

REGULATORY AGREEMENT

by and among

BPP ST OWNER LLC and BPP PCV OWNER LLC

and

**NEW YORK CITY HOUSING
DEVELOPMENT CORPORATION**

BLOCK: 972 **LOT:** 1

BLOCK: 978 **LOT:** 1

COUNTY: New York

Record and Return To:

New York City Housing
Development Corporation
110 William Street, 10th Floor
New York, NY 10038
Attention: General Counsel

THIS REGULATORY AGREEMENT (as may be amended from time to time, this “Agreement”) is entered into as of December 18, 2015, by and among **BPP ST OWNER LLC** and **BPP PCV OWNER LLC** (jointly and severally, and together with each of their successors and permitted assigns, the “Owner”), each a Delaware limited liability company and having an office at c/o The Blackstone Group, 345 Park Avenue, New York, NY 10154, and **NEW YORK CITY HOUSING DEVELOPMENT CORPORATION** (together with its assigns, or any body, agency or instrumentality of the State of New York that succeeds to its powers, duties and functions, “HDC”), a corporate governmental agency constituting a public benefit corporation organized and existing under the laws of the State of New York, whose address is 110 William Street, 10th Floor, New York, NY 10038.

WITNESSETH:

WHEREAS, as of the date of this Agreement, the Owner has acquired the residential community known as Stuyvesant Town and Peter Cooper Village in New York City, which is located in the borough of Manhattan at Block 972, Lot 1, and Block 978, Lot 1, as further described on the attached Schedule A (the “Property”);

WHEREAS, the Owner and The City of New York (the “City”), in partnership with other elected officials, the Tenants Association for the Property and HDC, have agreed to create a regime to preserve long-term affordability for tenants of the Property, as more particularly described in this Agreement;

WHEREAS, in order to establish the affordable housing regime described above, the Owner has agreed to enter into this Agreement with HDC;

WHEREAS, the Owner has agreed to submit no fewer than 5,000 units at the Property to the income and rental restrictions described in this Agreement, and to make additional commitments regarding the Property as set forth in this Agreement;

WHEREAS, related to the Owner’s acquisition of the Property and its commitment to establish the affordable housing regime described above, the Owner is also acquiring from the City through its Department of Housing Preservation and Development, by separate agreement of same date, a license to utilize certain software commonly referred to as “Housing Connect”;

WHEREAS, HDC is entering into this Agreement in accordance with the New York City Housing Development Corporation Act, Article XII of the New York Private Housing Finance Law (Chapter 44-b of the Consolidated Laws of the State of New York, as amended) (as may be further amended from time to time, and together with any rules, regulations, policies and procedures promulgated thereunder, the “Act”); and

WHEREAS, in order to comply with the Act, HDC requires that the Property and the Owner comply with this Agreement to ensure the fulfillment of HDC’s statutory purpose of providing housing accommodations for occupancy by people and families for whom the ordinary operations of private enterprise cannot provide an adequate supply of safe, sanitary and affordable housing accommodations.

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

Section 1 – **Definitions**

1.1 For the purposes of this Agreement, the following words and terms shall have the respective meanings set forth in this section:

“Act” shall have the meaning set forth in the **WHEREAS** clauses of this Agreement.

“Affordable Units” shall mean the Initial Affordable Units and the Future Affordable Units.

“Agreement” shall have the meaning set forth in the preamble to this Agreement.

“AMI” shall mean, as of any date of determination, the area median income for the New York, NY HUD Metro FMR statistical area (which includes the following counties: Bronx County, New York; Kings County, New York; New York County, New York; Putnam County, New York; Queens County, New York; Richmond County, New York; Rockland County, New York; and Westchester County, New York), as determined from time to time for a family of four by HUD, in effect as of such date, as adjusted by the household factor specified in the attached Schedule B-1 that corresponds to the number of bedrooms in the relevant Future Affordable Unit. The attached Schedule B-1 also specifies the 2015 rent limits at 80% of AMI and 165% of AMI. Notwithstanding the above, solely for purposes of determining a tenant’s eligibility as a Tier 1 Eligible Tenant or a Tier 2 Eligible Tenant, “AMI” shall mean, as of any date of determination, the area median income for the New York, NY HUD Metro FMR statistical area (which includes the following counties: Bronx County, New York; Kings County, New York; New York County, New York; Putnam County, New York; Queens County, New York; Richmond County, New York; Rockland County, New York; and Westchester County, New York), as determined from time to time for a family of four by HUD, in effect as of such date, as adjusted by the household factor specified in the attached Schedule B-2 that corresponds to the household size of such tenant. The attached Schedule B-2 also specifies the 2015 income limits at 80% of AMI and 165% of AMI. If HUD changes its county data reporting in determining the area median income in the future, HDC and the Owner shall cooperate to use the closest approximation utilizing the best available data.

“City” shall have the meaning set forth in the **WHEREAS** clauses of this Agreement.

“Control” of an entity (and “Controlling” as the context may require), shall mean, the possession, directly or indirectly, of the power to direct or cause the direction of the business and affairs of such entity, whether through the ability to exercise voting power, by contract or otherwise. If Immediate Family Members, or persons or entities acting on behalf of Immediate Family Members, possess, directly or indirectly, such power as a group, then each Immediate Family Member and person or entity acting on behalf of an Immediate Family Member will be

deemed to have Control of the entity. In addition, any person or entity with more than 50% of the direct or indirect economic interests in an entity will be deemed to have Control of the entity. If Immediate Family Members, or persons or entities acting on behalf of Immediate Family Members, possess, directly or indirectly, more than 50% of the direct or indirect economic interests in an entity as a group, then each Immediate Family Member and person or entity acting on behalf of an Immediate Family Member will be deemed to have Control of the entity.

