

**TROY INDUSTRIAL DEVELOPMENT AUTHORITY**

**TO**

**MONUMENT SQUARE I LIMITED PARTNERSHIP**

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**LEASEBACK AGREEMENT**

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**Address and Tax Map Numbers:**

**Street Address: 2 1st Street, Troy, New York 12180**  
**TMID No: 101.53-7-16**

**Benefits:**

**Sales and Use Tax Exemption**  
**Real Property Tax Abatement**  
**Mortgage Recording Tax Exemption**

**Dated as of September 26, 2012**

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## LEASEBACK AGREEMENT

THIS LEASEBACK AGREEMENT (hereinafter the "Lease Agreement"), dated as of the 26<sup>th</sup> day of September, 2012, by and between **TROY INDUSTRIAL DEVELOPMENT AUTHORITY**, a public benefit corporation of the State of New York, having its offices at 433 River Street, 5<sup>th</sup> Floor, Troy, New York 12180 (the "Authority"), and **MONUMENT SQUARE I LIMITED PARTNERSHIP**, a New York domestic limited partnership having offices c/o The Community Builders, Inc. at 744 Broadway, Albany, New York 12207 (the "Company").

### WITNESSETH:

WHEREAS, by Title 11 of Article 8 of the Public Authorities Law of the State of New York (the "State"), as amended, and Chapter 759 of the Laws of 1967 of the State of New York, as amended (hereinafter collectively called the "Act"), the Authority was created with the authority and power to own, lease and sell property for the purpose of, among other things, acquiring, constructing and equipping civic, industrial, manufacturing and commercial facilities as authorized by the Act; and

WHEREAS, the Company has requested the Authority's assistance with a certain project (the "Project") consisting of (i) the acquisition by the Authority of a leasehold interest in one or more parcels of real property located at 2 1<sup>st</sup> Street, Troy, New York 12180 (the "Land") and the existing commercial apartment building and improvements located thereon (the "Existing Improvements"), (ii) the renovation, refurbishment and equipping of the Existing Improvements to create an 89 unit affordable housing facility for the elderly and physically disabled (collectively, the "Improvements"), and (iii) the acquisition and installation by the Company in and around the Existing Improvements and Improvements of certain items of equipment and other tangible personal property necessary and incidental in connection with the Company's establishment of the housing and the creation of jobs (the "Equipment", and collectively with the Land, the Existing Improvements and the Improvements, the "Facility"); and

WHEREAS, in order to induce the Company to develop the Facility, the Authority is willing to take title to or a leasehold interest in the Land, Improvements and personal property constituting the Facility and lease its interest in said Land, Improvements and personal property back to the Company pursuant to the terms and conditions contained herein; and

WHEREAS, the Authority has determined that providing the Facility will accomplish, in part, its public purposes; and

WHEREAS, the Company has agreed with the Authority, on behalf of the Authority and as the Authority's agent, to acquire, construct and equip the Facility in accordance with the application dated October 9, 2009, as supplemental, and filed with the Authority; and

WHEREAS, the Authority proposes to lease the Facility to the Company, and the Company desires to rent the Facility from the Authority, upon the terms and conditions hereinafter set forth in this Lease Agreement.

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants hereinafter contained, and other good and valuable consideration the receipt and sufficiency of

which is hereby acknowledged, the parties hereto hereby formally covenant, agree and bind themselves as follows.

## ARTICLE I

### REPRESENTATIONS AND COVENANTS

#### Section 1.1. Representations and Covenants of the Authority.

The Authority makes the following representations and covenants as the basis for the undertakings on its part herein contained:

- (a) The Authority is duly established under the provisions of the Act and has the power to enter into the transaction contemplated by this Lease Agreement and to carry out its obligations hereunder. Based upon the representations of the Company as to the utilization of the Facility, the Authority has the authority to take the actions contemplated herein under the Act.
- (b) The Authority has been duly authorized to execute and deliver this Lease Agreement.
- (c) The Authority will take a leasehold interest in the Facility, lease the Facility to the Company pursuant to this Lease Agreement and designate the Company as its agent for purposes of the Project, all for the purpose of promoting and encouraging the industry, health, welfare, convenience and prosperity of the inhabitants of the State and the City of Troy and improving their standard of living.
- (d) Neither the execution and delivery of this Lease Agreement, the consummation of the transactions contemplated hereby nor the fulfillment of or compliance with the provisions of this Lease Agreement will conflict with or result in a breach of any of the terms, conditions or provisions of the Act or of any corporate restriction or any agreement or instrument to which the Authority is a party or by which it is bound, or will constitute default under any of the foregoing, or result in the creation or imposition of any lien of any nature upon any of the property of the Authority under the terms of any such instrument or agreement.
- (e) The Authority has been induced to enter into this Lease Agreement by the undertaking of the Company to acquire, construct, equip, repair and maintain the Facility and related jobs in the City of Troy, New York.

#### Section 1.2. Representations and Covenants of the Company.

The Company makes the following representations and covenants as the basis for the undertakings on its part herein contained:

- (a) The Company is a New York limited partnership which has the authority to enter into and/or perform obligations under this Lease Agreement and has duly authorized the execution and delivery of this Lease Agreement pursuant to and in accordance with its Limited Partnership Agreement (the "Limited Partnership Agreement").

(b) Neither the execution and delivery of this Lease Agreement, the consummation of the transactions contemplated hereby nor the fulfillment of or compliance with the provisions of this Lease Agreement will conflict with or result in a breach of any of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Company is a party or by which it is bound, or will constitute a default under any of the foregoing, or result in the creation or imposition of any lien of any nature upon any of the property of the Company under the terms of any such instrument or agreement.

(c) The providing of the Facility by the Authority and the leasing thereof by the Authority to the Company will not result in the removal of an industrial or manufacturing plant, facility or other commercial activity of the Company from one area of the State to another area of the State nor result in the abandonment of one or more commercial or manufacturing plants or facilities of the Company located within the State; and the Authority has found that, based on the Company's application, to the extent occupants are relocating from one plant or facility to another, the Project is reasonably necessary to discourage the Project occupants from removing such other plant or facility to a location outside the State and/or is reasonably necessary to preserve the competitive position of the Project occupants in their respective industries.

(d) The Facility and the operation thereof will conform in all material respects to all applicable zoning, planning, building and environmental laws and regulations of governmental authorities having jurisdiction over the Facility, and the Company shall defend, indemnify and hold the Authority harmless from any actual liability or expenses resulting from any failure by the Company to comply with the provisions of this subsection (d). The Company shall operate the Facility in accordance with this Lease Agreement and as a qualified "Project" under the Act.

(e) The Company has caused to be transferred to the Authority a leasehold interest in all those properties and assets contemplated by this Lease Agreement and all documents related hereto.

(f) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body pending or, to the knowledge of the Company, threatened against or affecting the Company, to which the Company is a party, and in which an adverse result would in any way diminish or adversely impact on the Company's ability to fulfill its obligations under this Lease Agreement.

(g) The Company covenants that the Facility will comply in all material respects with all environmental laws and regulations, and, except in compliance with environmental laws and regulations, (i) that no pollutants, contaminants, solid wastes, or toxic or hazardous substances will be stored, treated, generated, disposed of, or allowed to exist on the Facility except in compliance with all material applicable laws, (ii) the Company will take all reasonable and prudent steps to prevent an unlawful release of hazardous substances onto the Facility or onto any other property, (iii) that no asbestos will be incorporated into or disposed of on the Facility by the Company, (iv) that no underground storage tanks will be located on the Facility, following completion of the Improvements, and (v) that no investigation, order, agreement, notice, demand or settlement with respect to any of the above is threatened, anticipated, or in existence. The Company upon receiving any information or notice contrary to the representations contained in this Section shall immediately notify the Authority in writing with full details regarding the

same. The Company hereby releases the Authority from liability with respect to, and agrees to defend, indemnify, and hold harmless the Authority, its executive director, directors, members, officers, employees, agents, representatives, successors, and assigns from and against any and all actual claims, demands, damages, costs, orders, liabilities, penalties, and expenses (including reasonable attorneys' fees) related in any way to any violation of the covenants or failure to be accurate of the representations contained in this Section. In the event the Authority in its reasonable discretion deems it necessary to perform due diligence with respect to any of the above, or to have an environmental audit performed with respect to the Facility, the Company agrees to pay the actual expenses of same to the Authority upon demand, and agrees that upon failure to do so, its obligation for such expenses shall be deemed to be additional rent. The Company hereby agrees that at all times during which it is operating the Project, and whether or not this Lease Agreement is in effect, to comply with, and endeavor to ensure compliance by its subtenants or sublessees with, the provisions of the Environmental Compliance and Indemnification Agreement dated on or about the date hereof, by and between the Authority and the Company (the "Environmental Compliance Agreement").

