this **Section 5.3**, the term "**Principal**", as defined in the Background Questionnaire Forms, shall apply to Developer Principals. Developer shall enroll in the City's Procurement and Sourcing Solutions Portal, or any successor or substitute procedure ("**PASSPort**").

Section 5.4 Title and Survey; Tax Lot Subdivision.

(a) Developer (at its sole cost and expense) has furnished to the Authority a copy of the Title Reports with respect to the Premises issued by the Title Company. Not later than forty-five (45) days after the Effective Date, Developer shall furnish to the Authority a copy of the Survey.

(b) With respect to each Closing, Developer shall diligently cooperate with the Authority to cause, at Developer's cost, the New York City Tax Map to be amended by subdividing the existing tax lots of the Fulton Campus and Elliott-Chelsea Campus to obtain permanent tax lot numbers for each Parcel and each of the New Buildings (in each case, a "**New Lot**"). The transactions contemplated in this **Section 5.4(b)** are collectively referred to herein as the "**Tax Lot Subdivision**". For each New Lot, prior to the applicable Closing, Developer shall prepare and submit to the Authority all proposed applications and submissions for such Tax Lot Subdivision for the Authority's reasonable and timely review and approval and the Parties shall cooperate in good faith to address comments from the Authority and, as applicable, to revise such applications. Upon joint approval of the proposed applications in each Party's reasonable discretion, the Authority shall execute and submit such applications to the applicable City agency.

(c) With respect to each Closing, Developer shall diligently cooperate with the Authority to cause at the applicable Closing, at Developer's cost, the merger of the applicable zoning lots for the Premises and the allocation to the applicable New Lot the amount of Zoning Floor Area that is required to construct the New Building for such Closing as contemplated for the Project in accordance with the Development Plan. The transactions contemplated in this **Section 5.4(c)** are collectively referred to herein as the "**Zoning Lot Merger**". The parties shall negotiate in good faith and in a timely manner all documents and instruments customarily required in connection with such Zoning Lot Merger including the zoning lot development agreements.

Section 5.5 Standard of Care.

During the Term, Developer shall implement the planning and pre-development of the Project in accordance with the terms of this Agreement and to the best of its ability, with professional care, skill, judgment and diligence in accordance with standards applicable generally to experienced professionals performing similar services for development projects similar in scope and complexity to the Project and in the same geographical area as the Project (the "**Standard of Care**").

Section 5.6 Project Financing Principles.

(a) The Parties agree that the development of the Mixed-Income Buildings will in part support the financing and redevelopment of the Replacement Buildings. As such, the financing plan for all or a portion of the Replacement Buildings is anticipated to include a portion of the value created by the Mixed-Income Project as described herein (each portion, an "**Advanced MI Parcel Payment**").

(b) *Replacement Buildings Financing.* Developer shall diligently cooperate with the Authority to develop the budget for the applicable Initial Construction Work for each Replacement Building (each, a "**Replacement Building Development Budget**", the required key terms of which are annexed as **Exhibit G**). Each Replacement Building Development Budget must demonstrate a sensitivity to the use of the Advanced MI Parcel Payments in the most efficient manner, minimizing the use of Advanced MI Parcel Payments to the greatest extent possible, and maximizing the leveraging of available debt, tax credit equity, and other sources to the greatest extent possible. Developer shall prepare a preliminary Replacement Building Development Budget prior to the applicable Scheduled Closing Date for such Replacement Building and shall collaborate with the Authority in good faith in developing a final Replacement Building Development Budget. Each Replacement Building Development Budget is subject to the Authority's approval, which approval shall not be unreasonably delayed, conditioned or withheld provided that each of the key terms itemized in **Exhibit G** are satisfied. The Advanced MI Parcel Payments may be funded in whole or in part by a passive or limited partner equity investor in Developer or, at the Authority's option, the RB Developer (the "**Third-Party RB Equity Investor**") on terms subject to the Authority's approval, which approval shall not be unreasonably delayed, conditioned or withheld (the "**Third-Party RB Equity Commitment Letter**"). In addition, Developer will secure a minimum equity contribution of $63,400,000 for RB Developer ("**Minimum Equity Contribution**"); $20,000,000 of which shall be contributed by Developer directly on a pari passu basis with, and on the same or, at Developer's option, more competitive economic terms as, Third-Party RB Equity Investor.

(c) *Mixed Income Buildings Financing.* The Parties acknowledge and agree that the Advanced MI Parcel Payments may likely not capture the entirety of the value created under this Agreement relating to the Mixed-Income Parcels (including, without limitation, the receipt of ULURP Approval). Prior to the anticipated closing date for each Closing of a Mixed-Income Parcel, the Parties will determine the MI Land Valuation for the relevant Mixed-Income Parcel at Developer's sole cost in accordance with the methodology attached hereto as **Exhibit H**. The Parties shall commence the valuation process set forth on **Exhibit H** for a given Mixed-Income Parcel upon Developer's written notice to the Authority (the "**Mixed-Income Closing Notice**"),

which shall be delivered by Developer with respect to each Mixed-Income Parcel by no later than twelve (12) months prior to the Anticipated Scheduled MI Closing Date for such Mixed-Income Parcel, and if Developer fails to deliver the Mixed-Income Closing Notice by such date, then the Authority shall thereafter have the right to deliver the Mixed-Income Closing Notice and commence such valuation process for the applicable Mixed-Income Parcel. The Authority will be compensated for the MI Land Valuation as follows:

(i) First, the MI Land Valuation shall be reduced, if applicable, by the amount due to the RB Equity Investor pursuant to the RB Project Joint Venture Agreement (which shall memorialize the applicable terms of the Third-Party RB Equity Commitment Letter); and

(ii) Second, the remainder of the MI Land Valuation shall be contributed for an ownership interest in the applicable MI Developer on the same economic terms applicable to, and pro rata with, third-party equity investors in the MI Developer for such Mixed-Income Parcel (provided, that the Authority's ownership interest in the applicable MI Developer shall in no event exceed a twenty percent (20%) ownership interest, and the Authority may elect for any remaining funds to either (x) be paid to the Authority by wire transfer of immediately available funds at the applicable Closing for such Mixed-Income Parcel, (y) be reserved to be invested in future MI Developers at a subsequent Closing for a Mixed-Income Parcel or to be contributed to the applicable MI Developer at future times, in which case such reserved payments shall be held by MI Developer in a separate account for the benefit of the Authority and may be invested in appropriate securities at the direction of, and sole risk and benefit to, the Authority (for the avoidance of doubt, such reserved payments shall include all interest accruing thereon, and all gain or loss resulting from such investment thereof)) or (z) otherwise be used at the Authority's direction.

(d) *Predevelopment Costs and Allocated Project Costs*.

(i) Prior to approval of a Replacement Building Development Budget, any Predevelopment Costs that Developer seeks to have reimbursed or included in the applicable Replacement Building Development Budget shall require the approval of the Authority, in its reasonable discretion; provided, that incurred Predevelopment Costs (as of August 23, 2024) in the aggregate amount of $6,536,421.83 are hereby approved. Developer shall provide to the Authority periodic updates on Predevelopment Costs that Developer has incurred or is intending to incur for the Project and, if applicable, invoices or other reasonable backup documentation. Upon receipt of such periodic updates from Developer, the Authority shall have the right, in its reasonable discretion, to notify the Developer in writing, within ten (10) Business Days following receipt of an update, if the Authority objects to the inclusion of any such costs as Predevelopment Costs for the Replacement Project (for example, if the Authority objects on the basis that any such costs specifically relate to the design of a Mixed-Income Building), which objection shall include a reasonably sufficient level of detail regarding the basis for such objection, and the Parties shall reasonably cooperate and negotiate in good faith to resolve any such objection, in each case in accordance with the terms of this Agreement. All such Predevelopment Costs incurred by Developer pursuant to this Agreement that are approved by the Authority or have not been specifically objected to within the applicable time period set forth above shall be included in the Replacement Building Development Budget(s) for the New Buildings, as allocated among the Replacement Building Development Budget(s) in accordance with this Agreement or in a

reasonable manner determined by the Parties. For the purposes of clarity, any such Predevelopment Costs that specifically relate to predevelopment work for the Initial Construction Work for a Replacement Building ("**Building-Specific Predevelopment Costs**") (e.g., design development costs and architect fees for a Replacement Building) shall be included in the Replacement Building Development Budget for that Replacement Building and shall not be included in the Allocated Project Costs.

(ii) Without limiting the preceding clause (i), all Predevelopment Costs that are not Building-Specific Predevelopment Costs, including but not limited to transaction costs, payments or reimbursements to the Authority, costs related to the initial license agreement with the Authority and the Amended License Agreement, including in connection with the Meanwhile Plan and all work and services performed thereto, costs related to the Relocation Plan, the Hudson Guild Temporary Relocation and other Resident relocations, costs related to resident engagement, costs related to ULURP Application Approval, costs related to the Section 3 & REO Plan, legal costs incurred in connection with the foregoing, hereunder or otherwise with this Agreement and all other costs (other than Building-Specific Predevelopment Costs) relating to the Replacement Project, in any such case, incurred and/or paid by Developer pursuant to, or as contemplated under, this Agreement, including, without limitation, all costs that are specified herein as being Developer's cost or sole cost or other words of similar import, other than any costs specifically allocated herein to the MI Developer and/or the Mixed-Income Project or any costs not specifically referenced herein but that are solely and directly attributable to the MI Developer and/or the Mixed-Income Project (the "**Allocated Project Costs**") shall be included in the Replacement Building Development Budget(s) for the New Buildings, as allocated among the Replacement Building Development Budget(s) for the next Replacement Building(s) to close in a reasonable manner determined by the Parties.

(iii) Developer anticipates obtaining one or more pre-development loans on behalf of RB Developer for costs incurred prior to each Closing. If Developer is unable to obtain a pre-development loan prior to the First Closing, Developer shall fund Pre-Development Costs directly with (and not exceeding) its $20,000,000 portion of the Minimum Equity Contribution.

Section 5.7 Replacement Building Development Schedule.

Developer shall diligently cooperate with the Authority to develop the schedule for the applicable Initial Construction Work for each Replacement Building (each, a "**Replacement Building Development Schedule**"). Developer shall be responsible for further developing the applicable Replacement Building Development Schedule in order for the Authority to obtain the requisite approval from HUD for each Replacement Building Development Schedule prior to the applicable Scheduled Closing Date for such Replacement Building(s). Each applicable Replacement Building Development Schedule is subject to the Authority's approval, which approval shall not be unreasonably delayed, conditioned or withheld. At such time that Developer desires to obtain the Authority's approval of a Replacement Building Development Schedule, Developer shall submit by email and overnight courier in accordance with **Section 14.1** below a draft of such Replacement Building Development Schedule to the Authority for its review and approval. The Authority shall have fifteen (15) Business Days to review and either (x) approve the schedule proposed as the Replacement Building Development Schedule for such Replacement Building or (y) notify Developer in writing of its objections to the Replacement Building Development Schedule, along

with reasonably sufficient level of detail regarding such objections and Authority's proposed revisions to the proposed Replacement Building Development Schedule (a "**Schedule Objection**"). If the Authority fails to approve or deliver a Schedule Objection to Developer prior to the expiration of the fifteen (15) Business Day period, then Developer shall have the right to send a second approval request by email and overnight courier in accordance with **Section 14.1** below to the Authority in at least twelve (12) point capital letters entitled "REQUEST FOR THE AUTHORITY'S REVIEW AND WRITTEN APPROVAL. FAILURE TO RESPOND TO THIS REQUEST FOR APPROVAL WITHIN FIFTEEN (15) BUSINESS DAYS AFTER THE AUTHORITY'S RECEIPT SHALL CONSTITUTE AN AUTHORITY DELAY". If the Authority does not deliver to Developer its approval of the Replacement Building Development Schedule or a Schedule Objection within fifteen (15) Business Days after receipt of such second notice, there shall be an Authority Delay from the day following such fifteen (15) Business Day period until the day the Authority delivers to Developer its approval of the Replacement Building Development Schedule or a Schedule Objection. If the Authority delivers a Schedule Objection, the parties shall reasonably cooperate in good faith and in a timely manner to agree upon a reasonably acceptable Replacement Building Development Schedule.

Section 5.8 Replacement Building Plans and Specifications.

Developer shall diligently cooperate with the Authority to develop the Plans and Specifications for the applicable Initial Construction Work for each Replacement Building. Such Plans and Specifications shall be compliant with the Permitted Uses and shall comply with the Authority's design guidelines for the Replacement Buildings (the "**Design Guidelines**") attached hereto as **Exhibit I**. At such time that Developer desires to obtain the Authority's approval of the proposed Plans and Specifications, Developer shall submit by email and overnight courier in accordance with **Section 14.1** below a draft of such Plans and Specifications to the Authority for its review and approval. The Authority shall have fifteen (15) Business Days to review and either (x) approve the proposed Plans and Specifications for such Replacement Building or (y) notify Developer in writing of its objections to the Plans and Specifications, along with reasonably sufficient level of detail regarding such objection(s) and the Authority's proposed revisions to the proposed Plans and Specifications (a "**Plans Objection**"). If the Authority fails to approve or deliver a Plans Objection to Developer prior to the expiration of the fifteen (15) Business Day period, then Developer shall have the right to send a second approval request by email and overnight courier in accordance with **Section 14.1** below to the Authority in at least twelve (12) point capital letters entitled "REQUEST FOR THE AUTHORITY'S REVIEW AND WRITTEN APPROVAL. FAILURE TO RESPOND TO THIS REQUEST FOR APPROVAL WITHIN FIFTEEN (15) BUSINESS DAYS AFTER THE AUTHORITY'S RECEIPT SHALL CONSTITUTE AN AUTHORITY DELAY". If the Authority does not deliver to Developer its approval of the Plans and Specifications or a Plans Objection within fifteen (15) Business Days after receipt of such second notice, there shall be an Authority Delay from the day following such fifteen (15) Business Day period until the day the Authority delivers to Developer its approval of the Plans and Specifications or a Plans Objection. If the Authority delivers a Plans Objection, the parties shall reasonably cooperate in good faith and in a timely manner to agree upon acceptable Plans and Specifications.

Section 5.9 Mixed-Income Buildings.

(a) With respect to each Mixed-Income Building, prior to the applicable Closing, Developer shall (1) develop the Plans and Specifications for the applicable Initial Construction Work, which shall be subject to the reasonable approval of the Authority to confirm compliance with the applicable provisions of the Design Guidelines; (2) develop the schedule for the applicable Initial Construction Work, which shall be subject to the reasonable approval of the Authority; and (3) provide the Authority with Evidence of Financing and/or Evidence of Equity in an aggregate amount sufficient, including with respect to the amount, the timing for the availability of the funds, and any conditions for disbursement of the funds, so that the applicable Ground Lessee can perform the applicable Initial Construction Work in accordance with the applicable Mixed-Income Ground Lease.

(b) Each Mixed-Income Building shall comply with (1) applicable Mandatory Inclusionary Housing requirements as provided for under the Zoning Resolution, (2) the relevant sections in the Design Guidelines and (3) the requirement that all residents in each Mixed-Income Building have the access to the entrances, common areas, and amenities of such Mixed-Income Building on the same terms and conditions.

Section 5.10 Resident Relocation.

Developer shall diligently coordinate and cooperate with the Authority to develop a plan consisting of a program for phased relocation of residents of the Existing Buildings, coupled with a schematic schedule, budget and method for the return of any relocated Residents ("**Relocation Plan**"), which shall be based on the relocation requirements attached hereto as **Exhibit J** and subject to all applicable Legal Requirements. The Relocation Plan shall, at a minimum, (i) be developed with Authority, Resident and stakeholder input for the relocation of residents displaced by the Project activities, (ii) include a plan for temporary Resident moves to vacant units in the Existing Buildings to minimize or eliminate the need for off-site temporary relocation, (iii) comply with applicable HUD Requirements, and (iv) provide for each Resident's right to return in accordance with the RAD Requirements. The Relocation Plan shall be subject to the Authority's prior approval, in its reasonable discretion, and HUD approval (if required) prior to implementation. The Developer shall submit the proposed Relocation Plan to the Authority for review and approval one hundred eighty (180) days before the first anticipated relocation occurs; provided, voluntary relocation or moves in accordance with RAD Requirements and Authority occupancy policies may occur at the direction of the Authority prior to the Authority's approval of the Relocation Plan. The Authority shall reasonably cooperate with the Developer in connection with such moves and relocations. In furtherance of the foregoing, Developer on behalf of RB Developer shall be responsible for arranging for any off-site relocation housing for relocated Residents in accordance with the Relocation Plan and RB Developer's responsibility for payment of costs related to off-site relocations shall be as set forth in the relocation requirements attached hereto as **Exhibit J**, and all such costs shall be included in the Allocated Project Costs and, in all events, shall be included in the applicable Replacement Building Development Budget(s). The Authority shall take such actions identified as Authority responsibilities under the Relocation Plan in satisfaction of the Authority Closing Obligation under **Section 8.2(b)**.

Section 5.11 Other Resident Matters.

In connection with Developer's design and planning for the Replacement Buildings, subject to the requirements of that certain Confidentiality and Indemnity Agreement dated as of April 7, 2022 by and between the Authority and Developer, as may be amended (the "**Confidentiality Agreement**"), the Authority shall provide to Developer (i) details of family size and composition for all Residents of the Existing Buildings, and (ii) any other information pertaining to the Residents at the Existing Buildings that Developer may reasonably request from time to time relating to the design and planning of a Replacement Building and/or sizing of the units therein, in each case to the extent the Authority is permitted to disclose such information. The terms and conditions of the Confidentiality Agreement shall apply to Developer's usage, management and storage of such provided information. Nothing in this **Section 5.11** shall limit any Resident Rights, including the right to return under the RAD Requirements.

Section 5.12 Master Campus Plan.

Developer shall prepare a master campus plan ("**Master Campus Plan**") that displays a clear, coherent design and programming vision reflecting the Project's goals. The Master Campus Plan must include: (a) the location and design of Buildings, including bulk, base and total height, exterior materials/color palettes, entrances and orientation to the street; (b) land uses (residential, commercial, and community facility); (c) outdoor spaces and programming, including: playgrounds, seating, existing and new trees and landscaping, pathways and circulation, active vs. passive spaces, and public vs private space; (d) relationship and connections to the surrounding community including: transit, parks and open space, the built context, and other local landmarks; (e) resiliency and sustainability features; (f) phasing plans showing open space delineations and management responsibilities per phase; and (g) construction staging locations.

The Master Campus Plan shall be informed by resident engagement and collaboration with the Authority. The Master Campus Plan shall include both narrative descriptions and illustrative drawings to clearly articulate the required components identified in this **Section 5.12**. An initial draft of the Master Campus Plan shall be prepared by Developer promptly after the date hereof such that elements of the Master Campus Plan shall be reflected in the community plan that must be distributed prior to the First Closing. Updates to the Master Campus Plan may be needed based on, among other reasons, the outcome of the ULURP process, and such updates shall be subject to the review and approval of the Authority, such approval not to be unreasonably withheld, conditioned or delayed.

Section 5.13 Community Engagement Roadmap and Community Plan.

(a) Developer shall prepare a Community Engagement Roadmap ("**CER**") in accordance with the Authority's Community Engagement Requirements, which are attached hereto as **Exhibit K**. Developer shall update and adjust the CER in response to residents' needs, project scope, and the Authority's guidance. The Authority shall review the CER and offer guidance to the Developer. Developer shall provide periodic updates to the Authority on the CER and shall also provide updates upon request of the Authority throughout the process. Developer and the Authority shall use the CER throughout the Project to monitor engagement milestones and progress. Developer shall include in the CER a plan for outreach to residents, resident leaders,

elected officials and other community stakeholders. The CER shall detail an outreach, engagement, and reporting structure that will provide residents and elected officials with regular, proactive, and transparent Project updates with meaningful engagement opportunities from designation through to ongoing operations.

Developer shall develop and implement a community engagement approach that meaningfully engages residents while building out the scope of work that needs to be documented in the final community plan by time of lease signing. The community engagement approach is to include community engagement teams working with resident leaders to determine the right mix and frequency of town halls, open houses, workshops, tabling events, and other creative ideas to best engage residents around various topics such as building and site design, apartment interiors, common spaces, building systems, environmental remediation, resident amenities, social services, property management, safety and security, and waste management.

(b) Developer shall be responsible for creating a community plan document (no more than 40 pages in length) that summarizes resident goals and describes the redevelopment scope of work, property management plan and social service plan for the Project. The plan should ensure residents are provided with a clear understanding about what they can expect from the redevelopment and ongoing operations as a result of the Project. Developer shall endeavor to distribute the community plan document to residents three (3) months prior to, and in any event shall so distribute the community plan document prior to, the First Closing.

(c) Except as otherwise set forth above or in the CER, the Authority shall have responsibility, in collaboration with Developer, for direct contact and communication with community stakeholders on any and all matters relating to the Project. Developer shall coordinate with the Authority in advance with respect to any direct communication that Developer proposes to have with community stakeholders with respect to the community engagement matters described in this **Section 5.13**.

(d) Except where otherwise permitted by prior written approval from the Authority, Developer shall follow all community engagement requirements as provided in **Exhibit K**.

Section 5.14 Social Services Plan. Developer shall diligently coordinate and cooperate with the Authority to develop a responsive and comprehensive social services plan (the "**Social Services Plan**") for the Project in accordance with the Authority's Social Services Requirements, which are attached hereto as **Exhibit L**. The Social Services Plan shall be subject to the Authority's prior approval, in its reasonable discretion, prior to implementation. The Social Services Plan shall include, at a minimum an introduction to the Service Coordinator; a summary of the Needs Assessment and how it has shaped the Social Services Plan; an outline of how relevant services will be coordinated for residents across all necessary providers; resources to be provided across all developments; how existing services by providers will be preserved; how information about new services and programming will be shared; a budget for all services and programming; goals and metrics to report on a quarterly basis to the Authority; a timeline for conducting additional assessments and incorporating resident feedback on an on-going basis; plans for amenities and services for all residents during construction; and the temporary relocation of existing services. Developer shall prepare the Social Services Plan three (3) months prior to the First Closing, and

shall prepare an updated Social Services Plan three (3) months prior to Substantial Completion of the first New Building.

Section 5.15 Employment, Hiring and Training Plan. Developer shall diligently coordinate and cooperate with the Authority to develop a Section 3 and resident economic opportunity plan for the Project (the "**Section 3 & REO Plan**") in accordance with the Authority's requirements, which are attached hereto as **Exhibit M**. Developer shall sponsor and train residents for construction, property management, and social service employment opportunities consistent with HUD Section 3 and Authority requirements. In addition to the training and employment requirements, as and to the extent required pursuant to the Section 3 & REO Plan, Developer shall include a provision in its general contractor and subcontractor bids that require such parties to offer Authority resident training and employment opportunities for qualified Authority residents, starting with Residents. Developer shall submit to the Authority a proposed Section 3 & REO Plan that details the provision of training and employment opportunities to residents during construction and the long-term operation of the Project. The Section 3 & REO Plan shall be subject to the Authority's prior approval, in its reasonable discretion, prior to implementation. Developer shall collaborate with the Authority's Resident Economic Empowerment and Sustainability Department to finalize an agreed- Section 3 & REO Plan that is consistent with HUD Section 3 and Authority requirements.

Section 5.16 Environmental Review.

(a) The Authority has notified Developer that the Authority and the New York City Department of Housing Preservation and Development will be the co-lead agencies for environmental review of the Project. Developer shall be responsible for coordinating and cooperating with the Authority on the preparation and submission of the documentation required in connection with all environmental review applicable to the Project, including, without limitation, all environmental review required by any of the National Environmental Policy Act (NEPA), New York State Environmental Quality Review Act (SEQRA), and/or the City of New York Environmental Quality Review (CEQR).

(b) Developer, at its sole cost and expense, shall prepare and perform, or cause to be prepared and performed, in a timely manner, all environmental reviews, studies and applications, including the preparation of a Scope of Work ("**SOW**") and of a Draft Environmental Impact Statement ("**DEIS**"), that may be required in order to obtain the Approvals for the Project. Developer shall deliver each DEIS chapter to the Authority for distribution on a "rolling basis" as each such DEIS chapter is completed; provided that no later than ninety (90) days after the applicable public scoping meeting (including the end of the applicable public comment period), all DEIS chapters required for the Project shall be delivered to the Authority. Developer shall respond to comments delivered by the Authority to such DEIS chapters (i) within ten (10) Business Days (to the extent practicable) after the first round of such comments are so delivered in respect of a given DEIS chapter, and (ii) within five (5) Business Days (to the extent practicable) after any subsequent rounds of comments are so delivered in respect of a given DEIS chapter, unless Developer and the Authority determine that additional time is necessary in order for Developer to adequately respond to such comments. Developer shall diligently pursue completion of the environmental review process through final completion of the Final Environmental Impact Statement ("**FEIS**") (including using diligent efforts to respond to questions from the applicable

Governmental Authorities as quickly as possible). Developer shall provide to the Authority a copy of the FEIS within two (2) Business Days of completion.

(c) To the extent not already paid by Developer in accordance with **Article 3**, Developer shall pay all fees charged by the Authority or any other Governmental Authorities for the review, filing and/or processing of the EAS, SOW, the DEIS/FEIS, and any and all other applications, studies and determinations as may be required to proceed with, and obtain all Approvals for the Project. In the event that any such fees are not paid by the time of the applicable Closing, or if the applicable Closing does not occur prior to the termination of this Agreement, Developer shall remain obligated to pay the environmental review fees arising prior to such termination if and when due.

Section 5.17 HDFC Engagement. Developer shall be responsible for contracting with a not-for-profit entity to form (or forming) an HDFC for each Replacement Building, which will hold each leasehold interest for each Replacement Building as nominee for RB Ground Lessee in its capacity as the beneficial lessee for each Lease for a Replacement Building.

Section 5.18 PILOT Agreements. The Authority shall use best efforts, and the Parties shall cooperate in good faith, to obtain the necessary approvals so that (i) with respect to the Replacement Buildings and Replacement Building Parcels, for so long as the applicable RB Ground Lessee complies with the affordability requirements as set forth in the applicable Replacement Building Ground Lease, such Replacement Building and Replacement Building Parcel shall receive a 100% residential real estate tax abatement and 100% community facility tax abatement (*e.g.*, for Hudson Guild) and (ii) with respect to the Mixed-Income Buildings and Mixed-Income Parcels, for so long as the applicable MI Ground Lessee complies with the affordability requirements as set forth in the applicable Mixed-Income Ground Lease, such Mixed-Income Building and Mixed-Income Parcel shall have a PILOT agreement with residential real estate tax abatements as approved by the City in accordance with the goals of the Project (with respect to each Parcel, the "**PILOT Agreement Approvals**").

Section 5.19 Documents and Work Product. Developer shall promptly submit copies or electronic files (e.g., portable document format) to the Authority of all Documents and other work product produced by third parties from time-to-time in connection with Developer's work with respect to the Project, but excluding any Documents that are of solely of an internal nature or are otherwise subject to attorney-client privilege; *provided* that if this Agreement is terminated, then copies of any such Documents not theretofore submitted (excluding any Documents that are of solely of an internal nature or are otherwise subject to attorney-client privilege) shall promptly be so submitted to the Authority. The Authority shall have the non-exclusive right in perpetuity to use all such Documents and other work product (at no recourse to Developer as to accuracy, suitability for use or otherwise), subject to Developer's ownership thereof and/or right to use the same in connection with the Project during the Term of this Agreement, and the Authority shall have the right to use the same in connection with the Premises; *provided, however,* that with respect to architectural plans and other materials where the copyright thereto is owned by the Architect or another third party, Developer shall use good faith efforts to obtain for Developer and to extend

to the Authority a non-exclusive, transferable license to use such architectural plans and materials in connection with the Project.

Section 5.20 Good Faith and Cooperation. Each Party shall in good faith take all steps necessary to fulfill its Closing Obligations.

ARTICLE 6
GROUND LEASES; CONTROL AGREEMENTS; JOINT VENTURE AGREEMENTS

Section 6.1 Replacement Building Ground Leases. Subject to satisfaction of all Closing Obligations and Additional Closing Conditions applicable to a Replacement Building Parcel in accordance with the terms of this Agreement, the Authority, as Ground Lessor, will enter into Replacement Building Ground Leases for the Replacement Project with an RB Ground Lessee, each with a term of ninety-nine (99) years and on terms reasonably agreed to, and consistent with the respective Approved Plans and Specifications and Replacement Building Development Budget and the applicable requirements and conditions set forth in this Agreement, with the following terms at a minimum:

(a) *Delivery and Demolition*: Ground Lessor shall deliver the Parcel in the state of title provided for in this Agreement and any Existing Building on the applicable Parcel shall have been vacated of all tenants, Residents, occupants and users.

(b) *"As is"; Environmental Matters*: Ground Lessee shall accept the applicable Parcel "as is, where is, and with all faults" and subject to any Hazardous Substances on the applicable Parcel from the commencement of the applicable Replacement Building Ground Lease forward until the end of the term, including but not limited to, any pre-existing conditions, except that Ground Lessee shall have no liability for claims made by third parties relating to any tort or environmental liabilities under any Environmental Law for any injury suffered during the period prior to the commencement date unless as a result of acts or omissions of Ground Lessee and its related parties on the applicable Parcel pursuant to, and subject to the terms of, the Amended License Agreement.

(c) *Initial Construction Work*: Ground Lessee shall perform the Initial Construction Work in accordance with the Approved Plans and Specifications, the Replacement Building Development Budget and this Agreement.

(d) *Bonding*: As provided for in **Section 10.3(b)** below.

(e) *Labor Requirements*: All construction work shall comply with any and all applicable Legal Requirements, including, if applicable, the Davis-Bacon Act.

(f) *Construction/Alterations following Substantial Completion of Initial Construction Work*: Alterations with an aggregate cost greater than $250,000 that are not included in the approved annual budget shall require the prior written approval of Ground Lessor, which approval shall not be unreasonably withheld, conditioned or delayed, provided that for any such alterations that also (x) require a permit from DOB or other Governmental Authorities, or (y) include structural work, or (z) alter apartment unit counts, apartment unit sizes or apartment

bedroom counts (each such alteration, a "**Substantial Material Modification**"), such approval may be granted at Ground Lessor's sole discretion. Work involving ordinary course replacement, repair and maintenance work shall not require Ground Lessor consent or a completion guaranty from Ground Lessee.

(g) *ROFO Only*: Ground Lessor shall have a right of first offer for third-party transfers under the Lease (on market or other terms reasonably acceptable to the Parties).

(h) *Indemnification of Ground Lessor*: Ground Lessee shall indemnify Ground Lessor for Claims, Damages and Fees arising out of or relating to the following matters: (i) the Ground Lessee's use, occupancy, conduct, operation or management of the applicable Parcel; (ii) any work during the term, including, without limitation, the Initial Construction Work; (iii) any negligent, or intentionally tortious act or omission, or any other act or omission of the Ground Lessee (and its related parties); (iv) any injury to any person, or damage to any property, occurring on the applicable Parcel during the term; (v) any failure of Ground Lessee to comply with any of the terms, covenants and provisions of the Replacement Building Ground Lease; (vi) any default or breach by the Ground Lessee of permitted leasehold mortgages; (vii) any matter or thing occasioned in whole or in part by the acts or omissions of the Ground Lessee (or its related parties) during the term; and (viii) any of the aforementioned acts committed or omitted, or alleged to have been committed or omitted, by Ground Lessee's related parties; provided that the obligations, indemnities and liabilities of Ground Lessee shall not extend to any Claims, Damages and Fees to the extent such result from the gross negligence or intentional misconduct of the Ground Lessor or its related parties.

(i) *Transfer provisions*:

(i) Ground Lessee: Restrictions on transfers by Ground Lessee and/or any direct/indirect transfers of interests in Ground Lessee shall be consistent with restrictions on transfer as provided for in this Agreement and the RB Project Joint Venture Agreement. Notwithstanding the foregoing, in addition to any transfer rights pursuant to the preceding sentence, following Substantial Completion of the last Replacement Building, the Authority shall not unreasonably withhold, condition or delay its approval over transfers of any direct or indirect interests in Ground Lessee by Developer or any subsequent owner of an equity interest in Ground Lessee to third-party Person(s) that satisfy the Permitted Person requirements set forth herein and so long as Ground Lessee continues to be operated or managed by a "Qualified Manager" (as set forth on the Authority's PACT Pre-Qualified list); provided, (1) that Ground Lessor shall have a right of first offer with respect to such third-party transfers as provided in **Section 6.1(g)** above; and (2) for the avoidance of doubt, so long as the Authority and RB Developer both own an interest in Ground Lessee and the RB Project Joint Venture Agreement remains in effect, there shall be a single approval process and ROFO procedure with respect to the Authority's rights under both the Ground Lease and the RB Project Joint Venture Agreement. With respect to encumbrances and liens, except for permitted leasehold mortgages and encumbrances in the nature of equipment leases or other personal property leases so long as in the ordinary course of business, Ground Lessee shall neither create nor cause to be created liens upon the Replacement Building Ground Lease or applicable leasehold estate or the estate, rights or interest of Ground Lessor in and to the applicable Parcel.

(ii) Ground Lessor: No transfers of the fee or of any superior interest shall occur without Ground Lessee's consent, which consent shall not be unreasonably withheld, conditioned or delayed.

(iii) Financing: Replacement Building Ground Lease will include market terms and conditions enabling Ground Lessee to obtain a leasehold mortgage and mezzanine financing including, providing to the leasehold mortgagee: (i) notice and cure rights in the event of a default, (ii) the right to foreclose on the leasehold mortgage, and (iii) the right to receive a new lease in the event that the Replacement Building Ground Lease is terminated.

(j) *Rental Payments; Triple Net Lease*: Base rent shall be for an upfront payment in an amount to be determined by the Parties, which shall be financed 100% by a Seller Note to the Authority and payable solely in accordance with **Exhibit G**, and there shall be no other ongoing base rent payments. Ground Lessee shall be responsible for all additional rent (i.e., for PILOT payments, utilities, etc.) under the Replacement Building Ground Lease. Ground Lessee shall be responsible for all costs, expenses, liabilities, charges or other deductions whatsoever with respect to the applicable Parcel and the construction, ownership, leasing, operation, maintenance, repair, rebuilding, use, and occupation of any or all of the improvements.