“Designated Roberts Units” shall mean the Units that were made subject to Rent Stabilization pursuant to the Roberts Settlement and that were occupied by tenants as of the date of the Roberts Settlement and by the same tenants continually through the date of this Agreement. The Owner shall provide HDC with a list designating the Designated Roberts Units as of the date of this Agreement and shall certify to HDC that, to the Owner’s knowledge after due inquiry, the list provided is a true, correct and complete list of the Designated Roberts Units that complies with the requirements of this Agreement. Prior to the expiration of the limits on rent increases provided in Section 3.10, if a tenant of a Unit that does not appear on the certified list makes a claim to the Owner that the tenant’s Unit met the criteria to be included as a Designated Roberts Unit as of the date of this Agreement (and meets the criteria to enjoy the protections provided to Designated Roberts Units as of the date of the claim), then the Owner shall act in good faith to determine the merits of the claim and shall add the Unit as a Designated Roberts Unit, with the applicable protections of this Agreement, if the claim is correct.

“Event of Default” shall have the meaning set forth in Section 7.1 of this Agreement.

“Full Lease File” shall have the meaning set forth in Section 5.3(d) of this Agreement.

“Future Affordable Units” shall mean any Units (whether an Initial Affordable Unit previously or not) that become vacant after the date of this Agreement and that are then designated by the Owner to be Affordable Units.

“HAC” shall mean the Housing Assistance Corporation, a subsidiary of HDC (and any successor).

“HAC Subordinate Loan” shall mean the subordinate mortgage loan to the Owner funded by HAC, in the original principal amount of \$143,235,666.

“HDC” shall have the meaning set forth in the preamble to this Agreement.

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

“Immediate Family Member” shall mean, with respect to a person, (a) his or her spouse or registered domestic partner, (b) his or her children, siblings and parents, and (c) the spouses or registered domestic partners of his or her children, siblings and parents.

“Initial Affordable Units” shall mean the Units designated as Initial Affordable Units by the Owner pursuant to Section 3.3 of this Agreement.

“Initial Market Shortfall Amount” shall mean the difference at the commencement of the Step-Up Period between (a) the Market Rent for a Future Affordable Unit and (b) the Tier 1 Preferential Rent (with respect to a Future Affordable Unit occupied by a Tier 1 Eligible Tenant) or the Tier 2 Preferential Rent (with respect to a Future Affordable Unit occupied by a Tier 2 Eligible Tenant) for such Future Affordable Unit.

“Legal Rent” shall mean, for any Unit that is subject to Rent Stabilization, the then applicable annual legal regulated rent under Rent Stabilization.

“Market Rent” shall mean, for any Future Affordable Unit as of the applicable date of determination, an amount that is equal to the one-month rolling average of the effective annual rent (net of landlord concessions) charged pursuant to newly executed leases (as of the applicable date of determination) for Market Units containing the same number of bedrooms and of comparable size as such Future Affordable Unit, as determined by the Owner (“Comparable Units”). If fewer than 10 new leases have been executed with respect to Comparable Units in such one-month period, then the rolling average will be calculated based on the rent charged pursuant to the last 10 newly executed leases for Comparable Units.

“Market Units” shall mean any Units that are not Affordable Units.

“Owner” shall have the meaning set forth in the preamble to this Agreement.

“Prohibited Party” shall have the meaning set forth in Section 6.2(a) of this Agreement.

“Property” shall have the meaning set forth in the **WHEREAS** clauses of this Agreement.

“Regulatory Period” shall mean the period commencing upon the execution of this Agreement and ending 20 years from the date of this Agreement.

“Rent Stabilization” shall mean, collectively, the Rent Stabilization Law of 1969, the Rent Stabilization Code, and the Emergency Tenant Protection Act of 1974, all as in effect as of the date of this Agreement or as amended thereafter, together with any successor statutes or regulations addressing substantially the same subject matter.

“Request Date” shall have the meaning set forth in Section 6.2(c) of this Agreement.

“RGB” shall mean the New York City Rent Guidelines Board (and any successor).

“Roberts Settlement” shall mean the Stipulation and Agreement of Settlement for Amy L. Roberts et al. v. PCV ST Owner LP et al., Supreme Court of the State of New York, County of New York, Index No. 100956/2007, dated November 30, 2012.

“Step-Up Period” shall have the meaning set forth in Section 3.11(a) of this Agreement.

“Tier 1 Eligible Tenant” shall mean a tenant of a Future Affordable Unit with an annual household income at the time of initial occupancy of the Future Affordable Unit of not more than 165% of AMI.

“Tier 1 Preferential Rent” shall mean a “preferential rent” in an annual amount equal to 30% of 165% of AMI. Notwithstanding the above, for any two-year lease of a Future Affordable Unit, the Tier 1 Preferential Rent shall mean a “preferential rent” in an annual amount equal to 30% of 165% of AMI multiplied by the sum of (1) 100% plus (2) the difference, if positive, between (i) the most recent percentage increase permitted for rent stabilized apartments by the RGB for two-year lease renewals and (ii) the most recent percentage increase permitted for rent stabilized apartments by the RGB for one-year lease renewals. The Tier 1 Preferential Rent shall be calculated without any decrease for a utility allowance.

“Tier 2 Eligible Tenant” shall mean a tenant of a Future Affordable Unit with an annual household income at the time of initial occupancy of the Future Affordable Unit of not more than 80% of AMI.

“Tier 2 Preferential Rent” shall mean a “preferential rent” in an annual amount equal to 30% of 80% of AMI. Notwithstanding the above, for any two-year lease of a Future Affordable Unit, the Tier 2 Preferential Rent shall mean a “preferential rent” in an annual amount equal to 30% of 80% of AMI multiplied by the sum of (1) 100% plus (2) the difference, if positive, between (i) the most recent percentage increase permitted for rent stabilized apartments by the RGB for two-year lease renewals and (ii) the most recent percentage increase permitted for rent stabilized apartments by the RGB for one-year lease renewals. The Tier 2 Preferential Rent shall be calculated without any decrease for a utility allowance.

