

[Conformed]

THE CITY OF NEW YORK,
LESSOR

NEW YORK STATE
URBAN DEVELOPMENT CORPORATION,
LESSEE

WELFARE ISLAND DEVELOPMENT CORPORATION,
SUBSIDIARY

Lease

Dated: December 23, 1969

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(with Amendments dated July 26, 1972
and December 6, 1973)

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THIS LEASE, made this 23rd day of December, 1969 between THE CITY OF NEW YORK, a municipal corporation of the State of New York having an office at City Hall, Borough of Manhattan, City, County and State of New York ("Lessor"), the NEW YORK STATE URBAN DEVELOPMENT CORPORATION, a public benefit corporation of the State of New York having an office at 666 Fifth Avenue, Borough of Manhattan, City, County and State of New York ("Lessee"), and the WELFARE ISLAND DEVELOPMENT CORPORATION, a New York corporation having an office at 666 Fifth Avenue, Borough of Manhattan, City, County and State of New York ("Subsidiary"),

W I T N E S S E T H :

1. *Leased Property; Term of Lease.* Lessor hereby leases to Lessee and Lessee hereby rents from Lessor the following described property (the "Leased Premises"):

(a) All the lands described in Schedule 1 attached hereto; and

(b) All building structures, facilities, equipment, paving, surfacing and other structures now or hereafter located on such lands;

SUBJECT, HOWEVER, to (i) the agreements of record and other exceptions referred to in such Schedule 1, and (ii) such state of facts as an accurate survey would show:

For a term commencing on the date hereof and expiring (unless this Lease shall sooner terminate as provided herein) at midnight on the 99th anniversary of the date hereof.

2. *Lessee's Obligation to Prepare Plans and Construct Improvements; Lessor's Obligation to Relocate and Demolish; Agreement with Subsidiary.* Lessee shall prepare or cause to be prepared designs, plans and specifications for the Improvements called for by the General Development Plan, shall obtain or cause sublessees to obtain or shall otherwise arrange for financing upon such terms as Lessee shall deem appropriate for the development of the Improvements and shall construct the Improvements or cause the Improvements to be constructed. Construction shall commence, subject to

Enforced Delay, no later than eighteen months from the date hereof and shall be completed, subject to Enforced Delay, no later than the eighth anniversary of such date or, in the event subway service to the Leased Premises shall not have commenced by such eighth anniversary, then such construction shall be completed two years after the actual commencement of such service to the Leased Premises.

In the event of any delay in the completion of construction beyond the fifteenth (15th) anniversary of the date hereof on account of failure to commence such subway service, either Lessor or Lessee may upon 180 days' prior written notice terminate this Lease. Upon such termination Lessor shall

(a) pay to the trustee for the holders of any indebtedness of Lessee a sum of money sufficient to fully and completely redeem any such indebtedness of Lessee allocable to Public Facilities, with accrued interest, then outstanding, together with an opinion of Lessor's Corporation Counsel stating that the Lessor has power and is duly authorized to make such payment, or

(b) deliver to such trustee an instrument in writing duly executed on behalf of Lessor in form and substance satisfactory to such trustee, unqualifiedly assuming the full payment of any such indebtedness of Lessee allocable to Public Facilities, with accrued interest, then outstanding, together with an opinion of Lessor's Corporation Counsel stating that Lessor has power and is duly authorized to assume such payment and may assess, levy and collect taxes on all the taxable real property in The City of New York without limitation as to rate or amount to make any and all payments required under such indebtedness.

Lessor shall promptly and with all due diligence proceed to relocate all occupants and uses of the Leased Premises. Lessor will promptly and with all due diligence complete the demolition of all improvements on the Leased Premises listed on Schedule 3.

In connection with Lessee's obligation to design, finance and construct the Improvements, Lessee, Lessor and Subsidiary have simultaneously herewith entered into a contract in the form attached hereto as Exhibit A wherein the Subsidiary shall supply certain services in connection with the development of the Improvements. Lessor approves of and consents to said agreement.

3. *Lessor's Public Facilities.* In accordance with paragraph 2 hereof, Lessee shall finance with tax exempt financing from the sale of its own bonds and notes, from Lessor or from other sources of tax exempt financing, and shall design and construct all Public Facilities. Lessee shall deliver to Lessor to the person and at the place provided in paragraph 15 hereof complete sets of schematic and working drawings and specifications for each such Public Facility at the time of completion of such schematic and working drawings and specifications, respectively, in order to permit agents of the department of Lessor having jurisdiction of similar public facilities to inspect such drawings and to make recommendations or comments thereon.

Prior to the completion of each Public Facility which shall be a school or an appurtenance to a school, Lessor shall agree to purchase or lease each such school or appurtenance when and as completed in the manner provided herein and shall initiate and complete all procedures and appropriations necessary to permit Lessor to complete such purchase or lease as herein provided. Lessor may purchase each such school or appurtenance by payment to Lessee of a price equal to the cost to Lessee of the design, financing and construction of such school or appurtenance including Debt Service for Public Facilities and Normal Allowances allocable thereto and any premiums or penalties payable on the retirement of bonds or notes issued to finance such school or appurtenance. Such price shall be payable in a lump sum upon the next Rent Payment Day after completion, or within three months after completion if such next Rent Payment Day shall be less than three months after completion, after delivery to Lessor of Lessee's Certified Payment Statement with respect to such price, or in equal semi-annual installments on each Rent Payment Day after the completion of such school or appurtenance through the period of permanent financing thereof after delivery to Lessor of Lessee's Certified Payment Statement with respect to each such installment. In the event such price is paid in installments, such price shall be deemed fully paid at the time of the discharge and satisfaction of the financing of such school or appurtenance upon payment of any balance due on account of such price for the period from the date of such discharge and satisfaction to the last previous Rent

Payment Day. Upon completion of payment by Lessor, Lessee shall deliver to Lessor such deeds or other documents as may be necessary to transfer ownership of such school or appurtenance to Lessor and to provide Lessor with the right to maintain and operate such school or appurtenance on the Leased Premises during the term hereof.

Lessor may lease each such school or appurtenance upon completion by payment of an annual rent equal to the aggregate of Debt Service for Public Facilities and Normal Allowances allocable to such school or appurtenance for each year of the term of this Lease. Such annual rent shall be payable in installments after completion by payment on each Rent Payment Day of the portion of such annual rent accrued in the period for which payment is due on such Rent Payment Day, after delivery to Lessor of Lessee's Certified Payment Statement with respect to each such installment. Such lease shall provide Lessor with the right to maintain and operate such school or appurtenance on the Leased Premises during the term hereof. Lessor may purchase each such school or appurtenance for which annual rent shall have been paid through the period of permanent financing thereof by payment upon satisfaction and discharge of such financing of the sum of one (\$1) dollar plus the balance of any annual rent due at the time of such purchase. Lessee shall deliver to Lessor against such payment such deeds or other documents as may be necessary to transfer ownership of such school or appurtenance to Lessor.

The cost to Lessee of the design, financing and construction of any school or appurtenance required to be purchased or leased as provided above, including Debt Service for Public Facilities and Normal Allowances allocable thereto, shall in no event exceed the average cost of the three (3) schools or appurtenances of similar size for similar age groups for which construction contracts have most recently been bid and let in The City of New York prior to the date of the commencement of construction of such school or appurtenance, plus 10%.