(k) *Default Provisions*: Replacement Building Ground Lease to contain events of default and remedies on market terms for ground leases used in transactions similar to the transactions contemplated herein with counterparties similar to Ground Lessor and Ground Lessee. Ground Lessee will be provided reasonable notice and cure periods.

(l) *Real Estate Taxes/PILOT*: As provided for in **Section 5.18** above.

(m) *Guaranties*: As provided for in **Section 10.3(c)** below. Ground Lessee shall also provide a completion guaranty when undertaking Reviewable Construction Work (as to be defined in the Ground Lease).

(n) *HDFC*: Lease shall provide that the HDFC shall hold legal title to each ground leasehold estate as nominee for the Ground Lessee as contemplated in **Section 5.17**.

Section 6.2 Mixed-Income Ground Leases. Subject to the terms of this Agreement, the Authority will enter into Mixed-Income Ground Leases for the Mixed-Income Project with the MI Developer or its applicable subsidiary (in such capacity, the "**MI Ground Lessee**"), each with a term of ninety-nine (99) years and requirement that the applicable MI Land Valuation be paid at the applicable Closing as set forth in **Section 5.6(c)**, and on terms reasonably agreed to, and consistent with the respective Approved Plans and Specifications and the applicable requirements and conditions set forth in this Agreement, with the following terms at a minimum:

(a) *Delivery and Demolition*: Ground Lessor shall deliver the Parcel in the state of title provided for in this Agreement and any Existing Building on the applicable Parcel shall have been vacated of all tenants, Residents, occupants and users.

(b) *"As is"; Environmental Matters*: As provided in **Section 6.1(b)** above with references in such section to "applicable Replacement Building Ground Lease" being instead to "applicable Mixed-Income Ground Lease".

(c) *Initial Construction Work*: Ground Lessee shall perform the Initial Construction Work in accordance with the Approved Plans and Specifications and this Agreement.

(d) *Bonding*: Ground Lessee will not be obligated to provide payment or performance bonds in connection with construction unless required by the construction lender or otherwise required by Legal Requirements.

(e) *Labor Requirements*: All construction work shall comply with any and all applicable Legal Requirements, including, without limitation, the applicable wage rates as may be required by Legal Requirements applicable to the Mixed-Income Project.

(f) *Construction/Alterations following Substantial Completion of Initial Construction Work*: As provided for in **Section 6.1(f)** above.

(g) *ROFO Only*: Ground Lessor shall have a right of first offer for third-party transfers of the leasehold interest under the Lease or of direct or indirect equity interests in Ground Lessee (on market or other terms reasonably acceptable to the Parties).

(h) *Indemnification of Ground Lessor*: As provided in **Section 6.1(h)** above with references in such section to "Replacement Building Ground Lease" being instead to "Mixed-Income Ground Lease".

(i) Transfer provisions:

(i) Ground Lessee: Restrictions on transfers by Ground Lessee and/or any direct/indirect transfers of interests in Ground Lessee shall be consistent with restrictions on transfer as provided for in this Agreement and any joint venture agreement entered into with the Authority as described in **Section 6.5**. Notwithstanding the foregoing, in addition to any transfer rights pursuant to the preceding sentence, following Substantial Completion of the Mixed-Income Building, Developer (and any subsequent owner of an equity interest in Ground Lessee) shall have the right to transfer the leasehold interest under the Ground Lease or any direct or indirect interests in Ground Lessee to third-party Person(s) that satisfy the Permitted Person requirements set forth herein and so long as Ground Lessee continues to be operated or managed by a "Qualified Manager" (as set forth on the Authority's PACT Pre-Qualified list); provided, that (1) Ground Lessor's approval shall be required for such transfer, such approval not to be unreasonably withheld, conditioned or delayed and (2) Ground Lessor shall have a right of first offer with respect to such third-party transfers as provided in **Section 6.2(g)** above. With respect to encumbrances and liens, except for permitted leasehold mortgages and encumbrances in the nature of equipment leases or other personal property leases so long as in the ordinary course of business, Ground Lessee shall neither create nor cause to be created liens upon the Mixed-Income Ground Lease or applicable leasehold estate or the estate, rights or interest of Ground Lessor in and to the applicable Parcel.

(ii) Ground Lessor: No transfers of the fee or of any superior interest shall occur without Ground Lessee's consent, which consent shall not be unreasonably withheld, conditioned or delayed.

(iii) Mixed-Income Ground Lease will include market terms and conditions enabling Ground Lessee to obtain a leasehold mortgage and mezzanine financing including, providing to the leasehold mortgagee: (i) notice and cure rights in the event of a default, (ii) the right to foreclose on the leasehold mortgage, and (iii) the right to receive a new lease in the event that the Mixed-Income Ground Lease is terminated.

(j) *Rental Payments; Triple Net Lease; Additional Base Rent*:

(i) Base rent shall consist of the MI Land Valuation as an upfront payment as provided for in **Section 5.6(c)** and no ongoing base rent except as set forth in **Section 6.2(j)(ii)** below. Ground Lessee shall be responsible for all additional rent (i.e., for PILOT payments, utilities, etc.) under the Mixed-Income Ground Lease. Ground Lessee shall be responsible for all costs, expenses, liabilities, charges or other deductions whatsoever with respect to the applicable Parcel and the construction, ownership, leasing, operation, maintenance, repair, rebuilding, use, and occupation of any or all of the improvements.

(ii) In the event that the Authority does not have a beneficial ownership interest in an MI Developer, Ground Lessee shall also pay additional base rent ("**Additional Base Rent**"). Additional Base Rent shall be calculated annually as (x) 10% *multiplied* by (y) the difference (if positive) of (i) cash flow before debt service *minus* (ii) an amount equal to 8% of the total cost of development of the applicable Mixed-Income Building (including, but not limited to, land, hard, soft, development fee and financing costs, and post construction capital improvements). (For illustrative purposes only, if the development cost is $100,000,000, and cash flow before debt service is $10,000,000 in a given year, then Additional Base Rent for that year would be calculated as follows: 10% x ($10,000,000 - (8% x $100,000,000)) = $200,000).

(k) *Default Provisions*: As provided for in **Section 6.1(k)** above with references in such section to "Replacement Building Ground Lease" being instead to "Mixed-Income Ground Lease".

(l) *Real Estate Taxes/PILOT*: As provided for in **Section 5.18** above.

(m) *Guaranties*: As provided for in **Section 10.3(c)** below. Ground Lessee shall also provide a completion guaranty when undertaking Reviewable Construction Work (as to be defined in the Mixed-Income Ground Lease).

Section 6.3 Replacement Building Control Agreements. At the time of entering into a Replacement Building Ground Lease, the Authority and RB Ground Lessee will also enter into a Control Agreement, which shall be in a form consistent with the form used by the Authority for PACT projects as modified to reflect that the Replacement Project consists of demolition and new ground-up construction, which Control Agreement shall be subject to the reasonable approval of the Parties, and shall address and comply with the following:

(a) Compliance relating to HUD Requirements, including but not limited to, Section 3, and Davis-Bacon requirements (or any other labor standards required by HUD), and all RAD/PBV requirements;

(b) Compliance relating to Authority requirements (which include requirements of the City of New York, as applicable), including but not limited to, hiring of Authority residents, minority and women business enterprises, the relevant Authority voluntary compliance agreements, settlement agreements and consent decrees, PACT program requirements, and the resident rights provisions of the Chelsea Working Group report;

(c) Performance of the Initial Construction Work in accordance with HUD Requirements, Authority requirements set forth in this Agreement and the applicable Replacement Building Ground Lease, City of New York laws and regulations, and all relevant environmental agreements, laws, regulations;

(d) Authority construction oversight as set forth in this Agreement and the applicable Replacement Building Ground Lease;

(e) Authority role as Section 8 contract administrator in accordance with applicable HUD Requirements;

(f) Requirement for RB Ground Lessee to use the latest version of the Authority form of tenant lease for all residential leases at the Replacement Buildings, and for all non-residential leases to be subject to Authority approval not to be unreasonably withheld, conditioned or delayed;

(g) Requirement for the management plans and agreements to be subject to the Authority's prior review and written approval, not to be unreasonably withheld, conditioned or delayed, and to incorporate provisions concerning operations and management agent replacement in accordance with HUD Requirements and such other of the Authority's requirements;

(h) Requirements regarding operating the Buildings in accordance with the annual operating budgets approved by the Authority (subject to a reasonableness standard and timely review processes) and detailing the ongoing Authority fees and the social services contributions and reserve requirements;

(i) Authority ongoing asset management reporting and audit requirements following Substantial Completion consistent with PACT program requirements; and

(j) Default and remedy provisions related to the foregoing subject to reasonable notice and to cure periods.

Section 6.4 RB Project Joint Venture Agreement.

(a) The Authority and Developer shall form a joint venture with the primary purpose of developing the Replacement Project and owning the leasehold interests under the Replacement Building Ground Leases (together with any directly or indirectly wholly-owned subsidiary(ies) of such joint venture, the "**RB Developer**"). The Parties shall enter into an

operating agreement of the RB Developer in a form and on such terms reasonably acceptable to the Parties and the Third-Party RB Equity Investor (and, to the extent the Third-Party RB Equity Investor will be investing through Developer and not as a direct member of RB Developer in accordance with **Section 5.6(b)**, such form and terms will be modified and conformed to reflect the applicable terms negotiated with the Third-Party RB Equity Investor where appropriate or necessary) ("**RB Project Joint Venture Agreement**") prior to the Phase 1 Closing, which shall be consistent with any specified terms set forth herein and which shall include the following terms:

(i) RB Ground Lessee: the RB Developer will be the sole member of each of the beneficial lessees of the applicable Replacement Building Ground Lease for the Parcel(s) on which the Replacement Buildings will be built (each, a "**RB Ground Lessee**");

(ii) Developer Fees: each RB Ground Lessee shall enter into development agreements ("**Development Management Agreements**") with developer fees payable in accordance with **Exhibit G**;

(iii) Developer Overhead Reimbursement: Payable in accordance with **Exhibit G**;

(iv) Financing: Developer will pursue, on behalf of the RB Developer, financing for the Replacement Project in accordance with **Section 5.6(b)** and in accordance with **Exhibit G**;

(v) Transfer of Developer's Membership Interest: the Authority shall have a right of first offer on any transfer of Developer's interest in the RB Developer to a third party, which such direct and indirect transfers shall be permitted on such terms and subject to such requirements as described in **Section 6.1(i)(i)** above;

(vi) Transfer provisions generally: Any transfers by Developer and/or any direct/indirect transfers of interests in Developer that are permitted by this Agreement shall be permitted; provided, that Developer shall be afforded additional transfer rights following Substantial Completion and the transfer provisions shall be modified to include permitted transfers for the Third-Party RB Equity Investor (directly and/or indirectly) and reflect any dilution in any control group's ownership of Developer due to the admission of such Third-Party RB Equity Investor. The RB Project Joint Venture Agreement will also include reasonable transfer restrictions on the Authority's membership interest and restrictions on transferring to competitors of Developer;

(vii) Governance: Developer shall be the managing member of the RB Developer and each of the Authority and Developer will have approval rights with respect to a set of agreed-upon customary major decisions as more particularly set forth in the RB Project Joint Venture Agreement;

(viii) Percentage Interest: As set forth in **Exhibit G**;

(ix) Capital Contributions: As set forth in **Exhibit G**;

(x) Distributions: As set forth in **Exhibit G**; and

(xi) Default and remedy provisions related to the foregoing subject to reasonable notice and to cure periods.

(b) In the event LIHTC is utilized, the Parties acknowledge and agree that the Developer intends, and shall be permitted, to (1) cause the applicable RB Ground Lessee to submit its respective leasehold estate to the provisions of Article 9B of the Real Property Law of the State of New York, as it may be amended, in order to create a leasehold condominium at the applicable Replacement Building Parcel, which leasehold condominium will include a leasehold condominium unit for residential units qualifying for low income housing tax credits (a "**LIHTC Unit**") and (2) the Replacement Building Ground Lease and RB Project Joint Venture Agreement will permit the applicable RB Ground Lessee to sell the LIHTC Unit, or direct or indirect interests therein, to one or more third-party investors in low income housing tax credits following the put-in-service date, Substantial Completion of the applicable Replacement Building or any other event after which such unit is eligible for such credits under the Internal Revenue Code of 1986, as amended.

(c) Additionally, the applicable Replacement Building Ground Lease and RB Project Joint Venture Agreement shall provide that neither the RB Developer, nor any RB Ground Lessee, will assume the Authority's obligations under that certain Parking Facility Use Agreement dated as of June 30, 2010, and recorded in the Office of the City Register of the City of New York as CFRN No. 2010000241065, and, instead, the Authority shall agree to remain solely responsible for, and shall agree to perform, any and all of the obligations of NYCHA (as defined therein) thereunder.

Section 6.5 Mixed-Income Project Joint Venture Agreement.

In connection with the execution of a Mixed-Income Ground Lease for which the Authority has made an election as set forth in **Section 5.6(c)(ii)**, the Authority and applicable MI Developer shall form a joint venture, together with any third-party equity investors, as applicable, to own the leasehold interest under the applicable Mixed-Income Ground Lease. The Parties shall enter into an operating agreement for such joint venture that reflects the economic and other terms set forth in **Section 5.6(c)(ii)** and is consistent with any other terms set forth herein that are applicable to the Mixed-Income Project and/or Mixed-Income Parcels, and which shall otherwise be in a form and on such terms as negotiated with the applicable third-party equity investor(s) and reasonably acceptable to the Parties (commensurate with Party's relative ownership interest therein). For the avoidance of doubt, the terms of the RB Project Joint Venture Agreement set forth herein or the actual terms and form thereof are not intended to apply to or govern the form, terms and/or conditions of the operating agreement of MI Developer or the Authority's rights thereunder, it being agreed that the economic terms of the Authority's ownership interest will be as set forth in **Section 5.6(c)(ii)** and such other terms and approval rights will be subject to the requirements of the applicable third-party investor(s) for such Mixed-Income Parcel and commensurate with the Authority's ownership interest.

Section 6.6 Transaction Agreements Generally.

Any duplicative provisions reflected in more than one Transaction Agreement shall be incorporated by reference or attached as an exhibit with the goal of eliminating or streamlining

such duplication. Additionally, the term "Authority Delay" will be incorporated into the agreements described in this **Article 6** for review and approval requests for the same category of items as contemplated in **Sections 5.7** and **5.8**.

ARTICLE 7
CLOSING; EXTENSIONS; GROUND LEASES

Section 7.1 Closing Timing.

(a) *Closings for Replacement Building Parcels*: The execution and delivery of the applicable Replacement Building Ground Lease and the performance of such other obligations as may be necessary in connection therewith and/or otherwise in connection with the applicable Initial Construction Work, including execution and delivery of any other applicable Transaction Agreement (each, an "**RB Closing**"), shall occur through an escrow arrangement administered by the Title Company, by no later than 1:00 p.m. New York City time on the applicable scheduled closing date for such Replacement Building Parcel, which shall be for each RB Closing, the date that is thirty (30) days after the date on which the Authority Closing Obligations under **Section 8.2(a)** through **Section 8.2(d)** and the applicable Additional Closing Conditions have been satisfied or would have been satisfied but for a Developer Default, or, in each case, such earlier date upon which the Parties may mutually agree or such later date to which the applicable RB Closing may be extended or adjourned in compliance with this Agreement (the "**Scheduled RB Closing Date**"). Notwithstanding anything to the contrary herein, to the extent any RB Closing is reliant on a Governmental Authority (e.g., the HFA or HDC issuing housing bonds), the RB Closing shall be scheduled accordingly. The actual date on which the applicable RB Closing shall occur is the "**RB Closing Date**".

(b) *Closings for Mixed-Income Parcels*: The execution and delivery of the applicable Mixed-Income Ground Lease and the performance of such other obligations as may be necessary in connection therewith and/or otherwise in connection with the applicable Initial Construction Work, including execution and delivery of any other applicable Transaction Agreement (each, an "**Mixed-Income Closing**"), shall occur through an escrow arrangement administered by the Title Company, by no later than 1:00 p.m. New York City time on the applicable scheduled closing date for such Mixed-Income Parcel, which shall be six (6) months following the MI Land Valuation Determination Date for such Mixed-Income Parcel (in accordance with **Section 5.6(c)**) or, in each case, such earlier date upon which the Parties may mutually agree or such later date to which the applicable Mixed-Income Closing may be extended or adjourned in compliance with this Agreement (the "**Scheduled Mixed-Income Closing Date**"); provided, that if the Mixed-Income Closing has not occurred as of the date that is twelve (12) months following the MI Land Valuation Determination Date, then either Party shall have the right, exercisable by written notice to the other Party, to postpone the Mixed-Income Closing and require an update to the MI Land Valuation (but this shall not entitle either Party to require an update to the calculation methodology). If either Party requires an update to the MI Land Valuation pursuant to the preceding sentence, then the Parties shall cooperate and endeavor in good faith to promptly agree upon an updated MI Land Valuation amount and if the Parties are unable to mutually agree on such updated amount within ten (10) days following receipt of the written notice described in the prior sentence, then the updated calculation of the MI Land Valuation shall be determined in accordance with the methodology attached hereto as **Exhibit H**

(the "**Updated MI Land Valuation**"). The actual date on which the applicable Mixed-Income Closing shall occur is the "**Mixed-Income Closing Date**".

Section 7.2 Extensions for Failure to Satisfy Developer Closing Obligations; Failure to Close.

(a) In the event that the Developer has not satisfied the applicable Developer Closing Obligations for a particular RB Closing by the applicable Scheduled RB Closing Date, the Developer shall have the right to extend such applicable Scheduled RB Closing Date for one (1) or more extension periods of one (1) month each (each, an "**Extension**") not to exceed three (3) months in the aggregate, by (x) delivering notice to the Authority no less than ten (10) Business Days prior to the then applicable Scheduled RB Closing Date (an "**Extension Notice**"), and (y) solely with respect to the second and/or third Extension for an RB Closing, making payment to the Authority $100,000 for the second Extension and $100,000 for the third Extension (each, an "**Extension Fee**") in accordance with **Section 7.2(b)** to compensate the Authority for damages suffered by the Authority by reason of Developer's failure to consummate the applicable RB Closing on the applicable Scheduled RB Closing Date; it being agreed that Developer shall be entitled to the first Extension for each RB Closing without being required to pay any such fee or damages to the Authority. For the avoidance of doubt, Developer's paid Extension Fees are non-refundable and shall not be offset against any other amounts due and payable under the Transaction Agreements.

(b) Each payment of an Extension Fee that is required pursuant to **Section 7.2(a)** shall be made on the date on which the Extension Notice for such Extension is delivered in accordance with **Section 7.2(a)** and shall be made by wire transfer of immediately available funds in accordance with wire instructions to be provided by the Authority. For avoidance of doubt, an Extension Notice for a second or third Extension shall only be considered to comply with the provisions of this **Section 7.2** if the applicable Extension Fee is simultaneously paid to the Authority.

(c) If one or more of the applicable Developer Closing Obligations for a particular RB Closing are outstanding, the Authority shall not otherwise be obligated to proceed with the applicable RB Closing unless and until the applicable Developer Closing Obligations are satisfied and, if applicable, due to the existence of a Developer Default, the Authority shall be entitled to exercise such rights as provided in **Section 16.2** hereof, including, without limitation, the right to terminate this Agreement and retain the Security Deposit solely to the extent provided for under **Section 16.2**. Notwithstanding the foregoing (but without limiting the Authority's termination rights set forth in **Sections 7.2(e)** and **7.2(f)** below), it shall not constitute a Developer Default hereunder if Developer fails to consummate a Closing due to a failure to satisfy the Developer Closing Obligation set forth in **Section 8.1(b)** as of the applicable date required or contemplated herein, provided such failure is due to national market-wide financing conditions making financing as contemplated by **Exhibit G** unavailable, and, provided further, Developer reasonably demonstrates to the Authority that Developer has diligently pursued satisfaction of such Developer Closing Obligation set forth in **Section 8.1(b)**.

(d) If one or more of the applicable Authority Closing Obligations for a particular RB Closing are outstanding, the Developer shall not otherwise be obligated to proceed

with the applicable RB Closing unless and until the applicable Authority Closing Obligations are satisfied, and (x) the applicable Scheduled RB Closing Date shall be extended until such Authority Closing Obligations are satisfied and (y) the Authority shall be required to use diligent and ongoing efforts to timely satisfy any such remaining Authority Closing Obligations.

(e) If (i) Developer fails to consummate an RB Closing within twelve (12) months after the Authority Closing Obligations under **Section 8.2(a)** through **Section 8.2(d)** and the applicable Additional Closing Conditions have been satisfied or would have been satisfied but for a Developer Default or (ii) Developer has notified the Authority in writing that it is no longer pursuing any RB Closing (the occurrence of any event described in clause (i) or (ii), an "**RB Termination Event**"), then, (A) the Authority shall have the right to retain the applicable $2,500,000 portion of the Security Deposit if such amount has been deposited into the Security Deposit Escrow Account as required pursuant to Section 3.3 hereof as full liquidated damages for such RB Termination Event, and (B) each of the Authority and Developer shall have the right to terminate this Agreement on account of such RB Termination Event with respect to all Parcels for which a Closing had not yet occurred, which termination right shall be exercisable by either Party by delivering written notice of such election to terminate to the other Party; it being acknowledged and agreed that notwithstanding anything to the contrary herein, the remedy set forth in this **Section 7.2(e)** constitutes the Authority's sole and exclusive remedy on account of such RB Termination Event. Notwithstanding clause (i) of the preceding sentence, in the case of the First Closing, provided that Developer is diligently and in good faith pursuing such First Closing, then Developer shall have an additional six (6) months (for an aggregate of eighteen (18) months) to consummate such First Closing. In addition, such period shall toll in the event there is pending action, suit or proceeding before or by any court, administrative agency or other Governmental Authority which seeks to restrain or prohibit the consummation of such Closing. The time periods provided for in this **Section 7.2(e)** shall be extended to accommodate any Governmental Authority issuing tax-exempt bonds in connection with such Closing for up to six (6) months; provided, if, as of the applicable outside date, such bond financing is scheduled by a specified date following such outside date, then such time periods will be further extended until such specified date for the bonding financing.

(f) If (i) Developer fails to consummate a MI Closing by the date that is the later of (A) two (2) years after the initial MI Land Valuation Determination Date for the applicable Mixed-Income Parcel and (B) sixty (60) days after the Authority Closing Obligations under **Section 8.2(a)** through **Section 8.2(d)** and the applicable Additional Closing Conditions have been satisfied or would have been satisfied but for a Developer Default or (ii) Developer has notified the Authority in writing that it is no longer pursuing a Mixed-Income Closing (the occurrence of any event described in clause (i) or (ii), an "**MI Termination Event**"), then, (x) the Authority shall have the right to retain the $2,500,000 portion of the Security Deposit as full liquidated damages for such MI Termination Event, and (y) each of the Authority and Developer shall have the right to terminate this Agreement on account of such MI Termination Event with respect to all Mixed-Income Parcels for which a Closing had not yet occurred, which termination right shall be exercisable by either Party by delivering written notice of such election to terminate to the other Party; it being acknowledged and agreed that notwithstanding anything to the contrary herein, the remedy set forth in this **Section 7.2(f)** constitutes the Authority's sole and exclusive remedy on account of such MI Termination Event.

(g) Notwithstanding anything contained in this Agreement to the contrary, should the applicable Substantial Completion not occur by the applicable Construction Outside Date, the Authority shall have the right to terminate this Agreement by notice to Developer, such notice to state that such termination shall be effective fifteen (15) days from the date of such notice. In the event that Developer achieves the applicable Substantial Completion prior to delivery of such notice by the Authority, this Agreement shall not be terminated even though such applicable Substantial Completion occurred after the applicable Construction Outside Date. **TIME SHALL BE OF THE ESSENCE** as against Developer with respect to the applicable Construction Outside Date.

Section 7.3 Target Milestone Dates.

(a) Each Party shall use best efforts in its performance of its obligations hereunder to attempt to cause the Project to achieve each of the non-binding target milestone dates set forth as follows (each, a "**Target Milestone Date**").

(i) Phase 1 Closing: 7/1/2025

(ii) Phase 2F Replacement Buildings Closing: 3/1/2028

(iii) Phase 2EC Replacement Buildings Closing: 3/1/2029

(iv) Replacement Project Substantial Completion: 12/31/2031

(v) Mixed-Income Project Completion: 12/31/2041

(b) Notwithstanding anything herein, in no event shall a Party have any liability to the other Party or otherwise be in default hereunder due to a failure of the Project to achieve any such Target Milestone Date.

ARTICLE 8
CLOSING OBLIGATIONS; ADDITIONAL CLOSING CONDITIONS

Section 8.1 Developer Closing Obligations. The following are the "**Developer Closing Obligations**" (each a "**Developer Closing Obligation**"), and shall be satisfied by Developer prior to and as a condition precedent to a Closing of a New Building and its corresponding Parcel (sometimes referred to herein as an "**applicable Closing**") as of the Scheduled Closing Date applicable thereto:

(a) Developer shall have performed all of the obligations and complied with all of the requirements to be performed or complied with, in each case, in all material respects as of the applicable Scheduled Closing Date by Developer hereunder; and

(b) Developer shall cause the applicable Ground Lessee to be ready to close (simultaneously with the applicable Lease execution) as of the applicable Closing on a construction loan as set forth in the Evidence of Financing that, together with the equity and capital proceeds to be contributed to the applicable Project Developer pursuant to the Evidence of Equity (including

the appropriate portion of the Minimum Equity Contribution), is sufficient to cover the budgeted cost of the applicable Initial Construction Work for such New Building;

(c) the Authority's review of Background Questionnaire Forms (or other applicable investigation forms) shall have revealed no information which, under the Authority's policies, would preclude the leasing of the applicable Parcel to Ground Lessee pursuant to the applicable Lease; provided, that if any such information is revealed, the Authority shall notify Developer in a timely manner and Developer shall have the right to extend the Scheduled Closing Date by thirty (30) days to remedy same in accordance with **Section 7.2(a)**;

(d) Developer shall be prepared to deliver (simultaneously with the applicable Lease execution) a Completion Guaranty in accordance with the requirements of this Agreement and the Lease;

(e) Developer shall be prepared to deliver (simultaneously with the applicable Lease execution) satisfactory proof of insurance in accordance with the requirements of the Lease;

(f) Developer shall have secured all of Developer's necessary corporate and other organizational approvals to effectuate the applicable Transaction Agreements, and provided copies of such approvals to the Authority for its review and reasonable confirmation. In addition, Developer shall have provided the Authority with (i) updated proof satisfactory to the Authority as to the due formation and the authority of Developer to enter into the applicable Transaction Agreements, (ii) copies of Developer's organizational documents, and (iii) proof satisfactory to the Authority as to the identity of the beneficial owners of Developer and that such beneficial ownership of Developer does not result in a non-compliance or breach of any ownership or disclosure requirements set forth herein (subject to any notice and cure rights applicable thereto);

(g) Developer shall have obtained an updated title search with respect to the applicable Parcel dated no later than thirty (30) days prior to the applicable Closing Date and delivered same to the Authority;

(h) Developer shall provide the Construction Contract for the applicable Initial Construction Work as required under this Agreement and the applicable Lease;

(i) Developer shall provide the performance bonds for bondable work required under this Agreement and the applicable Lease if required pursuant to **Section 10.3(b)**;

(j) The then-current Plans and Specifications for the applicable Initial Construction Work shall comply with the requirements herein;

(k) Developer shall have paid the full amount of the Administrative Fee and Resident Advisor Fee that is due and payable hereunder in connection with the applicable Closing;

(l) Developer shall have paid the applicable amount, if any, of the Security Deposit that is due and payable hereunder pursuant to **Section 3.3**; and

(m) Developer shall have delivered executed counterparts to each the deliverables listed in **Section 9.2** below that are applicable to the applicable Closing, which documents may be delivered into escrow with the Title Company.

Section 8.2 Authority Closing Obligations. The following are the "**Authority Closing Obligations**", and shall be satisfied by the Authority prior to and as a condition precedent to the applicable Closing as of the Scheduled Closing Date applicable thereto:

(a) All applicable HUD Approvals shall have been obtained;

(b) All Existing Buildings located on the applicable Parcel shall have been vacated of all tenants, Residents, occupants and users;

(c) The Authority shall have secured all of the Authority's necessary corporate and other organizational approvals to effectuate the applicable Transaction Agreements, and provided evidence of such approvals and authorization to consummate the applicable Closing to the Title Company;

(d) The Authority shall have obtained the PILOT Agreement Approval required for the applicable Parcel.

(e) The Authority shall have performed all of the obligations and complied with all of the requirements to be performed or complied with, in each case, in all material respects as of the applicable Scheduled Closing Date (if any) by the Authority hereunder; and

(f) The Authority shall have delivered executed counterparts to each of the deliverables listed in **Section 9.1** below that are applicable to the applicable Closing, which documents may be delivered into escrow with the Title Company.

Section 8.3 Additional Closing Conditions. The following are the "**Additional Closing Conditions**", and shall be satisfied prior to and as a condition precedent of the applicable Closing as of the Scheduled Closing Date applicable thereto:

(a) The applicable Tax Lot Subdivision shall have been completed and the New Lot formed for the applicable Parcel;

(b) The applicable Zoning Lot Merger shall have been completed for the New Lot;

(c) In the case of an RB Closing, the form of Replacement Building Ground Lease, Control Agreement and RB Project Joint Venture Agreement shall each be in final form and approved by each of Authority and Developer; and in the case of a Mixed-Income Closing, the form of Mixed-Income Ground Lease and, if applicable a joint venture agreement as contemplated in **Section 6.5** shall each be in final form and approved by each of Authority and Developer;

(d) There shall exist no pending action, suit or proceeding before or by any court, administrative agency or other Governmental Authority which seeks to restrain or prohibit the consummation of the transaction contemplated hereunder; and

(e) The Premises shall be in compliance with Article 13 below.

ARTICLE 9
CLOSING DELIVERABLES

Section 9.1 Authority Deliverables.

At the applicable Closing, the Authority shall deliver the following to Developer or into escrow with the Title Company, as applicable:

(a) the applicable Lease, duly executed and acknowledged where appropriate by the Authority;

(b) with respect to a Closing for a Replacement Building, the applicable Control Agreement, duly executed and acknowledged where appropriate by the Authority;

(c) a duly executed and acknowledged counterpart of the applicable Memorandum of Lease;

(d) all necessary transfer tax forms in connection with the applicable Lease and the Memorandum of Lease;

(e) all Documents and other deliverables required (pursuant to the terms of this Agreement or the Transaction Agreements) to be executed and delivered by the Authority on or before the delivery of the applicable Lease; and

(f) such other Documents and affidavits, executed on behalf of the Authority, as are customary and are required by the Title Company to issue to Ground Lessee a leasehold policy of title insurance with respect to the Parcel leased under the applicable Lease, except to the extent the Authority does not generally execute such Documents and affidavits for title insurance purposes.

Section 9.2 Developer Deliverables. At the applicable Closing, Developer shall deliver the following to the Authority or into escrow with the Title Company, as applicable:

(a) the applicable Lease, duly executed and acknowledged where appropriate by the applicable Ground Lessee;

(b) with respect to a Closing for a Replacement Building, the applicable Control Agreement, duly executed and acknowledged where appropriate by the applicable Ground Lessee;

(c) a duly executed, and acknowledged counterpart of the Memorandum of Lease;

(d) copies of all permits, consents, certificates and approvals of all Governmental Authorities required for the commencement of the applicable Initial Construction Work;

(e) insurance certificates evidencing satisfaction of the insurance requirements for the applicable Parcel set forth in the applicable Transaction Agreements;

(f) a certificate certifying that the representations and warranties set forth in **Section 12.1** are true and accurate in all material respects as of the date of the applicable Closing;

(g) certified copies of the organizational documents of the applicable Ground Lessee, together with a certificate of good standing and certified copies of all consents and resolutions of such Ground Lessee authorizing the execution and delivery of the Transaction Agreements;

(h) a duly executed, and where appropriate, acknowledged, counterpart of all necessary transfer tax forms in connection with the applicable Lease and Memorandum of Lease;

(i) payment, in accordance with the Transaction Agreements, of all amounts then due and payable by RB Developer from the Replacement Building Development Budget under the Transaction Agreements applicable to the Parcel that is the subject of such Closing;

(j) the applicable Completion Guaranty duly executed by the Approved Guarantor;

(k) solely with respect to a Closing for a Replacement Building Parcel, delivery of the payment bond as and to the extent required for any Replacement Buildings in accordance with **Section 10.3(b)** of this Agreement;

(l) the applicable Construction Contract; and

(m) all other Documents, payments and other deliverables required to be executed and delivered by Developer on or before the delivery of the applicable Lease, as set forth herein or therein.

ARTICLE 10
PROJECT BUILDING DEVELOPMENT

Section 10.1 Reserved.

Section 10.2 Cooperation of the Authority in Obtaining Permits.

(a) At the request of Developer, the Authority (acting in its proprietary capacity) shall reasonably cooperate with the applicable Project Developer in obtaining the permits, consents, certificates and approvals required by this Agreement and the applicable Transaction Agreements, and shall not unreasonably withhold its consent to any application required to obtain such permits, consents, certificates and approvals made by the applicable Project Developer, provided the Authority's work shall be limited to reviewing and executing the

application or related documents relating to such permits, consents, certificates and/or approvals in a reasonably prompt manner. Such reasonable cooperation by the Authority shall include cooperating with the Developer to expedite utility cut-offs prior to and immediately after the applicable Closing and cooperating to procure applicable demolition permits. The applicable Project Developer shall reimburse the Authority within ten (10) days after written demand therefor, the amount of any reasonable out-of-pocket costs or expenses reasonably incurred by the Authority (acting in its proprietary capacity) in cooperating with Developer to obtain the permits, consents, certificates and approvals required by this Agreement and the applicable Transaction Agreements.

(b) Prior to the applicable Closing, (x) Developer acknowledges and agrees that only the Authority has authority to sign documents on behalf of the owner of the applicable Parcel and (y) in no event shall Developer sign applications for permits or any other documents on behalf of the owner of the applicable Parcel or hold themselves out as owner of the applicable Parcel.

(c) The applicable Project Developer shall not commence or cause to be commenced any Initial Construction Work on the applicable Parcel, unless and until Developer shall have obtained and delivered to the Authority: (A) copies of all permits, consents, certificates and approvals of all Governmental Authorities required for the commencement of the applicable Initial Construction Work, certified by Developer or the Architect, and (B) certified copies, certificates or memoranda of the policies of insurance required to be carried pursuant to the applicable Transaction Agreements.