(h) The Company has provided to the Authority a certificate or certificates of insurance containing all of the insurance provision requirements included under Sections 3.4 and 3.5 hereof. If the insurance is canceled for any reason whatsoever, or the same is allowed to lapse or expire, or there be any reduction in amount, or any material change is made in the coverage, such cancellation, lapse, expiration, reduction or change shall not be effective as to any mortgagee, loss payee or additional insured until at least thirty (30) days after receipt by such party of written notice by the insurer of such cancellation, lapse, expiration, reduction or change.

### Section 1.3. Public Authorities Law Representations.

The parties hereto hereby acknowledge that the Facility and the interest therein conveyed to the Authority under the lease agreement, dated as of the date hereof, by and between the Company and the Authority and conveyed by the Authority back to the Company pursuant to the terms of this Lease Agreement are not "property" as defined in Title 5-A of the Public Authorities Law of the State because the Facility and the leasehold interests therein are securing the Company's obligations to the Authority under the PILOT Agreement, the Environmental Compliance Agreement and this Leaseback Agreement, including (i) the Company's obligation to acquire, construct, equip and maintain the Facility on behalf of the Authority and (ii) the performance by the Company of the Unassigned Rights.

## ARTICLE II

### FACILITY SITE, DEMISING CLAUSES AND RENTAL PROVISIONS

#### Section 2.1. Agreement to Convey to Authority.

The Company has conveyed to the Authority a leasehold interest in real property, including any buildings, structures or improvements thereon, described in Schedule A attached hereto and the Company has or will convey all of the interest in the equipment described in Schedule B (the "Equipment"). The Company agrees that the Authority's interest in the Facility resulting from said conveyances will be sufficient for the purposes intended by this Lease Agreement and agrees that it will defend, indemnify and hold the Authority harmless from any

expense or liability arising out of a defect in title or a lien adversely affecting the Facility and will pay all reasonable expenses incurred by the Authority in defending any action respecting title to or a lien affecting the Facility. The Company warrants that it has acquired good and marketable title to the Leased Premises pursuant to a certain Bargain and Sale Deed from Monument Square Associates, dated as of September 26, 2012.

**Section 2.2. Construction and Equipping of the Facility.**

(a) The Authority hereby confirms its appointment of the Company as the true and lawful agent of the Authority to undertake the Project. Such appointment was made by the Authority pursuant to a resolution duly adopted by the Authority on June 8, 2012 (the "Authorizing Resolution").

(b) The Company, as agent for the Authority, will undertake the Project. The Company hereby agrees to limit its activities as agent for the Authority under the authority of the Authorizing Resolution to acts reasonably related to the acquisition, reconstruction, renovation and equipping of the Facility. The right of the Company to act as agent of the Authority shall expire on the earlier of (a) the completion of the Project, or (b) December 31, 2013; *provided, however* that the Authority may extend the Company's agent appointment at its discretion upon the written request of the Company if such activities and improvements are not completed by such time, and further provided that the Authority shall not unreasonably withhold its consent to the extension of such appointment.

(c) The Company hereby agrees to pay the Authority administrative fee referenced in Section 2.6(b) hereof, the fees of counsel to Authority, and any and all fees, costs and expenses incurred in the acquisition, construction and installation of the Facility, including recording fees and taxes and any other fees or expenses due hereunder.

(d) The Company, as agent for the Authority, will undertake the Project. The Company hereby covenants and agrees to annually file with the State Department of Taxation and Finance the statement required by General Municipal Law Section 874(8) concerning the value of sales tax exemptions claimed.

**Section 2.3. Demise of Facility; Subordination and Refinance.**

(a) The Authority hereby demises and leases the Facility to the Company and the Company hereby rents and leases the Facility from the Authority upon the terms and conditions of this Lease Agreement.

(b) Subordination to Mortgage(s). The Authority agrees that this Agreement shall be subordinate to all mortgages hereafter placed on the Leased Premises with the consent of the Authority and any applicable mortgagee, but that under no circumstances shall the Authority be required to mortgage, grant a security interest in, or assign its rights to receive the rentals and be indemnified hereunder, including any Unassigned Rights, as defined herein. The foregoing subordination shall include the Building Loan Mortgage and Security Agreement and the Project Loan Mortgage and Security Agreement, dated as of September 26, 2012 (collectively, the "Lender Mortgage"), given by the Company and Authority, as mortgagors, to TD Bank, N.A.

(together with its successors and assigns, the "Lender") in connection with certain loans made by Lender in the aggregate principal amount of up to \$14,100,000.00 (collectively, the "TD Bank Loan") to the Company, as borrower (the "Borrower"). The foregoing subordination shall also include (i) the Mortgage from Monument Square Associates to the Secretary of Housing and Urban Development ("HUD Loan") in the original principal amount of \$825,429.98, dated October 23, 2001 and Recorded in the Rensselaer County Clerk's Office on October 29, 2001 as Instrument Number 2001-00059274, in Reel 288, Frame 2480, which mortgage has a current outstanding principal balance of \$620,384.00 and is being assumed by Company and (ii) the Mortgage made by the Authority and Company to The Community Builders, Inc. ("TCB Loan") dated as of September 26, 2012 in the principal amount of \$129,599.00.

(c) During the term hereof, the Authority will cooperate with the Company in connection with the refinancing of the Loan and Lender Mortgage, and upon request of the Company execute and deliver such documents and instruments in furtherance of the refinance of the Loan and Lender Mortgage, provided such documents and instruments are approved as to form by the Authority and the Authority's counsel, reserve the Authority's Unassigned Rights as defined herein, and include the Authority's required non-recourse language as reflected within the Lender Mortgage.

Section 2.4. Remedies to be Pursued Against Contractors and Subcontractors and their Sureties.

In the event of a default by any contractor or any other person or subcontractor under any contract made by it in connection with the Facility or in the event of a breach of warranty or other liability with respect to any materials, workmanship, or performance guaranty, the Company at its expense, either separately or in conjunction with others, may pursue any and all remedies available to it and the Authority, as appropriate, against the contractor, subcontractor or manufacturer or supplier or other person so in default and against such surety for the performance of such contract. The Company, in its own name or in the name of the Authority, may prosecute or defend any action or proceeding or take any other action involving any such contractor, subcontractor, manufacturer, supplier or surety or other person which the Company deems reasonably necessary, and in such events the Authority, at the Company's expense, hereby agrees to cooperate fully with the Company and to take all action necessary to effect the substitution of the Company for the Authority (including but not limited to reasonable attorney's fees) in any such action or proceeding.

Section 2.5. Duration of Lease Term; Quiet Enjoyment.

(a) The Authority shall deliver to the Company sole and exclusive possession of the Facility (subject to the provisions of Sections 5.3 and 7.1 hereof) and the leasehold estate created hereby shall commence on the date hereof.

(b) The leasehold estate created hereby shall, without any further action of the parties hereto, terminate at 11:59 P.M. on December 31, 2043, or on such earlier date as may be permitted by Section 8.1 hereof.

(c) The period commencing on the date described in Section 2.5(a) herein through the date described in Section 2.5(b) herein shall be herein defined as the Lease Term.