“Unit” shall mean a residential apartment located at the Property.

Section 2 – **General Provisions**

2.1 Compliance with this Agreement. The Owner shall comply, and shall cause the Property to comply, at all times with this Agreement.

Section 3 – **Affordable Housing Regime**

3.1 Continuing Effectiveness of Current Leases. As of the date of this Agreement, the Owner shall continue to rent all occupied Units, including the Affordable Units, in accordance with the terms of the respective leases for such Units and for the remaining terms of such leases and any renewals thereof, in accordance with Rent Stabilization to the extent applicable.

3.2 Affordable Units Requirement.

(a) Minimum Number. At all times during the Regulatory Period, the

Property shall contain no fewer than 5,000 Affordable Units.

(b) Maximum Rent. Notwithstanding anything else to the contrary in this Agreement, Units with respect to which the annual rent collected (exclusive of any reimbursements or other charges) is greater than 30% of 165% of AMI will not be included in the calculation of the number of Affordable Units pursuant to Section 3.2(a), except that the Owner may include Units with two-year leases charging a rent in compliance with this Agreement and any greater amount permitted by the definition of “Tier 1 Preferential Rent” in Section 1.1 as Future Affordable Units. For the avoidance of doubt, this maximum rent limit will be tested only upon initial occupancy and lease renewal (or as of the date of any required renewal notice, if earlier) with respect to an Affordable Unit and will not be affected by any decrease in AMI during the term of a lease of any Affordable Unit; provided that the Owner shall not include a Unit as an Affordable Unit if during the term of a lease the rent collected is above the 30% of 165% of AMI limit that was in effect as of the date of including the Unit as an Affordable Unit (except that the Owner may include Units with two-year leases charging a rent in compliance with this Agreement and any greater amount permitted by the definition of “Tier 1 Preferential Rent” in Section 1.1 as Affordable Units).

3.3 Designation of Initial Affordable Units; Rents. The Owner shall provide HDC with a list designating the Initial Affordable Units as of the date of this Agreement and shall certify to HDC that, to the Owner’s knowledge after due inquiry, the list provided is a true, correct and complete list of the Initial Affordable Units that complies with the requirements of this Agreement. The Owner shall continue to rent the Initial Affordable Units to their current tenants at the annual rents for such Units that are determined by Rent Stabilization, if applicable, until such Units are vacated. Upon a vacancy of an Initial Affordable Unit, if the Owner does not designate the Unit as a Future Affordable Unit, then the Unit will no longer be deemed to be an Affordable Unit, unless and until the Owner designates the Unit as a Future Affordable Unit upon a future vacancy.

3.4 Designation of Future Affordable Units.

(a) Process for Designation. Subject to the satisfaction of the distribution and size requirements set forth in Section 3.4(b) below, beginning on the date that is 90 days from the date of this Agreement and continuing during the Regulatory Period, as Initial Affordable Units become vacant, the Owner shall designate a number of Units equal to 50% of such vacated Units as Future Affordable Units (from either the Initial Affordable Units so vacated or from other Units), until the number of Affordable Units has been reduced to 5,000. When the number of Affordable Units has been reduced to 5,000, each time an Affordable Unit becomes vacant, the Owner shall designate such vacant Affordable Unit or another Unit as a Future Affordable Unit, so that the number of Affordable Units does not fall below 5,000 at any time.

(b) Distribution and Size of Affordable Units. The Owner shall use good faith efforts to distribute Future Affordable Units within and across buildings throughout the Property; provided that the average square footage of the Affordable Units at any time must be not less than 97% of the average square footage of all of the Units.

3.5 Allocation of Future Affordable Units; Rents.

(a) Tier 1/Tier 2 Allocation. During the Regulatory Period, the Owner shall allocate and rent the Future Affordable Units as provided below. The Owner shall use good faith efforts (i) to maintain compliance with the Tier 1/Tier 2 allocation described in Sections 3.5(b) and 3.5(c) below and (ii) to maintain a substantially similar allocation among Future Affordable Units with respect to the number of bedrooms in units rented to Tier 1 Eligible Tenants and Tier 2 Eligible Tenants. HDC will grant the Owner reasonable time periods to achieve these allocations.

(b) Tier 1 Eligible Tenants. The Owner shall rent 90% of the Future Affordable Units solely to Tier 1 Eligible Tenants, at an annual rent that does not exceed:

(i) if the Future Affordable Unit is subject to Rent Stabilization, the Legal Rent, except that the Owner shall offer the Tier 1 Preferential Rent (subject to Section 3.6) to such Tier 1 Eligible Tenant if the Tier 1 Preferential Rent is less than the Legal Rent; and

(ii) if the Future Affordable Unit is not subject to Rent Stabilization, the Tier 1 Preferential Rent (subject to Section 3.6).

(c) Tier 2 Eligible Tenants. The Owner shall rent 10% of the Future Affordable Units solely to Tier 2 Eligible Tenants, at an annual rent that does not exceed:

(i) if the Future Affordable Unit is subject to Rent Stabilization, the Legal Rent, except that the Owner shall offer the Tier 2 Preferential Rent (subject to Section 3.6) to such Tier 2 Eligible Tenant if the Tier 2 Preferential Rent is less than the Legal Rent; and

(ii) if the Future Affordable Unit is not subject to Rent Stabilization, the Tier 2 Preferential Rent (subject to Section 3.6).

(d) Rents for Renewal Leases. Upon renewal of leases for any Future Affordable Units, the Owner shall offer rents for the renewal term based upon the calculation set forth in Sections 3.5(b) or 3.5(c) above, as applicable, and using the Legal Rent, Tier 1 Preferential Rent or Tier 2 Preferential Rent (as applicable) and AMI determined as of the renewal date (or as of the date of any required renewal notice, if earlier).