Section 10.3 Construction Contracts; Bonding; Completion Guaranty.

(a) Construction Contract. As a condition to each Closing, Developer shall deliver to the Authority a true, correct and complete copy of the general contractor or construction management contract, or other form of contract for the applicable Initial Construction Work that satisfies the requirements set forth in the applicable Transaction Agreements and HUD Requirements that will be executed as of the Closing (each a "**Construction Contract**"), made with a reputable and responsible contractor or construction manager who has properly enrolled in PASSPort and provided all required information for a complete PASSPort review (such contractor or construction manager, a "**Contractor**") providing for the completion of the applicable Initial Construction Work in accordance with the Approved Plans and Specifications therefor and applicable Legal Requirements, and which complies with this Agreement and the applicable Transaction Agreements.

(b) Payment & Performance Bonds. As a condition to each Closing for a Replacement Building, if and solely to the extent required by HUD, Project Developer shall deliver to the Authority a payment & performance bond in an amount equal to one hundred percent (100%) of the aggregate costs and expenses of such Initial Construction Work, guaranteeing prompt payment of monies due to all Persons furnishing labor or materials for such Initial Construction Work. Each bond shall be satisfactory to the Authority and HUD, as required, in form and substance in HUD's sole discretion and in the Authority's reasonable discretion and shall be issued by a surety company licensed or authorized to do business in New York State that is approved by the Comptroller. If, prior to Substantial Completion of the applicable Initial Construction Work, any such payment bond that is required by HUD is cancelled or otherwise ceases to be in full force and effect (other than pursuant to its terms), then, within ten (10) Business Days after notice of the

foregoing, the applicable Project Developer shall provide a replacement bond or other comparable security that complies with HUD's requirements on account thereof.

(c) Completion Guaranty. As a condition to each Closing, Developer shall deliver, or caused to be delivered, to the Authority a Completion Guaranty guaranteeing Substantial Completion of such applicable Initial Construction Work from the Approved Guarantor to be executed and effective upon the Closing.

Section 10.4 Costs and Expenses. Developer understands and agrees that any Buildings constructed or required to be constructed by a Project Developer will be designed, constructed, restored, maintained, secured and insured entirely at such Project Developer's sole cost and expense without reimbursement or contribution by the Authority directly, or any credit or offset of any kind from the Authority for any costs or expenses incurred by Developer.

ARTICLE 11
TRANSFER TAXES; RECORDING; SUBORDINATION

Section 11.1 Payment of Transfer Taxes. The applicable Ground Lessee shall pay, and at each applicable Closing shall deliver to the Title Company, payment for, any real property transfer tax imposed by the City and any real estate transfer tax imposed by the State of New York, with respect to the applicable Transaction Agreements unless such transfer is exempt from such transfer tax as of right with respect to Ground Lessee and not by reason of exemption of the Authority. Developer shall be responsible for all real property transfer taxes and recording fees imposed with respect to every aspect of the transaction contemplated by this Agreement pertaining to its applicable Parcel (provided, such costs shall be a project cost borne by the applicable Ground Lessee) and Developer shall indemnify the Authority for any claims for the foregoing charges by any Governmental Authority. At each Closing, the applicable Ground Lessee and the Authority, or their respective attorneys, shall execute and acknowledge all applicable transfer tax returns. Developer shall provide to the Authority written evidence of the method for calculating such transfer taxes.

Section 11.2 Recorded Documents. Promptly after each applicable Closing (and in no event later than five (5) days after the applicable Closing) and at Project Developer's sole cost and expense, Developer shall cause the applicable Memorandum of Lease, and all of the other Transaction Agreements that are contemplated to be recorded, if any, to be submitted for recording to the Office of the City Register of the City of New York, in the Borough of Manhattan, and County of New York County, and shall deliver to the Authority evidence acceptable to the Authority that such documents have been duly recorded and that any such transfer taxes have been paid. Developer's obligation set forth above shall survive the applicable Closing.

Section 11.3 Leasehold Mortgages and Subordination. A Ground Lessee shall have the right to mortgage its leasehold estate created by a Lease in accordance with the terms of such Lease. A Ground Lessee's leasehold estate created by each Lease and any leasehold mortgage of such leasehold estate shall be subject and subordinate to any HUD use restrictions and any Authority use restrictions and regulatory agreements for the applicable Parcel. No leasehold

mortgage shall extend to, affect or be a lien or encumbrance upon, the estate and interest of the Authority in the Premises or any part thereof.

ARTICLE 12
REPRESENTATIONS AND WARRANTIES OF DEVELOPER; OTHER MATTERS

Section 12.1 Developer Representations and Warranties. Developer hereby represents and warrants, as of the date hereof, and Developer shall represent and warrant on the applicable Closing Date where specified, that:

(a) Good Standing. Developer is a limited liability company duly organized, validly existing, and in good standing under the laws of the State of New York, is authorized to do business in the State of New York and has all requisite power and authority to execute, deliver and perform this Agreement.

(b) Due Execution and Delivery. The execution and delivery of this Agreement has been duly authorized by all required company action and upon such execution and delivery this Agreement shall constitute a legal, valid, binding and enforceable obligation of Developer.

(c) Ownership of Developer. As of the date hereof and each applicable Closing Date, in the aggregate, the Related Control Group and the Essence Control Group, collectively, directly or indirectly own at least 50%, or, if as of such date the Third-Party RB Equity Investor invests directly or indirectly in Developer, 10%, as applicable (the applicable percentage being referred to as the "**Minimum Developer Ownership Percentage**"), of the Equity Interests in Developer.

(d) Other Agreements and Restrictions. The execution and delivery of this Agreement by Developer will not (i) violate any provision of, or require any filing, registration, consent or approval under Legal Requirements having applicability to Developer that has not been previously obtained, (ii) result in a breach of, or constitute a default or require any consent that has not been previously obtained under any indenture or loan or credit agreement or any other agreement, lease or instrument to which Developer is a party or by which it or its properties may be bound or affected; (iii) result in, or require, the creation or imposition of any lien, upon or with respect to any of the properties now owned or hereafter acquired by Developer; or (iv) cause Developer to be in default under or violation of any Legal Requirements or other order, writ, judgment, injunction, decree, determination or award or any indenture, agreement, lease or instrument to which Developer is a party or by which it or its properties may be bound or affected.

(e) Permitted Person. As of the date hereof and the applicable Closing Date, Developer and the Developer Principals are each a Permitted Person.

Section 12.2 Condition of Property; "As Is" Condition.

(a) Developer has completed to its satisfaction within the Term of this Agreement, its due diligence review and examination and inspection of the Premises. Except as expressly permitted herein, Developer shall not have the right to terminate this Agreement or refuse to close on the applicable Transaction Agreements based on any such due diligence matters

discovered from and after the date hereof in connection with its due diligence reviews, or otherwise.

(b) Developer represents that it is a sophisticated real estate developer and possesses specific expertise in the development of real property in New York City, is familiar with the location, physical condition and state of repair of the Premises and, except as expressly set forth in this Agreement or any Transaction Agreement, agrees to accept the Premises "as is", "where is" and "with all faults", in whatever condition and state of repair it may be on the applicable Closing Date, without any abatement or reduction in, or credit or allowance against the Security Deposit or any other amounts due under the Transaction Agreements by reason of any current condition of the Premises or any loss, damage, destruction or deterioration thereto or thereof subsequent to the date hereof.

(c) Developer has not been induced by, and has not relied to any extent upon any information or materials provided to it by or obtained by it from the Authority or any other Person owned, controlled by or affiliated with the Authority or any representations, warranties or statements, whether oral or written, express or implied, made by the Authority or any other Person owned, controlled by or affiliated with the Authority or any agent, employee or other representative thereof or by any broker or any other Person representing or purporting to represent any of such parties, which information, materials, representations, warranties or statements are not expressly set forth in this Agreement or any Transaction Agreement concerning the Premises, its state of title, condition or state of repair, tenancies or occupancies, the absence or presence of hazardous waste and materials and/or Hazardous Substances at, on or under the Premises, or any other matter affecting or relating to the Premises or the transaction contemplated by this Agreement.

Section 12.3 No Representations by the Authority. Without limiting the foregoing, the Authority makes no representation or warranty concerning any of the following matters:

(a) the Premises' compliance or non-compliance with any Legal Requirements;

(b) the environmental condition of the Premises, or the Premises' compliance or non-compliance with any Environmental Laws;

(c) the actual or permitted current or future use of the Premises pursuant to applicable Legal Requirements;

(d) the state of title of the Premises or the insurability and/or marketability thereof (without limiting the obligations in **Article 13**);

(e) the current or future real estate tax liability, assessment or valuation of the Premises;

(f) the availability of any benefits conferred by Legal Requirements, whether for subsidies, special real estate tax treatment or other benefits of any kind (*provided that* nothing herein shall prohibit Developer from seeking any such benefits);

(g) the availability from any Governmental Authority of any licenses, permits, approvals or certificates which may be required in connection with the development or operation of the Premises;

(h) the compliance of the Premises, in its respective current or future states, with applicable zoning ordinances or tax maps; or

(i) the ability to obtain an exemption from or a change in the zoning or a variance with respect to the Premises' non-compliance, if any, with any provision of the Zoning Resolution; or

(j) the status of any tenancies or occupants, if any, on the Premises.

Section 12.4 Limitations. The Authority shall not be liable or bound in any manner by any verbal or written statements, representations, real estate brokers' "set-ups", offering memorandum or information pertaining to the Premises furnished by any real estate broker, advisor, consultant, agent, employee, representative of the Authority or by any other Person.

Section 12.5 Developer Waiver. Developer hereby waives, to the extent permitted by law, any and all implied warranties that may be applicable with respect to the Premises or the Project.

Section 12.6 Authority Representations and Warranties. The Authority hereby represents and warrants, as of the date hereof, and shall represent and warrant on the applicable Closing Date where specified, that:

(a) Due Authority. The Authority has all requisite power and authority to execute, deliver and perform this Agreement.

(b) Due Execution and Delivery. The execution and delivery of this Agreement has been duly authorized by all required company action and upon such execution and delivery this Agreement shall constitute a legal, valid, binding and enforceable obligation of the Authority.

(c) Other Agreements and Restrictions. The execution and delivery of this Agreement by the Authority will not, in any material respect, violate any provision of, or require any filing, registration, consent or approval under Legal Requirements having applicability to the Authority that has not been previously obtained or, to the Authority's knowledge, cause the Authority, in any material respect, to be in default under or violation of any Legal Requirements or other order, writ, judgment, injunction or decree, or any indenture, agreement, lease or instrument to which the Authority is a party or by which it or any of the Parcels may be bound.

ARTICLE 13
TITLE DEFECTS

Section 13.1 Title.

(a) Without limiting **Section 13.1(d)** hereof, nothing contained in this Agreement shall obligate the Authority to incur any expense or to bring any action or proceeding

in order to cure any defects, encumbrances or other objections to title or to render title insurable in accordance with this Agreement. Subject to **Section 13.1(b)** and **Section 13.1(c)**, the applicable Parcel shall be leased subject to only the following (collectively, the "**Permitted Exceptions**"):

(i) all printed exceptions set forth in the Title Report and all matters of record set forth in those certain Title Report Title No. 200164 dated March 29, 2024, Title Report Title No. 200164A dated March 29, 2024, Title Report Title No. 200165 dated March 29, 2024, Title Report Title No. 200166 dated March 18, 2024, and Title Report Title No. 200179 dated March 18, 2024 as updated as of the date hereof (collectively, the "**Title Reports**") as such Title Reports may be updated, other than the liens of any mortgage, trust deed or deed of trust evidencing an indebtedness that is secured by all or any portion of the Premises; for clarity, any exception first appearing in an update to the Title Reports after the date hereof shall be subject to the remaining provisions of this Section 13.1;

(ii) any and all matters created by or on behalf of, or with the written consent of, Developer, including all matters created pursuant to and in accordance with this Agreement;

(iii) any and all liens and other matters arising from Developer's entry onto the applicable Parcel, other than as a result of acts or omissions of the Authority which do not comply with the Transaction Agreements;

(iv) all matters shown on the Survey and variations with the tax maps, and any further matters that an accurate survey or physical inspection of the applicable Parcel as of the date hereof would reveal, so long as such matters do not render title to the applicable Parcel uninsurable;

(v) all present and future zoning, building, fire, health and similar laws, codes, regulations and ordinances and other Legal Requirements, covenants and restrictions and easements affecting the applicable Parcel;

(vi) any easement or right of use created in favor of any public utility company for electricity, steam, gas, telephone, water, television, cable or other service and the right to install, use, maintain, repair and replace wires, cables, terminal boxes, lines, services, connections, poles, mains, facilities and the like, upon, under and across the applicable Parcel, so long as such matters do not render title to the applicable Parcel uninsurable;

(vii) any easement or right-or-way related to any public facility, road, tunnel, or transportation facility, so long as such matters do not render title to the applicable Parcel uninsurable;

(viii) all violations of laws, codes, rules, regulations, statutes, ordinances, orders or requirements, now issued or noted or hereafter issued or noted by any Governmental Authority having jurisdiction against or affecting the applicable Premises relating to conditions existing on, prior to, or subsequent to the date hereof (but, notwithstanding the foregoing, the Authority shall use good faith efforts to obtain and deliver to Developer (and the Title Company)

a letter from the City cancelling any and all monetary fines and penalties associated with the items in this **clause (viii)**, to the extent the same accrued on or prior to the applicable Closing Date);

(ix) real estate taxes, tax liens, water and sewer charges, assessments and vault charges, and any liens with respect to any of the foregoing, to the extent due and payable and/or allocable to the period after the applicable Closing; and

(x) such tenancies, occupancies and other title matters as shall hereafter be agreed to in writing between Developer and the Authority.

(b) If any exception to title that is not a Permitted Exception can be cured by the Authority using commercially reasonable efforts to effect such cure (and is not curable by the payment of a sum of money, which shall be subject to **Section 13.1(d)**), provided Developer delivers to the Authority notice of Developer's objection to such exception within ten (10) Business Days of Developer's actual knowledge thereof), the Authority shall use commercially reasonable efforts to effectuate such cure and shall be entitled to adjourn the Scheduled Closing Date for a period of up to sixty (60) days by delivering a notice pursuant to **Article 14** hereof. If the Authority is unable to cure any such exception after sixty (60) days of using commercially reasonable efforts, then the Authority shall so notify Developer within ten (10) days of the end of such period. Unless Developer elects, by notice delivered to the Authority within ten (10) Business Days after the Authority's notice, to accept such title as the Authority is prepared to convey, without abatement of the amount due under the applicable Lease, this Agreement *ipso facto* with respect to the applicable Parcel shall be deemed terminated, the Parties shall each be released from all liability under this Agreement (except as expressly provided in this Agreement) with respect to the applicable Parcel, and the Security Deposit applicable to such Parcel shall be returned to Developer. An attempt by the Authority to cure any exception set forth in this **Section 13.1(b)** shall not be deemed to be or create an obligation of the Authority to remove or discharge the same. Notwithstanding the foregoing, the Authority shall not record any instrument or document against the Premises or any portion thereof (or authorize same to be recorded) following the date hereof without the prior written approval of Developer (not to be unreasonably withheld) except (1) as expressly contemplated herein; (2) as required by HUD or as ordered by a Court with lawful jurisdiction; or (3) as required by another Governmental Authority pursuant to Legal Requirements; provided, with the respect to any title matter described in this clause (2) or clause (3), the Authority shall give Developer reasonably prompt notice upon receiving any such request or demand from HUD or Court or other Governmental Authority. The Authority and Developer shall cooperate to resolve any title issues presented by such recorded instruments or documents.

(c) Without limiting **Section 13.1(c)** hereof, if any exception to title that is not a Permitted Exception is of a nature that the Authority cannot cure such exception to title using commercially reasonable efforts (provided Developer delivers to the Authority notice of Developer's objection to such exception within ten (10) Business Days of Developer's actual knowledge thereof), then the Authority shall so notify Developer within thirty (30) days of notice of the title objection from Developer. Unless Developer elects, by notice delivered to the Authority within ten (10) Business Days after the Authority's notice, to accept such title as the Authority is prepared to convey, without abatement of the amount due under the applicable Lease, this Agreement *ipso facto* with respect to the applicable Parcel shall be deemed terminated, the Parties shall each be released from all liability under this Agreement (except as expressly provided in this

Agreement) with respect to the applicable Parcel, and the Security Deposit applicable to such Parcel shall be returned to Developer.

(d) Notwithstanding **Section 13.1(a)**, (1) if a title matter with respect to a Parcel is created after the date hereof (other than as a result of Developer's acts or omissions (where Developer has a duty to act)) and such title matter is curable by payment of a sum of money (e.g., the discharge of a mortgage, judgment or mechanics lien or similar matter), then Developer may elect to proceed to the Closing and receive a credit to any amount due under the applicable Lease (or any future Lease if necessary) in the amount of the costs and expenses incurred (or reasonably estimated to be incurred) by Developer in so curing such title matter; and (2) the Authority shall pay (or caused to be paid) or apportion all outstanding utility bills due and payable for each Parcel and pay all fines and violations that can be discharged by payment of an ascertainable amount of funds related thereto that are issued against such Parcel (or escrow funds or obtain a waiver for payment of such fines and violations), in each case as of the Closing of such Parcel.

(e) Developer acknowledges and agrees that this **Article 13** shall not give rise to any right of action or claim against the Authority prior to or after the applicable Closing (without limiting any rights under the applicable Lease), it being intended only to establish the state of title to the Premises that Developer shall be required to accept at the applicable Closing.

ARTICLE 14
NOTICE

Section 14.1 Notices. All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if (i) personally delivered with proof of delivery thereof, or (ii) sent by reputable overnight courier service, in each case addressed to the respective Parties as follows or (iii) delivered via email (if available) and immediately followed with any of the forms described in the previous clauses (i) – (ii)):

If to the Authority:

New York City Housing Authority
90 Church Street, 5th Floor
New York, New York 10007
Attn: Executive Vice President for Real Estate
Email: Jonathan.Gouveia@nycha.nyc.gov

With copies to:

New York City Housing Authority
90 Church Street, 11th Floor
New York, New York 10007
Attn: Deputy General Counsel for
Real Estate and Economic Development

Herrick, Feinstein LLP
Two Park Avenue

New York, New York 10016
Attn: Patrick J. O'Sullivan, Esq.
Email: posullivan@herrick.com

Klein Hornig LLP
1325 G St. NW, Suite 770
Washington, DC 20005
Attn: Emily Blumberg
Email: eblumberg@kleinhornig.com

If to Developer:

c/o The Related Companies, L.P.
30 Hudson Yards, New York, NY 10001
Attention: Gregory Gushee
Email: ggushee@Related.com

c/o Essence Development, LLC,
6 Greene St., New York, NY 10013
Attention: Jamar Adams
Email: jadams@essencedev.com

With copies to:

Gibson, Dunn & Crutcher LLP
200 Park Avenue
New York, NY 10166
Attention: Andrew Lance
Email: ALance@gibsondunn.com

or to such other address or party as either party may have furnished to the other in writing in accordance herewith, except that notices of change of address or addresses shall only be effective upon receipt. Notices shall be deemed given when delivered personally or by overnight courier, with failure to accept delivery to constitute delivery for purposes hereof. If notice is originally delivered via email, then such notice shall be deemed given on the date that it is acknowledged via email by the recipient. The attorneys for either party hereto are authorized to give notices on behalf of such party.

ARTICLE 15
BROKER

Section 15.1 No Brokers.

(a) Each Party represents to the other that it has not dealt with any broker in connection with the Project, this Agreement, the Premises, or the Leases.

(b) Developer shall forever defend, indemnify and hold harmless the Authority and its officials, officers, directors, members, principals, agents, representatives and employees, from and against any and all liabilities, claims, demands, penalties, fines, settlements, damages, costs, expenses and judgments arising from any claims for a commission or other similar compensation brought by any broker or brokerage firm or other firm or individual relating to the Project, this Agreement, the Premises, or the Leases, arising in whole or in part from the actions or omissions of Developer or of any Affiliate of Developer or of the employees, officers, owners, directors, members, principals, representatives or agents of Developer or any Affiliate of Developer.

ARTICLE 16
DEFAULTS; DEVELOPER TERMINATION

Section 16.1 Developer Default. Each of the following condition or event, or failure of any condition or event to occur, as the case may be, after notice and lapse of the applicable cure period (if any is required or afforded under this Agreement), constitutes a default by Developer under this Agreement (each, a "**Developer Default**"):

(a) any assignment or transfer by Developer of any interest in Developer in contravention of **Article 18** of this Agreement which has not been cured within thirty (30) days after the earlier of (i) the date of Developer obtaining actual knowledge that such assignment or transfer is in contravention of **Article 18**, and (ii) written notice from the Authority that the Authority considers the assignment or transfer to be a default under this Agreement and, with reasonable specificity, the reasons for such determination;

(b) an intentionally false or misleading representation is made by Developer in this Agreement, including those set forth in **Section 12.1** and **Article 15**, that is not cured within the Cure Period (as hereinafter defined);

(c) any admission in writing by Developer that Developer is generally unable to pay its debts as such become due; any general assignment by Developer for the benefit of its creditors; any filing by Developer of a voluntary petition under the United States Bankruptcy Code or a filing of such a petition against Developer which remains undismissed for a period of sixty (60) days, or the entering of any order for relief against Developer in any such action; any filing by Developer of a petition or an answer seeking, consenting to, or acquiescing in, any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the present or any future Federal bankruptcy code or any other present or future applicable Federal, State or other bankruptcy or insolvency statute or law, or if Developer shall seek, or consent to, or acquiesce in, or suffer the appointment of, any trustee, receiver, custodian, assignee, sequestrator, liquidator or other similar official of Developer, or of all or any substantial part of its properties, or of its rights under this Agreement;

(d) a failure to pay any amount due and payable by Developer to the Authority under **Article 3** of this Agreement, that is not cured within ten (10) Business Days after written

notice from the Authority; provided, that it shall not be a Developer Default if there is a good-faith dispute between the Parties regarding such payment obligation for so long as such good-faith dispute is pending; and

(e) a breach of any of the covenants, agreements or obligations to be performed by Developer under this Agreement (including, for the avoidance of doubt, the Exhibits), which is not covered by subsections (a) through (d) above, on or before the applicable date required herein; provided, that a Developer Default will only occur if such default remains uncured within thirty (30) days after written notice from the Authority to Developer thereof; provided further, that, if such default cannot reasonably be cured within such thirty (30) day period and Developer, shall have commenced to cure the same within such thirty (30) day period and thereafter diligently and expeditiously proceeds to cure the same, such thirty (30) day period shall be extended for so long as it shall require Developer in the exercise of due diligence to cure the same, it being agreed that Developer shall not be entitled to an extension for a period in excess of ninety (90) days without the Authority's approval, not to be unreasonably withheld (the time period to cure any such default in accordance with the foregoing being referred to as the "**Cure Period**").

For purposes of **Section 16.1(a)**, the cure right afforded Developer is with respect to transfers of interests in Developer and not with respect to transfers or assignment of this Agreement itself. In the case of a breach of **Section 18.2(a)(i)(2)** or **Section 18.2(a)(ii)(2)**, a transferee shall be deemed a "Permitted Person" even if clause (A) of the definition of Permitted Person is not satisfied so long as such transferee satisfies the other clauses of the "Permitted Person" definition within the Cure Period.

Section 16.2 Remedies for Developer Default. If any Developer Default occurs, the Authority shall have all rights and remedies available by law or in equity and may pursue any combination of such remedies, provided that the Authority agrees to exercise the right to terminate this Agreement by notice to Developer, such notice to state that such termination shall be effective fifteen (15) days from the date of such notice, and retain the Security Deposit as full liquidated damages for loss of a bargain (which shall be the Authority's sole and exclusive remedy in such event) and not as a penalty only in the event of (i) a Developer Default under any of **Section 16.1(a)**, **(b)** or **(c)**, or (ii) a Developer Default under **Section 16.1(e)** that constitutes fraud, gross negligence or intentional misconduct by Developer. For the avoidance of doubt, the Authority shall not have the right to terminate this Agreement for a Developer Default except in connection with a Developer Default set forth in clause (i) or (ii) of the preceding sentence.

Section 16.3 Limitations; Excluded Damages. Neither Party is entitled to any special, consequential, lost opportunity, or lost profits damages pursuant to any section of this Agreement.

ARTICLE 17
INDEMNIFICATION

Section 17.1 Indemnification of the Authority.

Developer shall, to the fullest extent provided by law, indemnify, defend (with counsel reasonably satisfactory to the Authority) and hold the Authority and the Authority's Related Parties harmless from and against any claims, liens, actions, administrative proceedings (including informal proceedings), judgments, damages, punitive damages (to the extent payable to or claim by any third-party), 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**"), in each case arising out of or relating to any of the following:

(a) any negligent or intentionally tortious act or omission of Developer or Developer's Related Parties during the Term;

(b) any Developer Default or any failure of Developer to comply with any of the terms, covenants and provisions of this Agreement, except to the extent due to or caused by Authority Delay; or

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

Section 17.2 Parties' Obligations. The obligations, indemnities and liabilities of Developer pursuant to this **Article 17** shall apply regardless of whether the claims or facts underlying such matters subject to this provision are actual or alleged, substantial or frivolous. Notwithstanding anything to the contrary herein, the obligations, indemnities and liabilities of Developer pursuant to this **Article 17** shall not extend to any Claims, Damages and Fees to the extent such result from the gross negligence or intentional misconduct of the Authority or the Authority's Related Parties. Any provisions or limits of insurance set forth in this Agreement shall not limit the Developer's liability under this **Article 17**. The Developer's obligations pursuant to this **Article 17** shall survive termination or expiration of this Agreement. Upon the receipt of any Claims, Damages and Fees, the Authority shall tender notice to Developer advising Developer of such receipt, invoking Developer's obligation under this **Article 17** and advising of the Authority's expectation with respect to the satisfaction of that obligation. The Authority may, at its sole discretion, demand Developer pay on the Authority's behalf such obligations or demand Developer reimburse the Authority as necessitated by such obligations, as and when incurred. The Authority reserves the right to procure and manage its own legal defense at the Authority's sole discretion, subject to all provisions of this **Article 17**, provided, however, that the Authority may employ separate counsel at the expense of the Developer if (i) in the judgment of the Authority, 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 the Authority to employ separate counsel. Should Developer object to or otherwise reject such tender notice in whole or in part, Developer must provide their reasoning with ten (10) Business Days of either the receipt of initial letter of tender or upon subsequent determination by Developer of such objection. Otherwise, all Claims, Damages and Fees shall be

presumed to be the burden of the Developer. All other references to indemnification, defense and hold harmless within other sections of this Agreement are subject to the terms and conditions of this clause except as otherwise specifically provided for in that section.

ARTICLE 18
NO ASSIGNMENTS; NO CHANGE OF CONTROL

Section 18.1 No Assignments or Transfers. Developer shall not assign this Agreement or any of its interest under this Agreement (including Affiliate transfers), nor shall Developer divest itself of any interest herein, without the prior written consent of the Authority, which consent shall be at the Authority's sole and absolute discretion. Any attempted assignment in contravention of this **Section 18.1** shall be null and void. In the event that the Authority approves an assignment of this Agreement or a transfer of an interest in Developer, Developer shall remain liable for all of the obligations hereunder.

Section 18.2 No Change of Control.

(a) Developer and its respective members, partners and shareholders, as applicable, shall have the right to make the following Transfers during the Term:

(i) a transfer of direct or indirect Equity Interests in Developer, provided that (1) following each such transfer, (A) one or more members of the Related Control Group and the Essence Control Group, collectively owns, directly or indirectly, at least the Minimum Developer Ownership Percentage of the Equity Interests in Developer, and (B) the Related Control Group and the Essence Control Group collectively retain Control of Developer; and (2) such transferee is a Permitted Person;

(ii) transfers among members of the Essence Control Group and members of the Related Control Group, provided that (1) following each such transfer: (A) one or more members of the Related Control Group and the Essence Control Group, collectively owns, directly or indirectly, at least the Minimum Developer Ownership Percentage of the Equity Interests in Developer, and (B) the Related Control Group and the Essence Control Group collectively retain Control of Developer and (2) such transferee is a Permitted Person;

(iii) transfers of and encumbrances and pledges on the Equity Interests in Developer that are otherwise expressly contemplated or permitted herein; and

(iv) transfers of direct or indirect interests in Developer by the members, partners and/or shareholders of Developer who are natural persons to: (A) natural persons who acquire such interest by devise or the laws of intestate succession; or (B) any trust established by the member, partner or shareholder, exclusively for the benefit of the member, partner or shareholder or Persons described in subsection (A) for estate planning purposes, provided, however that following each such transfer the Related Control Group and the Essence Control Group retain Control of Developer provided further that such Transfers shall be subject to the limitations in the definitions of Essence Control Group.

(b) In the event that any restrictions on Transfer are violated due to the death or incapacitation of an Essence Control Party, Developer shall have the right, to be exercised within sixty (60) days after the date the restrictions on Transfer are violated, to propose to the Authority a substitute Essence Control Party with executive-level experience in the management of real estate comparable to that of the original Essence Control Party. The Authority shall act reasonably in approving such substitute Essence Control Party. If the Authority approves such substitution and promptly after the date of such approval Developer provides the Authority with reasonably acceptable documentation to evidence that such Person retains Control of the Essence Control Group, such violation of the restrictions on Transfer shall be deemed to be cured.

(c) If any Transfer is made that is not permitted under this **Section 18.2**, unless such Transfer has been approved by the Authority in its sole discretion or is cured within the time period set forth in **Section 16.1(a)** hereof, such Transfer shall constitute a Developer Default under this Agreement.

ARTICLE 19
MISCELLANEOUS

Section 19.1 Entire Agreement. This Agreement constitutes the full agreement among the Parties with respect to the matters set forth herein, and all prior understandings and agreements are merged into this Agreement and the Transaction Agreements, as applicable.

Section 19.2 Amendments. No provision of this Agreement may be amended, supplemented, modified or waived, except by written instrument signed by the Parties.

Section 19.3 Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York (without giving effect to principles of conflicts of laws).

Section 19.4 Captions. The captions and other headings in this Agreement are inserted for convenience of reference only and in no way define, describe or limit the scope or intent of this Agreement or any of the provisions hereof.

Section 19.5 Terminology. The gender used in this Agreement shall be deemed to refer to the masculine, feminine, or neuter gender, as the identity of the contracting Parties may require.

Section 19.6 Successors and Assigns. This Agreement shall be binding upon, and shall inure to the benefit of, the Parties and their respective successors and permitted assigns, if any.

Section 19.7 Further Assurances. Each of the Parties shall take such actions and execute and deliver such other instruments and documents as may be reasonable, necessary or appropriate to effectuate the transactions contemplated under this Agreement; provided, that the taking of such actions or the execution and delivery of such documents will not result in any cost or liability (other than a *de minimis* cost or expense) to the respective Party which is not otherwise required under this Agreement.

Section 19.8 Invalidity. If any term or provision of this Agreement or the application thereof to any Person or circumstances shall, to any extent, be invalid and unenforceable, the

remainder of this Agreement, and the application of such term or provision to Persons or circumstances other than those as to which it is held invalid and unenforceable, shall not be affected thereby and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

Section 19.9 Execution. This Agreement shall not be, be deemed to be, or become binding upon the Authority or any other party hereto to any extent or for any purpose unless and until it is executed by each of such Parties and fully executed counterparts are delivered to all Parties, along with the Administrative Fee to the Authority and the Resident Advisor Fee to Public Works Partners, in each case in the amount payable hereunder in connection with the execution of this Agreement.

Section 19.10 Counterparts; Electronic Signatures. This Agreement may be executed in any number of counterparts, each of which shall constitute an original and all of which, when taken together, shall constitute one agreement, and may be delivered by facsimile transmission or by electronic transmission of a scanned image (in PDF format or otherwise) to the party's e-mail address. Upon written request from the other party, a party delivering this Agreement will deliver a "hard" original signature copy, but the failure to do so will not affect or vitiate the viability of this Agreement.

Section 19.11 Required Provisions of Law Controlling. It is the intention and understanding of the Parties that each and every provision of law required to be inserted in this Agreement should be and is inserted herein. Furthermore, it is hereby stipulated that every such provision is deemed to be inserted and if, through mistake or otherwise, any such provision is not inserted herein or is not inserted in correct form, then this Agreement shall forthwith, upon the application of either Party, be amended by such insertion so as to comply strictly with the law and without prejudice to the rights of either Party.

Section 19.12 Payments or Deliveries on Non-Business Days. Except as may otherwise be provided herein, whenever any payment or deliverable to be paid or delivered hereunder would otherwise fall on a day which is not a Business Day, the due date for such payment or deliverable shall be the immediately following Business Day.

Section 19.13 Limited Liability. Neither the directors nor any officer, employee, representative, agent, partner, shareholder or member of the Authority shall be personally liable for the satisfaction of the Authority's obligations under this Agreement, and Developer shall look solely to the funds allocated to the Project by the Authority for satisfaction of any claims hereunder. Neither the directors nor any officer, employee, principal (including a Developer Principal), representative, agent, direct or indirect partner, shareholder or member of Developer (or a Developer Principal) shall be personally liable for the performance of Developer's obligations under this Agreement. The provisions of this **Section 19.13** shall survive the Closing or earlier termination of this Agreement.

[Remainder of Page Intentionally Left Blank; Signature Pages Follow]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date first written above.

AUTHORITY:

NEW YORK CITY HOUSING AUTHORITY

By: _____
Name: Jonathan Gouveia
Title: Executive Vice President, Real Estate Development

DEVELOPER:

ELLIOTT FULTON LLC

By: Essence Development, LLC, its Member

By: _____
Name: Jamar Adams
Title: President

By: Related Elliott Fulton, LLC, its Member

By: _____
Name: Gregory Gushee
Title: Vice President

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date first written above.