Lessee will use its best efforts to secure funds for the construction, operation and maintenance of the parks from the New York State Parks Commission for the City of New York. In the event that such funds are not secured by Lessee from such Commission, Lessee shall secure tax exempt financing for such parks from Lessor or from the proceeds

of sale of its own bonds and notes and shall undertake such construction, operation and maintenance.

Lessor shall not discriminate against residents of the Leased Premises with respect to the provision of police, fire, sanitation, health protection, public education and other municipal services. In order to provide such services Lessor shall, except with respect to each school or appurtenance required to be purchased or leased by Lessor as provided above and except with respect to each Public Facility to be maintained and operated by Lessee as provided in the General Development Plan, lease each Public Facility from Lessee upon completion for the sum of one (\$1) dollar and Lessor thereafter during the term of this Lease shall have the right to operate and maintain such facility in conformity herewith.

Each Public Facility shall be deemed complete either when there shall have been issued by Lessee and delivered to Lessor a certificate of completion stating that such Public Facility has been completed in accordance with all laws and regulations applicable to projects of Lessee and in accordance with the working drawings submitted to Lessor for inspection, as modified by Lessee to reflect such recommendations of Lessor as Lessee may in its sole discretion accept, or when there shall have been issued by Lessor and delivered to Lessee Lessor's temporary or permanent certificate of occupancy or any other certificate or license required to permit the occupancy or use of such Public Facility, whichever event shall first occur.

4. *Basic and Additional Rent.*

(a) *Basic Rent.* For each year of the term of this Lease, Lessee shall pay to Lessor, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, at the office of the Lessor at the Municipal Building, Borough of Manhattan, City, County and State of New York, or at such place or to such agent as Lessor may from time to time designate, as an annual tax equivalent payment and ground rent, a Basic Rent which shall be equal to the aggregate of

the following sums, less Debt Service for Public Facilities and Normal Allowances allocable to such year:

(1) The sum of (x) a ground rent equal to the product of \$30 multiplied by the number of Completed Units of Subsidized Housing plus (y) a tax equivalent for Subsidized Housing equal to 10% of Annual Shelter Rent;

(2) The sum of (x) a ground rent equal to the product of \$180 multiplied by the number of Completed Units of Middle Income Housing plus (y) a tax equivalent for Middle Income Housing equal to 10% of Annual Shelter Rent;

(3) The sum of (x) a ground rent equal to the product of \$340 multiplied by the number of Completed Units of Conventionally Financed Housing plus (y) the Tax Equivalent for Conventionally Financed Housing;

(4) The sum of (x) a ground rent equal to the product of \$.60 (sixty cents) multiplied by the number of square feet of Completed Commercial Space plus (y) the Tax Equivalent for Commercial Space.

(b) *Additional Rent.* In addition to the Basic Rent, Lessee shall pay, in the same manner as the Basic Rent, Additional Rent equal to Net Income for the preceding year.

(c) *Time of Payment.* The Basic Rent and the Additional Rent shall be payable in semi-annual installments on each Rent Payment Day. Lessee shall deliver to Lessor on or before each Rent Payment Day Lessee's Certified Payment Statement and pay to Lessor the Basic Rent and Additional Rent for the period for which Basic Rent and Additional Rent are payable on such Rent Payment Day.

(d) *Set Off; Deferral.* On each Rent Payment Day Lessor may set off against all sums then due and payable by it to Lessee, and Lessee may set off against all sums then due and payable by it to Lessor, all such sums due and payable to each by the other on any previous Rent Payment Day as shall not have been paid prior to such subsequent Rent Payment Day. In the event that on any Rent Payment Day the amount of Debt Service for Public Facilities and

Normal Allowances deductible as provided in paragraph 4(a) shall be greater than (i) the aggregate of the sums computed in accordance with subparagraphs (1), (2), (3) and (4) of paragraph 4(a) above or (ii) Gross Income, Lessee may defer any sum by which such amount exceeds the lesser of (i) or (ii) and deduct such sum on any subsequent Rent Payment Day or Days. Any such sum remaining to be deducted as of the termination hereof shall be adjusted upon such termination.

v. *Adjustment of Rent.* The Basic Rent shall be adjusted as follows:

(a) the ground rents set forth in subparagraphs 1(x), 2(x), 3(x) and 4(x) of paragraph 4(a) hereof shall be adjusted on each Rent Adjustment Date by substituting after such date the Then Current Ground Rent for the Improvement or part of an Improvement adjusted as of such date for the ground rent payable on account of such Improvement or part of an Improvement prior to such date, provided, however, that in the event the Then Current Ground Rent on such Rent Adjustment Date shall be less than the ground rent for such Improvement set forth in subparagraph 1(x), 2(x), 3(x) or 4(x) of such paragraph, as appropriate, no such adjustment shall be made;

(b) the tax equivalents set forth in subparagraphs 1(y) and 2(y) of paragraph 4(a) hereof shall be adjusted as of each Tax Equivalent Adjustment Date by substituting after such date the Tax Equivalent for Conventionally Financed Housing for the Improvement adjusted as of such date for the tax equivalent payable on account of such Improvement prior to such date; and

(c) from and after the 10th anniversary of the date on which Basic Rent shall have become payable on all Improvements consisting of Subsidized, Middle Income and Conventionally Financed Housing and Commercial Space, the Basic Rent shall be equal to the aggregate of the sums set forth in subparagraphs 1, 2, 3 and 4 of paragraph 4(a) hereof less Debt Service for Public Facilities. Lessee may deduct Normal Allowances deferred from the period previous to such 10th anniversary as provided in subparagraph 4(d) from any Basic Rent due after such 10th anniversary.

6. *Payment of Charges for Municipal and Public Utilities.* (a) Except as specified in (b) below, Lessee will pay or cause to be paid all rents, rates and charges, excises, levies, license fees, permit fees, and other authorization fees, and, except as otherwise herein provided, all other charges of every character which at any time during the term of this Lease may be legally and properly assessed, levied, confirmed or imposed upon the Leased Premises. Lessee may contest, by appropriate legal proceedings diligently conducted in good faith without any cost to Lessor, the amount, validity or application of any imposition or any lien, encumbrance or charge against the Leased Premises.

(b) Lessor and Lessee agree that Lessee by this Lease is acquiring in the Leased Premises a leasehold interest only; that the tax equivalent payments provided in paragraph 4(a) hereof are in lieu of all local and municipal taxes, including real estate taxes on land and buildings, on the Leased Premises or on the Improvements, other than assessments for local improvements; and that in the event Lessee is required to pay any local or municipal taxes, Lessee may deduct the amount or amounts thereof from Basic Rent.