(d) The Authority shall, subject to the provisions of Sections 5.3 and ~~7.1~~ hereof neither take nor suffer nor permit any action, other than pursuant to Articles VII or ~~VIII~~ of this Lease Agreement, to prevent the Company during the term of this Lease Agreement from having quiet and peaceable possession and enjoyment of the Facility and will, at the request of the Company and at the Company's cost, cooperate with the Company in order that the Company may have quiet and peaceable possession and enjoyment of the Facility as hereinabove provided.

(e) The Company hereby irrevocably appoints and designates the Authority as its attorney-in-fact for the purpose of executing and delivering and recording any necessary terminations of lease together with any documents required in connection therewith and to take such other and further actions in accordance with this Lease Agreement as shall be reasonably necessary to terminate the Authority's leasehold interest in the Project upon the expiration or termination hereof. Notwithstanding any such expiration or termination of this Lease Agreement, the Company's obligations under Sections 3.3 and 5.2 hereof and under the Environmental Compliance Agreement shall continue notwithstanding any such termination or expiration.

#### Section 2.6. Rents and Other Consideration.

The rental obligations during the Lease Term are hereby reserved and the Company shall pay rent for the Facility as follows:

(a) Upon execution of this Lease Agreement, One Dollar (\$1.00) for the period commencing on the date hereof and ending on December 31, 2011, and on January 1 of each calendar year thereafter an amount equal to One Dollar (\$1.00) annually.

(b) In addition to the payments of rent pursuant to Section 2.6(a) hereof, throughout the term of this Lease Agreement, the Company shall pay to the Authority as additional rent, within thirty (30) days of the receipt of demand therefor, an amount equal to the sum of the expenses of the Authority and the members thereof incurred (i) for the reason of the Authority's ownership, or leasing of the Facility and (ii) in connection with the carrying out of the Authority's duties and obligations under this Lease Agreement. The Company shall pay the Authority an administrative fee hereunder of \$129,750.00, payable upon execution of this Lease Agreement.

(c) The Company agrees to make the above mentioned payments, without any further notice, in lawful money of the United States of America as, at the time of payment, shall be legal tender for the payment of public or private debts. In the event the Company shall fail to timely make any payment required in this Section 2.6 the Company shall pay the same together with interest from the date said payment is due at the rate of twelve percent (12%) per annum.

#### Section 2.7. Obligations of Company Hereunder Unconditional.

The obligations of the Company to make the payments required in Section 2.6 hereof and to perform and observe any and all of the other covenants and agreements on its part contained herein shall be a general obligation of the Company and shall be absolute and unconditional irrespective of any defense or any rights of setoff, recoupment or counterclaim it may otherwise have against the Authority. The Company agrees it will not (i) suspend, discontinue or abate any

payment required by Section 2.6 hereof or (ii) fail to observe any of its other covenants or agreements in this Lease Agreement or (iii) except as provided in Section 8.1 hereof, terminate this Lease Agreement for any cause whatsoever including, without limiting the generality of the foregoing, failure to complete the Facility, any defect in the title, design, operation, merchantability, fitness or condition of the Facility or in the suitability of the Facility for the Company's purposes and needs, failure of consideration, destruction of or damage to the Facility, commercial frustration of purpose, or the taking by condemnation of title to or the use of all or any part the Facility, any change in the tax or other laws of the United States of America or administrative rulings of or administrative actions by the State or any political subdivision of either, or any failure of the Authority to perform and observe any agreement, whether expressed or implied, or any duty, liability or obligation arising out of or in connection with this Lease Agreement, or otherwise. Subject to the foregoing provisions, nothing contained in this Section 2.7 shall be construed to release the Authority from the performance of any of the agreements on its part contained in this Lease Agreement or to affect the right of the Company to seek reimbursement, and in the event the Authority should fail to perform any such agreement, the Company may institute such separate action against the Authority as the Company may deem necessary to compel performance or recover damages for nonperformance, and the Authority covenants that it will not, subject to the provisions of Section 5.2, take, suffer or permit any action which will adversely affect, or create any defect in its title to the Facility or which will otherwise adversely affect the rights or estates of the Company hereunder, except upon written consent of the Company. None of the foregoing shall relieve the Company of its obligations under Section 5.2 hereof.

## ARTICLE III

### MAINTENANCE, MODIFICATIONS, TAXES AND INSURANCE

#### Section 3.1. Maintenance and Modifications of Facility By Company.

(a) The Company agrees that during the term of this Lease Agreement it or its operator will (i) keep the Facility in as reasonably safe condition as its operations shall permit; (ii) make all necessary repairs and replacements to the Facility (whether ordinary or extraordinary, structural or nonstructural, foreseen or unforeseen); (iii) operate the Facility in a sound and prudent manner; (iv) operate the Facility such that it continues to qualify as a "project" under the Act and pursuant to the terms contained herein; and (v) indemnify and hold the Authority harmless from any liability or expenses from the failure by the Company to comply with (i), (ii), (iii) or (iv) above.

(b) The Company at its own expense from time to time may make any structural addition, modifications or improvements to the Facility or any addition, modifications or improvements to the Facility or any part thereof which it may deem desirable for its business purposes and uses. All such structural additions, modifications or improvements so made by the Company shall become a part of the Facility; provided, however, the Company shall not be qualified for a sales and use tax exemption when making said additions, modifications or improvements except to the extent (i) the Company is acting as agent for the Authority under an

Agent Agreement between the Authority and the Company which contemplates said additions, modifications or improvements or (ii) as otherwise provided by law.

Section 3.2. Installation of Additional Equipment.

The Company from time to time may install additional machinery, equipment or other personal property in the Facility (which may be attached or affixed to the Facility), and such machinery, equipment or other personal property shall not become, or be deemed to become, a part of the Facility. The Company from time to time may remove or permit the removal of such machinery, equipment or other personal property.

Section 3.3. Taxes, Assessments and Utility Charges.

(a) The Company agrees to pay, as the same respectively become due, (i) all taxes and governmental charges of any kind whatsoever which may at any time be lawfully assessed or levied against or with respect to the Facility and any machinery, equipment or other property installed or brought by the Company therein or thereon, including without limiting the generality of the foregoing any taxes levied upon or with respect to the income or revenues of the Authority from the Facility, (ii) all payments under a certain payment in lieu of tax agreement, dated as of the date hereof by and between the Authority and the Company (the "PILOT Agreement"); (iii) all utility and other charges, including "service charges", incurred or imposed for the operation, maintenance, use, occupancy, upkeep and improvement of the Facility, (iv) all assessments and charges of any kind whatsoever lawfully made by any governmental body for public improvements; provided that, with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the Company shall be obligated under this Lease Agreement to pay only such installments as are required to be paid during the Lease Term; and (v) all payments due and owing pursuant to that certain Host Community Agreement entered into by the Company with the City of Troy, New York and dated as of the date hereof (the "Host Community Agreement").

(b) The Company, at its own expense and in its own name and on behalf or in the name and on behalf of the Authority but with notice to the Authority, may in good faith contest any such taxes, assessments and other charges. In the event of any such contest, the Company may, with prior written notice to the Authority, permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Authority reasonably requests payment prior to settlement.

Section 3.4. Insurance Required.

At all times throughout the Lease Term, including without limitation during any period of construction of the Facility, the Company shall maintain or cause to be maintained insurance against such risks and for such amounts as are customarily insured against by businesses of like size and type paying, as the same become due and payable, all premiums in respect thereto, including, but not necessarily limited to:

(a) Insurance against loss or damage by fire, lightning and other casualties, with a uniform standard extended coverage endorsement, such insurance to be in an amount not less than the full replacement value of the Facility, exclusive of excavations and foundations, as determined by a recognized appraiser or insurer selected by the Company; or as an alternative to the foregoing the Company may insure the Facility under a blanket insurance policy or policies covering not only the Facility but other properties as well, provided a periodic appraisal is performed and provided to the Authority.