AUTHORITY:

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By: _____
Name: Jonathan Gouveia
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DEVELOPER:

ELLIOTT FULTON LLC

By: Essence Development, LLC, its Member

By: _____
Name: Jamar Adams
Title: President

By: Related Elliott Fulton, LLC, its Member

By: _____
Name: Gregory Gushee
Title: Vice President

EXHIBIT A

THE PREMISES

<u>Chelsea Campus</u> – Chelsea 1 and Chelsea 2

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

BEGINNING at the corner formed by the intersection of the west line of Ninth Avenue with the north line of West 25th Street, as these streets are laid out on the City Map;

THENCE westerly along the said north line of West 25th Street, a distance of 450 feet to the east property line of Elliot Houses;

THENCE northerly deflecting 90 degrees 00 minutes 00 seconds to the right along the east property line of Elliot Houses, a distance of 98 feet 9 inches to the longitudinal center of Elliot Houses, which is also the longitudinal center of Block 723;

THENCE westerly deflecting 90 degrees 00 minutes 00 seconds to the left along the said longitudinal center of Block 723, a distance of 50 feet to the east property line of Elliot Houses;

THENCE northerly deflecting 90 degrees 00 minutes 00 seconds to the right along the east property line of Elliot Houses, a distance of 98 feet 9 inches to the south line of West 26th Street, as now laid out on the City Map;

THENCE easterly deflecting 90 degrees 00 minutes 00 seconds to the right along the said south line of West 26th Street, a distance of 400 feet to a point;

THENCE southerly deflecting 90 degrees 00 minutes 00 seconds to the right along a line parallel with the west line of Ninth Avenue, a distance of 98 feet 9 inches to the longitudinal center line of Block 723;

THENCE easterly deflecting 90 degrees 00 minutes 00 seconds to the left along the said longitudinal center line of Block 723, a distance of 100 feet to the west line of said Ninth Avenue; and

THENCE southerly deflecting 90 degrees 00 minutes 00 seconds to the right along the west line of said Ninth Avenue, a distance of 98 feet 9 inches to the point or place of BEGINNING.

Streets as referred to hereinabove are the streets as they existed as of March 24, 1960, when the Board of Estimate authorized the condemnation of the aforementioned property by Resolution.

EXCLUDING THEREFROM the above-described premises so much as was conveyed by deed made by New York City Housing Authority to NYC Partnership Housing Development Fund Company, Inc. dated as of June 30, 2010 and recorded July 20, 2010 as CRFN 2010000241060, as being further described as follows:

ALL that certain tract of land situated in the Borough of Manhattan, County of New York, City and State of New York, bounded and described as follows:

BEGINNING at a point formed by the intersection of westerly line of Ninth Avenue with the north line of West 25th Street;

THENCE westerly, along the said north line of West 25th Street, a distance of 100 feet;

THENCE northerly, parallel with the Westerly side of Ninth Avenue, 98.75 feet;

THENCE easterly, parallel with the Northerly side of West 25th Street, 100 feet;

THENCE southerly, along the Westerly side of Ninth Avenue, 98.75 feet to the northerly side of West 25th Street being the point or place of BEGINNING.

Said premises being also bounded and described as follows:

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

BEGINNING at a point on the northerly side of West 25th Street distant 100 feet 0 inches westerly from the intersection of the northerly side of West 25th Street with the westerly side of 9th Avenue;

RUNNING THENCE westerly along the northerly side of West 25th Street, a distance of 350 feet 0 inches to a point;

THENCE northerly and at right angles to the northerly side of West 25th Street, a distance of 98 feet 9 inches to a point;

THENCE westerly and at right angles to the last described course, a distance of 50 feet 0 inches to a point;

THENCE northerly and at right angles to the last described course, a distance of 98 feet 9 inches to a point on the southerly side of West 26th Street;

THENCE easterly along the southerly side of West 26th Street and at right angles to the last described course, a distance of 400 feet 0 inches to a point;

THENCE southerly at right angles to the southerly side of West 26th Street, a distance of 197 feet 6 inches to the point or place of BEGINNING.

For Information Only: Said premises are known as 407-431 West 25th Street a/k/a 420-442 West 26th Street, New York, NY and designated as Block 723 Lot 15 as shown on the Tax Map of the City of New York, County of New York.

Chelsea Addition

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

BEGINNING at a point on the northerly side of West 26th Street distant 215 feet 7 inches easterly from the intersection of the northerly side of West 26th Street with the easterly side of 10th Avenue;

RUNNING THENCE northerly parallel with the easterly side of 10th Avenue and at right angles to the northerly side of West 26th Street, a distance of 112 feet 9-1/2 inches to a point;

THENCE northwesterly along a line forming an angle on the west with the last described course of 149 degrees 53 minutes 14 seconds, a distance of 45 feet 10-5/8 inches to a point;

THENCE westerly along a line forming an angle on the south with the last described course of 120 degrees 06 minutes 46 seconds and parallel with West 26th Street, a distance of 3 feet 10-3/8 inches to a point;

THENCE northwesterly along a line forming an angle on the east with the last described course of 120 degrees 00 minutes 00 seconds, a distance of 9 feet 0-1/2 inches to a point;

THENCE westerly along a line forming an angle on the south with the last described course of 120 degrees 00 minutes 00 seconds and parallel with West 26th Street, a distance of 40 feet 7-5/8 inches to a point;

THENCE northwesterly along a line forming an angle on the east with the last described course of 120 degrees 57 minutes 15 seconds, a distance of 113 feet 3-3/4 inches to a point on the northerly side of West 27th Street, now abandoned;

THENCE easterly along the northerly side of West 27th Street, now abandoned, forming an angle on the south with the last described course of 59 degrees 02 minutes 45 seconds, a distance of 300 feet 7-1/8 inches to a point;

THENCE southerly and at right angles to the last described course, a distance of 126 feet 2-5/8 inches to a point;

THENCE southwesterly along a line forming an angle on the north with the last described course of 121 degrees 35 minutes 09 seconds, a distance of 107 feet 5 inches to a point;

THENCE southerly along a line forming an angle on the east with the last described course of 121 degrees 35 minutes 09 seconds, a distance of 75 feet 0 inches to a point on the northerly side of West 26th Street;

THENCE westerly along the northerly side of West 26th Street and at right angles to the last described course, a distance of 78 feet 9-1/4 inches to the point or place of BEGINNING.

For Information Only: Said premises are known as 441 West 26th Street, New York, NY and designated as Block 724 Lot 10 as shown on the Tax Map of the City of New York, County of New York.

Elliott Campus

Parcel I: Elliott 2 and Elliott 3

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

BEGINNING at the corner formed by the intersection of the southerly side of West 26th Street and the easterly side of Tenth Avenue;

RUNNING THENCE easterly and along the southerly side of West 26th Street, a distance of 300.00 feet; deflecting

THENCE 89 degrees 59 minutes 45.7 seconds and running southerly, a distance of 98.750 feet; deflecting

THENCE 89 degrees 59 minutes 47 seconds and running easterly, a distance of 50.00 feet; deflecting

THENCE 89 degrees 59 minutes 47 seconds and running southerly, a distance of 98.750 feet to the northerly side of West 25th Street;

RUNNING THENCE westerly and along the northerly side of West 25th Street, a distance of 350.00 feet to the easterly side of Tenth Avenue;

THENCE running northerly and along the easterly side of Tenth Avenue, a distance of 197.50 feet to the point or place of BEGINNING.

For Information Only: Said premises are known as 260-270 10th Avenue a/k/a 437-463 West 25th Street a/k/a 446-466 West 26th Street, New York, NY and designated as Block 723 Lot 1 as shown on the Tax Map of the City of New York, County of New York.

Parcel II: Elliott 1

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

BEGINNING at a point on the northerly side of West 26th Street distant 262 feet 6 inches westerly from the intersection of the northerly side of West 26th and the westerly side of 9th Avenue;

RUNNING THENCE westerly along the northerly side of West 26th Street, a distance of 243 feet 1-3/4 inches to a point;

THENCE northerly and at right angles to the northerly side of West 26th Street, a distance of 75 feet 0 inches to a point;

THENCE northeasterly along a line forming an angle on the south with the last described course of 121 degrees 35 minutes 09 seconds, a distance of 107 feet 5 inches to a point;

THENCE northerly along a line forming an angle on the west with the last described course of 121 degrees 35 minutes 09 seconds, a distance of 126 feet 2-5/8 inches to a point on the northerly side of West 27th Street, now abandoned;

THENCE easterly and at right angles to the last described course, a distance of 164 feet 1-3/4 inches to a point;

THENCE southerly and at right angles to the last described course, a distance of 158 feet 9 inches to a point;

THENCE westerly and at right angles to the last described course, a distance of 12 feet 6 inches to a point;

THENCE southerly and at right angles to the last described course, a distance of 98 feet 8-3/4 inches to the point or place of BEGINNING.

For Information Only: Said premises are known as 427-439 West 26th Street a/k/a 426 West 27th Drive, New York, NY and designated as Block 724 Lot 15 as shown on the Tax Map of the City of New York, County of New York.

Parcel III: Elliott 4

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

BEGINNING at the corner formed by the intersection of the northerly side of West 26th Street with the easterly side of 10th Avenue;

RUNNING THENCE northerly along the easterly side of 10th Avenue, a distance of 257 feet 5-3/4 inches to the intersection of the easterly side of 10th Avenue with the northerly side of the former West 27th Street, now abandoned;

THENCE easterly along the northerly side of the former West 27th Street and at right angles to the easterly side of 10th Avenue a distance of 85 feet 3-1/8 inches to a point;

THENCE southeasterly along a line forming an angle on the south with the last described course of 120 degrees 57 minutes 15 seconds, a distance of 113 feet 3-3/4 inches to a point;

THENCE easterly along a line forming an angle on the north with the last described course of 120 degrees 57 minutes 15 seconds and parallel with West 26th Street, a distance of 40 feet 7-5/8 inches to a point;

THENCE southeasterly along a line forming an angle on the south with the last described course of 120 degrees 00 minutes 00 seconds, a distance of 9 feet 0-1/2 inches to a point;

THENCE easterly along a line forming an angle on the north with the last described course of 120 degrees 00 minutes 00 seconds and parallel with West 26th Street, a distance of 3 feet 10-3/8 inches to a point;

THENCE southeasterly along a line forming an angle on the south with the last described course of 120 degrees 06 minutes 46 seconds, a distance of 45 feet 10-5/8 inches to a point;

THENCE southerly along a line forming an angle on the west with the last described course of 149 degrees 53 minutes 14 seconds and parallel with 10th Avenue, a distance of 112 feet 9-1/2 inches to a point on the northerly side of West 26th Street;

THENCE westerly along the northerly side of West 26th Street and at right angles to the last described course, a distance of 215 feet 7 inches to the point or place of BEGINNING.

For Information Only: Said premises are known as 278-292 Tenth Avenue a/k/a 455-459 West 26th Street a/k/a 450 West 27th Drive, New York, NY and designated as Block 724 Lot 1 as shown on the Tax Map of the City of New York, County of New York.

Fulton Campus

Parcel I: Fulton 11

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

BEGINNING at the corner formed by the intersection of the west line of 9th Avenue with the north line of West 19th Street, as these streets are now laid out on the City Map.

RUNNING THENCE westerly along the said north line of West 19th Street, a distance of 375 feet to a point;

THENCE northerly, deflecting 90 degrees no minutes no seconds to the right along a line parallel with the said west line of Ninth Avenue, a distance of 75 feet to an angle point;

THENCE easterly, deflecting 90 degrees no minutes no seconds to the right along a line parallel with said north line of West 19th Street, a distance of 100 feet to an angle point;

THENCE northerly, deflecting 90 degrees no minutes no seconds to the left along a line parallel with the said west line of Ninth Avenue, a distance of 5 feet to an angle point;

THENCE easterly, deflecting 90 degrees no minutes no seconds to the right along a line parallel with the said north line of West 19th Street, a distance of 150 feet to an angle point;

THENCE southerly, deflecting 90 degrees no minutes no seconds to the right along a line parallel with the said west line of Ninth Avenue, a distance of 4 feet to an angle point;

THENCE easterly, deflecting 90 degrees no minutes no seconds to the left along a line parallel with the said north line of West 19th Street, a distance of 25 feet to an angle point;

THENCE northerly, deflecting 90 degrees no minutes no seconds to the left along a line parallel with the said west line of Ninth Avenue, a distance of 2 feet 10 inches to an angle point;

THENCE easterly, deflecting 90 degrees no minutes no seconds to the right along a line parallel with the said north line of West 19th Street, a distance of 100 feet to the said west line of Ninth Avenue;

THENCE southerly, deflecting 90 degrees no minutes no seconds to the right, along the said west line of Ninth Avenue, a distance of 78 feet 10 inches to the point or place of BEGINNING.

For Information Only: Said premises are known as 401-433 West 19th Street a/k/a 149-157 Ninth Avenue, New York, NY and designated as Block 717 Lot 19 as shown on the Tax Map of the City of New York, County of New York.

Parcel II: Fulton 8, Fulton 9 and Fulton 10

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

BEGINNING at the corner formed by the intersection of the northerly side of West 18th Street with the westerly side of 9th Avenue;

RUNNING THENCE westerly along the northerly side of West 18th Street, a distance of 330 feet 0 inches to a point;

THENCE northerly and at right angles to the northerly side of West 18th Street, a distance of 92 feet 0 inches to a point;

THENCE westerly and at right angles to the last described course, a distance of 20 feet 0 inches to a point;

THENCE northerly and at right angles to the last described course, a distance of 92 feet 0 inches to a point on the southerly side of West 19th Street;

THENCE easterly along the southerly side of West 19th Street and at right angles to the last described course, a distance of 350 feet 0 inches to a corner formed by the intersection of the southerly side of West 19th Street and the westerly side of 9th Avenue;

THENCE southerly along the westerly side of 9th Avenue and at right angles to the last described course, a distance of 184 feet 0 inches to the point or place of BEGINNING.

For Information Only: Said premises are known as 401-423 West 18th Street a/k/a 129-145 Ninth Avenue a/k/a 400-422 West 19th Street, New York, NY and designated as Block 716 Lot 17 as shown on the Tax Map of the City of New York, County of New York.

Parcel III: Fulton 5, Fulton 6 and Fulton 7

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

BEGINNING at the corner formed by the intersection of the west line of 9th Avenue with the north line of West 17th Street, as these streets are now laid out on the City Map;

RUNNING THENCE westerly, along the said north line of West 17th Street, a distance of 575 feet to a point;

THENCE northerly, deflecting 90 degrees no minutes no seconds to the right, along a line parallel with the said west line of Ninth Avenue, a distance of 92 feet to an angle point;

THENCE easterly, deflecting 90 degrees no minutes no seconds to the right, along a line parallel with the said north line of West 17th Street, a distance of 175 feet to an angle point;

THENCE northerly, deflecting 90 degrees no minutes no seconds to the left, along a line parallel with the said west line of Ninth Avenue, a distance of 92 feet to the south line of West 18th Street as this street is now laid out on the City Map;

THENCE easterly, deflecting 90 degrees no minutes no seconds to the right along the said south line of West 18th Street, a distance of 400 feet to the said west line of Ninth Avenue;

THENCE southerly, deflecting 90 degrees no minutes no seconds to the right along the said west line of Ninth Avenue, a distance of 184 feet to the point or place of BEGINNING.

For Information Only: Said premises are known as 105-127 Ninth Avenue a/k/a 401-443 West 17th Street a/k/a 400-434 West 18th Street, New York, NY and designated as Block 715 Lot 10 as shown on the Tax Map of the City of New York, County of New York.

<u>Parcel IV</u>: Fulton 1, Fulton 2, Fulton 3 and Fulton 4

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

BEGINNING at the corner formed by the intersection of the west line of Ninth Avenue with the north line of West 16th Street, as these streets are now laid out on the City Map;

RUNNING THENCE westerly, along the said north line of West 16th Street, a distance of 374 feet to a point;

THENCE northerly, deflecting 90 degrees no minutes no seconds to the right along a line parallel with the said west line of Ninth Avenue, a distance of 92 feet to an angle point;

THENCE westerly, deflecting 90 degrees no minutes no seconds to the left along a line parallel with the said north line of West 16th Street, a distance of 126 feet to an angle point;

THENCE northerly, deflecting 90 degrees no minutes no seconds to the right along a line parallel with the said west line of Ninth Avenue, a distance of 92 feet to the south line of West 17th Street, as this street is now laid out on the City Map;

THENCE easterly, deflecting 90 degrees no minutes no seconds to the right along the said south line of West 17th Street, a distance of 500 feet to the said west line of Ninth Avenue;

THENCE southerly, deflecting 90 degrees no minutes no seconds to the right along the said west line of Ninth Avenue, a distance of 184 feet to the point or place of BEGINNING.

<u>For Information Only</u>: Said premises are known as 89-103 Ninth Avenue a/k/a 400-434 West 17th Street a/k/a 401-413 West 16th Street, New York, NY and designated as Block 714 Lot 31 as shown on the Tax Map of the City of New York, County of New York.

EXHIBIT B

FEDERAL REQUIREMENTS

In addition to the federal requirements imposed by the RAD Requirements, Section 18 Requirements and/or the PBV Requirements, the following apply to this Agreement:

1. Uniform Relocation Act

a. A displaced person must be provided relocation assistance at the levels described in and in accordance with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) (42 U.S.C. 4201-4655) and implementing regulations at 49 CFR part 24.

b. The cost of required relocation assistance may be paid with funds provided by the Developer, or with local public funds, or with funds available from other sources. Payment of relocation assistance must be paid in accordance with HUD requirements.

c. The acquisition of real property for a project to be assisted under the program is subject to the URA and 49 CFR part 24, subpart B.

d. The Developer must comply with the URA and 49 CFR 24.

2. Conflict of Interest

a. Interest of Members, Officers, or Employees of the Authority, Members of Local Governing Body, or Other Public Officials. No present or former member or officer of the Authority (except tenant-commissioners), no employee of the Authority who formulates policy or influences decisions with respect to the housing choice voucher program or project-based voucher program, and no public official or member of a governing body or State or local legislator who exercises functions or responsibilities with respect to these programs, shall have any direct or indirect interest, during his or her tenure or for one year thereafter, in the Agreement. HUD may waive this provision for good cause.

b. Disclosure. The Developer has disclosed to the Authority any interest that would be a violation of the Agreement. The Developer must fully and promptly update such disclosures.

3. Interest of Member or Delegate to Congress

No member of or delegate to the Congress of the United States of America or resident-commissioner shall be admitted to any share or part of the Agreement or to any benefits arising from it.

4. Exclusion from Federal Programs

A. Federal Requirements. The Developer must comply with and is subject to requirements of 2 CFR part 2424.

B. Disclosure. The Developer certifies that: (1) The Developer has disclosed to the Authority the identity of the owner and any principal or interested party and (2) Neither the Developer nor any principal or interested party is listed on the U.S. General Services Administration list of parties excluded from Federal procurement and nonprocurement programs; and none of such parties are debarred, suspended, subject to a limited denial of participation, or otherwise excluded under 2 CFR part 2424.

5. Lobbying Certifications

The Developer certifies, to the best of the Developer's knowledge and belief, that:

a. No Federally appropriated funds have been paid or will be paid, by or on behalf of the Developer, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding or administration of the Agreement.

b. If any funds other than Federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding or administration of the Agreement, the Developer must complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

This certification by the Developer is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. 1352.

6. Subsidy Layering

Developer Disclosure. The Developer must disclose to the Authority, in accordance with HUD requirements, information regarding any related assistance from the Federal government, a State, or a unit of general local government, or any agency or instrumentality thereof, that is made available or is expected to be made available with respect to the development of the units described in the Agreement. Such related assistance includes, but is not limited to, any loan, grant, guarantee, insurance, payment, rebate, subsidy, credit, tax benefit, or any other form of direct or indirect assistance.

7. Prohibition of Discrimination

a. The Developer may not discriminate against, any person or entity because of race, color, religion, sex (including sexual orientation and gender identity), national origin, disability, age, or familial status.
b. The Developer must comply with the following requirements:

i. The Fair Housing Act (42 U.S.C. 3601–19) and implementing regulations at 24 CFR part 100 *et seq.*;

ii. Executive Order 11063, as amended by Executive Order 12259 (3 CFR 1959–1963 Comp., p. 652, and 3 CFR, 1980 Comp., p. 307) (Equal Opportunity in Housing Programs) and implementing regulations at 24 CFR part 107;

iii. Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d–2000d– 4) (Nondiscrimination in Federally Assisted Programs) and implementing regulations at 24 CFR part 1;

iv. The Age Discrimination Act of 1975 (42 U.S.C. 6101–6107) and implementing regulations at 24 CFR part 146;

v. Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR part 8;

vi. Title II of the Americans with Disabilities Act, 42 U.S.C. 12101 *et seq.*; 28 CFR part 35;

vii. Executive Order 11246, as amended by Executive Orders 11375, 11478, 12086, and 12107 (3 CFR, 1964–1965 Comp., p. 339; 3 CFR, 1966–1970 Comp., p. 684; 3 CFR, 1966–1970 Comp., p. 803; 3 CFR, 1978 Comp., p. 230; and 3 CFR, 1978 Comp., p. 264, respectively) (Equal Employment Opportunity Programs) and implementing regulations at 41 CFR chapter 60;

viii. Executive Order 11625, as amended by Executive Order 12007 (3 CFR, 1971–1975 Comp.., p. 616 and 3 CFR, 1977 Comp., p. 139) (Minority Business Enterprise Development); and

ix. Executive Order 12138, as amended by Executive Order 12608 (3 CFR, 1977 Comp., p. 393, and 3 CFR, 1987 Comp., p. 245) (Women's Business Enterprise); and

x. HUD's Equal Access Rule at 24 CFR 5.105.

The Authority and the Developer must cooperate with HUD in the conducting of compliance reviews and complaint investigations pursuant to all applicable civil rights statutes, Executive Orders, and all related rules and regulations.

8. Developer Duty to Provide Information and Access to HUD and the Authority

A. The Developer must furnish any information pertinent to this Agreement in its possession or control as may be reasonably required from time to time by the Authority or HUD. The Developer shall furnish such information in the form and manner required by the Authority or HUD.

B. The Developer must permit the Authority or HUD or any of their authorized representatives to have access to the premises during normal business hours and, for the purpose of audit and examination, to have access to any books, documents, papers, and records of the Developer to the extent necessary to determine compliance with this Agreement.

9. Notices and Developer Certifications

a. Where the Developer is required to give any notice to the Authority pursuant to this Agreement, such notice shall be in writing and shall be given in the manner as provided for in this Agreement.
b. Any certification or warranty by the Developer in this Agreement shall be deemed a material representation of fact upon which reliance was placed when this transaction was entered into.

10. HUD Requirements

a. The Agreement shall be interpreted and implemented in accordance with all statutory requirements, and with all HUD requirements, including amendments or changes in HUD requirements. The Developer agrees to comply with all such laws and HUD requirements.
b. HUD requirements are requirements that apply to (i) the Section 8 project-based voucher program (ii) the RAD program and (iii) to the extent applicable prior to Closing, public housing under United States Housing Act of 1937 (1937 Act), as amended, and implemented by federal regulations and HUD. HUD requirements are issued by HUD Headquarters as regulations, Federal Register notices, or other binding program directives.
c. The Authority shall have all rights and remedies required by the HUD requirements described in Section 10(b) above.

11. Equal Employment Opportunity

a. The Developer shall incorporate or cause to be incorporated into any contract in excess of $10,000 for construction work, or modification thereof, as defined in the regulations of the Secretary of Labor at 41 CFR chapter 60, which is to be performed pursuant to this Agreement, the following nondiscrimination clause:

   During the performance of this contract, the contractor agrees as follows:

   1. The contractor will not discriminate against any employee or applicant for employment because of race, color, creed, religion, sex, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, creed, sex, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoffs or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.

   2. The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, creed, sex, or national origin.

3. The contractor will send to each labor union or representative of workers with which the contractor has a collective bargaining agreement or other contract or understanding, a notice to be provided by or at the direction of the Government advising the labor union or workers representative of the contractor's commitments under this section and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

4. The contractor of will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and with the rules, regulations, and relevant orders of the Secretary of Labor.

5. The contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by HUD and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.

6. In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the rules, regulations, or orders, the contract may be canceled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, and such other sanctions as may be imported and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor or as otherwise provided by law.

7. The contractor will include the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by the rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the Government may direct as a means of enforcing such provisions including sanctions for noncompliance; provided, however, that in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Government, the contractor may request the United States to enter into such litigation to protect the interest of the United States.

b. The Developer agrees to be bound by the above nondiscrimination clause with respect to his or her own employment practices when participating in federally assisted construction work.

c. The Developer agrees to assist and cooperate actively with HUD and the Secretary of Labor in obtaining the compliance of contractors and subcontractors with the nondiscrimination clause and the rules, regulations, and relevant orders of the Secretary of Labor, to furnish HUD and the Secretary of Labor such information as they may require for the supervision of such compliance, and to otherwise assist HUD in the discharge of HUD's primary responsibility for securing compliance.

d. The Developer further agrees to refrain from entering into any contract or contract modification subject to Executive Order No. 11246 of September 24, 1965, with a contractor debarred from, or who has not demonstrated eligibility for, Government contracts and federally assisted construction contracts pursuant to the Executive Order and will carry out such sanctions and penalties for violation of the nondiscrimination clause as may be imposed upon contractors and subcontractors by HUD or the Secretary of Labor pursuant to the Executive Order. In addition, if the Developer fails or refuses to comply with these undertakings, HUD may take any or all of the following actions; cancel, terminate, or suspend in whole or in part this Agreement; refrain from extending any further assistance to the Developer under the program with respect to which the failure or refusal occurred until satisfactory assurance of future compliance has been received from the Developer, and refer the case to the Department of Justice for appropriate legal proceedings.

12. HUD—Federal Labor Standards Provisions

If required by HUD, the Developer is responsible for inserting the entire text of this section of this Agreement in all construction contracts and, if the Developer performs any rehabilitation work on the project, the Developer must comply with all provisions of this section. (Note: Sections 12(b) and 12(c) apply only when the amount of the prime contract exceeds $100,000.)

(a)(1) Minimum Wages. (i) All laborers and mechanics employed or working upon the site of the work (or under the United States Housing Act of 1937 or under the Housing Act of 1949 in the construction or development of the project) will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made part hereof regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics. Contributions made or costs reasonably anticipated for bona fide fringe benefits under section l(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of 29 CFR 5.5(a)(1)(iv); also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs, which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period.

Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in 29 CFR 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided, That the employer's payroll records accurately set forth the time spent in each classification in which work is

performed. The wage determination (including any additional classification and wage rates conformed under 29 CFR 5.5(a)(1)(ii) and the Davis-Bacon poster (WH1321)) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

(ii)(A) Any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. HUD shall approve an additional classification and wage rate and fringe benefits therefore only when the following criteria have been met:

(1) The work to be performed by the classification requested is not performed by a classification in the wage determination;
(2) The classification is utilized in the area by the construction industry; and
(3) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(B) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and HUD or its designee agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken shall be sent by HUD or its designee to the Administrator of the Wage and Hour Division, U.S. Department of Labor, Washington, D. C. 20210. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary.

(C) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and HUD or its designee do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), HUD or its designee shall refer the questions, including the views of all interested parties and the recommendation of HUD or its designee, to the Administrator for determination. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary.

(D) The wage rate (including fringe benefits where appropriate) determined pursuant to subparagraphs (1)(B) or (C) of this paragraph, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

(iii) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determinations or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

(iv) If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program: Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program.

(2) Withholding. HUD or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld from the contractors under this contract or any other Federal contract with the same prime contractor, or any other Federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee or helper, employed or working on the site of the work (or under the United States Housing Act of 1937 or under the Housing Act of 1949 in the construction or development of the project), all or part of the wages required by the contract, HUD or its designee may, after written notice to the contractor, sponsor, applicant, or Developer, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased. HUD or its designee may, after written notice to the contractor, disburse such amounts withheld for and on account of the contractor or subcontractor to the respective employees to whom they are due.
(3)(i) Payrolls and Basic Records. Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work (or under the United States Housing Act of 1937, or under the Housing Act of 1949, in the construction or development of the project). Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section l(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5 (a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section l(b)(2)(B) of the Davis-Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

(ii)(A) The contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to HUD and the Authority. The payrolls submitted shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i), except that full social security numbers and home addresses shall not be included in weekly transmittals. Instead the payrolls shall only need to include an individually identifying number for each employee (e.g. the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH–347 is available for this purpose from the Wage and HourDivision Web site at: http://www.dol.gov/esa/whd/forms/wh347instr.htm or its successor site. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker, and shall provide them upon request to HUD or its designee if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit them to the applicant, sponsor, or Developer, as the case may be, for transmission to HUD, the contractor, or the Wage and Hour Division of the Department of Labor for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this section for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to the sponsoring government agency (or the applicant, sponsor, or owner).

(B) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(1) That the payroll for the payroll period contains the information required to be provided under 29 CFR 5.5(a)(3)(ii), the appropriate information is being maintained under 29 CFR 5.5 (a)(3)(i) and that such information is correct and complete;

(2) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in 29 CFR part 3;

(3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(C) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by paragraph (a)(3)(ii)(B) of this section.

(D) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under section 1001 of Title 18 and section 231 of Title 31 of the United States Code.

(iii) The contractor or subcontractor shall make the records required under paragraph (a)(3)(i) of this section available for inspection, copying, or transcription by authorized representatives of HUD or its designee or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, HUD or its designee may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

(4) Apprentices and Trainees.(i) Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship Training, and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Office of Apprenticeship Training, Employee and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval

of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(ii) Trainees. Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(iii) Equal Employment Opportunity. The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR part 30.

(5) Compliance with Copeland Act Requirements. The contractor shall comply with the requirements of 29 CFR part 3 which are incorporated by reference in this Agreement.

(6) Subcontracts. The contractor or subcontractor will insert in any subcontracts the clauses contained in section 12(a)(1) through (11) and such other clauses as HUD or its designee may by appropriate instructions require, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in this section 12(a).

(7) Contract Terminations; Debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

(8) Compliance with Davis-Bacon and Related Act Requirements. All rulings and interpretations of the Davis-Bacon and related Acts contained in 29 CFR parts 1, 3, and 5 are herein incorporated by reference in this contract.

(9) Disputes Concerning Labor Standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and the Authority, HUD, the U. S. Department of Labor, or the employees or their representatives.

(10) Certification of Eligibility. (i) By entering into this Agreement, the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be awarded HUD contracts or participate in HUD programs pursuant to 24 CFR part 24.

(ii) No part of this Agreement shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be awarded HUD contracts or participate in HUD programs pursuant to 24 CFR part 24.
(iii) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001. Additionally, U.S. Criminal Code, section 1010, Title 18, U.S.C., "Federal Housing Administration transactions, provides in part: "Whoever, for the purpose of ...influencing in any way the action of such Administration...makes, utters or publishes any statement, knowing the same to be false... shall be fined not more than $5,000 or imprisoned not more than two years, or both."

11. Complaints, Proceedings, or Testimony by Employees. No laborer or mechanic to whom the wage, salary, or other labor standards provisions of this Agreement are applicable shall be discharged or in any other manner discriminated against by the Contractor or any subcontractor because such employee has filed any complaint or instituted or caused to be instituted any proceeding or has testified or is about to testify in any proceeding under or relating to the labor standards applicable under this Agreement to his employer.

(b) Contract Work Hours and Safety Standards Act. The provisions of this paragraph (b) are applicable only where the amount of the prime contract exceeds $100,000. As used in this paragraph, the terms "laborers" and "mechanics" include watchmen and guards.

(1) Overtime Requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such

laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

(2) Violation; Liability for Unpaid Wages; Liquidated Damages. In the event of any violation of the clause set forth in subparagraph (1) of this paragraph, the contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in subparagraph (1) of this paragraph, in the sum of $25 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in subparagraph (1) of this paragraph.

(3) Withholding for Unpaid Wages and Liquidated Damages. HUD or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any monies payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other Federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in subparagraph (2) of this paragraph.

(4) Subcontractors. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in subparagraph (1) through (4) of this paragraph and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in subparagraphs (1) through (4) of this paragraph.

(c) Health and Safety. The provisions of this paragraph (c) are applicable only where the amount of the prime contract exceeds $100,000.

(1) No laborer or mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous to his health and safety as established under construction safety and health standards promulgated by the Secretary of Labor by regulation.

(2) The contractor shall comply with all regulations issue by the Secretary of Labor pursuant to Title 29 part 1926 and failure to comply may result in imposition of sanctions pursuant to the Contract Work Hours and Safety Standards Act, 40 USC 3701 et seq.

(3) The contractor shall include the provisions of this paragraph in every subcontract so that such provisions will be binding on each subcontractor. The contractor shall take such

action with respect to any subcontract as the Secretary of Housing and Urban Development or the Secretary of Labor shall direct as a means of enforcing such provisions.]

13. Wage and Claims Adjustments

If required by HUD, the Developer shall be responsible for the correction of all violations under the federal labor standards provisions in Section 12 of this Exhibit, including violations committed by other contractors. In cases where there is evidence of underpayment of salaries or wages to any laborers or mechanics (including apprentices and trainees) by the Developer or other contractor or a failure by the Developer or other contractor to submit payrolls and related reports, the Developer shall be required to place an amount in escrow, as determined by HUD sufficient to pay persons employed on the work covered by the Agreement the difference between the salaries or wages actually paid such employees for the total number of hours worked and the full amount of wages required under this Agreement, as well as an amount determined by HUD to be sufficient to satisfy any liability of the Developer or other contractor for liquidated damages. The amounts withheld may be disbursed by HUD for and on account of the Developer or other contractor to the respective employees to whom they are due, and to the Federal Government in satisfaction of liquidated damages.

14. Section 3 – Opportunity for Low Income Persons

Developer shall comply with, and require all contractors and subcontractors to comply with, 24 CFR Part 75 concerning employment of low income workers and contracting with low income businesses.