7. *Insurance.* Lessee at its expense will maintain or cause to be maintained with insurers licensed by the State of New York:

(a) standard fire and extended insurance coverage, including war risks when obtainable, with respect to the Improvements against loss or damage by fire, lightning, windstorm, hail, explosion, riot attending a strike, civil commotion, aircraft, vehicles, and smoke in an amount not less than 80% of the full insurable value of such Improvements;

(b) coverage for leakage of sprinkler systems and explosion of high pressure boilers and other heaters;

(c) loss of rental insurance;

(d) Workmen's Compensation Insurance; and

(e) comprehensive general public liability and property damage insurance applicable to the Leased Premises in amounts of at least \$5,000,000 for any one accident, \$1,000,000 for injury

to or death of any one individual and \$500,000 for damage to property, written on an occurrence basis.

All insurance policies maintained by Lessee pursuant to this paragraph shall (i) name Lessor and Lessee and any leasehold mortgagee and any trustee for bondholders as insureds, as their respective interests may appear; (ii) provide (where such provision is obtainable) that any loss shall be payable notwithstanding any act or negligence of Lessee; (iii) provide that no cancellation thereof shall be effective until at least ten (10) days after receipt by Lessor and Lessee of written notice thereof; (iv) provide that the insurer shall waive any right of subrogation against the Lessor or Lessee resulting from negligence of the Lessor or Lessee or any assignee or subtenant of the Leased Premises; (v) provide that Lessor's interest therein shall not be subject to cancellation by reason of any act or omission of Lessee or any leasehold mortgagee; and (vi) provide that any loss is to be adjusted with and payable solely to Lessee, Lessor or any leasehold mortgagee or trustee for bondholders, as their respective interests may appear. Lessee shall deliver to Lessor a copy of all policies of insurance required by this Lease, accompanied by a certificate of the insurer as to the issuance and effectiveness of the policy and the amount of the coverage with respect to the Leased Premises.

8. *Fire or Casualty.* In the event of any damage or loss to improvements on the Leased Premises by fire or other casualty, whether or not insured, Lessee shall at its sole cost and expense repair or rebuild the same, or cause any sublessee to repair or rebuild the same, so as to make the improvements at least as nearly as possible equal to the condition, quality, character and class of the Improvements existing immediately prior to the occurrence or with such changes or alterations as Lessee shall elect to make in conformity with the General Development Plan. All insurance proceeds under fire or casualty insurance, after deduction of any cost of collection, shall be applied by Lessee for such repairing or rebuilding.

9. *Mechanic's Liens.* Notice is hereby given that Lessor shall not be liable for any labor or materials furnished or to be furnished to Lessee upon credit, and that no mechanic's or other lien for any such labor or materials shall attach to or affect the reversion or other estate or interest of Lessor in and to the Leased Premises. Whenever and as often as any mechanic's lien shall have been filed against the Leased Premises, based upon any act or interest of Lessee or of anyone claiming through Lessee, or if any title retention agreement, conditional bill of sale, chattel mortgage or otherwise shall have been filed for or affecting any materials, machinery or fixtures used in the repair or operation thereof or annexed thereto by Lessee or its successors in interest, Lessee shall forthwith take such action by bonding, deposit or payment as will remove or satisfy the lien, title retention agreement, conditional bill of sale or chattel mortgage, and if Lessee shall fail to take such action for twenty (20) days after notice to Lessee, Lessor may pay the amount of such mechanic's lien, title retention agreement, conditional bill of sale or chattel mortgage, or discharge the same by deposit, and the amount so paid or deposited, with interest thereon, shall be deemed rent reserved under this Lease, and shall be payable forthwith with interest at the rate of seven per centum (7%) per annum from the date of such advance, and with the same remedies to Lessor as in case of default in the payment of rent.

10. *Use.* Lessee shall use and occupy the Leased Premises in the manner and for the purposes described in the General Development Plan and shall not use or occupy the Leased Premises or permit the same to be occupied other than for lawful purposes, or for a purpose or in a manner likely to cause structural injury in any building to be erected on the Leased Premises or for any dangerous or noxious trade or business.

11. *Indemnity.* Lessee shall not do or permit any act or thing upon the Leased Premises which may subject Lessor to any liability by reason of any violation of law, but shall exercise such control over the Leased Premises as to protect the Lessor notwithstanding

that joint or concurrent liability may be imposed upon Lessor by statute, ordinance, rule, regulation or order. Lessee shall indemnify and hold harmless Lessor from and against any and all liability, suits, claims, demands, actions, judgments, costs and expenses, to the extent that any of the same should not be covered by insurance maintained by Lessee, arising from conduct on or management of or from any work or thing whatsoever done in or on the Leased Premises or out of any breach, violation or non-performance of any Lessee's covenants or conditions of this Lease, by damage to property or any injury to person or persons occasioned by Lessee's use and occupancy of the Leased Premises or by any use or occupancy which Lessee may permit or suffer to be made thereof. Should Lessee be required to defend any action or proceeding to which Lessor is made a party, Lessor may appear, defend or otherwise take part in such action or proceeding at its election by counsel of its own choosing, provided such action by Lessor does not limit or make void any liability of any insurer of Lessor or Lessee with respect to the claim in such action. Lessee's liability hereunder shall be reduced by the net proceeds actually collected by any insurance maintained by Lessee for Lessor's benefit.

12. *Assignment; Subleasing; Mortgaging.* Lessee may at any time assign this Lease with the consent of Lessor. Lessee may at any time assign this Lease without the consent of Lessor to Subsidiary, provided that Subsidiary affirmatively and unconditionally assumes in writing the applicable covenants of Lessee and the provisions of this Lease. Subsidiary shall accept such assignment and assume Lessee's obligations hereunder as set forth in this paragraph, provided, however, that such assignment shall not release Lessee from any of its obligations to Lessor hereunder, in the absence of a written release of Lessee from such obligations executed by Lessor.

Lessee may at any time sublease the whole of the Leased Premises with the consent of Lessor, which consent shall not be unreasonably withheld. Lessee may sublease at any time any portion or portions of the Leased Premises without the consent of Lessor in order to carry out the development required by the General Development Plan.

Each sublease shall provide that such sublease may not be assigned without the approval of the Lessee in each case first obtained.

Lessee may mortgage or hypothecate this Lease without the consent of Lessor. Upon request of Lessee, Lessor shall execute and deliver all such instruments with respect to this Lease, including amendments hereto, as Lessee shall reasonably request to facilitate Lessee's obtaining, or otherwise arranging for, the financing of the Improvements as provided in paragraph 2. At Lessor's request, Lessee shall deliver to Lessor copies of every bond indenture, mortgage or like instrument relating to any indebtedness of Lessee incurred or currently planned to be incurred in whole or in part to finance the Improvements. No provision in any such instrument shall alter the respective rights of Lessor and Lessee under this Lease.

Lessor agrees, for the benefit of each sublessee under each sublease and the holder or holders of each leasehold mortgage of any sublease, that, upon the termination of this Lease pursuant to any of the provisions of paragraph 1 or paragraph 14 hereof, Lessor will recognize the sublessee under such sublease or any transferee or assignee of the sublessee's interest therein by assignment or foreclosure as the direct tenant of the Lessor under such sublease, provided that at the time of the termination of this Lease (a) no default exists under the sublease and (b) the sublessee, transferee or assignee shall deliver to the Lessor an instrument confirming the attornment to the Lessor and recognizing the Lessor as such sublessee's, transferee's or assignee's lessor under such sublease.