(b) Workers' compensation insurance, disability benefits insurance, and each other form of insurance which the Authority or the Company is required by law to provide, covering loss resulting from injury, sickness, disability or death of employees of the Company who are located at or assigned to the Facility, if any.

(c) Insurance against loss or losses from liabilities imposed by law or assumed in any written contract (including the contractual liability assumed by the Company under Section 5.2 hereof) and arising from personal injury and death or damage to the property of others caused by any accident or occurrence, with limits of not less than \$3,000,000 per accident or occurrence on account of personal injury, including death resulting therefrom, and \$3,000,000 per accident or occurrence on account of damage to the property of others, excluding liability imposed upon the Company by any applicable workers' compensation law; and a blanket excess liability policy in the amount not less than \$5,000,000, protecting the Company against any loss or liability or damage for personal injury or property damage.

### Section 3.5. Additional Provisions Respecting Insurance.

(a) All insurance required by Section 3.4(a) hereof shall name the Authority as a named insured and all other insurance required by Section 3.4 shall name the Authority as an additional insured. All insurance shall be procured and maintained in financially sound and generally recognized responsible insurance companies selected by the Company and authorized to write such insurance in the State. Such insurance may be written with deductible amounts comparable to those on similar policies carried by other companies engaged in businesses similar in size, character and other respects to those in which the Company is engaged. All policies evidencing such insurance shall provide for (i) payment of the losses of the Company and the Authority as their respective interest may appear, and (ii) at least thirty (30) days written notice of the cancellation thereof to the Company and the Authority.

(b) All such certificates of insurance of the insurers that such insurance is in force and effect, shall be deposited with the Authority on or before the commencement of the term of this Lease Agreement. Prior to expiration of the policy evidenced by said certificates, the Company shall furnish the Authority evidence that the policy has been renewed or replaced or is no longer required by this Lease Agreement.

(c) Within one hundred twenty (120) days after the end of each of its fiscal years, the Company shall file with the Authority a certificate of the Company to the effect that the insurance it maintains with respect to the Project complies with the provisions of this Article III

and that duplicate copies of all policies or certificates thereof have been filed with the Authority and are in full force and effect.

**Section 3.6. Application of Net Proceeds of Insurance.**

The net proceeds of the insurance carried pursuant to the provisions of Section 3.4 hereof shall be applied as follows:

(i) the net proceeds of the insurance required by Section 3.4(a) hereof shall be applied as provided in Section 4.1 hereof, and

(ii) the net proceeds of the insurance required by Section 3.4(b) and (c) hereof shall be applied toward extinguishment or satisfaction of the liability with respect to which such insurance proceeds may be paid.

**Section 3.7. Right of Authority to Pay Taxes, Insurance Premiums and Other Charges.**

If the Company fails (i) to pay any tax, assessment or other governmental charge required to be paid by Section 3.3 hereof or (ii) to maintain any insurance required to be maintained by Section 3.4 hereof, the Authority, upon not less than twenty (20) days prior written notice to the Company may pay such tax, assessment or other governmental charge or the premium for such insurance. The Company shall reimburse the Authority for any amount so paid together with interest thereon from the date of payment at twelve percent (12%) per annum.

**ARTICLE IV**

**DAMAGE, DESTRUCTION AND CONDEMNATION**

**Section 4.1. Damage or Destruction.**

(a) If the Facility shall be damaged or destroyed (in whole or in part) at any time during the term of this Lease Agreement:

(i) the Authority shall have no obligation to replace, repair, rebuild or restore the Facility;

(ii) there shall be no abatement or reduction in the amounts payable by the Company under this Lease Agreement; and

(iii) except as otherwise provided in subsection (b) of this Section 4.1, the Company shall promptly replace, repair, rebuild or restore the Facility to substantially the same condition and value as an operating entity as existed prior to such damage or destruction, with such changes, alterations and modifications as may be desired by the Company and may use insurance proceeds for all such purposes.

All such replacements, repairs, rebuilding or restoration made pursuant to ~~this~~ Section 4.1, whether or not requiring the expenditure of the Company's own money, shall automatically become a part of the Facility as if the same were specifically described herein.

(b) The Company shall not be obligated to replace, repair, rebuild or restore the Facility, and the net proceeds of the insurance shall not be applied as provided in subsection (a) of this Section 4.1, if the Company shall exercise its option to terminate this Lease Agreement pursuant to Section 8.1 hereof.

(c) The Company may adjust all claims under any policies of insurance required by Section 3.4(a) hereof.

#### Section 4.2. Condemnation.

(a) If at any time during the term of this Lease Agreement the whole or ~~any~~ part of title to, or the use of, the Facility shall be taken by condemnation, the Authority shall have no obligation to restore or replace the Facility and there shall be no abatement or reduction in the amounts payable by the Company under this Lease Agreement. The Authority shall not have any interest whatsoever in any condemnation award, and the Company shall have the exclusive right to same.

Except as otherwise provided in subsection (b) of this Section 4.2, the Company shall promptly:

(i) restore the Facility (excluding any land taken by condemnation) to substantially the same condition and value as an operating entity as existed prior to such condemnation, or

(ii) acquire, by construction or otherwise, facilities of substantially the same nature and value as an operating entity as the Facility subject to Authority consent.

The Facility, as so restored, or the substitute facility, whether or not requiring the expenditure of the Company's own moneys, shall automatically become part of the Facility as if the same were specifically described herein.

(b) The Company shall not be obligated to restore the Facility or acquire a substitute facility, and the net proceeds of any condemnation award shall not be applied as provided in Section 4.2(a), if the Company shall exercise its option to terminate this Lease Agreement pursuant to Section 8.1 hereof.

(c) The Authority shall cooperate fully with the Company in the handling and conduct of any condemnation proceeding with respect to the Facility. In no event shall the Authority voluntarily settle, or consent to the settlement of, any condemnation proceeding with respect to the Facility without the prior written consent of the Company.

#### Section 4.3. Condemnation of Company-Owned Property.

The Company shall be entitled to the proceeds of any condemnation award ~~or~~ portion thereof made for damage to or taking of any property which, at the time of such ~~damage~~ or taking, is not part of the Facility.

## ARTICLE V

### SPECIAL COVENANTS

#### Section 5.1. No Warranty of Condition or Suitability by the Authority.

THE AUTHORITY MAKES NO WARRANTY, EITHER EXPRESS OR IMPLIED, AS TO THE CONDITION, TITLE, DESIGN, OPERATION, MERCHANTABILITY OR FITNESS OF THE FACILITY OR THAT IT IS OR WILL BE SUITABLE FOR THE COMPANY'S PURPOSES OR NEEDS.

#### Section 5.2. Hold Harmless Provisions.

The Company hereby releases the Authority from, agrees that the Authority ~~shall~~ not be liable for, and agrees to indemnify, defend and hold the Authority and its executive director, officers, members, directors and employees, and their respective successors, assigns or personal representatives, harmless from and against any and all (i) actual liability for loss or damage to property or injury to or death of any and all persons that may be occasioned by any cause whatsoever pertaining to the Facility or arising by reason of or in connection with the occupation or the use thereof or the presence on, in or about the Facility or (ii) actual liability arising from or expense incurred by the Authority's financing, construction, renovation, equipping, owning and leasing of the Facility, including without limiting the generality of the foregoing, all causes of action and attorneys' fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing. The foregoing indemnities shall apply notwithstanding the fault or negligence on the part of the Authority, or any of its respective members, directors, officers, agents or employees and irrespective of the breach of a statutory obligation or the application of any rule of comparative or apportioned liability; except, however, that such indemnities will not be applicable with respect to willful misconduct or gross negligence on the part of the indemnified party to the extent that such an indemnity would be prohibited by law.

#### Section 5.3. Right to Inspect the Facility.

The Authority and its duly authorized agents shall have the right at all reasonable times and upon reasonable notice to inspect the Facility. The Authority shall honor and comply with any restricted access policy of the Company relating to the Facility.