15. Clean Air Act

The Developer and its contractors and subcontractors shall to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act and the Federal Water Pollution Control Act as amended . Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

EXHIBIT C

EXISTING BUILDING REFERENCES

Chelsea Campus

Elliott Campus

Fulton Campus

Naming Conventions – Existing Buildings

Existing Buildings	Address
CHELSEA ADDITION	436 W 27th Dr
ELLIOTT CENTER	441 W 26th St
CHELSEA 1	425 W 25th St 428 W 26th St
CHELSEA 2	420 W 26th St 415 W 25th St
ELLIOTT 1	288 10th Ave 450 W 27th Dr
HUDSON GUILD CHILDREN'S CENTER	459 W 26th St
ELLIOTT 2	466 W 26th St 264 10th Ave
ELLIOTT 3	446 W 26th St 443 W 25th St
ELLIOTT 4	427 W 26th St 426 W 27th Dr
FULTON 1	401 W 16th St 413 W 16th St
Parking Lot 01	421 W 16th St
FULTON 2 HUDSON GUILD TECH UP LEARNING LAB	418 W 17th St
FULTON 3	412 W 17th St 400 W 17th St
FULTON 4	434 W 17th St 430 W 17th St
FULTON 5	427 W 17th St 431 W 17th St
Parking Lot 02	432 W 18th St
FULTON 6	419 W 17th St
FULTON 7	121 9th Ave 117 9th Ave
FULTON CENTER	119 9th Ave
FULTON 8	401 W 18th St 411 W 18th St
Parking Lot 03	417 W 18th St
FULTON 9	420 W 19th St
FULTON 10	412 W 19th St 400 W 19th St
FULTON 11	401 W 19th St 419 W 19th St
Parking Lot 04	409 W 19th St

EXHIBIT D

DEPOSIT ESCROW AGREEMENT

SECURITY DEPOSIT ESCROW AGREEMENT

This Security Deposit Escrow Agreement (this "Agreement") is made as of [_____], 2024, by and among NEW YORK CITY HOUSING AUTHORITY, a public benefit corporation incorporated, created and organized pursuant to and in accordance with the laws of the State of New York, with its principal office at 90 Church Street, 5th Floor, New York, New York 10007 (the "Authority"), ELLIOTT FULTON LLC, a New York limited liability company, with its principal offices at c/o Essence Development, LLC, 6 Greene Street, New York, New York 10013, and c/o The Related Companies, L.P., 30 Hudson Yards, New York, New York 10001 ("Developer"), and Bellrow Title Agency ("Escrow Agent").

RECITALS

A. The Authority and Developer have entered into a certain Master Development Agreement dated [_____], 2024 (as may be amended from time to time, the "Master Development Agreement") governing the undertaking of a phased plan of rebuilding and redevelopment of the Authority's housing developments located on certain improved and unimproved parcels of real property subject to the regulations of the U.S. Department of Housing and Urban Development commonly known as the Fulton Houses and Elliott-Chelsea Houses, involving the replacement of the 2,056 units in the existing buildings at each of the Fulton Campus and Elliott-Chelsea Campus with units in new buildings by a joint venture of the Authority and Developer, as well as the leasing of certain portions of the premises by the Authority to the Developer or its Affiliate, as such term is defined in the Master Development Agreement, for the development of additional new mixed-income buildings, as more fully described in the Master Development Agreement. Any term not defined herein shall have the meaning set forth in the Master Development Agreement.

B. In connection with the Master Development Agreement, the Authority and Developer have requested Escrow Agent receive funds to be held in escrow and applied in accordance with the terms and conditions of this Agreement and the Master Development Agreement.

NOW THEREFORE, in consideration of the above recitals, the mutual promises set forth herein and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties agree as follows:

1. **ESCROW AGENT**. Bellrow Title Agency hereby agrees to act as Escrow Agent in accordance with the terms and conditions hereof.

2. **DEPOSITS**. Developer shall deposit with the Escrow Agent the Security Deposit (as defined in the Master Development Agreement) in accordance with the terms of the Master Development Agreement, including, without limitation, Section 3.3 thereof. The Security

Deposit and all interest earned thereon shall be referred to herein collectively as the "Escrow Fund".

3. **RECEIPT OF FUNDS**. All checks, money orders or drafts will be processed for collection in the normal course of business. Escrow Agent shall immediately deposit the Escrow Fund (or components thereof as received) into a segregated, interest-bearing account with any reputable trust company, bank, savings bank, savings association, or other financial services entity jointly approved by the Authority and Developer. Deposits held by Escrow Agent shall be subject to the provisions of applicable state statutes governing unclaimed property. Escrow Agent shall not be responsible for any penalties, or loss of principal or interest, or any delays in the withdrawal of the funds which may be imposed by the depository institution as a result of the making or redeeming of the investment pursuant to the joint instructions of Authority and Developer. The Authority and Developer will execute the appropriate Internal Revenue Service documentation for the giving of taxpayer identification information relating to this account. The Authority and Developer do hereby certify that each is aware that the Federal Deposit Insurance Corporation coverages apply to a legally specified maximum amount per depositor. Further, the Authority and Developer understand that Escrow Agent assumes no responsibility for, nor will the Authority or Developer hold same liable for any loss occurring which arises from a situation or event under the Federal Deposit Insurance Corporation coverages. All interest will accrue to and be reported to the Internal Revenue Service for the account of Developer, as set forth below:

   Name: [_____]
   Address: [_____]

   Tax I.D. 87-4540100

4. **DISBURSEMENT OF ESCROW FUND**. Escrow Agent shall disburse all or any portion of the Escrow Fund only in accordance with and in reliance upon the Master Development Agreement, including, without limitation, Section 3.4 thereof, or as otherwise required or permitted by written instructions signed by both the Authority and Developer.

5. **DEFAULT AND/OR DISPUTES**. In the event a party to the Master Development Agreement shall default under the Master Development Agreement (and after the giving of any notices required thereunder and expiration of any grace or cure periods provided for therein), Escrow Agent, upon the written direction of the non-defaulting party to the Master Development Agreement, such written direction to be sent simultaneously to the defaulting party, may proceed in accordance with this Agreement unless the defaulting party to the Master Development Agreement shall give to Escrow Agent written direction to stop further performance of Escrow Agent's functions hereunder within five (5) Business Days of the non-defaulting party's written direction. In the event written notice of default or dispute as to continued performance of Escrow Agent under this Agreement is given to Escrow Agent by the defaulting party as provided for in the preceding sentence or is given to Escrow Agent by any party to the Master Development Agreement, or if Escrow Agent receives contrary written instructions from any party to the Master Development Agreement as to the continued performance of Escrow Agent under this Agreement, Escrow Agent will promptly notify all

parties to the Master Development Agreement of such notice. Thereafter, Escrow Agent will decline to disburse funds or to deliver any instrument or otherwise continue to perform its escrow functions, except upon receipt of a mutual written agreement of the parties or upon an appropriate order of court. In the event of a dispute, Escrow Agent is authorized to deposit the Escrow Fund into a court of competent jurisdiction for a determination as to the proper disposition of said funds. In the event that the funds are deposited in court, Escrow Agent shall be entitled to file a claim in the proceeding for its reasonable out of pocket costs and attorneys' fees, if any.

6. **ESCROW AGENT FEES AND OTHER EXPENSES**. Pursuant to an interest-bearing account being requested, an IRS Form 1099 may be filed with the Internal Revenue Service. Any costs and charges will be deducted from the escrowed funds by Escrow Agent prior to disbursement. Escrow Agent shall not be required to advance its own funds for any purpose provided that any such advance, made at its option, shall be promptly reimbursed by the party for whom it is advanced, and such optional advance shall not be an admission of liability on the part of the Escrow Agent.

7. **PERFORMANCE OF DUTIES**. In performing any of its duties under this Agreement, or upon the claimed failure to perform its duties hereunder, Escrow Agent shall not be liable to anyone for any damages, losses or expenses which may occur as a result of Escrow Agent so acting, or failing to act; provided, however, Escrow Agent shall be liable for damages arising out of its willful misconduct, gross negligence or breach under this Agreement. Accordingly, Escrow Agent shall not incur any such liability with respect to (i) any good faith act or omission upon advice of counsel given with respect to any questions relating to the duties and responsibilities of Escrow Agent hereunder, or (ii) any good faith act or omission in reliance upon any document, including any written notice or instructions provided for in the Master Development Agreement, not only as to its due execution and to the validity and effectiveness of its provisions but also as to the truth and accuracy of any information contained therein, which Escrow Agent shall in good faith believe to be genuine, to have been signed or presented by the proper person or persons and to conform with the provisions of this Agreement.

8. **HOLD HARMLESS**. The Authority and Developer shall indemnify Escrow Agent and hold Escrow Agent harmless from all damage, costs, claims and expenses arising from performance of its duties as Escrow Agent including reasonable attorneys' fees, except for those damages, costs, claims and expenses resulting from the gross negligence, willful misconduct or breach of Escrow Agent.

9. **TERMINATION**. This Agreement shall terminate upon the first to occur of (a) the disbursement by Escrow Agent of all of the Escrow Funds and (b) the joint written instructions of the Authority and Developer.

10. **RELEASE OF PAYMENT**. Disbursement in full of the Escrow Fund, in accordance with the terms, conditions and provisions of this Agreement and the Master Development Agreement, shall fully and completely discharge and exonerate Escrow Agent from any and all future liability or obligations of any nature or character at law or equity to the parties hereto or under this Agreement; *provided, however,* that, notwithstanding the foregoing, nothing in

this Agreement shall be construed to discharge or exculpate Escrow Agent from any liability or obligation from the gross negligence, willful misconduct or breach of Escrow Agent.

11. **NOTICES**. All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if (i) personally delivered with proof of delivery thereof, (ii) sent by reputable overnight courier service, in each case addressed to the respective parties as follows, or (iii) delivered via email (if available) and immediately followed with any of the forms described in the previous clauses (i) through (ii):

If to the Authority:
New York City Housing Authority
90 Church Street, 5th Floor
New York, New York 10007
Attn: Executive Vice President for Real Estate
Email: jonathan.gouveia@nycha.nyc.gov

With copies to:
New York City Housing Authority
90 Church Street, 11th Floor
New York, New York 10007
Attn: Deputy General Counsel for
Real Estate and Economic Development
Email: law.reed@nycha.nyc.gov

Herrick, Feinstein LLP
Two Park Avenue
New York, New York 10016
Attn: Patrick J. O'Sullivan, Esq.
Email: posullivan@herrick.com

If to Developer:
c/o The Related Companies, L.P.
30 Hudson Yards, New York, New York 10001
Attention: Gregory Gushee
Email: ggushee@related.com

c/o Essence Development, LLC
6 Greene Street, New York, New York 10013
Attention: Jamar Adams
Email: jadams@essencedev.com

With copies to:
Gibson, Dunn & Crutcher LLP
200 Park Avenue
New York, New York 10166
Attention: Andrew Lance

Email: alance@gibsondunn.com

If to Escrow Agent:
Bell Row Title Agency
125 Park Avenue
Suite 1610
New York, New York 10017
Attention: Robert Balachandran, Esq.
Email: rbalachandran@bellrowtitle.com

or to such other address or party as the given party may have furnished to the others in writing in accordance herewith, except that notices of change of address or addresses shall only be effective upon receipt. Notices shall be deemed given when delivered personally or by overnight courier, with failure to accept delivery to constitute delivery for purposes hereof. If notice is originally delivered via email, then such notice shall be deemed given on the date that it is acknowledged via email by the recipient. The attorneys for a given party are authorized to give notices on behalf of such party.

12. **MISCELLANEOUS**. This Agreement shall be construed and enforced in accordance with the laws of the State of New York, and the Authority, Developer and Escrow Agent consent to personal jurisdiction in the State of New York. This Agreement may be executed by ink, pdf or digital signature, in any number of counterparts, all of which shall constitute a single agreement, and when so executed and delivered by email, shall constitute a valid and binding original. This Agreement shall be binding on and inure to the benefit of the parties, their heirs, executors, administrators, successors in interest and assigns. A modification of or amendment to any provision contained in this Agreement shall be effective only if the modification or amendment is in writing and signed by each party hereto. The captions and other headings in this Agreement are inserted for convenience of reference only and in no way define, describe or limit the scope or intent of this Agreement or any of the provisions hereof. Time shall be of the essence of this Agreement and each and every term and condition hereof. In the event a dispute arises between the Authority and Developer under this Agreement, the losing party shall pay the attorney's fees and court costs of the prevailing party. The parties acknowledge that the Authority is a public benefit corporation and agree to cooperate with the execution and/or submittal of any documentation reasonably requested pursuant to, as a result of or relating to the Authority's legal status.

[Signatures appear on the following page]

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be duly executed and sealed as of the date first stated above.

AUTHORITY:

NEW YORK CITY HOUSING AUTHORITY

By: _____
Name:
Title:

DEVELOPER:

ELLIOTT FULTON LLC

By: _____
Name:
Title:

ESCROW AGENT:

BELLROW TITLE AGENCY

By: _____
Name:
Title:

EXHIBIT E

LEGAL FEES ESCROW AGREEMENT

LEGAL FEES ESCROW AGREEMENT

This Legal Fees Escrow Agreement (this "Agreement") is made as of October 30, 2024, by and among NEW YORK CITY HOUSING AUTHORITY, a public benefit corporation incorporated, created and organized pursuant to and in accordance with the laws of the State of New York, with its principal office at 90 Church Street, 5th Floor, New York, New York 10007 (the "Authority"), ELLIOTT FULTON LLC, a New York limited liability company, with its principal office at c/o Essence Development, LLC, 6 Greene Street, New York, New York 10013, and c/o The Related Companies, L.P., 30 Hudson Yards, New York, New York 10001 ("Developer"), and Bellrow Title Agency ("Escrow Agent").

RECITALS

A. The Authority and Developer have entered into a certain Master Development Agreement dated October 30, 2024 (as may be amended from time to time, the "Master Development Agreement") governing the undertaking of a phased plan of rebuilding and redevelopment of the Authority's housing developments located on certain improved and unimproved parcels of real property (the "Premises") subject to the regulations of the U.S. Department of Housing and Urban Development ("HUD**")** commonly known as the Fulton Houses and Elliott-Chelsea Houses that includes the replacement of the 2,056 units in the existing buildings at each of the Fulton Campus and Elliott-Chelsea Campus with new buildings by a joint venture of the Authority and Developer, as well as the leasing of certain portions of the Premises by the Authority to the MI Developer for the development of additional new mixed-income buildings (collectively, the "Project"), as more fully described in the Master Development Agreement. Any term not defined herein shall have the meaning set forth in the Master Development Agreement.

B. To facilitate the Project, the Authority shall retain the following outside legal counsel ("Counsel") services to represent the Authority in the building, development, rebuilding, redevelopment, joint venturing and leasing constituting and incidental to the Project including any litigation of a third party relating thereto: (i) one (1) law firm serving as the Authority's external legal counsel in connection with the Master Development Agreement, Project-specific matters and/or any Closing; (ii) one (1) law firm serving as HUD regulatory counsel in connection with the Project; and (iii) one (1) law firm serving as environmental review in connection with the Project, provided that in each case the Authority shall have the right to change the law firm serving in any such capacity.

C. Developer has agreed to pay the reasonable and customary out-of-pocket costs incurred by the Authority for Counsel's provision of services as set forth in Paragraph B above, including any litigation of a third party relating thereto, incurred by the Authority ("Counsel Costs"), which Counsel Costs shall constitute Project costs, to be allocated in accordance with Section 5.6(d) of the Master Development Agreement; provided, notwithstanding the foregoing or anything to the contrary in the Master Development Agreement, Counsel Costs shall not include any costs

incurred due to the gross negligence or intentional misconduct of the Authority or the Authority's Related Parties or any default by the Authority under the Master Development Agreement or any Transaction Agreement.

NOW THEREFORE, in consideration of the above recitals, the mutual promises set forth herein and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties agree as follows:

1. **ESCROW AGENT**. Bellrow Title Agency hereby agrees to act as Escrow Agent in accordance with the terms and conditions hereof.

2. **DEPOSITS**. On or before the date of execution of the Master Development Agreement, Developer shall deposit into a segregated interest-bearing escrow account with the Escrow Agent (the "Account") an amount equal to One hundred thousand dollars ($100,000) (the "Initial Escrow Amount"), such amount to be applied solely for the purpose of paying for Counsel Costs in accordance with the terms hereof. At any time the amount of the funds held by Escrow Agent pursuant to this Agreement shall be less than fifty thousand dollars ($50,000) (the "Escrow Threshold Amount"), Escrow Agent shall notify the Authority and Developer and promptly thereafter, but in no event more than ten (10) Business Days after such notice, Developer shall deposit an additional amount into the Account with the Escrow Agent (each such additional amount, the "Additional Escrow Amount") which, together with the remaining balance in the Account at the date of notification shall equal the Escrow Threshold Amount. The Initial Escrow Amount together with any Additional Escrow Amount and all interest earned thereon shall be referred to herein collectively as the "Escrow Fund." In addition, on the date of the Master Development Agreement, Developer shall reimburse the Authority for all Counsel Costs incurred as of such date.

3. **RECEIPT OF FUNDS**. All checks, money orders or drafts will be processed for collection in the normal course of business. Escrow Agent shall immediately deposit the Escrow Fund (or components thereof as received) into a segregated, interest-bearing account with a reputable trust company, bank, savings bank, savings association, or other financial services entity jointly approved by the Authority and Developer. Deposits held by Escrow Agent shall be subject to the provisions of applicable state statutes governing unclaimed property. Escrow Agent shall not be responsible for any penalties, or loss of principal or interest, or any delays in the withdrawal of the funds which may be imposed by the depository institution as a result of the making or redeeming of the investment pursuant to the joint instructions of Authority and Developer. The Authority and Developer will execute the appropriate Internal Revenue Service documentation for the giving of taxpayer identification information relating to the Account. The Authority and Developer do hereby certify that each is aware that the Federal Deposit Insurance Corporation coverages apply to a legally specified maximum amount per depositor. Further, the Authority and Developer understand that Escrow Agent assumes no responsibility for, nor will the Authority or Developer hold same liable for any loss occurring which arises from a situation or event under the Federal Deposit Insurance Corporation coverages. All interest will accrue to and be reported to the Internal Revenue Service for the account of Developer, as set forth below:

Name: ELLIOTT FULTON LLC
Address: 30 Hudson Yards, 72nd Floor, New York, New York 10001

Tax I.D. 87-4540100

4. **DISBURSEMENT OF ESCROW FUND**. To request disbursement of all or any portion of the Escrow Fund, the Authority shall submit to Escrow Agent invoice(s) and wire instruction(s) from one or more of any Counsel on a monthly basis. The Authority shall copy the Developer on such requests to the Escrow Agent. Escrow Agent shall disburse such requested amount of the Escrow Fund on the date that is five (5) Business Days following receipt of such request; provided, that if the Developer sends written notice objecting to such disbursement prior to the expiration of such five (5) Business Day period with a copy of such written notice simultaneously sent to NYCHA, then Escrow Agent shall not make such disbursement until such dispute is resolved in accordance with Section 5 below. The Authority may request drawdowns of the Escrow Fund only for the purpose of paying Counsel Costs pursuant to invoices sent by Counsel to the Authority for Counsel Costs.

5. **DEFAULT AND/OR DISPUTES**. In the event a party to the Master Development Agreement shall default under the Master Development Agreement (and after the giving of any notices required thereunder and expiration of any grace or cure periods provided for therein), Escrow Agent, upon the written direction of the non-defaulting party to the Master Development Agreement, such written direction to be sent simultaneously to the defaulting party, may proceed in accordance with this Agreement unless the defaulting party to the Master Development Agreement shall give to Escrow Agent written direction to stop further performance of Escrow Agent's functions hereunder within five (5) Business Days of the non-defaulting party's written direction. In the event written notice of default or dispute as to continued performance of Escrow Agent under this Agreement is given to Escrow Agent by the defaulting party as provided for in the preceding sentence or given by any party to the Master Development Agreement, or if Escrow Agent receives contrary written instructions from any party to the Master Development Agreement as to the continued performance of Escrow Agent under this Agreement, Escrow Agent will promptly notify all parties to the Master Development Agreement of such notice. Thereafter, Escrow Agent will decline to disburse funds or to deliver any instrument or otherwise continue to perform its escrow functions, except upon receipt of a mutual written agreement of the parties or upon an appropriate order of court. In the event of a dispute, Escrow Agent is authorized to deposit the Escrow Fund into a court of competent jurisdiction for a determination as to the proper disposition of said funds. In the event that the funds are deposited in court, Escrow Agent shall be entitled to file a claim in the proceeding for its reasonable out of pocket costs and attorneys' fees, if any.

6. **ESCROW AGENT FEES AND OTHER EXPENSES**. Pursuant to an interest-bearing account being requested, an IRS Form 1099 may be filed with the Internal Revenue Service. Any costs and charges will be deducted from the escrowed funds by Escrow Agent prior to disbursement. Escrow Agent shall not be required to advance its own funds for any purpose provided that any such advance, made at its option, shall be promptly reimbursed by the party

for whom it is advanced, and such optional advance shall not be an admission of liability on the part of the Escrow Agent.

7. **PERFORMANCE OF DUTIES**. In performing any of its duties under this Agreement, or upon the claimed failure to perform its duties hereunder, Escrow Agent shall not be liable to anyone for any damages, losses or expenses which may occur as a result of Escrow Agent so acting, or failing to act; provided, however, Escrow Agent shall be liable for damages arising out of its willful misconduct, gross negligence or breach under this Agreement. Accordingly, Escrow Agent shall not incur any such liability with respect to (i) any good faith act or omission upon advice of counsel given with respect to any questions relating to the duties and responsibilities of Escrow Agent hereunder, or (ii) any good faith act or omission in reliance upon any document, including any written notice or instructions provided for in the Master Development Agreement, not only as to its due execution and to the validity and effectiveness of its provisions but also as to the truth and accuracy of any information contained therein, which Escrow Agent shall in good faith believe to be genuine, to have been signed or presented by the proper person or persons and to conform with the provisions of this Agreement.

8. **HOLD HARMLESS**. The Authority and Developer shall indemnify Escrow Agent and hold Escrow Agent harmless from all damage, costs, claims and expenses arising from performance of its duties as Escrow Agent including reasonable attorneys' fees, except for those damages, costs, claims and expenses resulting from the willful misconduct, gross negligence or breach of the Escrow Agent.

9. **RELEASE OF PAYMENT**. Upon each and every Closing having occurred and each Counsel being entirely paid for all Counsel Costs, any remaining Escrow Funds shall, upon instruction accordingly from the Authority, be released to Developer. Disbursement in full of the Escrow Fund, in accordance with the terms, conditions and provisions of this Agreement and the Master Development Agreement, shall fully and completely discharge Escrow Agent from any and all future liability or obligations of any nature or character at law or equity to the parties hereto or under this Agreement; provided, however, that, notwithstanding the foregoing, nothing in this Agreement shall be construed to discharge or exculpate Escrow Agent from any liability or obligation from the gross negligence, willful misconduct or breach of Escrow Agent.

10. **TERMINATION**. This Agreement shall terminate upon first to occur of (a) each and every Closing having occurred and each Counsel being entirely paid for all Counsel Costs, and a written acknowledgement by the Authority confirming the aforementioned occurrences, or (b) the joint written instructions of the Authority and Developer.

11. **NOTICES**. All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if (i) personally delivered with proof of delivery thereof, (ii) sent by reputable overnight courier service, in each case addressed to the respective parties as follows, or (iii) delivered via email (if available) and immediately followed with any of the forms described in the previous clauses (i) through (ii):

If to the Authority:

New York City Housing Authority
90 Church Street, 5th Floor
New York, New York 10007
Attn: Executive Vice President for Real Estate
Email: jonathan.gouveia@nycha.nyc.gov

With copies to:
New York City Housing Authority
90 Church Street, 11th Floor
New York, New York 10007
Attn: Deputy General Counsel for
Real Estate and Economic Development
Email: law.reed@nycha.nyc.gov

Herrick, Feinstein LLP
Two Park Avenue
New York, New York 10016
Attn: Patrick J. O'Sullivan, Esq.
Email: posullivan@herrick.com

If to Developer:
c/o The Related Companies, L.P.
30 Hudson Yards, New York, New York 10001
Attention: Gregory Gushee
Email: ggushee@related.com
c/o Essence Development, LLC
6 Greene Street, New York, New York 10013
Attention: Jamar Adams
Email: jadams@essencedev.com

With copies to:
Gibson, Dunn & Crutcher LLP
200 Park Avenue
New York, New York 10166
Attention: Andrew Lance
Email: alance@gibsondunn.com

If to Escrow Agent:
Bell Row Title Agency
125 Park Avenue
Suite 1610
New York, New York 10017
Attention: Robert Balachandran, Esq.
Email: rbalachandran@bellrowtitle.com

or to such other address or party as the given party may have furnished to the others in writing in accordance herewith, except that notices of change of address or addresses shall only be effective upon receipt. Notices shall be deemed given when delivered personally or by overnight courier, with failure to accept delivery to constitute delivery for purposes hereof. If notice is originally delivered via email, then such notice shall be deemed given on the date that it is acknowledged via email by the recipient. The attorneys for a given party are authorized to give notices on behalf of such party.

12. **MISCELLANEOUS**. This Agreement shall be construed and enforced in accordance with the laws of the State of New York, and the Authority, Developer and Escrow Agent consent to personal jurisdiction in the State of New York. This Agreement may be executed in any number of counterparts, by hand or by digital signature, all of which shall constitute a single agreement when so executed and delivered scanned by email. This Agreement shall be binding on and inure to the benefit of the parties, their heirs, executors, administrators, successors in interest and assigns. A modification of or amendment to any provision contained in this Agreement shall be effective only if the modification or amendment is in writing and signed by each party hereto. The captions and other headings in this Agreement are inserted for convenience of reference only and in no way define, describe or limit the scope or intent of this Agreement or any of the provisions hereof. Time shall be of the essence of this Agreement and each and every term and condition hereof. In the event litigation arises between the Authority and Developer under this Agreement, the losing party shall pay the attorney's fees and court costs of the prevailing party after final enforceable judgment by a court with jurisdiction in such proceeding. The parties acknowledge that the Authority is a public benefit corporation and agree to cooperate with the execution and/or submittal of any documentation reasonably requested pursuant to, as a result of or relating to the Authority's legal status.

[Signatures appear on the following page]

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be duly executed and sealed as of the date first stated above.

AUTHORITY:

NEW YORK CITY HOUSING AUTHORITY

By: _____
Name:
Title:

DEVELOPER:

ELLIOTT FULTON LLC

By: _____
Name:
Title:

ESCROW AGENT:

BELLROW TITLE AGENCY

By: _____
Name:
Title:

EXHIBIT F

DEVELOPMENT PLAN

The development will be executed in phases, constructing first the Replacement Buildings, then the Mixed-Income Buildings.

The Initial Project Phasing Plan is comprised of Phase 0 and Phase 1. The exact phasing and duration of the remaining phases is dependent on the successful approval and adoption of a rezoning to increase the allowable residential, community facility, and commercial density via NYC's Uniform Land Use Review Process ("ULURP"). Both redevelopment plan phasing scenarios (i.e. (i) if ULURP approval for rezoning is obtained (referred to herein as the "Rezoning Plan") and (ii) the "as-of-right" scenario based on the existing zoning (referred to herein as the "Non-rezoning Plan") are described in this Exhibit. The Development Plan is preliminary and may change in accordance with the agreement.

- **Phase 0:**
  - Temporary Relocation of Residents from two Existing Buildings
    - Fulton 11: 401 W 19th St / 419 W 19th St
    - Chelsea Addition: 436 W 27th Dr
- **Phase 1 (Replacement Buildings):**
  - Following resident relocation, demolition of two Existing Buildings (Fulton 11, Chelsea Addition / Elliott Center)
    - Fulton 11: 401 W 19th St / 419 W 19th St
    - Chelsea Addition: 436 W 27th Dr
  - Construction of two new Replacement Buildings (RBF1 and RBEC1) intended for Residents of the following Existing Buildings
    - Fulton 5: 427 W 17th St / 431 W 17th St
    - Fulton 7: 121 9th Ave / 117 9th Ave
    - Fulton 8: 401 W 18th St / 411 W 18th St
    - Fulton 10: 412 W 19th St / 400 W 19th St
    - Fulton 11: 401 W 19th St / 419 W 19th St
    - Elliott 1: 288 10th Ave / 450 W 27th Dr
    - Chelsea 2: 420 W 26th St / 415 W 25th St
    - Chelsea Addition: 436 W 27th Dr
  - Construction of the replacement Hudson Guild spaces, currently planned for the base of RBF1 and RBEC1 as applicable

Rezoning Development Plan

Rezoning Development Plan may change as a result of the ULURP application. Orange buildings represent those involved with Phase 1 demolition of Existing Buildings and reconstruction of proposed Replacement Buildings. Red buildings represent those involved with Phase 2 demolition of Existing Buildings and reconstruction of proposed Replacement Buildings.

Rezoning Preliminary Phasing Plan

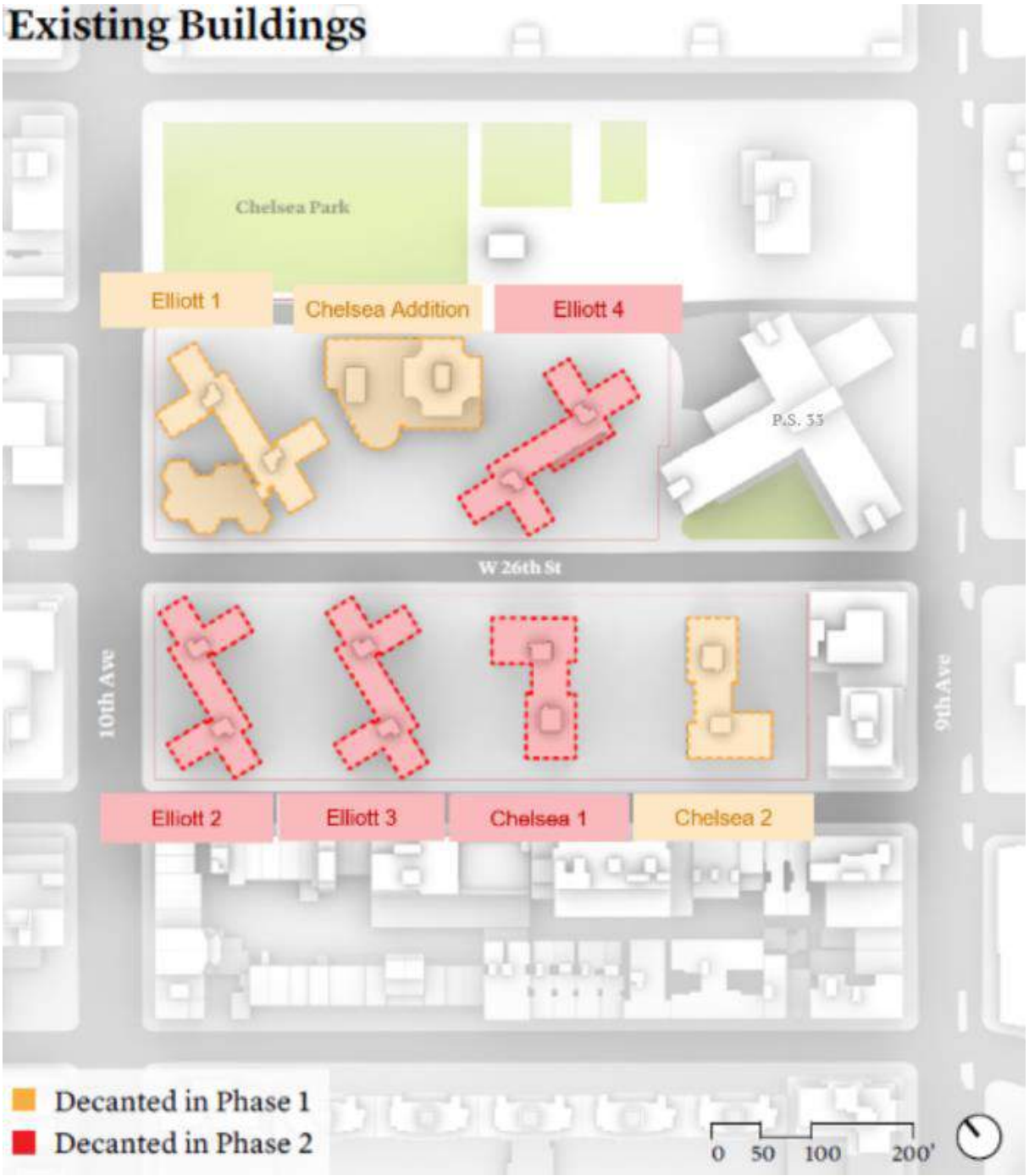
Phase 2 (Replacement Buildings):

- Full relocation of residents into RBF1 and RBEC1 and then the demolition of the following Existing Buildings:
    - Fulton 5: 427 W 17th St / 431 W 17th St
    - Fulton 7: 121 9th Ave / 117 9th Ave
    - Fulton 8: 401 W 18th St / 411 W 18th St
    - Fulton 10: 412 W 19th St / 400 W 19th St
    - Elliott 1: 288 10th Ave / 450 W 27th Dr
    - Chelsea 2: 420 W 26th St / 415 W 25th St
- Construction of two Replacement Buildings at Fulton (RBF2 and RBF3) intended for residents of all remaining Fulton Campus Existing Buildings:
    - Fulton 2: 418 W 17th St
    - Fulton 6: 419 W 17th St
    - Fulton 9: 420 W 19th St
    - Fulton 1: 401 W 16th St / 413 W 16th St
    - Fulton 3: 412 W 17th St / 400 W 17th St
    - Fulton 4: 434 W 17th St / 430 W 17th St
- Construction of two Replacement Buildings at the Elliott-Chelsea Campus (RBEC2 and RBEC3) intended for residents of all remaining Elliott-Chelsea Campus Existing Buildings
    - Elliott 2: 466 W 26th St / 264 10th Ave
    - Elliott 3: 446 W 26th St / 443 W 25th St
    - Elliott 4: 427 W 26th St / 426 W 27th Dr
    - Chelsea 1: 425 W 25th St / 428 W 26th St
- Full relocation of residents into RBF2/RBF3 and RBEC2/RBEC3