13. Condemnation. Should a court of final jurisdiction determine that any governmental body, agency or other authority may condemn the Leased Premises or any portion thereof, then if, at any time during the term of this Lease, there shall be a total taking or a constructive total taking of the fee title to any part of the Leased Premises or of the Lessee's leasehold interest therein in condemnation proceedings or by any right of eminent domain, this Lease shall terminate as to that portion of the Leased Premises so taken on the date of such taking and the rent and other charges payable by the Lessee

hereunder with respect to such portion shall be apportioned and paid to the date of such taking. For the purposes of this paragraph, the term "a constructive total taking" shall mean a taking of such scope that the portion of the Leased Premises not so taken is insufficient to permit the restoration of the Improvements thereon so as to constitute a complete, rentable building or buildings, capable of producing a proportionately fair and reasonable net annual income. The average net annual income produced by the Improvements on the portion of the Leased Premises so taken during the five (5) year period immediately preceding such taking shall be deemed to constitute a fair and reasonable net annual income for the purposes of this paragraph.

In the event of any such total taking or constructive total taking and the termination of this Lease as to the portion of the Leased Premises so taken, the award or awards for said taking (herein referred to as the "Condemnation Proceeds"), shall be distributed in the following order of priority:

(a) upon the request of the trustee of the holders of any indebtedness of Lessee, there shall first be paid to such trustee a sum sufficient to fully and completely redeem any such indebtedness allocable to the Leased Premises, or to that portion of the Leased Premises so taken, with accrued interest, then outstanding;

(b) from the balance, if any, the Lessor shall then be paid a sum equal to the value of the land plus the value of any Public Facilities, to the extent the same shall have been paid for for by Lessor (herein referred to as the "Land Award");

(c) then the balance remaining, if any, shall be divided between the Lessor and the Lessee in accordance with their respective interests in the Leased Premises immediately prior to such termination of this Lease. The value of Lessor's interest shall be the aggregate of (a) the then value of Lessor's interest in the Leased Premises at the expiration of the term of this Lease, plus (b) the then present worth of the then future rents reserved under this Lease. The value of Lessee's interest shall include the then value of its interest in the remainder of the term of this Lease and the then value of the Improvements.

In the event of a taking less than a constructive total taking, this Lease shall not terminate or be affected in any way, except as hereinafter provided, and the Lessee shall first be entitled to receive, subject to the rights of any trustee for bondholders or leasehold mortgagee, that portion of the Condemnation Proceeds with interest thereon as shall equal the fair market value of the Leased Premises or portions thereof, unimproved and unencumbered by this Lease, plus the fair market value of any Public Facilities constructed or installed at the expense of the Lessee on the part of the Leased Premises so taken. That part of the Condemnation Proceeds with interest thereon as shall be awarded for restoration of the Improvements on the portion of the Leased Premises so taken, plus so much thereof as shall represent compensation for the value of the portion of the Improvements so taken, shall be payable in trust to the Lessee or the holder of any leasehold mortgage constituting a lien on the Leased Premises for application by the Lessee, or such holder, to the cost of restoring, repairing, replacing or rebuilding the Improvements, any balance of the Condemnation Proceeds to be shared equally by Lessor and Lessee.

In the event of a taking less than a constructive total taking, the Lessee shall proceed, or shall cause the sublessee under a sublease of the property affected by such taking to proceed, with due diligence to restore, repair, replace or rebuild the remaining part of the Improvements to substantially their former condition or with such changes or alterations as the Lessee may deem desirable in general conformity with the General Development Plan.

If the whole or any part of the Leased Premises shall be taken in condemnation proceedings or by any right of eminent domain for temporary use or occupancy, then this Lease shall remain in full force and effect, and the Lessee shall continue, to the extent Lessee shall not be prohibited from so doing by any condemning authority, to pay, in the manner and at the times herein specified, the full amounts of the Basic and Additional Rent and other charges payable by the Lessee hereunder.

14. *Default by Lessee.* In case one or more of the following events shall have occurred and shall not have been remedied:

(a) default shall be made in the payment of Basic Rent or Additional Rent and such default shall continue for twelve months after written notice from Lessor thereof, specifying such default, shall have been given to the Lessee, each sublessee and the Trustee for any bondholders and the holder of any leasehold mortgage; or

(b) Lessee shall fail to perform or cause to be performed any term, covenant or condition of this Lease on the part of the Lessee to be performed, other than the covenant for the payment of Basic Rent and Additional Rent, and shall have failed promptly after written notice thereof from Lessor to commence with due diligence and dispatch the curing of such default or, having so commenced the curing of such default, shall thereafter fail to prosecute and complete the same within a reasonable time, *provided* that Lessee may dispute any matter contained in such notice by giving Lessor written notice thereof within 30 days after receipt by Lessee of such notice of Lessor, and in such case, such dispute shall be determined by arbitration in accordance with the provisions of paragraph 16 hereof and no default under this paragraph (b) shall be deemed to arise unless the arbitrators' determination is adverse to Lessee and Lessee (subject to Enforced Delay) shall have failed to commence promptly thereafter with due diligence and dispatch the curing of such default, or, having commenced the curing of such default, shall thereafter fail to prosecute and complete the same within a reasonable time:

then in case of a default Lessor may, subject to the rights of the trustee for any bondholders and the holder of any leasehold mortgage as set forth herein, at its option, give to Lessee and to each sublessee, and to any trustee and leasehold mortgagee, a notice of election to terminate this Lease at the expiration of thirty (30) days from the date of service of such second notice, whereupon, unless such rent in case of a default under (a) above, together with interest at the rate of 7% per annum, shall have been paid, or any other default cured by Lessee, before the expiration of said thirty (30)

days, the term of this Lease and all right, title and interest of the Lessee hereunder shall expire as fully and completely as if that day were the date herein specifically fixed for the expiration of the term of this Lease, and the Lessee will then quit and surrender the Leased Premises to the Lessor, subject, however, to any sublease which the Lessor pursuant to the provisions hereof has agreed to recognize. Upon such termination of this Lease as provided in (a) above, the Lessor shall have the right to enter upon and take possession of the Leased Premises by summary proceedings or other legal proceedings, without being liable in damages therefor, and take and have again the Leased Premises and every part thereof, free, clear and discharged of this Lease, and of all the rights of the Lessee hereunder.

Lessor shall not so terminate this Lease upon the occurrence of a default unless Lessor shall

(a) pay to the trustee for the holders of any indebtedness of Lessee a sum of money sufficient to fully and completely redeem any such indebtedness of Lessee allocable to Public Facilities, with accrued interest, then outstanding, together with an opinion of Lessor's Corporation Counsel stating that the Lessor has power and is duly authorized to make such payment, or

(b) deliver to such trustee an instrument in writing duly executed on behalf of Lessor in form and substance satisfactory to such trustee, unqualifiedly assuming the full payment of any such indebtedness of Lessee allocable to Public Facilities, with accrued interest, then outstanding, together with an opinion of Lessor's Corporation Counsel stating that Lessor has power and is duly authorized to assume such payment and may assess, levy and collect taxes on all the taxable real property in The City of New York without limitation as to rate or amount to make any and all payments required under such indebtedness.