#### Section 5.4. Agreement to Provide Information.

The Company agrees, whenever requested by the Authority, to provide and certify or cause to be provided and certified, without delay, such information concerning the Company, the

Company employment history and statistics related thereto, the Facility and other topics necessary to enable the Authority to make any report required by law or governmental regulation or as otherwise reasonably requested by the Authority.

Section 5.5. Books of Record and Account; Financial Statements.

The Company at all times agrees to maintain proper accounts, records and books in which full and correct entries shall be made, in accordance with generally accepted accounting principles, of all business and affairs of the Company relating to the Facility.

Section 5.6. Compliance With Orders, Ordinances, Etc.

(a) The Company agrees that it will, throughout the term of this Lease Agreement, promptly comply in all material respects with all statutes, codes, laws, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorizations, directions and requirements of all federal, state, county, municipal and other governments, departments, commissions, boards, companies or associations insuring the premises, courts, authorities, officials and officers, foreseen or unforeseen, ordinary or extraordinary, which now or at any time hereafter may be applicable to the Facility or any part thereof, or to any use, manner of use or condition of the Facility or any part thereof.

(b) Notwithstanding the provisions of subsection (a) of this Section 5.6, the Company may in good faith contest the validity of the applicability of any requirement of the nature referred to in such subsection (a). In such event, the Company may fail to comply with the requirement or requirements so contested during the period of such contest and any appeal therefrom. The Company will endeavor to give notice of the foregoing to the Authority but failure to do so shall not be a breach of this Lease Agreement.

Section 5.7. Discharge of Liens and Encumbrances.

(a) The Company shall not permit or create or suffer to be permitted or created any unbonded lien upon the Facility or any part thereof by reason of any labor, services or materials rendered or supplied or claimed to be rendered or supplied with respect to the Facility or any part thereof except any liens existing on the date hereof. This provision shall not prohibit the Approved Liens as they are defined in Section 6.1(a) below.

(b) Notwithstanding the provisions of subsection (a) of this Section 5.7, the Company may in good faith contest any such lien. In such event, the Company, with prior written notice to the Authority, may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom, unless the Authority shall notify the Company to promptly secure payment of all such unpaid items by filing the requisite bond, in form and substance satisfactory to the Authority, thereby causing a lien to be removed.

Section 5.8. Depreciation Deductions and Investment Tax Credit.

The parties agree that the Company shall be entitled to all depreciation deductions with respect to any depreciable property in the Facility pursuant to Section 167 of the Internal Revenue Code and to any investment credit pursuant to Section 38 of the Internal Revenue Code with respect to any portion of the Facility which constitutes "Section 38 Property" and to any low income housing tax credit and historic rehabilitation credit pursuant to Section 42 and Section 47, respectively, of the Internal Revenue Code.

## ARTICLE VI

### RELEASE OF CERTAIN LAND; ASSIGNMENTS AND SUBLEASING; MORTGAGE AND PLEDGE OF INTERESTS

#### Section 6.1. Restriction on Sale of Facility; Release of Certain Land.

(a) Except as otherwise specifically provided in this Article VI and except for the granting of the Lender Mortgages, or any other mortgage interest and/or security interests to and for the benefit of the Lender, as defined herein, or such other lenders designated by the Company under a mortgage, security agreement and/or assignment of leases and rents in a form acceptable to the Authority, Lender and the Company, for purposes of financing the acquisition, construction and improvement of the Facility along with all modifications, substitutions and/or restatements thereof with the Lender or its successors and/or assigns (the "Approved Liens") the Authority shall not sell, convey, transfer, encumber or otherwise dispose of the Facility or any part thereof or any of its rights under this Lease Agreement, without the prior written consent of the Company. Under no circumstances shall the Authority be required to mortgage, grant a security interest in or assign its rights to receive the rentals described in Section 2.6 or its rights to be indemnified under Sections 1.2(d), 1.2(g), 2.1, 3.1(a) and 5.2 herein or (i) the right of the Authority on its own behalf to receive all opinions of counsel, reports, financial information, certificates, insurance policies or binders or certificates, or other notices or communications required to be delivered to the Authority hereunder or otherwise reasonably requested by the Authority; (ii) the right of the Authority to grant or withhold any consents or approvals required of the Authority hereunder; (iii) the right of the Authority in its own behalf to enforce the obligation of the Company to complete the Project and to confirm the qualification of the Project as a "project" under the Act; (iv) the right of the Authority to amend with the Company this Lease Agreement, (v) the right of the Authority to exercise its rights and remedies hereunder or under the Environmental Compliance Agreement; (vi) the right of the Authority in its own behalf to declare an Event of Default under Section 7.1 hereof and terminate this Lease Agreement; and (vii) the right of the Authority as to any of the foregoing, exercisable with respect to any sublessees or subtenants (collectively, the "Unassigned Rights").

#### Section 6.2. Removal of Equipment.

(a) The Authority shall not be under any obligation to remove, repair or replace any inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary item of Equipment. In any instance where the Company determines that any item of Equipment has become inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary, the Company may remove such item

of Equipment from the Facility and may sell, trade-in, exchange or otherwise dispose of the same, as a whole or in part.

(b) The Authority shall execute and deliver to the Company all instruments necessary or appropriate to enable the Company to sell or otherwise dispose of any such item of Equipment. The Company shall pay any costs (including reasonable attorneys' fees) incurred in transferring title to and releasing any item of Equipment removed pursuant to this Section 6.2.

(c) The removal of any item of Equipment pursuant to this Section 6.2 shall not entitle the Company to any abatement of or diminution of the rents payable under Section 2.6 hereof.

### Section 6.3. Assignment and Subleasing.

(a) This Lease Agreement may not be assigned in whole or in part except to a Related Person of the Company (as that term is defined in subparagraph (C) of paragraph three of subsection (b) of section four hundred sixty-five of the Internal Revenue Code of 1986, as amended, hereinafter "Related Person"), and the Facility may not be subleased, in whole or in part, by the Company except to a Related Person of the Company and except for residential leases entered into in the normal operation of the Facility, without the prior written consent of the Authority. A transfer in excess of 50% of the equity voting interests of the Company, other than to a Related Person of the Company, shall be deemed an assignment and require the prior written consent of the Authority. Notwithstanding the foregoing, any transfer of the interest in the Company's Limited Partner or the removal and replacement of the Company's General Partner in accordance with the Limited Partnership Agreement shall be permitted without consent of the Authority provided, however, the Company shall provide written notice of same to the Authority at least Fifteen (15) days' after the effective date of such transfer, removal or replacement, and such transfer, removal or replacement shall be subject to the provisions of (iv) and (v), below. Any assignment of this Agreement and related PILOT Agreement shall require the prior written consent of the Authority upon application 45 days prior to a regularly scheduled meeting of the Authority.

Other than residential leases entered into in the normal operation of the Facility by the Company, any and all subleases of one or more portions of the Facility by the Company, and any amendments thereto, to a non-related person in the normal course of business and operation of the Facility shall be delivered to the Authority within 10 days of execution and delivery along with evidence of subtenant insurance naming the Authority as an additional insured. Any such subleases shall also incorporate the provisions set forth in Exhibit C, hereto.

Other than residential leases entered into in the normal operation of the Facility, any assignment or sublease shall be on the following conditions, as of the time of each assignment or sublease:

(i) no assignment or sublease shall relieve the Company from primary liability for any of its obligations hereunder;

(ii) the assignee or sublessee shall assume the obligations of the Company hereunder to the extent of the interest assigned or subleased;

(iii) the Company shall, at least Fifteen (15) days prior to the delivery thereof, furnish or cause to be furnished to the Authority a true and complete copy of such assignment or sublease and the instrument of assumption; and

(iv) the Facility shall continue to constitute a "project" as such quoted term is defined in the Act.