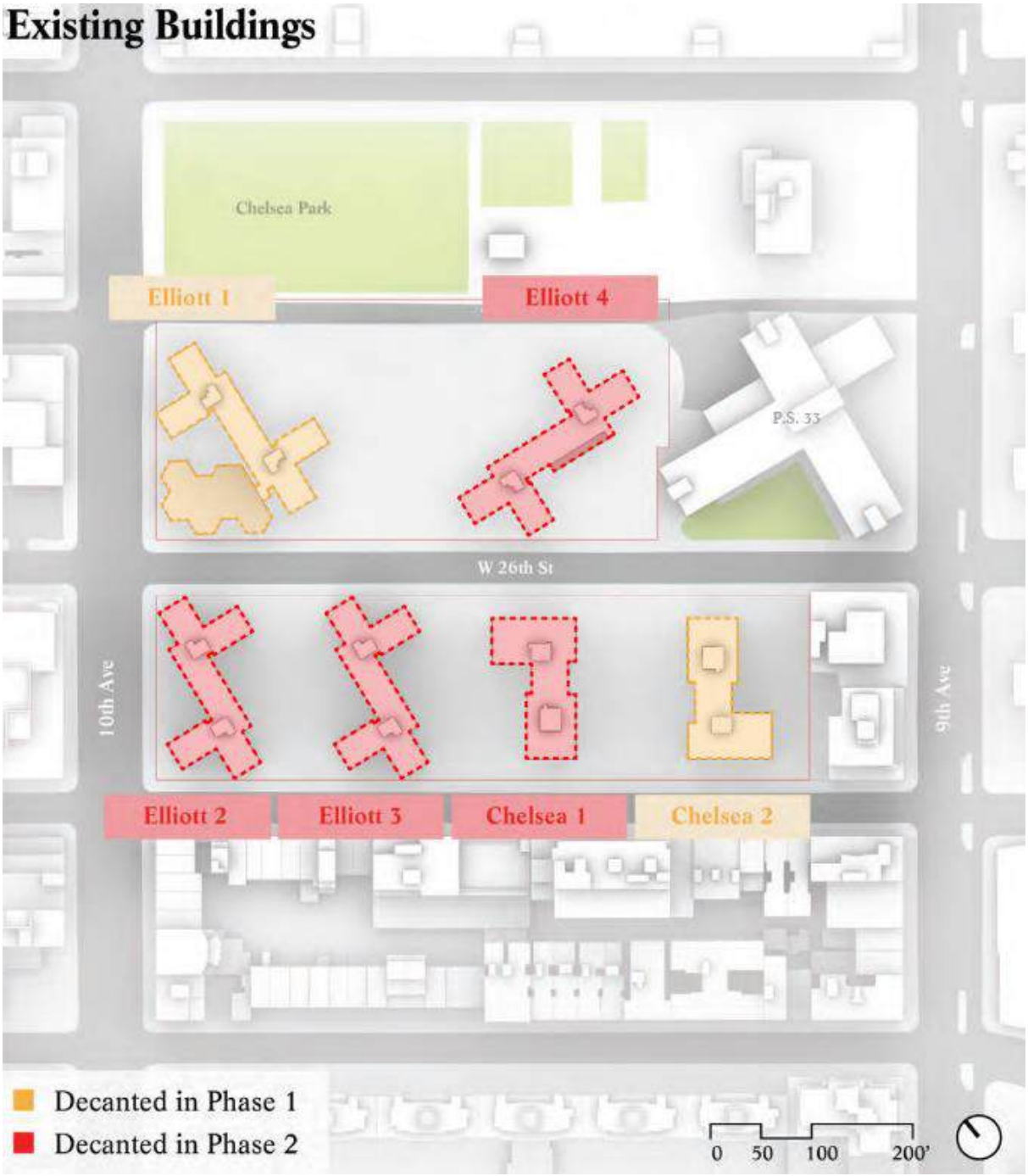
Phase 3 (Mixed-Income Buildings):

- Closing of Mixed-Income Buildings at Fulton and Elliott-Chelsea campuses in stages
- Following each Mixed-Income Building Closing, demolition of the relevant Existing Building located on that site (eleven Existing Buildings in total)
- Construction of five Mixed-Income Buildings at Fulton Campus in stages
- Construction of four Mixed-Income Buildings at Elliott-Chelsea Campus in stages

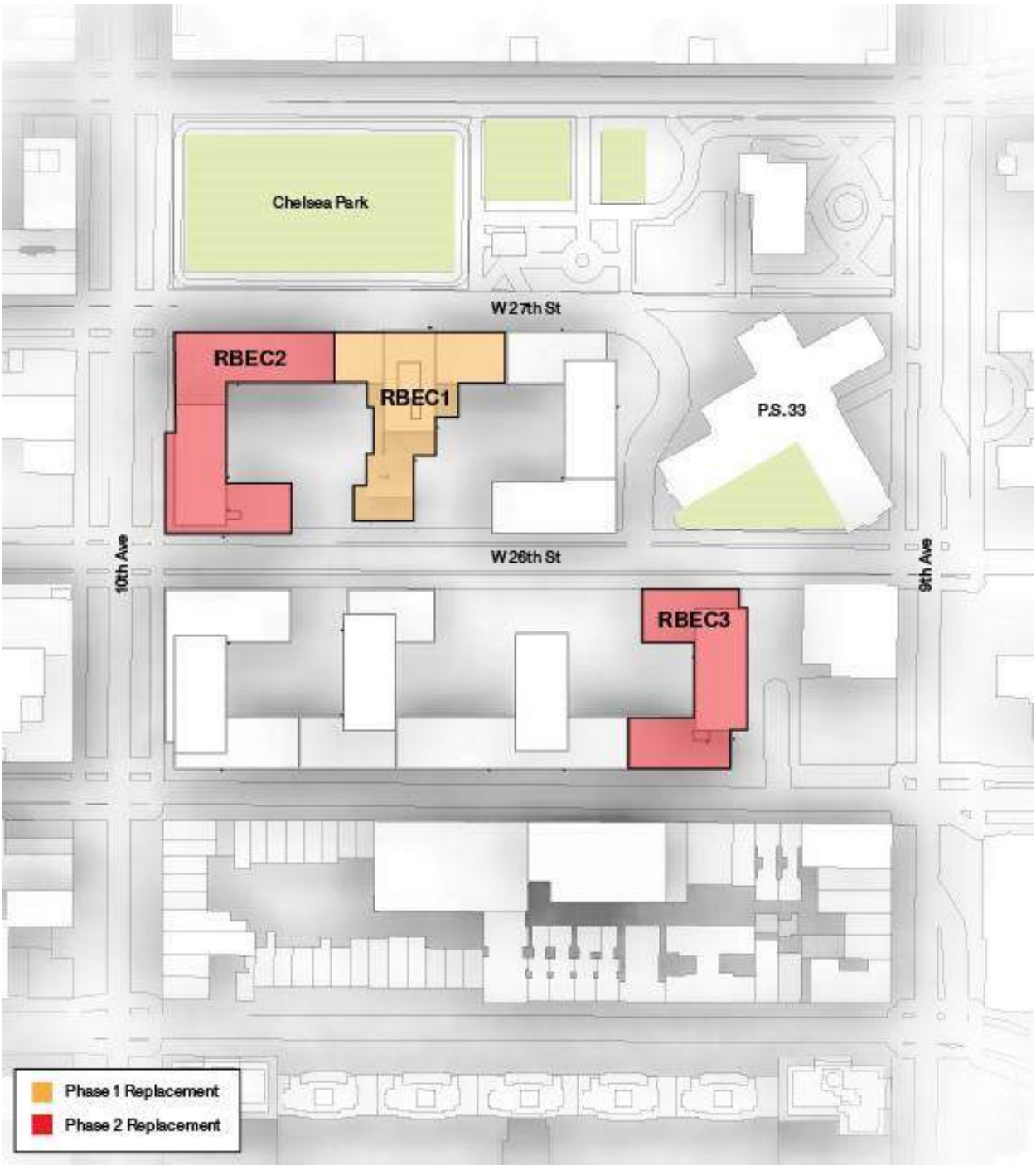
Existing Buildings: Elliott-Chelsea Campus



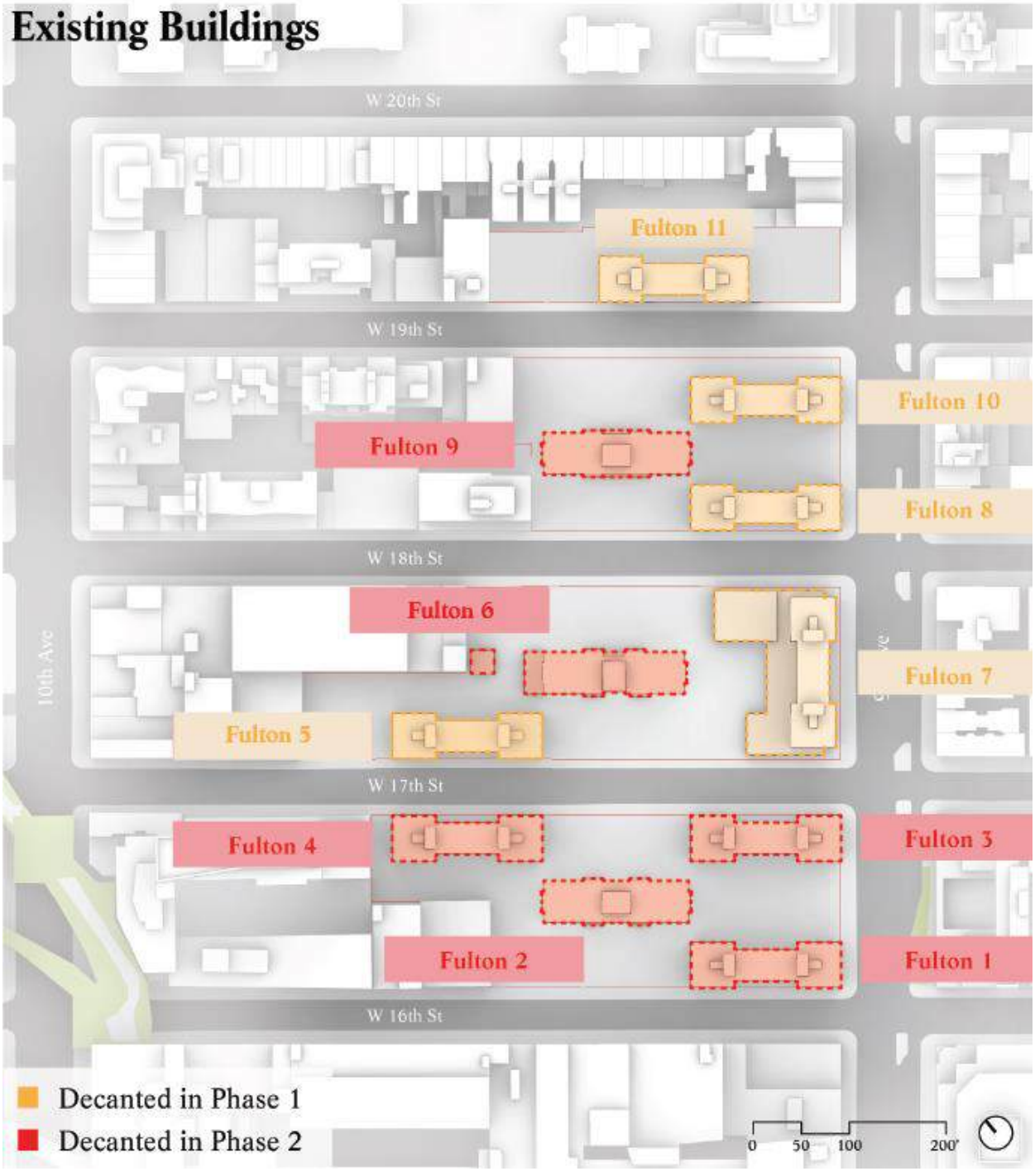
Existing Buildings: Elliott-Chelsea Campus Post-Demolition of Chelsea Addition



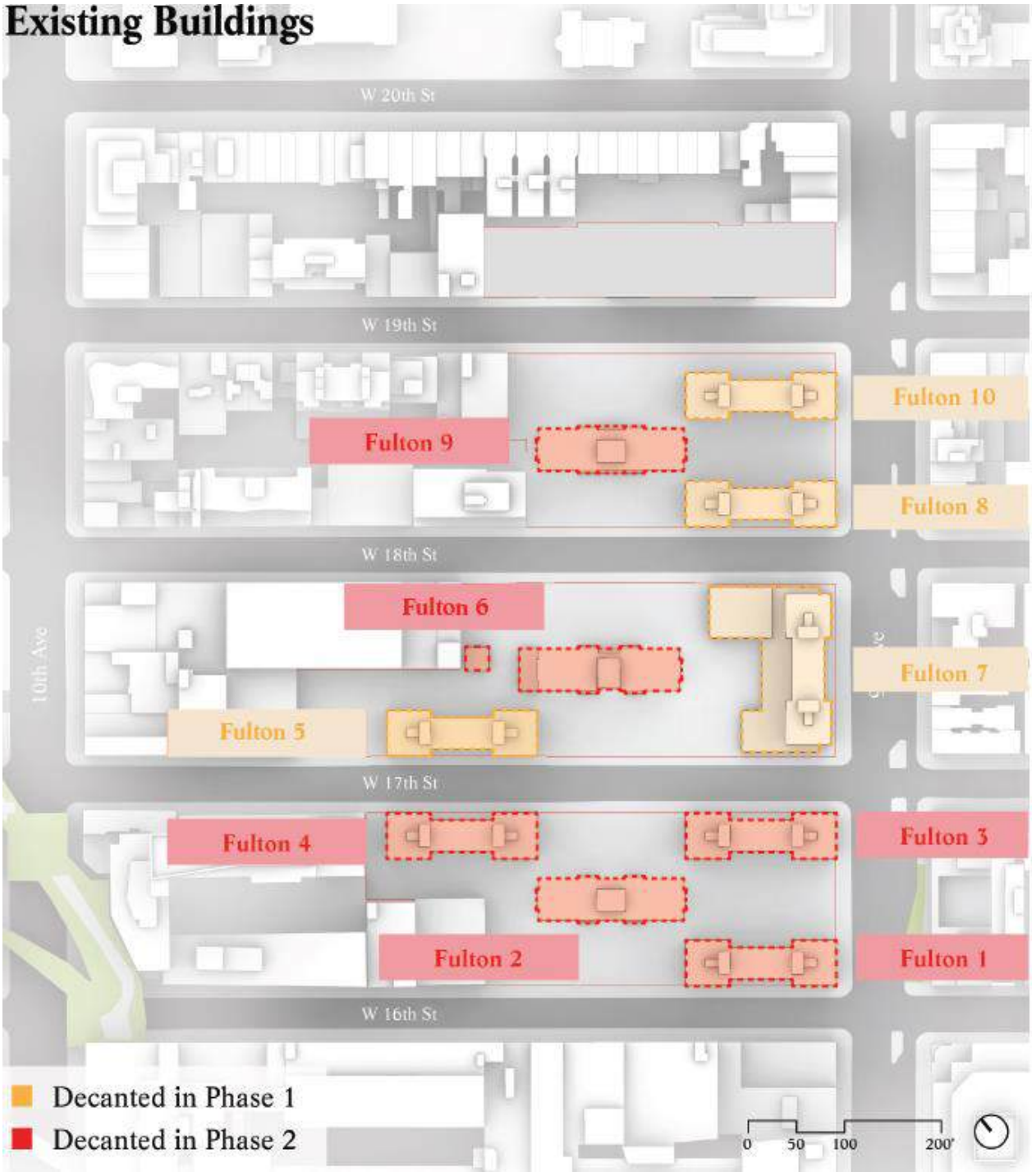
Proposed Replacement Buildings: Elliott-Chelsea Campus



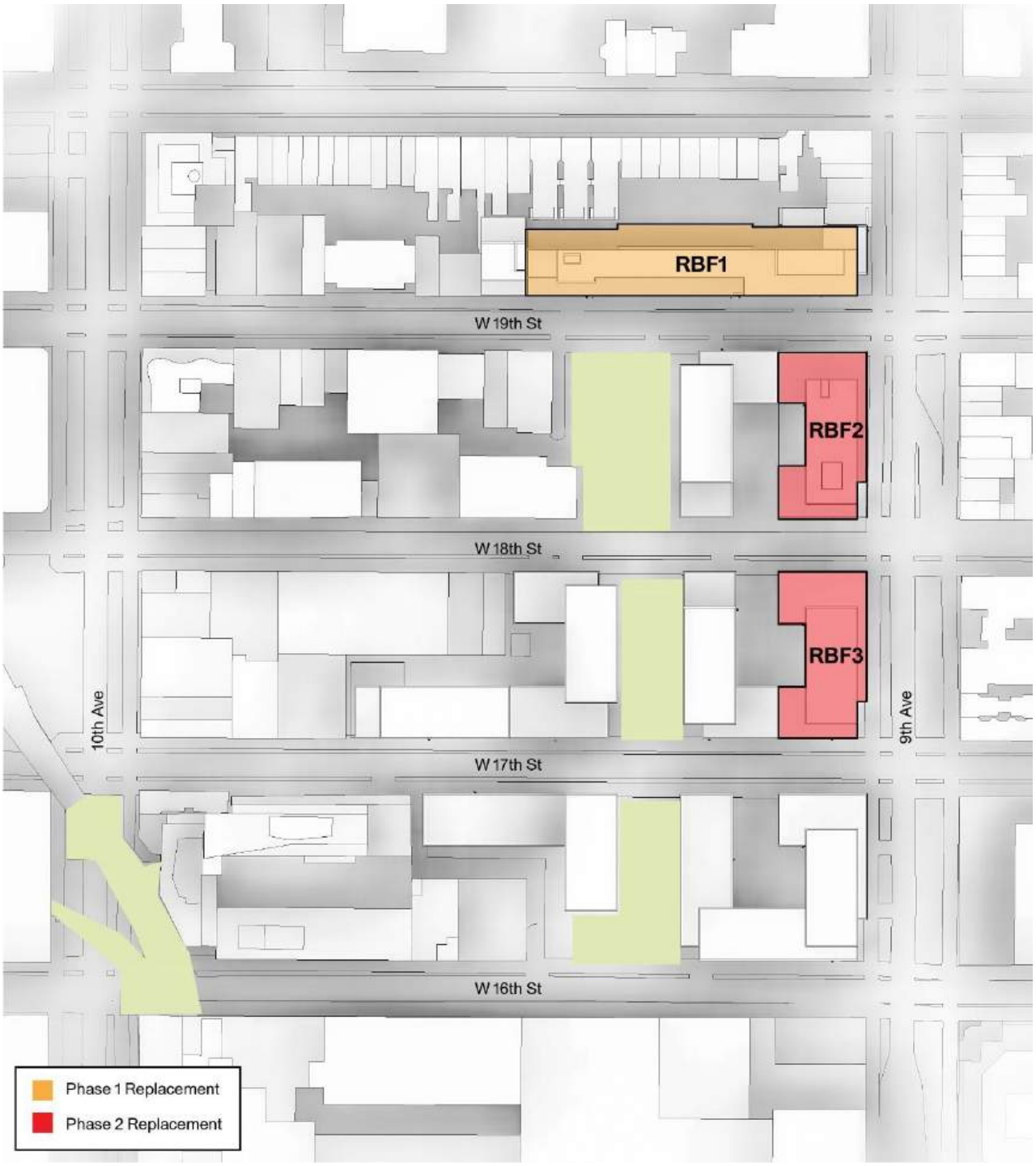
Existing Buildings: Fulton Campus



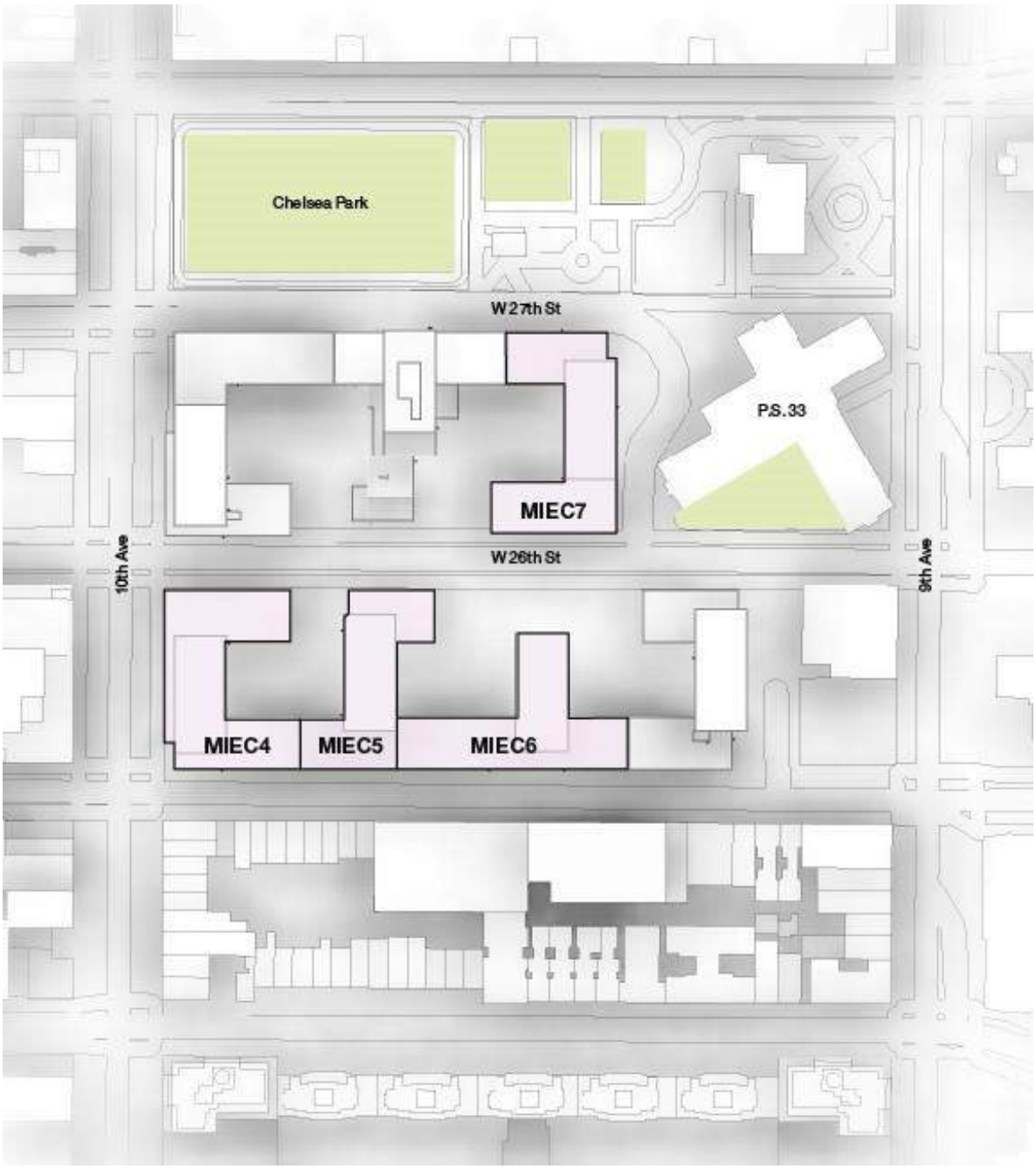
Existing Buildings: Fulton Campus Post-Demolition of Fulton 11



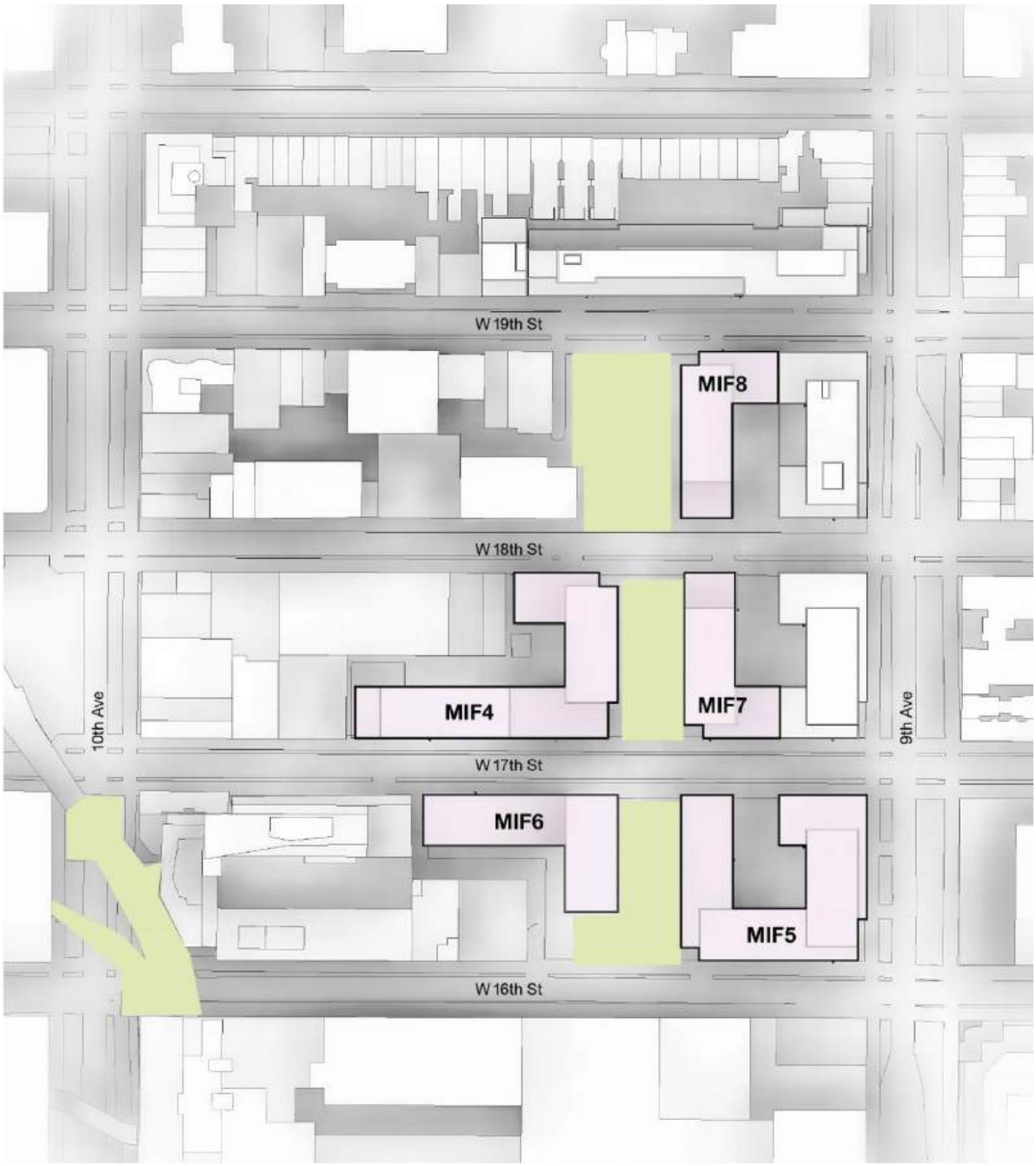
Proposed Replacement Buildings: Fulton Campus



Mixed-Income Buildings: Elliott-Chelsea Campus



Mixed-Income Buildings: Fulton Campus



Non-Rezoning Development Plan

Orange buildings represent those involved with Phase 1 demolition of Existing Buildings and reconstruction of proposed Replacement Buildings. Red buildings represent those involved with Phase 2 Demolition of Existing Buildings and reconstruction of proposed Replacement Buildings. Blue buildings represent those involved with Phase 3 demolition of Existing Buildings and reconstruction of proposed Replacement Buildings.

Non-Rezoning Preliminary Phasing Plan

- **Phase 2 (Replacement Buildings):** Demolition of the following Existing Buildings following the relocation of its residents
    - Fulton 5: 427 W 17th St / 431 W 17th St
    - Fulton 7: 121 9th Ave / 117 9th Ave
    - Fulton 8: 401 W 18th St / 411 W 18th St
    - Fulton 10: 412 W 19th St / 400 W 19th St
    - Elliott 1: 288 10th Ave / 450 W 27th Dr
    - Chelsea 2: 420 W 26th St / 415 W 25th St
- Construction of two Replacement Buildings at the Fulton Campus (RBF2 and RBF3) intended for residents of the Fulton Campus Existing Buildings
    - Fulton 6: 419 W 17th St
    - Fulton 9: 420 W 19th St
- Construction of two Replacement Buildings at the Elliott-Chelsea Campus (RBEC2 and RBEC3) intended for residents of the Elliott-Chelsea Campus Existing Buildings
    - Elliott 2: 466 W 26th St / 264 10th Ave
    - Elliott 3: 446 W 26th St / 443 W 25th St
    - Chelsea 1: 425 W 25th St / 428 W 26th St

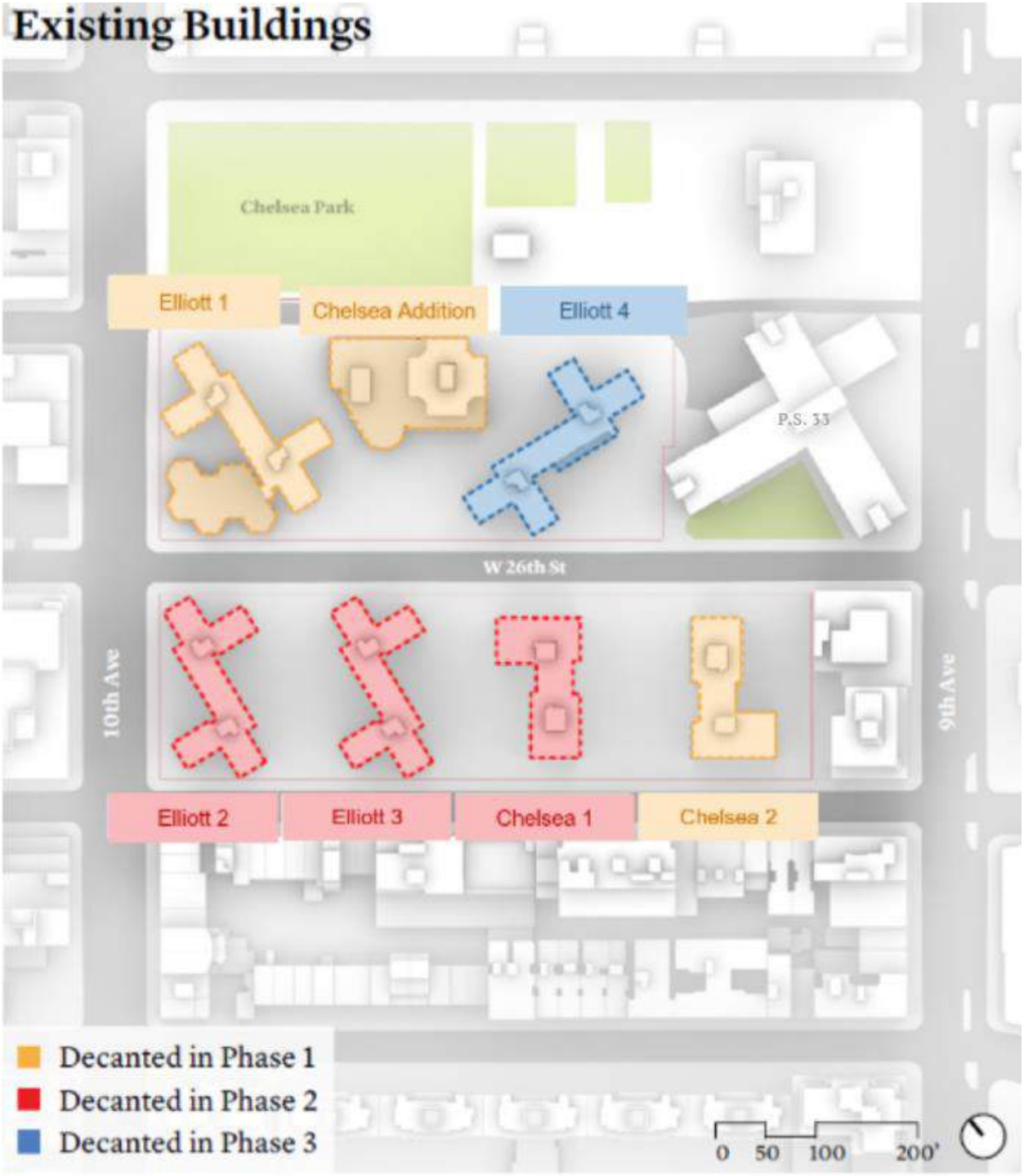
Phase 3 (Replacement Buildings):

- Demolition of the following Existing Buildings
    - Fulton 6: 419 W 17th St
    - Fulton 9: 420 W 19th St
    - Elliott 2: 466 W 26th St / 264 10th Ave
    - Elliott 3: 446 W 26th St / 443 W 25th St
    - Chelsea 1: 425 W 25th St / 428 W 26th St
- Construction of two Replacement buildings at the Fulton Campus (RBF4 and RBF5) intended for remaining Fulton Campus residents
    - Fulton 1: 401 W 16th St / 413 W 16th St
    - Fulton 2: 418 W 17th St
    - Fulton 3: 412 W 17th St / 400 W 17th St
    - Fulton 4: 434 W 17th St / 430 W 17th St
- Construction of one Replacement Building at the Elliott-Chelsea Campus (RBEC4) intended for residents of Elliott 4
- Full relocation of residents into RBF4/RBF5 and RBEC4