No re-entry by the Lessor shall be deemed an acceptance of a surrender of this Lease. A surrender of this Lease may be accepted only by the Board of Estimate of Lessor and only in the manner provided by law at the time thereof.

Lessor agrees, for the benefit of the trustee or holders of any leasehold mortgage, that Lessor's right, title and interest in and to rent and other charges payable under any sublease shall be subject and subordinate to the rights of any leasehold mortgagee to any rent and other charge pledged as security for the payment thereof until payment in full of the indebtedness, with accrued interest, secured by any leasehold mortgage.

15. *Notices.* Any notice, demand or request which, under the terms of this Lease or under any statute, must or may be given or made by the parties hereto, shall be in writing, and shall be given by mailing the same by registered or certified mail addressed to (a) Lessor addressed as follows: Administrator, New York City Housing and Development Administration, 100 Gold Street, Borough of Manhattan, City, County and State of New York; (b) Lessee addressed as follows: General Manager, New York State Urban Development Corporation, 666 Fifth Avenue, Borough of Manhattan, City, County and State of New York; and (c) Subsidiary addressed as follows: President, Welfare Island Development Corporation, 666 Fifth Avenue, Borough of Manhattan, City, County and State of New York. Any notice given hereunder shall be deemed delivered when deposited in a United States general or branch post office, enclosed in a registered or certified prepaid wrapper, addressed as hereinbefore provided. Any such address may be changed from time to time upon notice given by the addressee in the manner herein provided.

If requested in writing by the holder of any leasehold mortgage or any sublessee, which shall have duly registered with Lessor its name and address, any such notice or demand shall also be given or made by Lessor in the manner herein specified and contemporaneously to such holder of a leasehold mortgage or sublessee. Any such holder or sublessee shall be subrogated to all rights of the Lessee with respect to the remedying of any default of Lessee.

16. *Arbitration.* In the event of any dispute with respect to any matter in this Lease, such dispute shall be determined in the City of New York by arbitration in accordance with commercial arbitration

rules then obtaining of the American Arbitration Association (or, if such Association shall not then be in existence, such other organization, if any, as shall then have become the successor of said Association and if there shall be no successor, then in accordance with the then prevailing provisions of the laws of the State of New York relating to arbitration). Lessor and Lessee shall each appoint a fit and impartial person as arbiter who shall have had at least ten (10) years' experience in the County of New York connected with the subject matter of the dispute. In case either the Lessor or the Lessee shall fail to appoint an arbiter for a period of thirty (30) days after written notice from the other party to make such appointment, then the arbiter appointed by the party not in default hereunder shall appoint a second arbiter for and on behalf of the party so failing to appoint an arbiter. In the case of the failure of the arbiters so appointed to agree upon the matter in dispute, said arbiters shall appoint a third party to act as umpire. In the case of the failure of such arbiters to agree upon an umpire, then such umpire shall be appointed by the Presiding Justice of the Appellate Division of the Supreme Court of the State of New York for the First Department. The arbiters so appointed, after being duly sworn to perform their duties with impartiality and fidelity, shall proceed promptly to determine the matter in dispute in accordance with the Rules of Civil Procedure and may hold hearings at which the Lessor and Lessee may adduce evidence and witnesses may give sworn testimony.

17. *No Waiver.* Failure of any party to insist upon a strict performance of any of the covenants and conditions hereof shall not be deemed a waiver of any rights or remedies that such party may have and shall not be deemed a waiver by such party of any subsequent breach or default. This Lease may not be changed orally, but only by an instrument in writing signed by the party against whom enforcement or change is sought.

18. *Quiet Enjoyment.* Lessor covenants that the Lessee, upon paying the rent and all other charges herein provided for and upon

observing and keeping all of the covenants, agreements and provisions of this Lease on its part to be observed and kept, shall lawfully and quietly hold, occupy and enjoy the Leased Premises during the term of this Lease without hindrance or molestation by or from anyone.

19. *Certificate of Lessor.* Within thirty (30) days after delivery to Lessor of written notice of Lessee's request for such statement, Lessor shall execute, acknowledge and deliver to Lessee a statement in writing certifying that this Lease is unmodified and in full force and effect (or if there shall have been modifications, that the Lease is in full force and effect as modified and stating the modifications) and the dates to which the rent has been paid, and stating whether or not to the best knowledge of the signer of such statement Lessee is in default in performing any term, covenant, agreement, provisions, condition or limitation contained in this Lease, and if Lessee shall be in default, specifying each such default of which the signer may have knowledge, it being intended that any such statement delivered pursuant to this paragraph may be relied upon by any prospective sublessee or any leasehold mortgagee, but reliance on such certificate may not extend to any default as to which the signer shall have had no actual knowledge.

20. *Lessor's Inspection and Audit of Books and Records; Lessee's and Subsidiary's Reports.* The Lessee and the Subsidiary shall keep proper books of record and account in which full and correct entries shall be made of all financial transactions, revenues, losses, charges and expenses paid or incurred by Lessee or Subsidiary in respect to its operations on the Leased Premises and the performance by Lessee and Subsidiary of all terms and conditions of this Lease, all in accordance with generally accepted accounting principles. Lessor shall have the right to inspect and audit such accounts on its behalf annually and at such other reasonable times as it may in its sole discretion deem advisable or necessary. The performance of all conditions and terms of this Lease shall be subject to audit and review by Lessor's Comptroller on behalf of Lessor. Lessee and Subsidiary shall cooperate

with the Lessor in maintaining its books and accounts in such manner as to permit audits.

Upon the request of Lessor, Lessee or Subsidiary or both of them shall deliver to Lessor Annual Reports on the progress of the development of the Leased Premises.

21. *Additional Properties.* In the event that Lessor shall determine that the Bird S. Coler and the Goldwater Memorial Hospitals and the incidents and appurtenances thereof and properties currently occupied thereby, as such properties are more fully described in Annex III and Annex IV to Schedule 1 attached hereto, shall no longer be devoted to hospital uses, Lessor shall notify Lessee of such determination, it being the intention of Lessor and Lessee that such properties be developed in a manner consistent with the General Development Plan. After such determination and notice Lessor, Lessee and Subsidiary shall consult with a view to developing a plan for the development of such properties as a part of the General Development Plan.

22. *Definitions.* As used herein the following terms have the following respective meanings:

Additional Rent: The payment provided for in paragraph 4(b).

Annual Shelter Rent: Total rents received from the occupants of an Improvement or part of an Improvement consisting of Completed Units of Subsidized or Middle Income Housing less the cost, if any, of providing to such occupants electricity, gas, heat and other utilities.

Basic Rent: The payment provided for in paragraph 4(a).

Commercial Space: Any Improvement, or space in an Improvement, used exclusively for commercial or business purposes.

Completed Units; Completed Commercial Space. Dwelling units and commercial space in any Improvement or part of an Improvement as to which there shall have been issued by Lessee and delivered to Lessor prior to any occupancy thereof a certificate of completion stating that such Improvement or such part is complete in accordance with the laws and regulations applicable to projects of Lessee, or as to which there shall have been issued by Lessor its temporary or permanent certificate of occupancy or any other certificate or license

required to permit the occupancy or use of such Improvement or such part, whichever shall first have been issued.