(e) No MCI or IAI Increases to Preferential Rents. The Owner shall not increase the Tier 1 Preferential Rent or Tier 2 Preferential Rent (as applicable) for a Future Affordable Unit on account of any “major capital improvements” or “individual apartment improvements” as contemplated by Rent Stabilization. The Legal Rent may include such increases, however, if permitted under Rent Stabilization.

3.6 Fees and Surcharges. For any Affordable Unit, the Owner may charge fees and surcharges permitted under Rent Stabilization (whether the Unit is subject to Rent Stabilization or not), including for utility reimbursements and heat surcharges. Such fees and surcharges may

be collected in addition to the applicable rent and will not be considered “rent” for any purposes of this Agreement.

3.7 Lease Requirements. The Owner shall rent all Affordable Units pursuant to one- or two-year leases, at the tenant’s option, except that the Owner’s obligation to offer two-year leases applies only to Affordable Units that are subject to Rent Stabilization. The Owner shall ensure that leases for all Units comply with this Agreement to the extent applicable and all applicable requirements of New York law.

3.8 Vacancy of Future Affordable Units. Upon a vacancy of a Future Affordable Unit, the Owner may elect whether or not to continue the Unit’s designation as an Affordable Unit; provided that the Owner complies with Sections 3.2(a) and 3.4 of this Agreement. The Owner shall use reasonable efforts to continue to re-let vacant Affordable Units in the ordinary course of business during the Regulatory Period, accounting for time to prepare such Units and similar circumstances.

3.9 Marketing of Future Affordable Units.

(a) Marketing Guidelines. In marketing Future Affordable Units, the Owner shall comply with the marketing guidelines that the Owner and HDC have mutually agreed upon for the Property prior to the date of this Agreement, or such other marketing guidelines that the Owner and HDC may from time to time mutually agree upon.

(b) Application Form. The Owner shall require prospective tenants who apply for a Future Affordable Unit to use the application form agreed upon by the Owner and HDC prior to the date of this Agreement, or such other application form that the Owner and HDC may from time to time mutually agree upon.

(c) Lottery; Waiting Lists. The Owner shall make Future Affordable Units available to prospective tenants via one or more waiting lists established through a lottery system, subject to other eligibility criteria in compliance with this Agreement.

3.10 Rent Limits for Designated Roberts Units. Nothing in this Agreement will prohibit the Owner from deregulating the Designated Roberts Units or any other Units that were subject to the Roberts Settlement, in either case, on or after July 1, 2020. For the five-year period commencing July 1, 2020, in addition to any other limits on rents required by law, the Owner shall limit rent increases for tenants occupying Designated Roberts Units and who were in occupancy of the same Designated Roberts Unit at the time the Roberts Settlement was effected to 5% per annum.

3.11 Step-Up Period.

(a) Five-Year Phase-In of Rent Increases. During the five-year period following the expiration of the Regulatory Period (the “Step-Up Period”), rent increases for Future Affordable Units shall be limited as provided in this Agreement. The Owner will have the

right to increase rents for the Future Affordable Units, phased in over the Step-Up Period, only as provided below.

(b) Rent Increase Calculation. For each year in the Step-Up Period, only upon lease renewal for a Future Affordable Unit during the Step-Up Period and not during the term of any lease of a Future Affordable Unit (other than as set forth below with respect to any two-year leases), the Owner may increase the then applicable Tier 1 Preferential Rent (with respect to a Future Affordable Unit occupied by a Tier 1 Eligible Tenant) or Tier 2 Preferential Rent (with respect to a Future Affordable Unit occupied by a Tier 2 Eligible Tenant) by an amount that is no greater than the sum of (1) 20% of the Initial Market Shortfall Amount for the Future Affordable Unit plus (2) for years 2-5 of the Step-Up Period, any increase in the Market Rent for the Future Affordable Unit over the prior one-year period. Notwithstanding the foregoing, for any Future Affordable Units subject to a two-year lease during the Step-Up Period, subject to compliance with applicable law, such lease may provide for an increase in the Tier 1 Preferential Rent (with respect to a Future Affordable Unit occupied by a Tier 1 Eligible Tenant) or the Tier 2 Preferential Rent (with respect to a Future Affordable Unit occupied by a Tier 2 Eligible Tenant) during the second year of such lease in a manner necessary to implement the permitted increase as described above for each year in the Step-Up Period.

(c) Step-Up Period Rents. During the Step-Up Period, the Owner shall not charge rents for a Future Affordable Unit in excess of:

(i) with respect to Future Affordable Units occupied by Tier 1 Eligible Tenants, (1) if the Future Affordable Unit is subject to Rent Stabilization, the Legal Rent, except that the Owner shall offer the Tier 1 Preferential Rent as increased pursuant to Section 3.11(b) (subject to Section 3.6) if such rent is less than the Legal Rent; and (2) if the Future Affordable Unit is not subject to Rent Stabilization, the Tier 1 Preferential Rent as increased pursuant to Section 3.11(b) (subject to Section 3.6); or

(ii) with respect to Future Affordable Units occupied by Tier 2 Eligible Tenants, (1) if the Future Affordable Unit is subject to Rent Stabilization, the Legal Rent, except that the Owner shall offer the Tier 2 Preferential Rent as increased pursuant to Section 3.11(b) (subject to Section 3.6) if such rent is less than the Legal Rent; and (2) if the Future Affordable Unit is not subject to Rent Stabilization, the Tier 2 Preferential Rent as increased pursuant to Section 3.11(b) (subject to Section 3.6).

(d) Step-Up Period Vacancies. The foregoing limit on rent increases during the Step-Up Period applies only to tenants in Future Affordable Units who remain in occupancy during the Step-Up Period. Upon a vacancy of a Future Affordable Unit after the Regulatory Period, such Future Affordable Unit will become a Market Unit.

(e) End of Step-Up Period. At the end of the Step-Up Period, all Future Affordable Units will become Market Units.