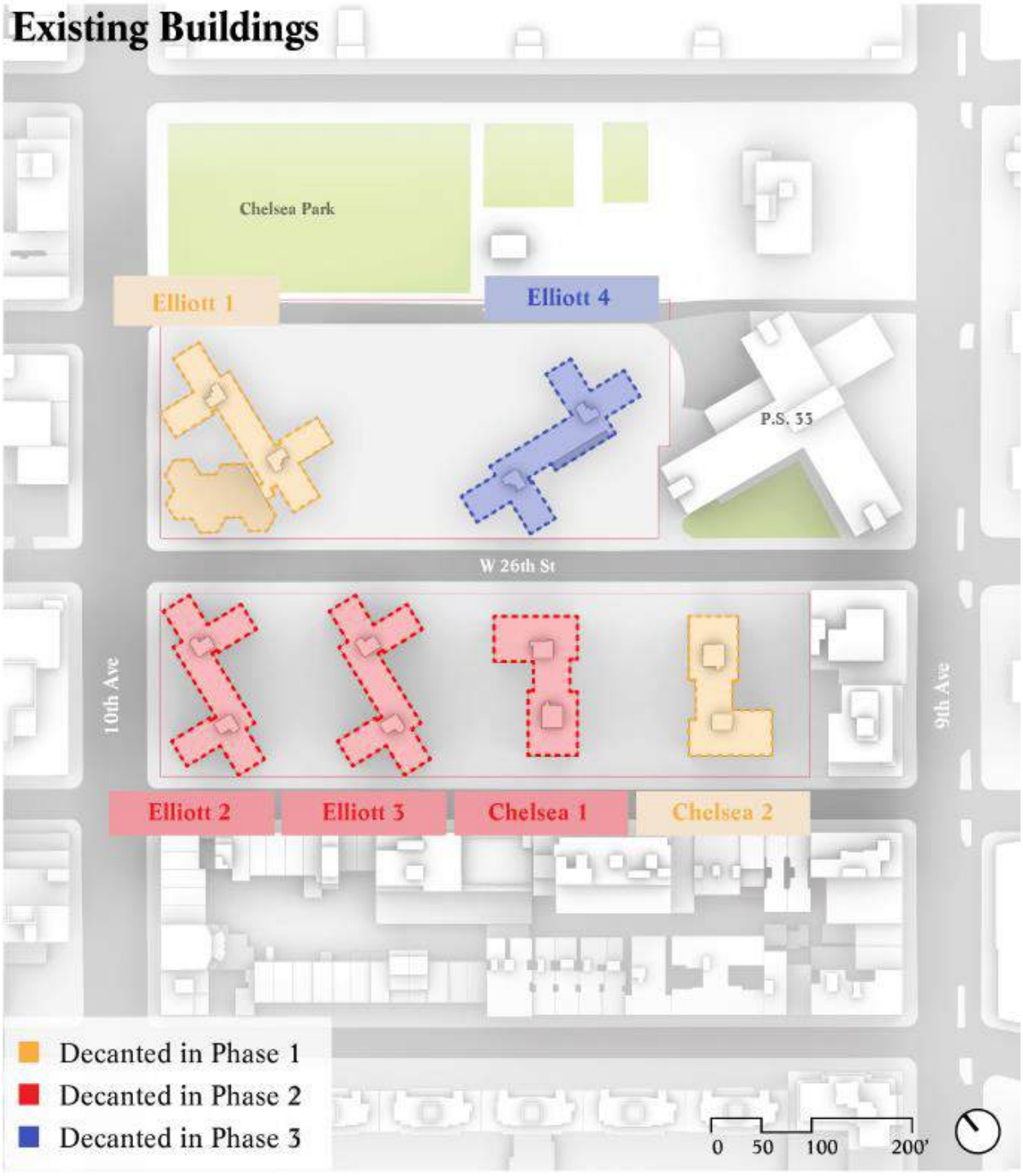
Phase 4 (Mixed-Income Buildings):

- Closing of Mixed-Income Buildings at Fulton and Elliott-Chelsea campuses in stages
- Following each Mixed-Income Building Closing, demolition of the relevant Existing Buildings on that site (eleven Existing Buildings in total)
- Construction of five Mixed-Income Buildings at the Fulton Campus in stages
- Construction of three Mixed-Income Buildings at the Elliott-Chelsea Campus in stages

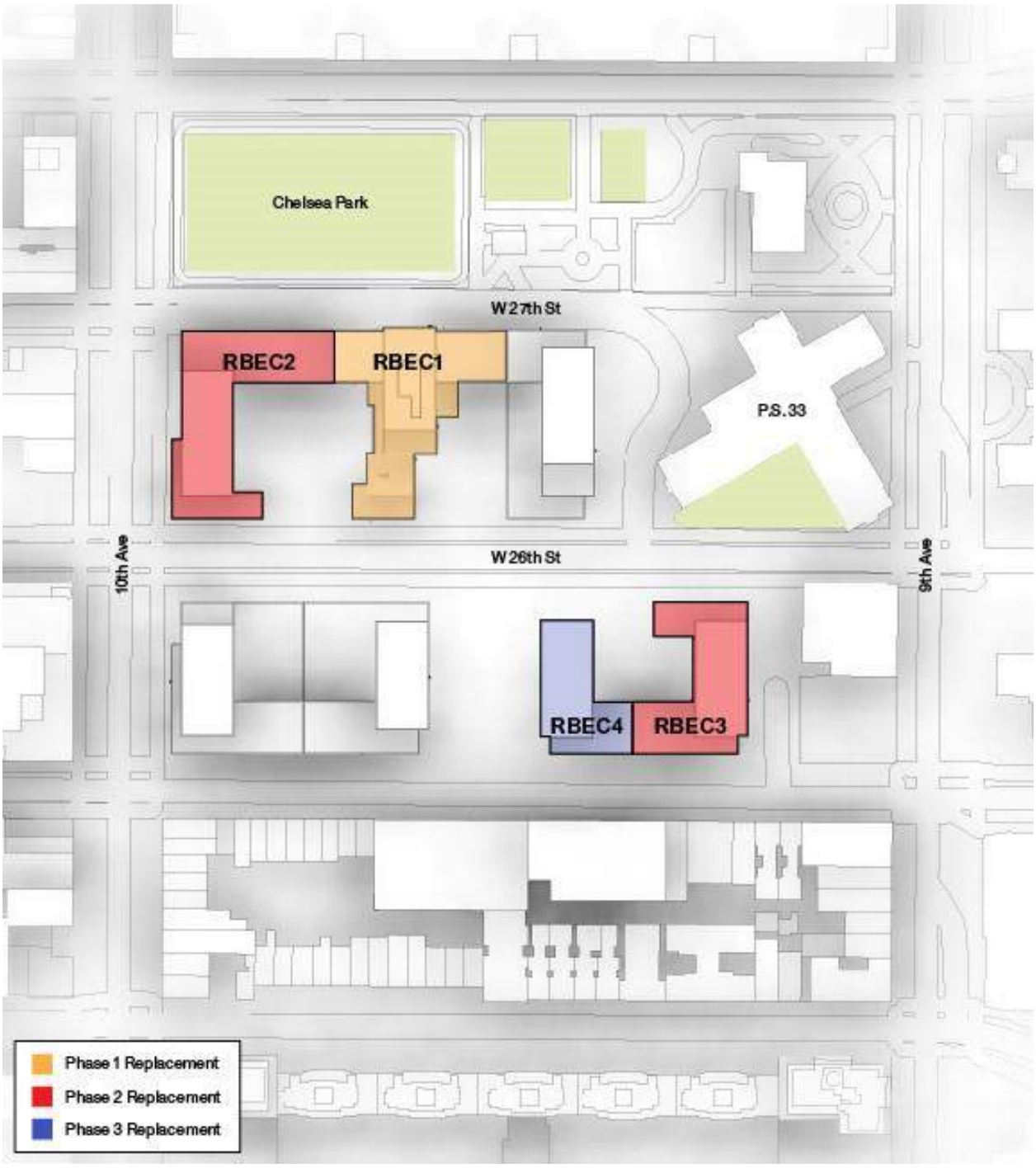
Existing Buildings: Elliott-Chelsea Campus



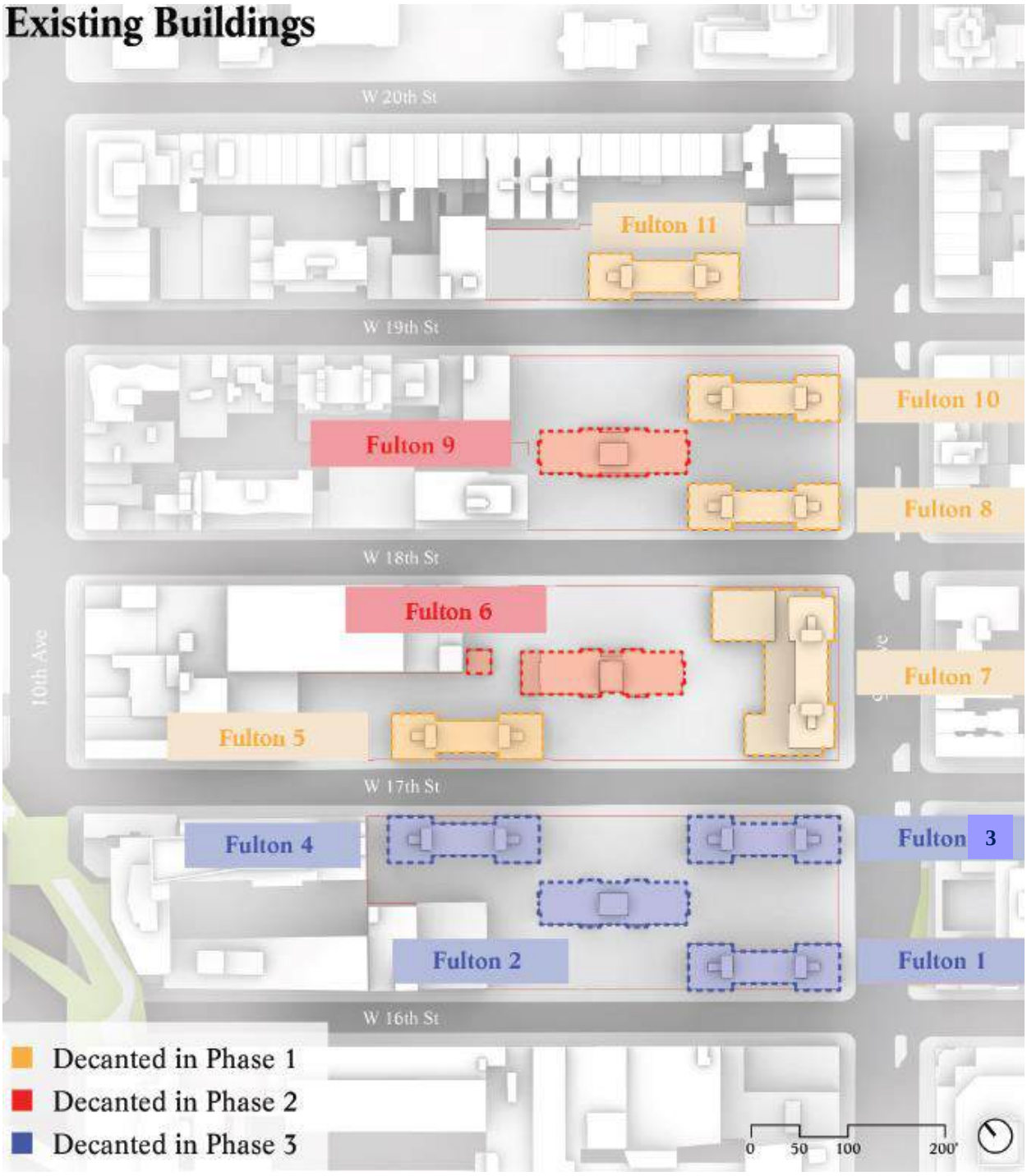
Existing Buildings: Elliott-Chelsea Campus Post-Demolition of Chelsea Addition



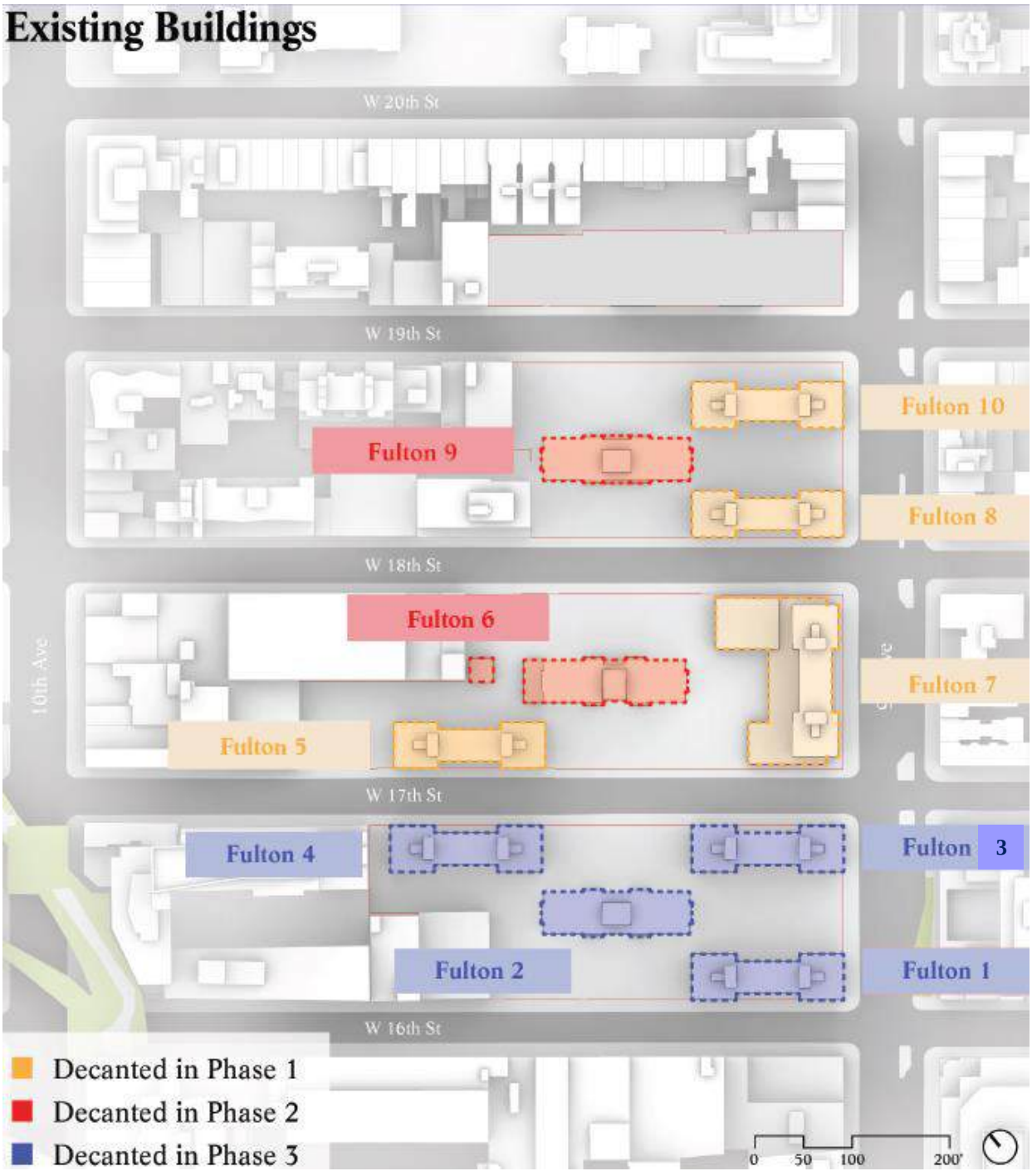
Proposed Replacement Buildings: Elliott-Chelsea Campus



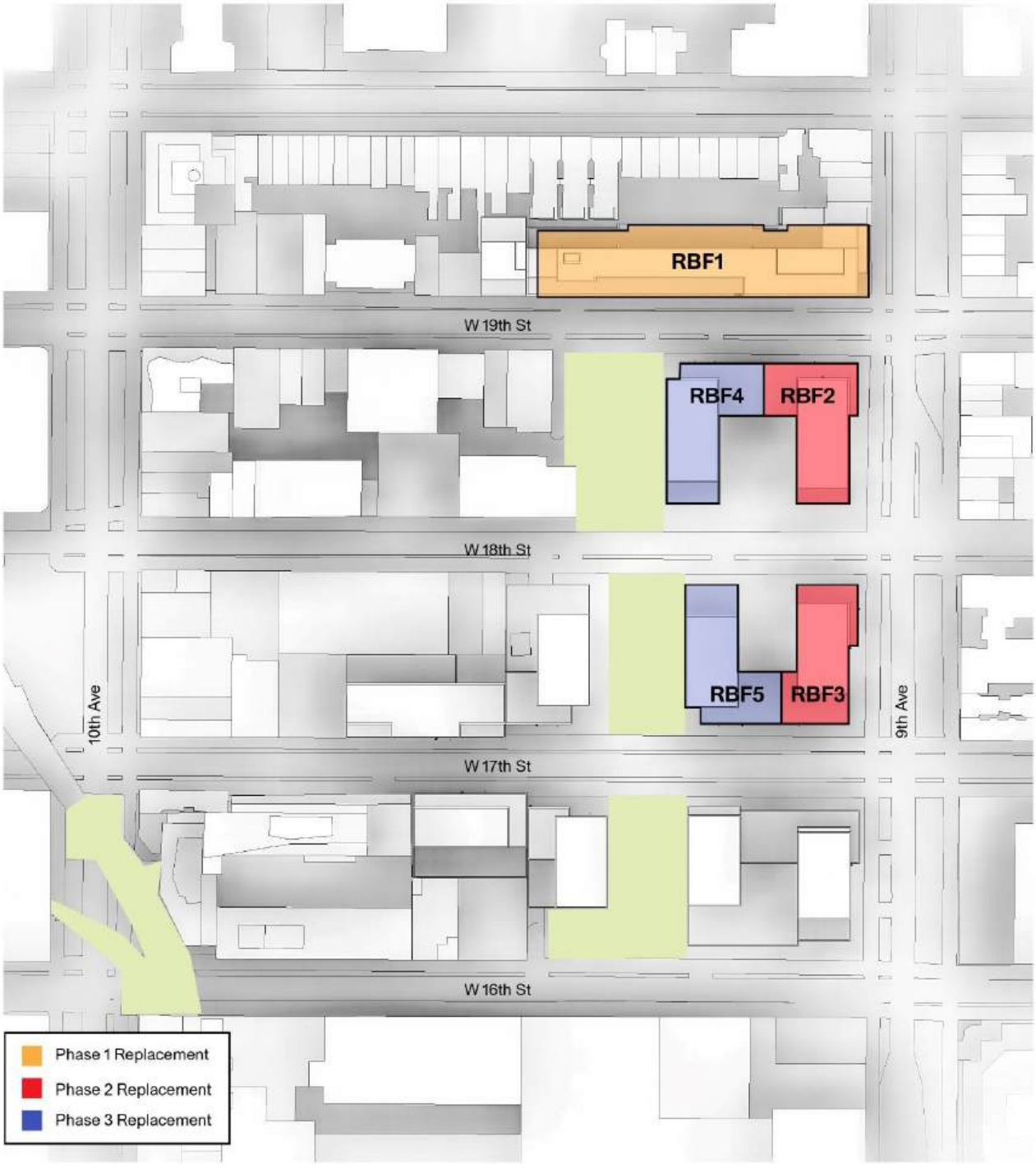
Existing Buildings: Fulton Campus



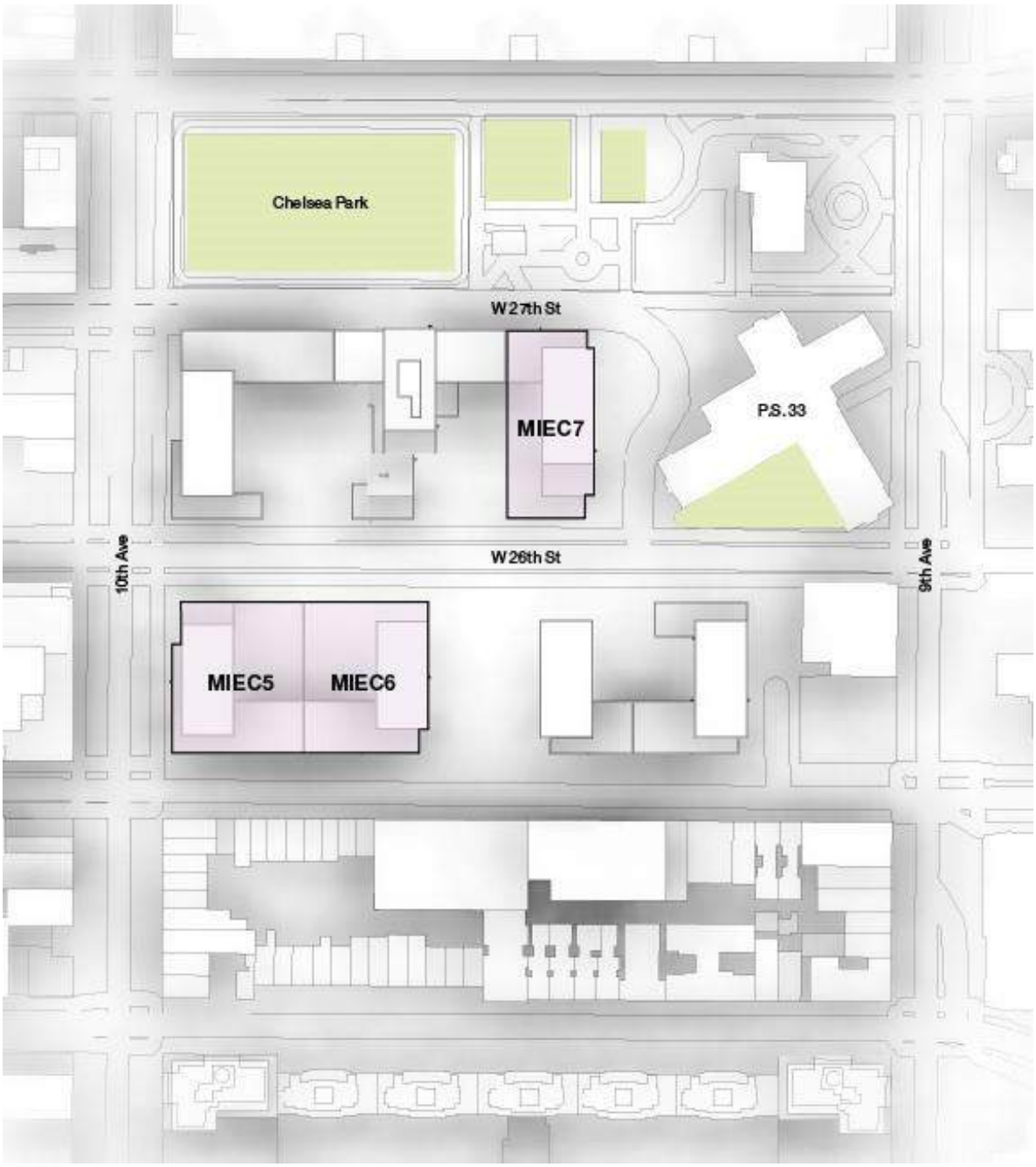
Existing Buildings: Fulton Campus Post-Demolition of Fulton 11



Proposed Replacement Buildings: Fulton Campus



Mixed-Income Buildings: Elliott-Chelsea Campus



Mixed-Income Buildings: Fulton Campus

EXHIBIT G

KEY TERMS OF REPLACEMENT BUILDING DEVELOPMENT BUDGET

Replacement Building	The terms in this Exhibit G apply only to the Replacement Project and the RB Project Joint Venture Agreement and do not apply to the Mixed-Income Project or any Mixed-Income Project Joint Venture Agreement.
Capital Contributions in RB Developer	RB Equity Investor shall contribute all required equity capital for RB Developer ("**RB Equity Investment**"), but without any default or liability for a failure to fund in excess of its committed equity amount.
RB Equity Investment	Developer shall use commercially reasonable efforts to source the Third-Party RB Equity Investor, who is anticipated to fund the Advanced MI Parcel Payments and balance of additional equity not contributed by Developer in accordance with Sections 5.6(b) and 6.4. It is anticipated that the RB Equity Investor will earn a preferred return on any initial RB Equity Investment ("**Initial RB Equity Investment**"), which is likely to be partially or entirely deferred, and will be issued an ownership interest in Developer Entity (or in RB Developer if agreed to by the Authority) as described in Section 6.4. Neither Developer nor RB Equity Investor will earn a preferred return on any additional RB Equity Investment contributed to cover items such as cost overruns or budget shortfalls. Developer shall provide sufficient detail on proposals from potential Third-Party RB Equity Investors for reasonable approval by Authority including the following: 1) Total amount of equity commitment, including amount of Advanced MI Parcel Payments 2) Required preferred return on outstanding RB Equity Investment 3) Required Percentage Interest in RB Developer (or the equivalent if a member of Developer Entity rather than RB Developer) 4) Repayment terms and duration 5) Required changes to the terms in this Exhibit G 6) Any other material terms The Parties acknowledge that terms in the applicable RB Project Joint Venture Agreement shall be subject to modifications to accommodate the Third-Party RB Equity Investor and the Parties shall be reasonable in approving any such changes. Any agreed-upon economic changes should proportionally affect each of Developer and Authority.
Percentage Interest in RB Developer	Each of Developer (in its role as developer and not investor) and the Authority shall initially have a 50% "percentage interest" in RB Developer (each, a "**Percentage Interest**"). Notwithstanding the foregoing, each Party's Percentage Interest shall be determined upon finalizing the terms of the investment by the RB Equity Investor, with

	the Authority and Developer (in its role of developer and not as investor) sharing in the dilution on a pro-rata basis. If the RB Equity Investor invests through the Developer's entity, the Percentage Interests in RB Developer will be calculated as follows: (x) the Authority's Percentage Interest will equal (A) 50%, minus (B) one-half of the RB Equity Investor's Percentage Interest; and (y) Developer's Percentage Interest will equal the balance (i.e., 100%, minus the Authority's Percentage Interest). The final structure of the RB Developer ownership will be determined when the Third-Party RB Equity Investor is engaged and ownership percentages will be adjusted to keep economics consistent.
Cost Overruns	To the extent that additional capital is required to fund cost overruns that are the result of an event beyond the reasonable control of the Developer or are for a change otherwise approved by the Authority (collectively "Approved Funding"), Developer or RB Equity Investor shall contribute such additional capital, which shall be returned to the Developer or RB Equity Investor through distributions made by the RB Developer.
Debt Sizing	For each Replacement Building, Developer agrees to provide no less than two competitive term sheets from no less than two lenders outlining the terms and debt sizing parameters for both a construction loan and permanent loan. Developer agrees to provide updated assumptions no less than quarterly to the overall supportable loan size based on the proposed loan terms. Specific parameters to be disclosed in the term sheets include: 1. Breakout of the rate, including the applicable index for a floating-rate loan (10yr UST, 30-day SOFR, etc.), spread, and any other fees to be included in the all-in-rate. 2. Loan economics terms including length of I/O payments, amortization schedule, and any prepayment penalties. 3. Lender loan sizing constraints including DSCR, LTV, and any other parameter that may constrain the supportable loan. a. Capitalization Rate used for any LTV to be determined by an appraisal. 4. Any available waivers and the process for obtaining a waiver for any debt sizing limitations. 5. Reserve requirements, including which party is required to hold any reserves and the specific terms governing the release or use of the reserves. Developer and Authority agree to evaluate in good faith the available options for sourcing construction and permanent debt with the intent to maximize supportable debt and to reduce the need for more costly sources such as equity, mezzanine debt, payments for future development rights (i.e., the Advanced MI Parcel Payments), etc. Note that Approved Guarantor will be expected to provide customary guaranties required by a lender, including a completion guaranty, non-recourse carveout guaranty, carry guaranty and environmental indemnity. Notwithstanding the foregoing, Approved Guarantor will not be expected to provide guarantees of principal repayment or carry cost past Substantial Completion unless agreed in sole discretion for appropriate compensation. Also, it is anticipated that the Parties will secure environmental insurance in lieu of environmental guarantee or to mitigate risk under environmental guarantee.

Upsize at Permanent Loan	Any net increase in supportable debt at the conversion of the construction loan to a permanent loan resulting in additional distributable loan proceeds after expenses and any appropriate reserves will be distributed in accordance with the RB Developer Distributions from Capital Events section below.
Development Management Agreements	a) The Authority and Developer mutually agree that the RB Ground Lessee will enter into one or more Development Management Agreements with a company (or companies) wholly owned by RB Developer to perform development services. In the event LIHTC is utilized, there will be separate Development Management Agreements for the LIHTC and non-LIHTC components. b) Pursuant and subject to the provisions of the applicable Development Management Agreement(s), the RB Ground Lessees shall pay (i) to the Development Manager(s) for its services a development fee (the "**Project Development Fee**") equal to six percent (6%) of eligible costs within the Replacement Building Development Budget for the applicable Replacement Building. For purposes of calculating a Project Development Fee, the Replacement Building Development Budget shall not include such Project Development Fee, overhead expenses, acquisition costs, existing debt, or reserves, and must conform to the RAD Notice. c) It is anticipated that portions of the Project Development Fee may be included in the Replacement Building Development Budgets for the applicable Replacement Buildings (any such portions so included, the "**Capitalized Project Development Fee**"), and that portions of the Project Development Fee may be deferred and paid from net operating cash flow of a RB Ground Lessee or from cashflow of RB Developer in accordance with the RB Developer Distributions from Operating Cashflow and RB Developer Distributions from Capital Events sections (the "**Distributions Sections**") outlined below (any such portions so deferred, "**Deferred Project Development Fee**"). d) Each Development Management Agreement shall include a reimbursement of Developer's overhead expenses to Developer calculated as 4% of total Replacement Building Development Budget (excluding Development Management Fee, overhead expenses, acquisition costs, existing debt, and reserves), capitalized therein, and paid 30% at Closing and the balance monthly straight-lined from Closing until estimated Substantial Completion. There shall be no deferral of overhead payments. e) Note that if the Third-Party RB Equity Investor is a member in Developer entity (rather than in RB Developer directly), then overhead reimbursement and any portions of Project Development Fee due to Developer shall be paid to managing member of Developer entity (i.e., the entity owned by Essence and Related parties).
Project Development Fee	A portion of the Capitalized Project Development Fee shall be paid at construction loan closing, a portion paid monthly during the development period, and a portion paid at Substantial Completion of the Initial Construction Work for the applicable Replacement Building. The amount of the Deferred Project Development Fee shall be determined by the Developer, the Authority, and the Third-Party RB Equity Investor, as approved by the construction lender. The split of the Project Development Fee shall be 50% to the

	Developer and 50% to the Authority as distributed from RB Developer in accordance with the Distribution Sections set forth herein. In no event shall the amount of Capitalized Project Development Fee exceed 50% of the total allowable Project Development Fee. If there is a gap in available sources, Authority and Developer shall agree to defer up to a total of 75% of total Project Development Fee as Deferred Project Development Fee prior to utilizing any Advanced MI Parcel Payment or other sources that are more costly that the construction loan. The percentage of Capitalized Project Development Fee versus Deferred Project Development Fee shall be the same for the LIHTC and non-LIHTC components (if applicable).
Seller Note	100% of the upfront Base Rent payment under the Replacement Building Ground Leases shall be financed by a Seller Note, which shall be payable solely, and only to the extent available, from distributions to Authority as outlined in the Distributions Sections set forth herein.
RB Developer Distributions from Operating Cashflow	Net proceeds from the operating cashflow of RB Developer, which shall predominantly come from distributions from its wholly owned RB Ground Lessees and Development Manager subsidiaries (which will pay all of their direct obligations as applicable, including but not limited to property expenses, debt service and other financing costs, reserves, Deferred Project Development Fee prior to making distributions to their sole member, the RB Developer), shall be distributed as follows: 1) Reimbursement of any payments by Approved Guarantor and/or Approved Funding made by Members 2) So long as the Initial RB Equity Investment, including any Advanced MI Parcel Payments and any accrued preferred return, is outstanding on a pari passu basis: i. No more than 50% shall go towards repayment of Outstanding Project Development Fee until paid in full. ii. The balance shall pay preferred return on and repayment of the Initial RB Equity Investment, inclusive of Advanced MI Parcel Payment, outstanding. In the event there are multiple sources of equity, Authority and Developer mutually agree to pay down the most expensive sources first to the extent possible. 3) After the Initial RB Equity Investment, including all Advanced MI Parcel Payments, and all accrued preferred return thereon has been repaid in full, i. 75% shall go towards repayment of Outstanding Project Development Fee until paid in full. ii. The balance shall be distributed to the Members pro rata in accordance with each Member's Percentage Interest, with the payments to the Authority going towards the Authority's Seller Note (unless otherwise directed by the Authority). The Authority may elect to retain an outstanding balance on the Authority's Seller Note.

RB Developer Distributions from Capital Events	Net proceeds from Replacement Building Capital Events (i.e., a sale, refinance or conversion to permanent financing, as shall be defined in the RB Project Joint Venture Agreement)which shall predominantly come from distributions from its wholly owned RB Ground Lessees (which will pay all of their direct obligations as applicable, including but not limited to property expenses, debt service and other financing costs, reserves, Deferred Project Development Fee prior to making distributions to their sole member, the RB Developer), as well as any MI Land Valuation payments received through the sale of Mixed Income Parcels in accordance with 5.6(c) to be distributed as follows: 1) Reimbursement of any payments by Approved Guarantor and/or Approved Funding made by Members 2) So long as the Initial RB Equity Investment, including any Advanced MI Parcel Payments and any accrued Preferred Return, is outstanding, on a pari passu basis, i. 25% shall go towards repayment of Outstanding Development Fee until paid in full. ii. The balance shall pay preferred return on and repayment of the Initial RB Equity Investment, inclusive of Advanced MI Parcel Payment, outstanding. In the event there are multiple sources of equity, Authority and Developer mutually agree to pay down the most expensive sources first to the extent possible. 3) After the Initial RB Equity Investment, including all Advanced MI Parcel Payments and all accrued preferred return, has been repaid in full, i. 75% shall go towards repayment of Outstanding Project Development Fee until paid in full. ii. The balance, as needed to fund a reserve for immediate capital improvements required for any Replacement Buildings, which shall be subject to the review and approval of both the Authority and the Developer, not to be unreasonably withheld, conditioned or delayed, as informed by a physical needs assessment dated no more than six months prior to the Replacement Building Capital Event. iii. The balance shall be distributed to the Members pro rata in accordance with each Member's Percentage Interest, with the payments to the Authority going towards the Authority's Seller Note (unless otherwise directed by the Authority). The Authority may elect to retain an outstanding balance on the Authority's Seller Note. As used in this Exhibit, "**Outstanding Project Development Fee**" due to each of Authority (50%) and Developer (50%) shall be calculated as the sum of the amounts of Deferred Project Development Fee: i) paid by RB Ground Lessees to Development

	Manager plus ii) the amounts due from RB Ground Lessees to Development Manager (in which case the obligation to pay Deferred Project Development Fee from RB Ground Lessee to Development Manager shall be reduced dollar for dollar).

EXHIBIT H

FAIR MARKET VALUE DETERMINATION OF MI LAND VALUATION

A. MI Land Valuation Assessment

The fair market value of each Mixed-Income Parcel will be assessed by an independent appraiser selected by the Authority who (i) is generally certified in the state of New York, (ii) has at least ten (10) years' experience working with land valuations of comparable large-scale mixed-income, multi-family residential projects for purpose of marketing and selling development sites, and (iii) is familiar with the fair market value of land for comparable mixed-income multi-family residential projects in the Borough of Manhattan, City and State of New York, New York (the requirements set forth in the foregoing clauses (i) – (iii), collectively, the "Qualifications"). The appraiser will assess the fair market value of one upfront lease payment (the "**MI Land Valuation**") and no ongoing payments for a 99-year ground lease of the applicable Mixed-Income Parcel and appurtenant zoning floor area needed to construct the Mixed-Income Building(s) taking into account all relevant factors ("Relevant Factors") including but not limited to those stated below.