Conventionally Financed Housing: As defined in the General Development Plan.

Debt Service: Any and all payments of principal, premiums or interest on any bond, note or other indebtedness incurred or payable by Lessee to finance the cost of development of the Leased Premises, including, without limitation, all payments to any sinking, reserve or any other fund required by or pledged to any mortgagee, trustee or holder of any such indebtedness and the payment, purchase, redemption or retirement thereof or as further security therefor. The allocation of Debt Service shall be in accord with Lessee's standard accounting method uniformly applied, which method shall conform with generally accepted accounting principles.

Debt Service for Public Facilities: For any period, Debt Service allocable by Lessee to Public Facilities. For such period, Debt Service for Public Facilities shall be reduced by all receipts derived by Lessee from the operation of any Public Facility or the financing thereof as reimbursement of Debt Service payable by Lessee on such Public Facility.

Enforced Delay: Any delay in the performance of the obligations of the Lessee, Subsidiary, sublessees or their sublessees by reason of act of God or the public enemy, of the United States of America, the State of New York or the Lessor, the laws, rules, regulations or orders of such political jurisdictions, judicial or other legal proceedings, fires, floods, epidemics or similar afflictions, strikes or labor disputes, freight embargoes, weather of unusual severity and delay by Lessor in the performance of its obligations hereunder, including, without limitation, demolition, relocation or appropriation of sums required for the purchase or lease of any school or appurtenance.

General Development Plan: General Development Plan attached as Schedule 2 hereto prepared by the firm of Philip Johnson and

John Burgee providing a program for clearance of the Leased Premises and the construction thereon of Subsidized Housing, Middle Income Housing, Conventionally Financed Housing, Commercial Space and Public Facilities, all as set forth therein, as may be modified from time to time by agreement of Lessee by its President and Chief Executive Officer and Lessor by its Mayor.

Gross Income: For any period, the total of all receipts of any nature derived by Lessee from the Leased Premises or the financing of the development thereof, including, without limitation, rents, profits, interest and return of principal, other than payments to Lessee of the purchase price of or annual rent for any school or appurtenance and other than development fees, after deducting from such total all Debt Service for such period.

Improvement: Any building, structure, utility, roadway, street, park, public facility, sidewalk, landscaping, site improvement, development and other betterment to be provided by or caused to be provided by the Lessee pursuant to the General Development Plan.

Leased Premises: As defined in paragraph 1.

Lessee's Certified Payment Statement: A statement prepared and certified by Lessee on or prior to each Rent Payment Day and on or prior to each other day upon which such statement is required to be delivered pursuant to the provisions hereof setting forth the sums required to be paid, set-off or otherwise settled on such Rent Payment Day or other day, including, without limitation, Gross Income, Debt Service for Public Facilities, Normal Allowances, Debt Service for Public Facilities allocable to each school or appurtenance, Normal Allowances allocable to each school or appurtenance, Basic Rent, Net Income and Additional Rent.

Net Income: For any period, Gross Income less (i) Normal Allowances, (ii) Basic Rent, (iii) the amount of the following costs incurred by Lessee: any amount by which Lessee's operating and maintenance costs for any Public Facility consisting of a garage, an elevator, a mini-transit system or park exceed receipts derived by

Lessee from such Public Facility, to the extent such excess shall not be included in Normal Allowances, and (iv) the Project Fee.

Normal Allowances: All reasonable cash expenditures, disbursements, costs, reserves and allowances of Lessee or Subsidiary of every character incurred, made or paid by the Lessee or Subsidiary in connection with the performance of its obligations and functions in respect of this Lease or arising by reason of, or resulting in any manner whatsoever from, the use, operation and maintenance of the Leased Premises and services provided thereon, including, without limiting the generality of the foregoing:

(a) the cost of supplies and materials required for the administration, operation, maintenance and repair of the Leased Premises, the cost of remuneration of persons, whether or not officers and employees of Lessee, engaged in such administration, operation, maintenance or repair, including wages, medical and general welfare benefits, group life insurance, workmen's compensation insurance, the Lessee's contributions to unemployment insurance and pension funds and uniforms, and amounts paid pursuant to contracts or agreements with contractors or others for or in connection with such administration, operation, maintenance or repair;

(b) the cost of all repairs, alterations and improvements to maintain the Leased Premises net of the proceeds of any insurance received by Lessee applicable to such repairs, alterations and improvements;

(c) the cost of utility services, including gas, electricity, water, fuel and telephone;

(d) the cost of advertising the Leased Premises or portions thereof;

(e) lawyers' fees and disbursements for services rendered in connection with the administration, operation, maintenance or repair of the Leased Premises, including without limiting the generality of the foregoing, all such fees and disbursements relating to the collection of rent from sublessees and all expenses of such collection of rent, and the lawyers' fees payable in respect of the preparation, execution and registration of this Lease;

(f) auditors' fees for preparing the statements herein referred to;

(g) sales, excise and other similar taxes, if any, paid in respect of the foregoing, any charges, levies and fees, if any, paid pursuant to paragraph 6(a) hereof and any local or municipal taxes, if any, imposed with respect to the Leased Premises on the Improvements;

(h) the cost of all permits, licenses or other authorizations required for the administration, operation, maintenance and repair of the Leased Premises; and

(i) payments made by the Lessee in satisfaction of or on account of premiums with respect to any policy or policies of insurance on or in any way relating to the Leased Premises.

Without the consent of Lessor, which shall not be unreasonably withheld, Normal Allowances shall not include any amount by which Lessee's operating and maintenance costs for any Public Facility consisting of a garage, an elevator, a mini-transit system or a park exceeds receipts derived by Lessee from such Public Facility. For any period, Normal Allowances shall be reduced by the amount of any such cash expenditures, disbursements, costs, reserves and allowances allocable to any Improvement that are reimbursed out of the receipts derived by Lessee from its operation of such Improvement or out of the financing provided for the construction of such Improvement. Normal Allowances exclude any cash expenditures, disbursements, costs, reserves and allowances allocable to any park.

Project Fee: An amount reserved to Lessee equal to two percent (2%) of Total Project Cost, as hereinafter defined, payable in equal installments on each Rent Payment Day out of the remainder, if any, of Gross Income less Normal Allowances, Basic Rent and any amount by which Lessee's operating and maintenance costs for any Public Facility consisting of a garage, an elevator, a mini-transit system or a park exceed receipts derived by Lessee from such Public Facility, to the extent that such excess shall not be included in Normal Allowances, such installments to equal the following in each

year of the term hereof: 2.5 percent of such amount each year during the first ten years of the term hereof; 1.25% of such amount each year during the eleventh through thirtieth years of the term hereof; the balance of such amount in equal portions in each year of the remainder of the term hereof. In the event that on any Rent Payment Day the portion of any installment of such fee then payable shall exceed the balance of Gross Income less Normal Allowances, Basic Rent and any amount by which Lessee's operating costs for any Public Facility consisting of a garage, an elevator or a mini-transit system or a park exceed receipts derived by Lessee from such Public Facility, to the extent such excess shall not be included in Normal Allowances, Lessee may defer such excess and deduct it on any subsequent Rent Payment Day. Any such excess deferred and remaining to be deducted as of the termination hereof shall be adjusted upon such termination. The phrase "total project cost", for the purposes of this paragraph, means the aggregate of all costs of planning, design, engineering, construction, equipment and completion of the Improvements. Until construction is completed and actual costs are determined, the computation of the Project Fee shall be based upon cost estimates reasonably determined from time to time by Lessee. If and when the estimate of total project cost is adjusted in accordance herewith prior to the determination of actual total project cost, amounts computed and payments made or to be made based upon total project cost shall be appropriately adjusted.