(v) If the Authority shall so request, as of the purported effective date of any assignment or sublease pursuant to subsection (a) of this Section 6.3, the Company at its cost shall furnish to the Authority with an opinion, in form and substance satisfactory to the Authority as to items (i), (ii) and (iv) above.

(b) Other than residential leases entered into in the normal operation of the Facility, any such assignment or sublease is subject to review and approval by the Authority and its counsel (at no cost to the Authority; any such cost to be paid by the Company, including attorneys' fees), and shall contain such terms and conditions as reasonably required by the Authority and its counsel.

## ARTICLE VII

### DEFAULT

#### Section 7.1. Events of Default Defined.

(a) Each of the following shall be an "Event of Default" under this Lease Agreement:

(1) If the Company fails to pay the amounts required to be paid pursuant to Section 2.6 of this Lease Agreement and such failure shall have continued for a period of ten (10) days after the Authority gives written notice of such failure to the Company; or

(2) If there is any purposeful, willful and knowing breach by the Company of any of its other agreements or covenants set forth in this Lease Agreement; or

(3) If there is any failure by the Company to observe or perform any other covenant, condition or agreement required by this Lease Agreement to be observed or performed and such failure shall have continued for a period of thirty (30) days after the Authority gives written notice to the Company, Lender and Limited Partner specifying that failure and stating that it be remedied, or in the case of any such default which can be cured with due diligence but not within such thirty (30) day period, the Company's or Lender's failure to proceed promptly to cure such default and thereafter prosecute the curing of such default with due diligence (and the Company's Limited Partner and/or Special Limited Partner shall have the right but not the obligation to cure); or

(4) If any representation or warranty of the Company contained in this Lease Agreement is incorrect in any material respect; or

(5) Any uncured Event of Default under the PILOT Agreement; or

(6) Any uncured Event of Default under the Host Community Agreement; or

(7) Any Event of Default under that certain Mortgage Restructuring Mortgage Regulatory Agreement for Insured Multi-Family Housing Projects, dated October 23, 2001 and recorded in the Rensselaer County Clerk's Office on October 29, 2001, or the Amendment to and Assumption of Mortgage Restructuring Mortgage Regulatory Agreement for Insured Multi-Family Housing Projects dated as of September 26, 2012 (the "HUD Regulatory Agreement"), and entered into by and between the Company and the United States Department of Housing and Urban Development ("HUD"), or any other regulatory agreement entered into by the Company and any governmental entity relating to the operation of the Facility as an affordable housing facility (collectively with the HUD Regulatory Agreement, the "Regulatory Agreements").

(b) Notwithstanding the provisions of 7.1(a), if by reason of force majeure either party hereto shall be unable in whole or in part to carry out its obligations under this Lease Agreement and if such party shall give notice and full particulars of such force majeure in writing to the other party within a reasonable time after the occurrence of the event or cause relied upon, the obligations under this Lease Agreement of the party giving such notice, so far as they are affected by such force majeure, shall be suspended during continuance of the inability, which shall include a reasonable time for the removal of the effect thereof. The suspension of such obligations for such period pursuant to this subsection (b) shall not be deemed an Event of Default under this Section 7.1. Notwithstanding anything to the contrary in this subsection (b), an event of force majeure shall not excuse, delay or in any way diminish the obligations of the Company to or make the payments required by Section 2.6 and Section 3.3 hereof, to obtain and continue in full force and effect the insurance required by Section 3.4 hereof, and to provide the indemnity required by Section 5.2 hereof and to comply with the terms of Sections 5.2, 5.3, 5.6, 5.7, and 7.1(a)(1) hereof. The term "force majeure" as used herein shall include, without limitation, acts of God, strikes, lockouts or other industrial disturbances, acts of public enemies, acts, priorities or orders of any kind of the government of the United States of America or of the State or any of their departments, agencies, governmental subdivisions, or officials, any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fire, hurricanes, storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, breakage or accident to machinery, transmission pipes or canals, shortages of labor or materials or delays of carriers, partial or entire failure of utilities, shortage of energy or any other cause or event not reasonably within the control of the party claiming such inability and not due to its fault. The party claiming such inability shall remove the cause for the same with all reasonable promptness. It is agreed that the settlement of strikes, lock-outs and other industrial disturbances shall be entirely within the discretion of the party having difficulty, and the party having difficulty shall not be required to settle any strike, lockout and other industrial disturbances by acceding to the demands of the opposing party or parties.

## Section 7.2. Remedies on Default.

Whenever any Event of Default shall have occurred and be continuing after the expiration of applicable notice and cure periods, the Authority may take, to the extent permitted by law, any one or more of the following remedial steps;

- (1) Declare, by written notice to the Company, Limited Partner and to Lender, to be immediately due and payable, whereupon the same shall become immediately due and payable: (i) all unpaid installments of rent payable pursuant to Section 2.6(a) hereof and (ii) all other payments due under this Lease Agreement.
- (2) Take any other action as it shall deem necessary to cure any such Event of Default, provided that the taking of any such action shall not be deemed to constitute a waiver of such Event of Default.
- (3) Take any other action at law or in equity which may appear necessary or desirable to collect the payments then due or thereafter to become due hereunder, and to enforce the obligations, agreements or covenants of the Company under this Lease Agreement.
- (4) Terminate this Lease Agreement and either reconvey the Facility to the Company if the Authority has a fee interest or terminate the Authority's leasehold interest.

## Section 7.3. Remedies Cumulative.

No remedy herein conferred upon or reserved to the Authority is intended to be exclusive of any other available remedy, but each and every such remedy shall be cumulative and in addition to every other remedy given under this Lease Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

## Section 7.4. Agreement to Pay Attorneys' Fees and Expenses.

In the event the Company should default under any of the provisions of this Lease Agreement and the Authority should employ attorneys or incur other expenses for the collection of amounts payable hereunder or the enforcement of performance or observance of any obligations or agreements on the part of the Company herein contained, the Company shall, on demand therefor, pay to the Authority, the reasonable fees of such attorneys and such other expenses so incurred.

## Section 7.5. No Additional Waiver Implied by One Waiver.

In the event any agreement contained herein should be breached by any **party** and thereafter waived by any other party, such waiver shall be limited to the particular **breach** so waived and shall not be deemed to waive any other breach hereunder.

## ARTICLE VIII

### EARLY TERMINATION OF AGREEMENT; OBLIGATIONS OF COMPANY

#### Section 8.1. Early Termination of Agreement.

(a) The Company shall have the option at any time to terminate this Lease Agreement upon filing with the Authority a certificate signed by an authorized representative of the Company stating the Company's intention to do so pursuant to this Section 8.1 and upon compliance with the requirements set forth in Section 8.2 hereof.

(b) The Authority shall have the option at any time to terminate this Lease Agreement and to demand immediate payment in full of the rental reserved and unpaid as described in Section 2.6 hereof upon written notice to the Company of the occurrence (and continuance after any applicable grace periods) of an Event of Default hereunder.

#### Section 8.2. Obligation to Purchase Facility.

Upon termination of the term of this Lease Agreement in accordance with Section 2.5, 7.2 or Section 8.1 hereof, the Company shall purchase the Facility from the Authority (or if the Authority's interest is a leasehold, the Authority shall surrender its leasehold estate) for One Dollar (\$1.00) plus all rental reserved and unpaid as described in Section 2.6 hereof (the "Purchase Payment"). The Company shall exercise its obligation to purchase or option to have the Authority's leasehold interest terminated by giving written notice to the Authority and paying said amount to the Authority.

#### Section 8.3. Conveyance on Purchase.

At the termination of the Company's leasehold interest in the Facility pursuant to Section 8.2 hereof, the Authority shall, upon receipt of the Purchase Payment, deliver to the Company all necessary documents to reflect either (i) a transfer by quitclaim deed of a fee interest (if the Authority holds a fee interest) or (ii) termination of the Authority's leasehold interest.