The appraiser may consider the Income Capitalization Approach, Cost Approach, and Sales Comparison Approach to arrive at a reconciled valuation assessment ("**MI Land Valuation Assessment**"). The appraiser will determine the applicability and suitability of each approach in reaching their final opinion taking into account all Relevant Factors. Relevant Factors shall include (but shall not be limited to) the following:

- Given all other Relevant Factors, income capitalization approach calculating an unlevered return (projected NOI divided by projected total development cost including MI Land Valuation) sufficient to satisfy the investment return required in the market by typical participants providing debt and third party equity (including preferred return and ownership requirements that result in a market return to justify the investment) who would potentially provide the requisite capital for the entire development of the Mixed Income Building assuming that the plan is for a long term hold (and accounting for the projected net carry cost and net income of such a plan over such term).
- Ground Lease from Authority, including any non-market constraints including certain Authority approval rights, affordability requirements, transfer restrictions, and other limitations on the MI Developer or the MI Ground Lessee;
- Authority's option to elect partial ownership in the Mixed-Income Building (in accordance with Section 5.6(c) herein);
- Requirement for development, operation and maintenance as a mixed income rental building, with permanent affordability requirement as provided to the Appraiser for evaluation;
- Assume rental revenue from residential and non-residential components and other factors appropriate for that Mixed-Income Building;
- Any applicable union or labor wage requirements (for demolition, construction, and/or operation);

- Operating cost projection shall include any specific operating costs required by the Authority for the Mixed-Income Parcel that are not typically borne by rental buildings related to supplemental security, atypical landscaping, programming, and neighborhood engagement;
- The portion of the cost of demolition of the Existing Buildings needed to develop the Mixed-Income Buildings not expressly covered by the preceding Replacement Building development budget, including the cost to abate any asbestos, lead, and other contaminants, and the carry cost (particularly the equity carry cost) during the demolition period;
- To the extent not specifically paid for by the preceding relevant Replacement Building development budget, the cost of environmental remediation of the Parcels, and/or additional costs of construction of the Mixed-Income Buildings due to any environmental condition;
- The terms of any PILOT agreement confirmed in writing by the City of New York (MI Land Valuation shall be automatically adjusted for any changes to the final economic terms of such agreement from such confirmed terms)
- The terms of any Section 8 funding for affordable apartments confirmed in writing by Authority (MI Land Valuation shall be automatically adjusted for any changes to the final economic terms of such agreement from such confirmed terms)
- Typical compensation for developer overhead, fees and ownership to incentivize an adequate risk return for undertaking development, providing required guarantees, etc;
- Any other specific factors known at that time that would impact the underwriting of the development, in particular those factors that influence the projected net operating income, total development cost, and financing.

Notwithstanding the foregoing, if Parties mutually agree that a Mixed-Income Building on any Mixed-Income Parcel will not be developed as a mixed income residential rental building, then these Relevant Factors will be modified accordingly for that Mixed-Income Parcel.

The Authority and Developer will provide the appraiser with the appropriate information regarding the applicable Mixed-Income Parcel and contemplated Mixed-Income Building(s), including, but not limited to, the proposed unit mix, any known environmental or site-specific considerations, demolition cost information, projected rental income for the projected market and income-restricted units, projected operating costs, building characteristics including HVAC and utilities, anticipated construction and lease-up schedule, development costs estimates, and pre-negotiated community facility or retail leases and associated rental amounts.

Upon completion, the appraiser shall submit the MI Land Valuation Assessment to the Authority and Developer who shall then endeavor to agree on the final MI Land Valuation. The date that the MI Land Valuation is finalized (either by mutual agreement or determined through the dispute resolution process pursuant to Section B of this exhibit) is the "**MI Land Valuation Determination Date**" for that Mixed-Income Parcel.

B. Dispute Resolution

If Developer and the Authority cannot agree on the MI Land Valuation within ten (10) days following receipt of the MI Land Valuation Assessment, then either Party may send a notice to the other Party that there is a dispute and the following dispute resolution shall apply:

1) Developer and Authority shall each specify the name and address of the person to act as the arbitrator on its behalf. Each arbitrator shall be an appraiser with the Qualifications. If either Party fails to notify the other of the appointment of its arbitrator within twenty (20) Business Days following notice of the dispute and such failure continues for an additional period of five (5) Business Days after notice from the appointing Party to the non-appointing Party notifying the non-appointing Party, in bold capitalized text, of the consequences of its failure to appoint an arbitrator within five (5) Business Days after such notice is given, then the arbitrator appointed by the appointing Party shall be the sole arbitrator to determine the MI Land Valuation (the "Sole Arbitrator"). In the instance of there being a Sole Arbitrator, the determination of the MI Land Valuation by the Sole Arbitrator, in accordance with this Paragraph (1), shall be final and binding upon the Parties.

2) If two arbitrators are chosen pursuant to Paragraph (1) above, the arbitrators so chosen shall meet within ten (10) Business Days after the second arbitrator is appointed and shall seek to reach agreement on the MI Land Valuation. If within twenty (20) Business Days after the second arbitrator is appointed the two arbitrators are unable to reach agreement on the MI Land Valuation, then each arbitrator shall state, in a written report simultaneously delivered to both Parties on a date that the Parties shall agree ("Delivery Date") after the expiration of such twenty (20) Business Day period, his or her determination of the MI Land Valuation supported by the reasons therefor. On the date prior to the Delivery Date, the Parties shall mutually confirm that both Parties are ready to submit their respective MI Land Valuation on the Delivery Date and if not, the Delivery Date shall be reasonably extended as agreed by the Parties. If (x) one (but not both) of the arbitrators fails to deliver its MI Land Valuation by 5:00PM on the Delivery Date, the MI Land Valuation shall be the MI Land Valuation of the other arbitrator, which shall be final and binding upon the Parties; (y) both arbitrators timely deliver a MI Land Valuation and the lower of the two MI Land Valuations is not less than ninety-five percent (95%) of the higher of the two MI Land Valuations, then the MI Land Valuation shall be calculated using the average of the two MI Land Valuations, which shall be final and binding upon the Parties; and (z) if neither of the foregoing clauses (x) and (y) apply, the arbitrators shall appoint a third arbitrator in accordance with the remainder of this Paragraph (2), who shall be an impartial person who satisfies the Qualifications. If the two arbitrators are unable to agree upon such appointment within fifteen (15) days after expiration of the twenty (20) Business Day period, the third arbitrator shall be selected by the Parties themselves. If the Parties do not agree on the third arbitrator within five (5) Business Days after the expiration of the foregoing fifteen (15) day period, then either Party may request the appointment of a competent and impartial person who satisfies the Qualifications by delivering written notice of such election to the other Party, in which case the Parties shall engage an Appointing Agency (as defined below) to determine such appointment of a third arbitrator that satisfies the requirements set forth in this Paragraph (2). The third arbitrator that is appointed in accordance with this Paragraph (2) (the "Third Arbitrator") shall decide the

dispute, if it has not been previously resolved, by following the procedures set forth in Paragraph (3) below. Each Party shall pay the fees and expenses of its respective arbitrator and 50% of the fees and expenses of the third arbitrator and the Appointing Agency. Attorneys' fees and expenses of counsel and of witnesses for the respective parties shall be paid by the respective Party engaging such counsel or calling such witness. Notwithstanding the foregoing, rather than paying its costs directly, the Authority may deduct its Costs from the proceeds of the MI Land Valuation payment. As used herein, the "Appointing Agency" means a third-party agency or institution (such as American Arbitration Association or International Institute for Conflict Prevention & Resolution) that offers and provides the appointment services contemplated by this Paragraph (2) in the ordinary course (as confirmed in writing by such agency or institution), has requisite experience or knowledge to appoint a reasonably acceptable impartial arbitrator that has the Qualifications and is otherwise reasonably acceptable to each of the Parties, it being agreed that (i) the specific Appointing Agency shall be agreed to and memorialized by the Parties (in each Party's reasonable discretion) prior to the Phase 1 Closing and (ii) in no event shall a court, administrative agency or other Governmental Authority serve as the Appointing Agency.

3) If the two appointed arbitrators are unable to reach agreement on the MI Land Valuation, then the MI Land Valuation shall be fixed by the Third Arbitrator in accordance with the following procedures. Concurrently with the appointment of the Third Arbitrator, each of the arbitrators selected by the Parties shall deliver its respective MI Land Valuation to the Third Arbitrator. The Third Arbitrator shall, within thirty (30) days after being appointed, provide his or her determination of the MI Land Valuation, which shall in all events be either the Authority's MI Land Valuation or Developer's MI Land Valuation (i.e., under no circumstances shall the MI Land Valuation as determined by the third arbitrator be anything other than the Authority's MI Land Valuation or Developer's MI Land Valuation). In reaching their determination, the Third Arbitrator shall have the right to conduct such hearings and investigations as he or she may deem appropriate. The Third Arbitrator shall have the right to consult experts and competent authorities for factual information or evidence pertaining to a determination of the MI Land Valuation, but shall do so in the presence of both Parties with full right of the Parties to cross-examine such experts or competent authorities. The determination of the Third Arbitrator in compliance with the terms of this Exhibit shall constitute the decision of the Third Arbitrator and shall be final and binding upon the Parties. No arbitrator shall have no power to add to or modify the provisions of this Agreement.

4) In the event of a failure, refusal or inability of any arbitrator so selected to act, his or her successor shall be appointed in the same manner as their predecessor's appointment.

EXHIBIT I

DESIGN GUIDELINES

Table of Contents

I. PROGRAM REQUIREMENTS

A. HUD RAD Notice Rev. 4 Requirements

The HUD RAD Notice Revision 4, as amended is applicable to all RAD conversions, and includes specific provisions applicable to new construction.

B. Enterprise Green Communities Certification with NYC Overlay

Project must achieve Enterprise Green Communities ("**EGC**") certification, using the NYC Overlay for New Construction, or other standards as described in the Sustainability section of this document.

C. NYC HPD Design Guidelines for New Construction

It is *not* anticipated that the Project will be required to adhere to the NYC HPD Design Guidelines for New Construction. Project team is responsible for ensuring compliance with any requirements triggered by financing sources, Mandatory Inclusionary Housing ("MIH") program requirements, or otherwise.

II. PROJECT SCHEDULE AND DELIVERABLES

A. Schedule

The following design phases will be assumed. The Project team may propose adjusting phase durations based on internal design schedules.

- Schematic Design (months 2-3)
- Design Development (months 4-6)
- Construction Documentation *Pre-RAD Financing Plan Submission* (months 7-9)
- Construction Documentation *Pre-Construction* (months 10-12)

B. Deliverables

Deliverables associated with the above design schedule should be submitted to NYCHA at the end of each phase. Deliverable submissions will include construction documents (drawings, specifications and product cut sheets, as applicable), construction cost estimates, and additional deliverables as outlined in the *PACT Program Requirements for Design and Construction* (as applicable to new construction). No more than 12 month prior to the proposed new building closing, renderings of new buildings should also be provided for the purpose of stakeholder engagement.

In addition to deliverables submitted at each milestone, the Project Team will be required to note where the design does not meet HPD Design Standards per the NYC HPD Design Guidelines for New Construction. The HPD New Construction Project Summary Workbook may be used for this purpose.

III. DESIGN AND PROGRAMMING REQUIREMENTS

A. Site Planning

Site planning and design for open spaces should be guided by the principles of the Connected Communities Guidebook, which includes priorities for urban design and community engagement on open space planning. New buildings should be contextual in façade design with the surrounding Fulton and Elliott-Chelsea Neighborhoods.

The design intent for the Project site planning will aim for an integrated landscape, prioritizing all resident access to and use of outdoor space and outdoor programs including basketball courts, dog runs, play areas, gardens, and lawns. Building entries at each campus will be treated similarly across all buildings, while specific entry locations will be influenced by site traffic, master plan, and building efficiencies in relationship to ground floor program requirements. Barriers, fences, space denotations and times of use are subject to final EIS plans, master plan and ULURP studies.

Priorities for the Fulton and Elliott-Chelsea resident communities include the following, per the Chelsea NYCHA Working Group Final Report as applicable. The below is not a comprehensive list of priorities. The final plan and design for site planning and programming should be informed by a robust engagement process with existing NYCHA residents. It is expected that residents will be engaged regularly throughout design in community visioning workshops and design charettes to develop a site plan and open space design that fulfills NYCHA resident needs and desires for the Fulton and Elliott-Chelsea campus.

1) Access and Quality
   i) The site plan should be planned such that open spaces and outdoor recreation spaces are accessible to all Fulton and Elliott-Chelsea residents.
   ii) Materiality and components should be of a consistent level of quality or better within and across the sites.
   iii) The approach to design for both Replacement Buildings and MI Buildings will result in an equitable street-level experience throughout each Campus and avoid any differentiation between the Replacement Buildings and MI Buildings.
   iv) Notwithstanding the foregoing, MI Developer shall have the ability to design the MI Buildings to standards to meet the market demand and achieve market rents as determined by the MI Developer at the time each MI Building is designed.

2) Building Siting
Buildings and open space should be sited with appropriate separation to maximize light, air, and views for residential units per code and zoning requirements.

3) Public Safety & Security
   i) Building entrances should be configured to maximize safety for residential tenants.
   ii) Additional security measures should include multi-level site lighting throughout the campuses; security cameras installed throughout buildings and on the grounds; intercom systems (with consideration of video intercoms) unless there is a 24/7 attended lobby; and entry via key fob system.

B. <u>Common Areas and Amenity Spaces</u>

The design for replacement building common areas including lobbies, entries, amenity spaces, exterior landscape elements, as well as community facilities and exterior landscape and amenity spaces, should be comparable to that of the mixed-income buildings. Notwithstanding the foregoing, MI Developer shall have the ability to design the MI Buildings to standards to meet the market demand and achieve market rents as determined by the MI Developer at the time each MI Building is designed.

1) Principles and Priorities
   ii. It is a NYCHA resident priority to have on-site personnel including lobby attendants for improved security in each residential replacement building.
   iii. Each residential building should include interior amenity spaces accessible to the residents of that building.
   iv. Finishes in residential lobbies and common areas may include large format tile flooring and woven vinyl wall coverings.

2) Amenities
   Residential amenities include but are not limited to the following:
   i. lounge/party room
   ii. playroom
   iii. gym
   iv. amenity terrace
   v. package room
   vi. bike storage
   vii. tenant association office (one per campus)
   viii. management office and ancillary spaces
   ix. trash compactor, maintenance rooms, and other facilities

   ** Final amenity program subject to change and reflective of tenant selection.*

C. Residential Units

1) Unit Size Requirements

Dwelling units should be no smaller than the greatest of the following:

i. HPD design guidelines for affordable units (including Efficiency units)
ii. ZR 23-96 minimum size for IH units
iii. Existing NYCHA apartment sizes*

** Note: if actual square footage is below that of existing NYCHA apartments due to excess circulation, reduction can be considered by NYCHA on a case-by-case basis*

2) General

i. Mechanical ventilation should be provided
ii. Space cooling should be provided
iii. Flooring will comply with all applicable requirements for new construction including EGC
iv. Wood/MDF baseboards or comparable
v. Panel unit bi-fold door for closets
vi. Washer and dryer should be provided in all units
vii. LED lighting throughout -where applicable
viii. Stone saddles at entry and bathroom doors

3) Kitchen

i. Hardwood/plywood kitchen cabinets or comparable
ii. Engineered stone countertop or comparable
iii. Tile backsplash (must be full tile to underside of cabinets)
iv. Electric appliance package with electric induction stove/range
v. Dishwasher
vi. Fixtures must be low-flow

4) Bathroom

i. Tiled wet walls or comparable
ii. Large format tile flooring or comparable
iii. Engineered vanity top with laminate storage where applicable (must be solid wood/plywood construction with solid-surface or engineered stone vanity)
iv. Medicine cabinet (must be solid wood/plywood construction)
v. Fixtures must be low-flow

D. Sustainability

Project must achieve Enterprise Green Communities certification using the NYC Overlay for new construction *or* LEED v4 Gold or above. Project must also be designed to meet NYC Local Law 97 of 2050 emissions limits in 2050.

The project is encouraged to meet an optional higher performance standard certification per the HPD Design Guidelines for New Construction and the HUD RAD Notice, including:

Optional performance standard for new construction per HPD Design Guidelines for New Construction:

a. Enterprise Green Communities Plus *or* Passive House certification (can be PHIUS or PHI)

Optional performance standard for new construction per HUD RAD Notice:

a. Energy Star for New Homes or Energy Star for Multifamily New Construction is strongly encouraged *and*
b. DOE Zero Energy Ready Homes (Multifamily) *or*
c. Enterprise Green Communities Plus *or*
d. Passive House certification (can be PHIUS Core or Zero) *or*
e. International Living Future Institute Core Green Building Certification *or*
f. Zero Energy and Zero Carbon *or*
g. National Green Building Standard with a net zero energy badge *and* LEED Zero Energy or Zero Carbon

The Project team should identify and confirm the industry-recognized green building certification that it will pursue by the end of the Schematic Design phase.

E. Resilience

The Project Team will be required to submit a Resilience Assessment to NYCHA for review which will include a summary of the climate hazards to which the sites are exposed as well as a proposed scope of work to mitigate those hazards. Additional information about the expectations for the Resilience Assessment deliverable can be found in the *PACT Program Requirements for Design and Construction.* Project will comply with the following resiliency related rules among others, as applicable:

1. Zoning for Coastal Flood Resiliency ("**ZCFR**"), Approved May 2021:
2. NYC DEP Unified Stormwater Rule ("**USWR**"), Effective February 15, 2022:
3. HUD RAD Notice Revision 4, as amended:

Resources with potential design interventions to incorporate into the Project scope of work to mitigate the climate hazards to which the site is exposed include:

- PlaNYC: Getting Sustainability Done
- HPD Design Guidelines for New Construction v 2.0
- Climate Change at NYCHA: A Plan to Adapt

F. Accessibility

The Project must comply with all applicable laws and regulations, including the Fair Housing Act ("FHA", part of the Civil Rights Act of 1968), Section 504 of the Rehabilitation Act of 1973 ("Section 504"), the Americans with Disabilities Act ("ADA"), RAD Fair Housing, Civil Rights, and Relocation Notice (Notice H 2016-17 PIH 2016-17 (HA)), and NYC Building Code Chapter 11. Section 504 and the ADA apply to the Replacement Units, Replacement Unit Buildings, related Accessory Uses, Community Facilities, and site work, as defined in 24 CFR § 8.22. The Fair Housing Act applies to the design and construction of multifamily dwellings built for first occupancy after March 13, 1991. It also requires that Project Owners allow for structural alterations in housing generally as reasonable modifications when necessary for an individual with a disability to use and enjoy a dwelling, and under these authorities, Project Owners must ensure that reasonable modifications remain available to the resident after construction or alteration (e.g., accommodations are preserved through the course of the construction work or, if the resident is moved to a different unit as a result of construction, are installed in the new unit).

Additionally, replacement units, replacement buildings, related accessory uses, Community Facilities, and site work, are subject to the 2021 Assurances by the New York City Housing Authority Regarding Compliance with Federal Accessibility Requirements and Standards in PACT/RAD Conversions (the "NYCHA FHEO Assurances Agreement").

In order to comply with the NYCHA FHEO Assurances Agreement, the Project should target a minimum for Replacement Units of seven percent (7%) Mobility Accessible Units and four percent (4%) Vision/Hearing Accessible Units per building. A needs assessment should be conducted to match resident needs with Replacement Units. Additional Mobility Accessible Units are encouraged up to ten percent (10%) total for the Project.

Requirements for submissions of deliverables related to accessibility are described in the NYCHA PACT Design & Construction Program Requirements.

G. Demolition

Demolition and construction phasing and logistics should be planned to minimize impact on NYCHA residents. The Developer will be expected to comply with all relevant DOB requirements for construction, demolition, and abatement, including for construction waste management.

EXHIBIT J

RELOCATION PLAN REQUIREMENTS

Before conducting any moves utilizing Section 8 vouchers or off-site Relocation Resources (as defined below), the Authority will submit a relocation plan (the "HUD Relocation Plan") to HUD for review and approval. As further outlined below, Developer and the Authority the "Parties") will work together in good faith to produce and submit to HUD an initial relocation plan that identifies the means of carrying out on-site and/or off-site temporary transfers for more than 12 months and permanent voluntary off-site relocations (the "HUD Relocation Plan") in accordance with relevant federal guidelines as detailed in Exhibit B of the Master Development Agreement (the "MDA"), including the Uniform Relocation Act, 29 CFR 24, and Notice H 2016-17 (RAD Notice Regarding Fair Housing and Civil Rights Requirements and Relocation Requirements Applicable to RAD First Component – Public Housing Conversion (the "RAD Relocation Notice")) and any other applicable relocation requirements. Subject to HUD approval, relocation is anticipated to commence prior to the issuance of a RAD Conversion Commitment.

The Developer anticipates working with a relocation specialist ("Relocation Coordinator") and will provide updated detailed household-specific relocation plans to the Authority (the "FEC Household Relocation Plans"), with household specific transfer and relocation information. Developer shall diligently coordinate and cooperate with the Authority to develop a plan consisting of a program for phased relocation of residents of the Existing Buildings, coupled with a schematic schedule, budget and method for the return of any relocated residents. The FEC Household Relocation Plans, subject to residents' rights, will be consistent with the schedule, phasing, and budget for demolition of the Existing Buildings and development of the Replacement Buildings pursuant to the terms of the Master Development Agreement. The FEC Household Relocation Plans will consist of a detailed outline of potential on-site and/or off-site temporary transfers and any voluntarily selected off-site permanent locations ("Relocation Resources") and the specific means of providing relocation and temporary move assistance to impacted households. The Authority may elect to process select on-site moves through the existing Section 9 Tenant Selection and Assignment Plan, which is a transfer, not a relocation.

The FEC Household Relocation Plans will also outline the process for relocating residents from on-site and/or off-site temporary transfers into the Replacement Buildings upon completion of each Replacement Building.

Authority Roles and Responsibilities

1. The Authority shall administer the public housing admissions and occupancy policies for the Properties (as defined in the MDA) and Section 8 Administrative Plan.
2. To prepare vacant on-site relocation and transfer options, the Authority shall conduct the appropriate lead-based paint testing and abatement of vacant units as well as the abatement of mold.

3. Depending on the proposed scope of work for preparing vacant on-site units owned and managed by the Authority, the Authority shall test and abate for asbestos containing materials if needed.
4. The Parties will define and detail at a later date the vacant turn scope and responsibilities split between Developer and Authority for all vacant turns at existing vacant units within the Fulton, Elliott, and Chelsea campuses required to enable the relocation of Fulton 11 and Chelsea Addition (the "Phase 1 Relocation") in to on-site temporary housing units. The preparation of such units for temporary occupancy may be managed and initially funded by the Developer (as a reimbursable project cost).
5. The Authority shall utilize its Section 8 program to facilitate relocation, to the extent permitted, under the Authority's established Section 8 Administrative Plan, including without limitation potentially providing Section 8 Vouchers to Section 8 eligible residents moving off-site for voluntary permanent relocation at residents' request pursuant to the RAD Relocation Notice, or for any off-site temporary relocation.
6. The Authority shall submit the HUD Relocation Plan (as prepared by Developer and Relocation Coordinator and approved by the Authority) to HUD for review and approval.
7. The Authority shall issue applicable required notices related to relocation to all impacted households.
8. The Authority shall provide the Developer and Relocation Coordinator information on current residents, including up to date rent rolls, to the extent such information is relevant to relocation planning and the Authority is permitted to disclose such information.
9. The Authority shall administer resident move-outs in accordance with the HUD Relocation Plan and federal, state, and local legal requirements.

Developer Roles and Responsibilities

1. Developer and their appointed Relocation Coordinator shall prepare a HUD Relocation Plan that accounts for all contemplated means of providing temporary relocation for all phases of the Project for review and approval by the Authority and HUD. The HUD Relocation Plan will comply with all applicable requirements, including but not limited to the requirements outlined in Exhibit B of the Master Development Agreement and this Exhibit.
2. The Developer and their Relocation Coordinator shall prepare the FEC Household Relocation Plans providing household-specific relocation and transfer plans for each affected household, in accordance with applicable relocation requirements and the HUD Relocation Plan.
3. If requested by the Authority, Developer and/or Relocation Coordinator shall assist in identifying suitable off-site permanent housing solutions for residents that have a desire to voluntarily permanently move from their Campus.
4. The Relocation Coordinator will complete a survey for every Fulton 11 and Chelsea Addition household on the rent roll to evaluate their relocation needs and preferences to be provided to the Authority in advance of the draft FEC Household Relocation Plan on a schedule to be mutually agreed upon by the parties. The results of these surveys will be considered when identifying the temporary housing options for the affected household. The results will also be reflected in the FEC Household Relocation Plans reports. Efforts will be made to accommodate the stated preferences. The HUD Relocation Plan shall

ensure that all required relocation and consultation services are provided, including without limitation as required under the requirements of Exhibit B of the MDA and federal, state and local law.

5. Relocation Coordinator shall provide temporary moving assistance including packing and moving assistance for both on-site and off-site locations as required by the requirements detailed in Exhibit B of the Master Development Agreement.
6. The Developer will budget for all necessary relocation expenses as a project expense other than those costs that are Authority costs in accordance with the MDA and/or the transaction agreements.
7. Developer shall manage and initially fund the cost (the "Predevelopment Cost" as defined in Section 5.3(d)(i)) of any required renovations of units on-site to accommodate the temporary onsite relocation of the residents of Fulton 11 and Chelsea Addition.

EXHIBIT K

COMMUNITY ENGAGEMENT REQUIREMENTS

Developer will provide and adhere to the standard New York City Housing Authority Community Engagement Documents (updated July 27, 2023) with the exception of the below:

1. Developer will not provide model units
2. NYCHA will continue property management responsibilities for all Existing Buildings. Related Management Company (or other property management company as allowed per the MDA) will manage the Replacement Buildings

Developer reserves the right to further discuss and amend with the Authority's approval deviations from the guidelines, where appropriate for the Fulton-Elliott Chelsea project. The financial closing timeline will affect the deadlines for the Developer's delivery of community engagement documents to residents.

EXHIBIT L

SOCIAL SERVICES REQUIREMENTS

Developer will provide and adhere to the standard New York Housing Authority PACT Social Services Guidance for PACT Development Partners (dated November 3rd, 2023).

Developer reserves the right to further discuss and amend with the Authority's approval deviations from the guidelines, where appropriate for the Fulton-Elliott Chelsea project. The financial closing timeline will affect the deadlines for the Developer's delivery of social services plan to residents.

EXHIBIT M

SECTION 3 & REO PLAN REQUIREMENTS

1. Section 3 Requirements

The Authority and Developer acknowledge and agree that work that involves construction of the Replacement Buildings will likely be subject to Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u ("**Section 3**"), pursuant to the RAD Requirements. Further, it is anticipated that the Meanwhile Plan and work that involves construction of the Mixed-Income Buildings will likely not be subject to Section 3. Section 3 may however be triggered for any and all work depending upon the funding sources, programs, or otherwise.

The Section 3 Requirements shall be met as set forth in the Section 3 and Resident Economic Opportunity Plan (the "**Section 3 and REO Plan**") hereto attached as Exhibit M-1, which shall be completed by the Developer, submitted to and approved by the Authority prior to the commencement of any work to which Section 3 is applicable. Throughout the course of such work Developer shall:

a. submit to the Authority a signed Section 3 Labor Hour Summary Form attached hereto as Exhibit M-2 on a basis or as otherwise required by the Authority; reporting should be cumulative for the entirety of the Construction Period;

b. submit to the Authority a signed Section 3 Worker/Targeted Section 3 Worker form attached hereto as Exhibit M-3, on a quarterly basis or as otherwise required by the Authority for each new Section 3 Worker or Targeted Section 3 Worker reported for that quarter;

c. submit to the Authority a signed final Section 3 Labor Hour Summary Form and Compliance Certification within sixty (60) days of substantial completion of the subject work, along with all Section 3 Worker/Targeted Section 3 Worker forms for each Section 3 Worker or Targeted Section 3 Worker reported for the duration of the Construction Period, and documentation evidencing final payment to Section 3 Business Concerns and payment to Section 3 Workers or Targeted Section 3 Workers such as payrolls, or as otherwise required by the Authority;

d. Developer shall attach the Section 3 Rider attached hereto as Exhibit M-4 to the construction contract(s).

2. Hiring of Authority Residents

Developer will cooperate with the Authority and use commercially reasonable efforts to undertake the activities set forth in this Section, with the goal of attracting qualified Authority residents to apply for jobs during construction and the long-term operations of the project., Developer will identify in a primary contact from the Developer or Developer's agent (the **"Employment Representative(s)**"), and tracking Employment Representative's hiring of qualified Authority

residents (the **"NYCHA Resident Hiring Program**") pursuant to the Section 3 and REO Plan, which applicable sections shall be completed by the Developer, submitted to, and approved by the Authority prior to the commencement of any Closing. The NYCHA Resident Hiring Program is an effort independent from Section 3. The hiring of Authority residents may however help in achieving Section 3 requirements, where applicable. The NYCHA Resident Hiring Program shall be undertaken as follows:

a. Developer will cause the Employment Representative to use commercially reasonable efforts to complete the following steps in partnership with the Authority to achieve a mutual goal of hiring the agreed upon number of Authority residents;

b. Submit completed Job Order Forms for new related employment opportunities in the form attached hereto as Exhibit G-5;

c. Receive and consider qualified Authority resident candidate referrals from NYCHA REES for employment opportunities. Provide written feedback within seven (7) business days to REES on all referrals;

d. Collaborate with REES to perform employment opportunity outreach at the Fulton and Elliott-Chelsea Campuses and other Authority-owned public housing developments in the relevant Community District in accordance with the Section 3 and REO Plan;

e. In collaboration with the Authority, meet with the local resident councils at a reasonable location determined by the Employment Representative, expected to be no more than twice per calendar year, in a meeting to include all local resident councils within the relevant Community District to inform such entities of applicable eligibility requirements for existing or impending employment opportunities and to request the cooperation of such resident councils in the advertisement of such opportunities;

f. Collaborate with REES to advertise job opportunities using various outreach options including REES's website and REES bi-weekly e-newsletter, as appropriate;

g. In addition to collaborating with REES, use additional outreach strategies to further recruit Authority residents in the community and advertise open opportunities;

h. Commit to sponsoring a training program to help achieve the employment outcomes established above and in accordance with the Section 3 and REO Plan. REES should be used as a source to help inform the training; and,

i. Provide a dedicated point person to the Employment Representative to facilitate referrals, tracking and reporting for permanent employment opportunities.

The Authority acknowledges that it is committed to helping the Employment Representative find qualified residents to fill available employment positions. Accordingly, the Authority will:

a. Through REES, provide ongoing referrals of qualified Authority residents for vacant employment positions;

b. Distribute announcements and advertisements through existing Authority communication channels to Authority residents and local tenant associations, advising them of available employment positions and eligibility requirements, and post and advertise opportunities within local development management offices; and

c. Through REES, provide Authority resident referrals from applicable training and partner workforce programs including the Authority Resident Training Academy and Jobs-Plus.

d. The Employment Representative will dedicate a point of contact for referral and submission of a quarterly report tracking candidates referred by REES to the Employment Representative . Employment Representative will work with the Authority and the hired employee to complete the NYCHA Employment Verification Form attached hereto as Exhibit M-6 and submit the form to REES for each individual new hire placed in construction and non-construction/management positions. The Employment Representative will ensure that each employee consents to the release of personal information to the Authority.

3. Minority and Women Business Enterprises

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The Authority has a policy to ensure that all business entities have an equal opportunity to benefit from participation in Authority procurement, consulting and construction activities, as further described in this Section (the "**M/WBE Policy**"), as stated at https://www.nyc.gov/site/nycha/business/Minority-Women-Business-Enterprises-MWBE.page as of the date hereof. In performing services under this Agreement, Developer shall be required to comply with and perform the obligations set forth in the M/WBE Policy, as well as any other MBE/WBE requirements set forth by a particular funding source. In the event that the Authority revises its M/WBE Policy in the future, if determined to be in compliance with federal law, Developer will adopt the revised M/WBE Policy within sixty (60) days following written notice of such revision by the Authority to Developer for all procurement commencing after such adoption date such that the percentage in the revised M/WBE Policy only applies to all procurement commencing after such adoption date.

When issuing solicitations for contractors and subcontractors, Developer shall take affirmative steps to include Minority Business Enterprises ("**MBE**") and Women Business Enterprises ("**WBE**") (collectively, "**M/WBE**"). Developer will, in all solicitations or advertisements for bids, state that all qualified applicants will receive consideration for subcontracts without regard to race, color, religion, sex, national origin, disability, age, handicap, marital status or military service.

a. Developer shall take affirmative steps to ensure M/WBE participation which include:

i. Placing qualified M/WBEs on solicitation lists;

ii. Assuring that M/WBEs are solicited whenever they are potential sources;

iii. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by M/WBEs;

iv. Establishing delivery schedules, where the requirement permits, which encourage participation by M/WBEs;

v. Using the services and assistance, as appropriate, of such organizations as the Small Business Administration, the New York City Department of Small Business Services and the Minority Business Development Agency of the Department of Commerce; and

vi. Requiring prime contractors, if subcontracts are to be let, to take the above affirmative steps.

b. Developer shall submit a quarterly M/WBE Report during any periods of construction work on Replacement Buildings and/or Mixed-Income Buildings in the form attached hereto as Exhibit M-7 to the Authority. Developer shall report on M/WBE participation as a percentage of the entirety of the Development Budgets (not including financing fees and costs, agency fees and costs, development fees, acquisition costs, utility fees and costs, reserves, real estate taxes, and similar expenses).

c. The Authority does not have its own M/WBE certification process. The Authority determines the eligibility of M/WBEs by utilizing New York City's Small Business Services M/WBE certification.

d. The Authority reserves the right to require that Developer use an Authority-provided rider in applicable future contracts to capture the requirements of this Section 2.4.

e. Developer may request an M/WBE waiver or partial waiver using a form provided by the Authority. Waiver requests are subject to the Authority's sole approval.

NEW YORK CITY HOUSING AUTHORITY

November 2024

NYCHA's Master Development Agreement with Essence Development and Related Companies for the Redevelopment of Fulton, Elliott-Chelsea Houses