3.12 Applicability of Rent Stabilization. Any Affordable Units subject to Rent Stabilization on the date of this Agreement will continue to be subject to Rent Stabilization

unless and until such Units are deregulated pursuant to the terms of applicable law. Once an Affordable Unit is deregulated pursuant to the terms of applicable law, HDC does not intend to subject such Affordable Unit to any regulation other than the restrictions contained in this Agreement (unless HDC, in HDC's discretion, and the Owner, in the Owner's discretion, enter into a future agreement providing for further affordability). If, at any time, applicable law would allow the deregulation of any Unit (including any Affordable Unit) from Rent Stabilization, then the Owner may elect to deregulate such Unit from Rent Stabilization, but if the Unit is an Affordable Unit, it shall remain subject to the restrictions of this Agreement.

3.13 Condition of Affordable Units; Non-Transient Units. Each Affordable Unit shall contain living, sleeping, eating, cooking and sanitation facilities for a single person or family. None of the Affordable Units may be used by the Owner on a transient basis or as a hotel, motel, hospital, nursing home, sanitarium, rest home or trailer park. Nothing in this provision, however, prohibits the Owner from using Units to temporarily house tenants while the tenants' Units are being renovated or repaired. The Owner shall not relocate or remove a tenant from an Affordable Unit for non-emergency renovations or repairs without the tenant's consent.

3.14 Market Units. Except as provided in Section 3.10 above with respect to the Designated Roberts Units, no income or rent restrictions in this Agreement will apply to the Market Units. Market Units, however, may be subject to Rent Stabilization, as applicable.

Section 4 – Senior and Social Support Services

4.1 On-Site Support Services. The Owner shall provide the following senior and social support services at the Property during the Regulatory Period, in each case, without charge to the service recipients or participants and in a manner reasonably determined by the Owner.

(a) Social Worker. The Owner shall provide a social worker to provide professional assistance and support services on-site to the senior community.

(b) Senior Center Staff. The Owner shall provide a Community Center manager and support staff to provide programming for seniors.

(c) Senior Activities. The Owner shall provide a targeted schedule of senior activities and interest groups to engage the senior community (e.g., book clubs, movie nights, and dance and exercise classes).

(d) Medical Screenings. The Owner shall ensure that the Community Center hosts periodic medical screenings, including blood pressure checks.

(e) SCRIE Support. The Owner shall provide an official SCRIE point person. This staff member will be responsible for working with and supporting the Property's seniors in applying for SCRIE benefits. The staff member must hold periodic office hours in the Community Center to allow residents to walk in and ask questions or complete paperwork.

(f) Wellness Checks. The Owner shall ensure that family members who live off-site and have concerns about the well-being of a senior resident of the Property will be able to contact the Owner to arrange for a staff member to visit the resident and report back to the family member.

Section 5 – Compliance and Reporting

5.1 Qualification of Tenants by Owner. The Owner shall obtain a certification of annual household income and household size from each prospective tenant of a Future Affordable Unit, along with the documentation required to be delivered by such prospective tenant pursuant to the approved marketing guidelines to verify the prospective tenant's annual household income. The Owner shall examine and verify each prospective tenant's certification of annual household income and household size prior to initial occupancy to determine whether or not the prospective tenant qualifies as a Tier 1 Eligible Tenant or a Tier 2 Eligible Tenant. HDC is not requiring the Owner to receive the prior approval of HDC or any other party for the rental of any Unit. In addition, the Owner has no obligation to perform any ongoing verification of any tenant's annual household income after the tenant's initial occupancy of a Future Affordable Unit.

5.2 Owner's Semi-Annual Report to HDC. Commencing on September 15, 2016, and continuing semi-annually thereafter on March 15 and September 15 until the end of the Regulatory Period, the Owner shall deliver to HDC a report consisting of the following items (the report should be delivered to the attention of HDC's Senior Vice President for Portfolio Management, or otherwise as directed by HDC):

(a) a current rent roll (dated within 30 days of the date delivered) for the Affordable Units that highlights the tenants who have moved into or out of Affordable Units during the six-month period prior to the date of the rent roll;

(b) a certification from the Owner as to compliance with this Agreement;

(c) copies of rental applications (without any back-up documentation) for tenants first occupying Future Affordable Units during the six-month period prior to the date of the rent roll described in Section 5.2(a) above; and

(d) commencing with the second semi-annual report, a summary of the services offered to senior tenants by the Owner and the approximate levels of participation in such services.

5.3 HDC's Right to Review Files.

(a) Semi-Annual Reports. In connection with each semi-annual report by the Owner, HDC will have the right to review the Full Lease File (as defined below) for not more than 20 tenants, to be randomly selected by HDC from those tenants who first occupy Future Affordable Units during the six-month period covered by the semi-annual report. The Owner

shall provide the selected Full Lease Files to HDC after the delivery of the applicable semi-annual report and within 30 days of HDC's request for the files.

(b) Material Noncompliance Issues. If, in reviewing the Full Lease Files provided by the Owner in connection with a semi-annual report, HDC finds that material noncompliance issues exist, then HDC will have the right to request Full Lease Files on a greater number of tenants, to be mutually agreed upon by HDC and the Owner, and the Owner shall provide the requested files to HDC in a prompt manner. If HDC finds that material noncompliance issues exist in these additional files, then HDC will have the right to request Full Lease Files on all tenants first occupying Future Affordable Units during the six-month period covered by the semi-annual report in question, and the Owner shall provide these files to HDC in a prompt manner.

(c) Complaints. If HDC receives a complaint from or on behalf of a prospective or current tenant regarding the Owner's compliance with this Agreement, then HDC will have the right to request the Full Lease File regarding the prospective or current tenant. The Owner shall provide the requested file to HDC promptly after receiving notice of the complaint from HDC. HDC will not have the right to request the Full Lease File regarding a person who has applied for an Affordable Unit and who has been placed on a waiting list unless and until the Owner or its agent takes any further action with respect to the person's application.