## ARTICLE IX

### MISCELLANEOUS

#### Section 9.1. Notices.

All notices, certificates and other communications hereunder shall be in writing and shall be sufficiently given and shall be deemed given when delivered and, if delivered by mail, shall

be sent by certified mail, postage prepaid or by overnight delivery by a nationally recognized delivery service, addressed as follows:

To the Authority:      Troy Industrial Development Authority  
                                  433 River Street, 5<sup>th</sup> Floor  
                                  Troy, New York 12180  
                                  Attn: Chief Executive Officer

With a copy to:      Harris Beach PLLC  
                                  677 Broadway, Suite 1101  
                                  Albany, New York 12207  
                                  Attn: Justin S. Miller, Esq.

To the Company:      Monument Square I Limited Partnership  
                                  c/o The Community Builders, Inc.  
                                  744 Broadway  
                                  Albany, New York 12207  
                                  Attn: Susan M. McCann

With a copy to:      Geoff Cannon, Esq.  
                                  Cannon, Heyman, & Weiss, LLP  
                                  54 State Street, 5<sup>th</sup> Floor  
                                  Albany, New York 12207

With a copy to:      Red Stone Equity Manager, LLC (herein, the "Limited Partner")  
                                  200 Public Square, Suite 1550  
                                  Cleveland, OH 44114  
                                  Attn: President & General Counsel

To Lender:      TD Bank, N.A.  
                                  One Old Loudon Road  
                                  Latham, New York 12110  
                                  Attn: Melanie L. Kvam, Vice President

With copy to:      Segel, Goldman, Mazzotta & Siegel, P.C.  
                                  9 Washington Square  
                                  Albany, New York 12205  
                                  Attn: John N. Vagianelis, Esq.

or at such other address as any party may from time to time furnish to the other party by notice given in accordance with the provisions of this Section. All notices shall be deemed given when mailed or personally delivered in the manner provided in this Section.

Section 9.2. Binding Effect.

This Lease Agreement shall inure to the benefit of and shall be binding upon the Authority, the Company and their respective successors and assigns.

Section 9.3. Severability.

In the event any provision of this Lease Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 9.4. Amendments, Changes and Modifications.

This Lease Agreement may not be amended, changed, modified, altered or terminated without the concurring written consent of the parties hereto.

Section 9.5. Execution of Counterparts.

This Lease Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 9.6. Applicable Law.

This Lease Agreement shall be governed, construed and enforced in accordance with the laws of the State of New York for contracts to be wholly performed therein.

Section 9.7. Recording and Filing.

This Lease Agreement (or a memorandum thereof) shall be recorded or filed, as the case may be, in the Office of the Clerk of Rensselaer County, New York, or in such other office as may at the time be provided by law as the proper place for the recordation or filing thereof.

Section 9.8. Survival of Obligations.

This Lease Agreement shall survive the performance of the obligations of the Company to make payments required by Section 2.6 and all indemnities shall survive any termination or expiration of this Lease Agreement.

Section 9.9. Section Headings Not Controlling.

The headings of the several sections in this Lease Agreement have been prepared for convenience of reference only and shall not control, affect the meaning or be taken as an interpretation of any provision of this Lease Agreement.

Section 9.10. No Broker.

Authority and Company represent and warrant to the other that neither Authority nor Company has dealt with any broker or finder entitled to any commission, fee, or other

compensation by reason of the execution of this Lease Agreement, and each party agrees to indemnify and hold the other harmless from any charge, liability or expense (including attorney's fees) the other may suffer, sustain, or incur with respect to any claim for a commission, fee or other compensation by a broker or finder claiming by, through or under the other party.

**Section 9.11. No Recourse; Special Obligation.**

(a) The obligations and agreements of the Authority contained herein and any other instrument or document executed in connection herewith, and any other instrument or document supplemental thereto or hereto, shall be deemed the obligations and agreements of the Authority, and not of any member, officer, agent (other than the Company) or employee of the Authority in his individual capacity, and the members, officers, agents (other than the Company) and employees of the Authority shall not be liable personally hereon or thereon or be subject to any personal liability or accountability based upon or in respect hereof or thereof or of any transaction contemplated hereby or thereby.

(b) The obligations and agreements of the Authority contained hereby shall not constitute or give rise to an obligation of the State or of the City of Troy, New York, and neither the State nor City of Troy, New York, shall be liable hereon or thereon, and, further, such obligations and agreements shall not constitute or give rise to a general obligation of the Authority, but rather shall constitute limited obligations of the Authority, payable solely from the revenues of the Authority derived and to be derived from the sale or other disposition of the Facility (except for revenues derived by the Authority with respect to the Unassigned Rights).

(c) No order or decree of specific performance with respect to any of the obligations of the Authority hereunder shall be sought or enforced against the Authority unless (i) the party seeking such order or decree shall first have requested the Authority in writing to take the action sought in such order or decree of specific performance, and ten (10) days shall have elapsed from the date of receipt of such request, and the Authority shall have refused to comply with such request (or, if compliance therewith would reasonably be expected to take longer than ten (10) days, shall have failed to institute and diligently pursue action to cause compliance with such request) or failed to respond within such notice period, (ii) if the Authority refuses to comply with such request and the Authority's refusal to comply is based on its reasonable expectation that it will incur fees and expenses, the party seeking such order or decree shall have placed in an account with the Authority an amount or undertaking sufficient to cover such reasonable fees and expenses, and (iii) if the Authority refuses to comply with such request and the Authority's refusal to comply is based on its reasonable expectation that it or any of its members, officers, agents (other than the Company) or employees shall be subject to potential liability, the party seeking such order or decree shall agree to indemnify and hold harmless the Authority and its members, officers, agents (other than the Company) and employees against all liability expected to be incurred as a result of compliance with such request.

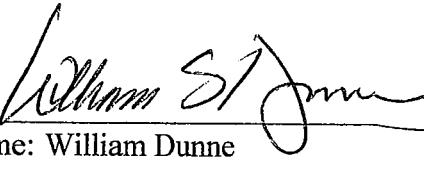
Section 9.12. No Joint Venture Created.

The Authority and the Company mutually agree that by entering into this Lease Agreement the parties hereto are not entering into a joint venture.

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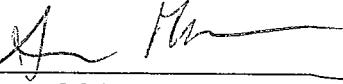
IN WITNESS WHEREOF, the Authority and the Company have caused this Lease Agreement to be executed in their respective names, all as of the date first above written.

TROY INDUSTRIAL  
DEVELOPMENT AUTHORITY

By:   
Name: William Dunne  
Title: Executive Director

MONUMENT SQUARE I LIMITED  
PARTNERSHIP

By: TCB Monument Square Housing  
Corp., its General Partner

By:   
Name: Susan M. McCann  
Title: Vice President/Assistant Secretary

State of New York )  
County of Albany ) ss.:

On the \_\_\_ day of September in the year 2012, before me, the undersigned, personally appeared SUSAN M. McCANN, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signatures on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

  
Kristin Bottachiari

Notary Public

KRISTIN BOTTACHIARI  
Notary Public, State of New York  
No. 01BO6066702  
Qualified in Rensselaer County  
Commission Expires Nov. 19, 2013

State of New York )  
County of Albany ) ss.:

On the 25<sup>th</sup> day of September in the year 2012, before me, the undersigned, personally appeared WILLIAM DUNNE, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signatures on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

  
Kristin Bottachiari

Notary Public  
KRISTIN BOTTACHIARI  
Notary Public, State of New York  
No. 01BO6066702  
Qualified in Rensselaer County  
Commission Expires Nov. 19, 2013

## Schedule A

### Real Property

ALL THAT CERTAIN PLOT, PIECE OR PARCEL OF LAND, with the buildings and improvements thereon erected, situate, lying and being in the City of Troy, County of Rensselaer and State of New York, being bounded and described as follows:

BEGINNING AT A POINT on the southerly line of River Street, as it is intersected by the southwesterly line of Broadway, said point being N 71 deg. 09' 00" W a distance of 16.81 feet from the westerly line of an alley 20 feet wide, as measured along the southwesterly side of Broadway and runs thence S 71 deg. 09' 00" E a distance of 16.81 feet to a point on the westerly side of said alley; thence S 18 deg. 24' 30" W along said westerly line of an alley a distance of 95.07 feet to a point on the northerly line of the present building known as Troy Hotel; thence S 57 deg. 52' 00" E along said northerly line a distance of **1.26 feet (deed 4.26 feet)**, to a point on the northeasterly corner of said building; thence S 19 deg. 15' 30" W along the easterly line of said building and distance of 82.32 feet to a point on the northerly line of lands of the Pioneer Savings Bank; thence N 71 deg. 35' 30" W along said northerly line a distance of 130.46 feet to a point on the easterly line of First Street; thence N 18 deg. 28' 30" E along the easterly line of First Street a distance of 79.49 feet to a point marking the intersection of First Street with the southerly line of River Street; thence N 67 deg. 32' 45" E along the southerly line of River Street a distance of 150.27 feet to the point and place of beginning.