Public Facilities: As defined in the General Development Plan.

Rent Adjustment Date: The 40th anniversary of the issuance of Lessee's certificate of completion or of Lessor's temporary or permanent certificate of occupancy, whichever shall first have been issued, with respect to each Improvement or part of an Improvement consisting of Subsidized Housing, Middle Income Housing, Conventionally Financed Housing or Commercial Space and each 10th anniversary of the date of such issuance after such 40th anniversary.

Rent Payment Day: The 45th day after the last day of each sixth and twelfth month of each year of the term hereof.

Subsidized Housing: As defined in the General Development Plan.

Tax Equivalent Adjustment Date: The 30th anniversary of the issuance of Lessee's certificate of completion or of Lessor's temporary or permanent certificate of occupancy, whichever shall first have been issued, with respect to each Improvement consisting of Subsidized Housing or Middle Income Housing.

Tax Equivalent for Commercial Space: Lessor's then current real estate tax rate times the product of Lessor's then current assessed valuation (expressed in dollars per square foot of commercial space) for land and buildings for each Improvement or part of an Improvement consisting of Completed Commercial Space times the number of square feet of Completed Commercial Space. Such then current assessed valuation for land and buildings shall from time to time be assessed and reassessed by Lessor in the manner and subject to the limitations then currently imposed upon assessments of like property by all laws and regulations applicable thereto. Lessee may contest such assessment or reassessment in like manner.

Tax Equivalent for Conventionally Financed Housing: Lessor's then current real estate tax rate times Lessor's then current assessed valuation of land and buildings for each Improvement or part of an Improvement consisting of Completed Units of Conventionally Financed Housing or consisting of Completed Units of housing to be treated as Conventionally Financed Housing after adjustment under paragraph 5(b) hereof. Such then current assessed valuation for rent and buildings shall from time to time be assessed and reassessed by Lessor in the manner and subject to the limitations then currently imposed upon assessments of like properties by all laws and regulations applicable thereto. Lessee may contest any such assessment or reassessment in like manner.

Then Current Ground Rent: With respect to each Improvement consisting of Subsidized Housing, 6% of the product of (x) the current land cost per unit for economically feasible new housing in New York City for persons and families of low and moderate income as of each

Rent Adjustment Date for such Improvement times (y) the number of units contained in such Improvement; with respect to each Improvement consisting of Middle Income Housing, 6% of the product of (x) the current land cost per unit for economically feasible new housing in New York City for persons and families of middle income as of each Rent Adjustment Date for such Improvement times (y) the number of units contained in such Improvement; with respect to each Improvement consisting of Conventionally Financed Housing, 6% of the product of (x) the current land cost per unit for comparable new housing in New York City for persons and families who can afford conventionally financed and fully taxpaying apartments as of each Rent Adjustment Date for such Improvement times (y) the number of units contained in such Improvement; and with respect to each Improvement or part of an Improvement consisting of Commercial Space, 6% of the product of (x) the current land cost per square foot of comparable commercial space in New York City as of each Rent Adjustment Date for such Improvement or part of an Improvement times (y) the number of square feet of commercial space in such Improvement.

23. *Surrender of the Leased Premises; Successors and Assigns; Counterparts.* Upon any expiration or earlier termination of this Lease, Lessee shall peacefully vacate and surrender to Lessor the Leased Premises and all Improvements in good order, condition and repair, reasonable wear and tear excepted. The terms of this Lease shall, subject to the terms hereof, bind and inure to the benefit of Lessor and its successors and assigns and Lessee, its successors and assigns. This Lease may be executed in any number of counterparts, each of which shall be an original, all of which shall constitute one and the same instrument.

24. *Subsidiary.* Subsidiary has joined as a party to this Lease solely for the purpose of agreeing to report as provided in paragraph 20, of accepting the assignment hereof and of assuming the Lessee's obligations hereunder upon assignment as set forth in paragraph 12 and of agreeing to the undertakings stated in paragraph 26 hereof and for no other purposes.

25. *Administration.* Except where otherwise expressly provided herein, the rights and duties of the Lessor hereunder shall be administered and enforced in all respects by its Administrator of the Housing and Development Administration.

26. *Non-Discrimination.* (a) At all times during the construction, maintenance and operation of the Improvements, Lessee shall not discriminate against any employee or applicant for employment because of race, color, creed or national origin. Lessee shall take affirmative action to ensure that employees and applicants for employment with Lessee, its sublessees, contractors and subcontractors are treated without regard to their race, color, creed or national origin and shall take affirmative action to assist in providing training and job opportunities in order to ensure equal employment opportunities for members of minority groups with Lessee, its sublessees, contractors and subcontractors. As used herein, the term "treated" shall mean and include, without limitation, the following: recruited, whether by advertising or other means; compensated, whether in the form of rates of pay or other forms of compensation; selected for training, including apprenticeship; promoted; upgraded; downgraded; demoted; transferred; laid off; and terminated. Lessee will post in conspicuous places on the Lessee's Premises, available to employees of Lessee and applicants for employment, notices provided by Lessor setting forth the language of this non-discrimination provision; and

(i) Lessee shall, in all solicitations or advertisements for employees placed by or on behalf of Lessee, state that all qualified applicants will be considered for employment without regard to race, color, creed or national origin;

(ii) Lessee shall send each labor union or other representative of workers with which it has a collective bargaining agreement or other contract or understanding a notice advising such labor union or workers' representative of Lessee's agreement as contained in this paragraph and a copy thereof shall be sent to Lessee within three (3) days of notification to such union or representative; and

(iii) Lessee shall furnish to Lessor all information required by Lessor pursuant to this paragraph and will permit access by Lessor to its books, records, and accounts for the purposes of investigation to ascertain compliance with this paragraph.

(b) To evidence compliance with the provisions of (a) hereof, Lessee shall furnish such compliance reports as may from time to time be required by Lessor, such reports to contain information as to Lessee's practices, policies, programs, employment policies and employment statistics. Such compliance reports shall, if Lessor so requests, contain the following additional information:

(i) information as to the practices, policies, programs, employment policies and employment statistics of the Lessee's sub-lessees, contractors and subcontractors;

(ii) if Lessee has a collective bargaining agreement or other contract or understanding with a labor union or an agency referring workers or providing or supervising apprenticeship or training for such workers, such information as to such labor union's or agency's practices and policies affecting compliance as Lessor may require, provided that to the extent such information is within the exclusive possession of a labor union or an agency referring workers or providing or supervising apprenticeship or training, and such labor union or agency shall refuse to furnish such information to Lessee, Lessee shall so certify to Lessor as part of its compliance report and shall set forth what efforts it has made to obtain such information.