(d) Full Lease File. A "Full Lease File" shall include the tenant's application, all tenant certifications and verification documentation, all leases with the tenant and any amendments to these leases, and all related correspondence and documentation.

5.4 Tenant Fraud. If the Owner rents a Future Affordable Unit to a tenant whose income was in excess of the applicable income limits of this Agreement based upon false statements provided by the tenant, then the Owner shall use reasonable efforts to evict the tenant in the ordinary course of business.

5.5 Property Management Contact. The Owner shall provide HDC with contact information for (a) any property manager of the Property and (b) any agent or consultant that is retained in connection with the marketing or leasing of the Affordable Units. The Owner shall notify HDC of any change to any of the foregoing individuals or entities within 15 days of the change.

Section 6 – Transfers of the Property; Financing

6.1 Transfers Permitted In General. Except as provided in Section 6.2, this Agreement shall not impose any limitations or restrictions upon the transfer of the Property or any direct or indirect transfers of interests in the Owner, and does not limit or restrict the identity of the property manager retained by the Owner.

6.2 Transfer Restrictions.

(a) Prohibited Transfers. Notwithstanding the foregoing, during the Regulatory Period, the Owner shall not transfer the Property or any portion of the Property (except a Market Unit in connection with a permitted conversion to condominium or cooperative ownership) to any party if such party is a Prohibited Party. In addition, during the Regulatory Period, the Owner shall not transfer, or cause or permit to be transferred, any direct or indirect interest in the Owner to any party if such party is a Prohibited Party, if as a result of such transfer, (x) such party Controls the Owner and owns at least a majority of the direct or indirect interests in the Owner and (y) Blackstone Property Partners L.P. or any affiliate thereof, including any affiliated investment fund, no longer holds a direct or indirect interest in the Owner (or holds only a nominal interest). A prospective transferee will be considered a “Prohibited Party” if any of the following has occurred with respect to such prospective transferee, any person or entity in Control of such prospective transferee, or any entity under the respective Control of any such person or entity:

(i) such person or entity has been convicted of a felony involving dishonesty or moral turpitude;

(ii) there has been a final judicial determination in the five-year period preceding the Request Date that such person or entity violated Section 235-d of the New York Real Property Law or Section 27-2005(d), 26-521, or 26-523 of the New York City Administrative Code;

(iii) there has been a final administrative determination in the five-year period preceding the Request Date by the City’s Department of Housing Preservation and Development, not reversed by any court or subject to further judicial review, denying a certification of no harassment with respect to a parcel of real property pursuant to Section 27-2093 of the New York City Administrative Code, or Sections 96-110, 93-90, 98-70, or 23-013 of the New York City Zoning Resolution based upon a finding that harassment occurred within a period of time during which such person or entity owned or managed the real property; or

(iv) there has been a final administrative determination in the five-year period preceding the Request Date by the New York State Division of Housing and Community Renewal, not reversed by any court or subject to further judicial review, finding that such person or entity violated 9 NYCRR 2525.5.

(b) Exception for Publicly Traded Companies in Good Standing. Notwithstanding the foregoing, any transfer to a publicly traded company (or an affiliate thereof) will not be subject to any transfer restrictions (including with respect to Prohibited Parties) as long as the prospective transferee (or its sole direct or indirect owner) is in Good Standing at the time a purchase contract for the sale of the Property or direct or indirect interests in the Owner is executed. “Good Standing” shall mean a public issuer that has securities registered with the Securities and Exchange Commission (the “SEC”), and whose securities have not been barred or suspended from trading by the SEC or any national exchange.

(c) Determination of Prohibited Parties. Upon a request by the Owner for HDC to confirm that any prospective transferee is not a Prohibited Party, HDC shall respond to the request within five business days of the date of the request (the “Request Date”). If the Owner submits sufficient information concerning a prospective transferee to enable HDC to make a determination of whether or not the prospective transferee is a Prohibited Party, and HDC fails to respond within the five-business day period following the Request Date, then HDC’s failure to respond will be deemed confirmation that the prospective transferee is not a Prohibited Party.

(d) Transfers to Prohibited Parties. The Owner may transfer the Property or direct or indirect interests in the Owner to a party, notwithstanding that such party is a Prohibited Party under Sections 6.2(a)(ii), 6.2(a)(iii) or 6.2(a)(iv) above, if on or prior to the date of the transfer, the Owner repays the portion of the HAC Subordinate Loan that has not been forgiven as of the date of the transfer.

(e) Notice of Transfers. For any notice that is required to be given under a senior financing document with respect to the Property to any senior lender regarding any transfer (i) of all or any part of the Property (including any interest in the Property) or (ii) of any direct or indirect ownership interest in the Owner or key principals (in either case, whether or not the senior lender’s consent to such transfer is required by the senior financing documents), the Owner shall send a copy of such notice concurrently to HDC, at HDC’s then-current address under this Agreement.

6.3 Subordination of Mortgage Financing. Any mortgage financing secured by the Property or any portion of the Property (except a Market Unit in connection with a permitted conversion to condominium or cooperative ownership and upon transfer of such Market Unit by the Owner) shall be subject and subordinate to this Agreement, so that the affordability requirements of this Agreement will bind a foreclosing lender in the event of a foreclosure.

Section 7 – Enforcement

7.1 Events of Default. Upon any violation of this Agreement by the Owner, HDC may give written notice of the violation to the Owner. If such written notice is given, and the violation is not cured or the Owner has not commenced to cure the violation to the reasonable satisfaction of HDC within 60 days after the date the notice is given (or within such further time period as HDC in its reasonable discretion may permit, if HDC determines that the Owner has commenced and is diligently pursuing the cure of the violation), then without further notice, HDC may declare, and such declaration will constitute, an “Event of Default” under this Agreement, effective as of the date of the written notice of such declaration. Notwithstanding the above, any violation by the Owner of Section 6.2 (Transfer Restrictions) will be an Event of Default effective immediately upon the date of the violation, without further notice or a period to cure.