ALSO, ALL THAT CERTAIN PLOT, PIECE OR PARCEL OF LAND, with the buildings and improvements thereon erected, situate, lying and being in the City of Troy, County of Rensselaer and State of New York, being bounded and described as follows:

BEGINNING at a point on the easterly margin of First Street at its intersection with the southerly line of a footing for a brick wall, situate on the hereinafter described premises, said point being N 18 deg. 24' 30" E, 24.2 feet more or less from the southwesterly corner of Lot 101, said lot being known and distinguished on a certain general map of the Village (now City) of Troy, made by Flores Bunker the first day of May, 1787; and runs from said point N 18 deg. 24' 30" E, along the easterly margin of First Street 0.85 feet to a point; thence S 71 deg. 35' 30" E, 130.46 feet to a point of intersection with the westerly margin of any alley; thence S 19 deg. 15' 30" W, along said alley 0.85 feet to a point; thence through the lands of the grantor herein N 71 deg. 35' 30" W, running in part along the footing for said brick wall 130.45 to the point or place of beginning.

SAID PARCELS ARE MORE MODERNLY DESCRIBED AS FOLLOWS:

All that parcel of land situate in the City of Troy, County of Rensselaer, State of New York being more particularly described as follows:

BEGINNING at a point in the southeasterly bounds of River Street at its intersection with the southwesterly bounds of Broadway;

THENCE along the southwesterly bounds of Broadway, S.71°09'00"E., a distance of 16.81 feet to a point in the westerly bounds of Frear Alley;

THENCE along the westerly bounds of Frear Alley the following three (3) courses and distances:

1. S.18°24'30"W., a distance of 95.07 feet to a point;
2. S.57°52'00"E., a distance of 1.26 feet to a point;
3. S.19°15'30"W., a distance of 83.17 feet to a point;

THENCE along the division line between the lands now or formerly of Pioneer Savings Bank to the south and the herein described parcel to the north, N.71°35'30"W., a distance of 130.45 feet to a point in the easterly bounds of First Street;

THENCE along the easterly bounds of First Street, N.18°24'30"E., a distance of 80.34 feet to the intersection of the easterly bounds of First Street with the southeasterly bounds of River Street;

THENCE along the southeasterly bounds of River Street, N.67°32'45"E., a distance of 150.27 feet to the POINT OF BEGINNING.

Subject to any and all easements, restrictions, and rights-of-way of record.

Containing 17,770± square feet or 0.41± acres of land.

**Schedule B**

**Equipment**

All machinery, apparatus, appliances, equipment, fittings, fixtures and furnishings and other property of every kind and nature whatsoever now or hereafter affixed to, located upon, appurtenant thereto or usable in connection with the present or future operation and occupancy of the Facility together with any replacements therefore to the extent acquired in the name of the Authority by the Company pursuant to the Authority appointment described in Section 2.2 herein or to the extent the Company conveys title to the Authority.

## **Schedule C**

### **Form of Sublease Rider**

MONUMENT SQUARE I LIMITED PARTNERSHIP (the "Landlord") and \_\_\_\_\_ (the "Tenant") hereby acknowledge that the within lease agreement pertains to a certain facility (the "Facility") which is also leased to and from the Troy Industrial Development Authority (the "Authority") pursuant to a certain Lease Agreement and Leaseback Agreement, each dated as of September 26, 2012 (with related documents, including a PILOT Agreement, collectively, the "Authority Documents").

Landlord and Tenant acknowledge and agree that the obligations and agreements of the Authority contained within the Authority Documents and any other instrument or document executed in connection therewith, and any other instrument or document supplemental thereto, are and shall be deemed the obligations and agreements of the Authority, and not of any member, officer, agent (other than the Landlord) or employee of the Authority in his/her individual capacity, and the members, officers, agents (other than the Landlord) and employees of the Authority shall not be liable personally hereon or thereon or be subject to any personal liability or accountability based upon or in respect hereof or thereof or of any transaction contemplated hereby or thereby. Landlord and Tenant hereby further acknowledge and agree that the obligations and liabilities of the Authority, if any, with respect to the Facility are specifically limited and controlled by the terms and conditions set forth within the Leaseback Agreement. No recourse may be sought by the Tenant or any permitted guests, agents or invitees from the Authority for any of the operation, condition, or maintenance of the Facility – whether in tort or equity, with any such liability being the express responsibility of Landlord and/or Tenant, as their respective interests shall appear.

The obligations and agreements of the Authority contained within the Authority Documents do and shall not constitute or give rise to an obligation of the State of New York or the City of Troy, New York and neither the State of New York nor the City of Troy, New York shall be liable hereon or thereon and, further, such obligations and agreements are and shall not constitute or give rise to a general obligation of the Authority, but rather shall constitute limited obligations of the Authority, payable solely from the revenues of the Authority derived and to be derived from the sale or other disposition of the Facility (except for revenues derived by the Authority with respect to the Unassigned Rights, as defined within the Leaseback Agreement).

No order or decree of specific performance with respect to any of the obligations of the Authority under the Authority Documents shall be sought or enforced against the Authority unless (i) the party seeking such order or decree shall first have requested the Authority in writing to take the action sought in such order or decree of specific performance, and ten (10) days shall have elapsed from the date of receipt of such request, and the Authority shall have refused to comply with such request (or, if compliance therewith would reasonably be expected to take longer than ten (10) days, shall have failed to institute and diligently pursue action to cause compliance with such request) or failed to respond within such notice period, (ii) if the Authority refuses to comply with such request and the Authority's refusal to comply is based on its reasonable expectation that it will incur fees and expenses, the party seeking such order or decree shall place, in an account with the Authority, an amount or undertaking sufficient to cover

such reasonable fees and expenses, and (iii) if the Authority refuses to comply with such request and the Authority's refusal to comply is based on its reasonable expectation that it or any of its members, officers, agents (other than the Landlord) or employees shall be subject to potential liability, the party seeking such order or decree shall agree to indemnify and hold harmless the Authority and its members, officers, agents (other than the Landlord) and employees against all liability expected to be incurred as a result of compliance with such request.

Tenant further represents and acknowledges that by entering into the within Lease Agreement will not result in the removal of a civic, commercial, industrial, or manufacturing plant of the Company or any other proposed occupant of the Facility from one area of the State of New York (the "State") to another area of the State or result in the abandonment of one or more plants or facilities of the Tenant located within the State. To the extent that Tenant are relocating from one plant or facility to another, Tenant's shift of operations to the Facility is and was necessary to discourage the Tenant from removing such other plant or facility to a location outside the State and/or is reasonably necessary to preserve the competitive position of the Tenant in its respective industry.

The within acknowledgments and representations are made for the benefit of the Authority and the Landlord and may be relied upon by same.

**MONUMENT SQUARE I LIMITED  
PARTNERSHIP,  
AS LANDLORD**

By: \_\_\_\_\_

\_\_\_\_\_,  
**AS TENANT**

By: \_\_\_\_\_