7.2 Remedies. Upon the declaration of an Event of Default, HDC shall be entitled to only the following remedies, which may be exercised separately or in any combination:

(a) HDC may commence and prosecute an action seeking specific performance of any obligation of the Owner under this Agreement;

(b) HDC shall be entitled to reimbursement of its reasonable legal expenses incurred to pursue the enforcement of this Agreement, if HDC is successful in such an action (any final, non-appealable judicial determination, or any stipulation of settlement, either finding that there has been a violation of any obligation of the Owner or requiring the remediation of such a violation, shall be deemed to be successful);

(c) if the Owner or its agent knowingly overcharges rent for any Affordable Unit in excess of the applicable rent limits of this Agreement, then HDC shall be entitled to treble damages (i.e., three times the cumulative amount of such overcharge) less any amounts actually paid by the Owner to the tenant as an overcharge pursuant to an order in a judicial proceeding in a court of competent jurisdiction or in an administrative proceeding before the New York State Division of Housing and Community Renewal or any similar agency; and

(d) if the Owner or its agent knowingly rents a Future Affordable Unit to a tenant whose income is in excess of the applicable income limits of this Agreement, then the Owner shall rent the next available Unit of the same number of bedrooms as the Future Affordable Unit wrongfully rented as provided above to a tenant meeting the applicable income limits, and the Regulatory Period will be extended as to such next available Unit for the period of noncompliance.

7.3 Non-Recourse Obligations. HDC will not seek any personal judgment against any of the Owner's members in connection with this Agreement.

Section 8 – Termination; Conversion

8.1 Release. Upon the expiration of the Step-Up Period, HDC shall, upon request of the Owner, provide the Owner with a release of this Agreement in recordable form. In addition, upon the conversion of the Property or any portion of the Property to condominium or cooperative ownership pursuant to Section 8.2 and the transfer of a Market Unit by the Owner, HDC shall, upon request of the Owner, provide the Owner and such transferee with a release of this Agreement in recordable form with respect to such transferred Market Unit.

8.2 Conversion to Co-op or Condo. The Owner may, in its sole discretion, convert the Property or any portion of the Property to cooperative or condominium ownership, as long as the Property and the Owner continue to comply with the terms of this Agreement.

Section 9 – Miscellaneous

9.1. Notices. Any notice, demand, direction, request or other instrument authorized or required to be given to or filed with the parties to this Agreement will be deemed to have been sufficiently given or filed for all purposes of this Agreement: (a) five business days after mailing,

if sent by registered or certified mail, return receipt requested; (b) on the day transmitted, if sent by electronic transmission with notice of receipt or by hand delivery; or (c) on the following business day, if sent by overnight courier. Notices sent by mail, hand delivery or courier must be sent to the addresses stated above or such other address of a party that the party has notified the other party of in writing. Notices sent to the Owner must be sent to the attention of its General Counsel, unless otherwise instructed by the Owner. Notices sent to HDC must be sent to the attention of HDC's President, with a copy to HDC's General Counsel, unless otherwise instructed by HDC.

9.2 Waivers. Neither party's delay or failure to act or give notice will constitute a waiver of any provision of this Agreement, nor will it preclude the enforcement of any of HDC's rights or remedies. No act or omission by either party, other than a writing signed by it waiving a breach by the other party, will constitute a waiver.

9.3 Amendments. This Agreement may not be altered, modified or amended except by a written instrument in recordable form signed by the Owner and HDC.

9.4 Successors and Assigns. This Agreement will bind the Owner and HDC, as well as their respective successors, grantees, lessees and permitted assigns.

9.5 Covenants Run with the Land. This Agreement and any amendments to this Agreement shall be recorded against the Property in the office of the Register of The City of New York for New York County. During the term of this Agreement, all provisions of this Agreement shall run with the Property and be enforceable by HDC and its successors and assigns, and against the Owner and its successors and permitted assigns.

9.6 Severability. The invalidity of any clause or provision of this Agreement will not affect the validity of the remaining portions of this Agreement.

9.7 Action and Consents. Except where explicitly stated otherwise in this Agreement: (a) HDC and the Owner shall use reasonable promptness, reasonable diligence, reasonable judgment and reasonable discretion in exercising any duty or discretion, providing any consent or approval, or making any determination required by this Agreement; and (b) HDC and the Owner shall both use their reasonable efforts to effectuate the provisions of this Agreement.

9.8 Governing Law; Jurisdiction; Service of Process. The Owner and HDC unconditionally and irrevocably agree that this Agreement shall be governed by and construed in accordance with the applicable laws of the State of New York without regard to its conflict of laws principles. The parties unconditionally and irrevocably accept the jurisdiction of the courts of the State of New York, waive any objection to the bringing of an action, suit or other legal proceeding in such jurisdiction, and consent to venue in any state or federal court located in the State and County of New York. The parties agree that service of process may be by hand or certified mail, return receipt requested, or as otherwise permitted by law. The Owner irrevocably consents to the service of any and all process in any such action, suit or other legal proceeding by service to its designated agent. The Owner's designated agent for service of process is its General Counsel, or any member, partner, manager, director or officer of the Owner, and the

location for service of process is the address of the Owner listed on the first page of this Agreement, the then current address of the Owner, or such other address permitted by law or as may be agreed to in writing by HDC. HDC's designated agent for service of process is its General Counsel at its corporate offices. Nothing in this provision, however, will affect the right of HDC to serve legal process in any other manner permitted by law.

9.9 Counterparts. This Agreement may be executed in counterparts, and all counterparts will collectively constitute a single instrument. An executed signature page to one counterpart may be attached to another counterpart that is identical (except for additional signature pages) without impairing the legal effect of the signatures. Any counterpart containing the signatures of each of the parties will be sufficient proof of this Agreement.

9.10 Estoppel Certificate. HDC, at any time and from time to time within 10 business days after receipt of written notice from the Owner, shall execute, acknowledge and deliver to the Owner or any prospective purchaser of the Property or lender secured by direct or indirect interests in the Property a certificate stating: (a) that this Agreement is unmodified and in full force and effect (or, if there have been modifications, that the Agreement is in full force and effect as modified and stating the modifications); (b) whether to HDC's knowledge (without independent inquiry) there are then existing any defaults by the Owner in the performance of its obligations under this Agreement (and, if so, specifying the defaults); and (c) any other factual information relating to the rights and obligations under this Agreement that may reasonably be requested by the Owner.

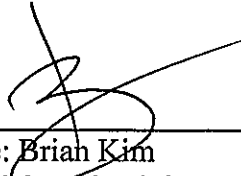
9.11 Liability Insurance. The Owner shall maintain commercially reasonable commercial general liability insurance coverage with respect to the Property and shall ensure that HDC and HAC are named as additional insureds on all such policies. The Owner shall provide evidence of such coverage and HDC's and HAC's status as an additional insured upon request of HDC.

9.12 Indemnity. The Owner covenants and agrees, absolutely and unconditionally, at its sole cost and expense, to indemnify, defend and hold harmless HDC and HAC, and each of their past, present and future members, officers, employees and agents (each individually a "Covered Party") from and against any and all claims, actions, suits or proceedings arising from, out of, attributable to, by reason of or resulting from this Agreement, HDC's making of any senior loan with respect to the Property or the HAC Subordinate Loan, or the holding of the notes and mortgages related to any such loans by HDC or HAC (collectively, the "Covered Proceedings") which Covered Proceedings arise from, out of, are attributable to, or result from any acts or omissions of the Owner, its members or partners, and its employees or agents in connection with the Property (but excluding payment of mortgage recording taxes and Covered Proceedings finally determined to have resulted from a Covered Party's own gross negligence, fraud or willful misconduct) and to pay any and all expenses, costs and charges of any kind or nature, whether foreseen or unforeseen, including, without limitation, attorneys' and experts' fees and expenses and court and discovery costs (collectively, "Legal Fees") which Legal Fees are imposed upon, incurred by or awarded against a Covered Party.

[Signatures follow]


IN WITNESS WHEREOF, the parties hereto by their duly authorized agents have executed this Agreement as of the date first written above.

BPP ST OWNER LLC

By: 
Name: Brian Kim
Title: Managing Director and Vice President

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

On the 17 day of December in the year 2015, before me, the undersigned, a notary public in and for said state, personally appeared Brian Kim personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person on behalf of which the individual acted, executed the instrument.

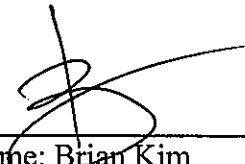


Notary Public
Commission expires:

CHRISTOPHER AYER HAINES
Notary Public, State of New York
No. 01HA6316133
Qualified in New York County
Commission Expires Dec. 8, 2018

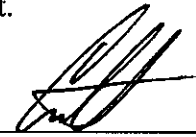
BPP PCV OWNER LLC

By:


Name: Brian Kim
Title: Managing Director and Vice President

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

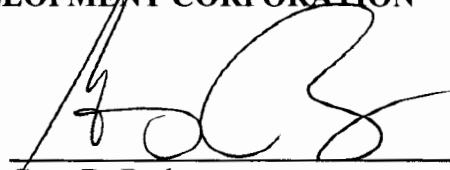
On the 17 day of December in the year 2015, before me, the undersigned, a notary public in and for said state, personally appeared Brian Kim personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person on behalf of which the individual acted, executed the instrument.


Notary Public
Commission expires:

CHRISTOPHER AYER HAINES
Notary Public, State of New York
No. 01HA6316133
Qualified in New York County
Commission Expires Dec. 8, 2018

**NEW YORK CITY HOUSING
DEVELOPMENT CORPORATION**

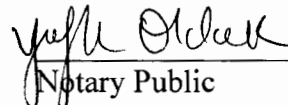
By:



Gary D. Rodney
President

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

On the 11th day of December in the year 2015, before me, the undersigned, a notary public in and for said state, personally appeared **GARY D. RODNEY** personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person on behalf of which the individual acted, executed the instrument.



Notary Public
Commission expires:

Yaffa Oldak
Notary Public-State of New York
No. 010L6112307
Qualified in Kings County
Commission Expires June 28, 20 16

SCHEDULE A

Property Description

All those certain plots, pieces and parcels of land, with the buildings and improvements thereon erected, situate, lying and being in the City and State of New York, designated on the Tax Map of the City of New York as:

Block(s)	Lot(s)
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972	1
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978	1
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County:	New York
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SCHEDULE B-1

Household Factors and 2015 Rent Limits

Bedrooms	Household Factor	2015 Monthly Rent Limit (30% of 80% of AMI)	2015 Monthly Rent Limit (30% of 165% of AMI)
0	0.70	\$1,210	\$2,495
1	0.75	\$1,296	\$2,673
2	0.90	\$1,554	\$3,205
3	1.04	\$1,796	\$3,704
4	1.16	\$2,004	\$4,133
5	1.28	\$2,211	\$4,560

SCHEDULE B-2

Household Factors and 2015 Income Limits

Household Size	Household Factor	2015 Income Limit (80% of AMI)	2015 Income Limit (165% of AMI)
1	0.70	\$48,400	\$99,825
2	0.80	\$55,280	\$114,015
3	0.90	\$62,160	\$128,205
4	1.00	\$69,040	\$142,395
5	1.08	\$74,640	\$153,945
6	1.16	\$80,160	\$165,330
7	1.24	\$85,680	\$176,715
8	1.32	\$91,200	\$188,100
9	1.40	\$96,720	\$199,485
10	1.48	\$102,240	\$210,870