(c) Lessee and Subsidiary shall include or cause to be included the provisions of this paragraph 26 in every sublease, contract and sub-contract of Lessee or Subsidiary and each obligation of Lessee or Subsidiary hereunder shall be deemed an obligation of each such sub-lessee, contractor or subcontractor. Lessee and Subsidiary shall likewise include or cause to be included in every sublease, contract or sub-contract all non-discrimination provisions required by federal, state or local law, including Lessor's Executive Order 71, as the same may be amended from time to time. All such provisions to the extent applicable are hereby incorporated in this Lease.

(d) Lessor, Lessee and Subsidiary shall require that any contractor or subcontractor performing work on the Leased Premises shall pro-

vide on-the-job training positions in accordance with any applicable governmental order, plan, undertaking or agreement to provide such on-the-job training positions from time to time in effect with respect to Lessor, Lessee, Subsidiary and any organization representing the employees of such contractor or subcontractor; provided, however, that in no event shall any such contractor or subcontractor provide for fewer on-the-job training positions than the number of apprentices or trainees allowed on the job under applicable collective bargaining agreements.

(e) Lessor, Lessee and Subsidiary shall, from time to time, mutually agree upon goals for the employment, training, or employment and training of members of minority groups in connection with performing work on the Leased Premises and any contractor or subcontractor performing work on the Leased Premises shall be required by the applicable contract or subcontract to meet such goals.

27. *Amendment.* Upon notice from Lessor to Lessee and approval by Lessor's Board of Estimate within five years of the date of this Lease, this Lease shall be amended as follows:

(a) Subparagraph (b) of paragraph 4 hereof shall be amended to read as follows:

"(b) *Additional Rent.* In addition to the Basic Rent, Lessee shall pay, in the same manner as the Basic Rent, Additional Rent equal to sixty percent (60%) of Net Income for the preceding year";

(b) The definition of *Net Income* in paragraph 22 hereof shall be amended to read as follows:

"*Net Income:* For any period, Gross Income less (i) Normal Allowances, (ii) Basic Rent and (iii) the amount of the following costs incurred by Lessee: any amount by which Lessee's operating and maintenance costs for any Public Facility consisting of a garage, an elevator, a mini-transit system or a park exceed receipts derived by Lessee from such Public Facility, to the extent such excess shall not be included in Normal Allowances"; and

(c) The definition of *Project Fee* in paragraph 22 hereof shall be stricken in its entirety.

IN WITNESS WHEREOF, the undersigned have duly executed this Lease as of the day and year first above written.

THE CITY OF NEW YORK

By NEAL J. HARDY
Administrator
Housing and Development Administration

[SEAL]

ATTEST:

HERMAN KATZ
City Clerk

APPROVED AS TO FORM

by J. LEE RANKIN
Corporation Counsel

NEW YORK STATE URBAN DEVELOPMENT
CORPORATION

By EDWARD J. LOGUE
President and Chief Executive Officer

ATTEST:

ARTHUR Q. FUNN
Secretary

[SEAL]

WELFARE ISLAND DEVELOPMENT
CORPORATION

By EDWARD J. LOGUE
President

ATTEST:

PAUL S. BYARD
Secretary

[SEAL]

STATE OF NEW YORK }
 COUNTY OF NEW YORK } ss.:

On this 23rd day of December, 1969, before me personally came NEAL J. HARDY, to me known to be the Administrator of the Housing and Development Administration of the City of New York and the same person who executed the foregoing instrument, and he acknowledged that he executed the foregoing instrument on behalf of The City of New York as said Administrator and pursuant to the authority vested in him by resolution of the Board of Estimate adopted October 29, 1969, Calendar No. 1.

STANLEY EPSTEIN
 Notary Public

STANLEY EPSTEIN
 Notary Public, State of New York
 No. 24-1125115—Kings County
 Term Expires March 30, 1971

STATE OF NEW YORK }
 COUNTY OF NEW YORK } ss.:

On this 23rd day of December, 1969, before me personally came HERMAN KATZ, with whom I am personally acquainted and known to me to be the City Clerk of the City of New York, who, being by me duly sworn, did depose and say that he resides at 308 East 79th St., New York; that he is the City Clerk of the City of New York, the corporation described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed as provided by law, and that he signed his name thereto as City Clerk by like authority.

STANLEY EPSTEIN
 Notary Public

STANLEY EPSTEIN
 Notary Public, State of New York
 No. 24-1125115—Kings County
 Term Expires March 30, 1971

STATE OF NEW YORK }
COUNTY OF NEW YORK } ss.:

On this 23rd day of December, 1969, before me came EDWARD J. LOGUE, to me known, who, being by me duly sworn, did depose and say that he resides at One East End Avenue, N. Y. C.; that he is the President and Chief Executive Officer of the NEW YORK STATE URBAN DEVELOPMENT CORPORATION, the corporation described in, and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation; and that he signed his name thereto by like order.

STANLEY EPSTEIN
Notary Public

STANLEY EPSTEIN
Notary Public, State of New York
No. 24-1125115—Kings County
Term Expires March 30, 1971

STATE OF NEW YORK }
COUNTY OF NEW YORK } ss.:

On this 23rd day of December, 1969, before me came EDWARD J. LOGUE, to me known, who, being by me duly sworn, did depose and say that he resides at One East End Avenue, N. Y. C.; that he is the President of WELFARE ISLAND DEVELOPMENT CORPORATION, the corporation described in, and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation; and that he signed his name thereto by like order.

STANLEY EPSTEIN
Notary Public

STANLEY EPSTEIN
Notary Public, State of New York
No. 24-1125115—Kings County
Term Expires March 30, 1971

SCHEDULE 1**LEASED PREMISES**

All lands bounded and described as set forth in Annex I hereto, together with all the right, title and interest of Lessor in and to all lands submerged or otherwise lying between the lands so bounded and the United States Pierhead and Bulkhead Line described in Annex II hereto and all the right of Lessor to fill such Pierhead and Bulkhead Line excepting only the following:

(1) the lands bounded and described as set forth in Annex III and Annex IV hereto;

(2) the right of Lessor at all times to enter upon and use the lands bounded and described as set forth in Annex V, Annex VI and Annex VII hereto for the purpose of discharging Lessor's duty to maintain, repair and replace the bridge piers, footings and like bridge appurtenances located thereon and the bridges now owned and to be owned by Lessor to which such appurtenances pertain, which duty nothing in this Lease shall be construed to alter, of which duty no part, consequence or resulting liability direct or indirect, primary or secondary is assumed by Lessee hereby or otherwise and with the discharge of which duty no Improvement by Lessee of such lands bounded and described as set forth in Annex V, Annex VI and Annex VII hereto shall interfere;

(3) The right of Lessor, at all times, to enter upon and use the portion of the Leased Premises described as a fee parcel in Annex VIII hereto for the purpose of discharging Lessor's duty to maintain, repair and replace any surface or underground facility in connection with Water Tunnel #3 and the right of Lessor, for a period of ten years from the date hereof, to enter upon and use the portion of the Leased Premises described as a temporary easement for construction in Annex VIII hereto for the construction of Water Tunnel #3 and such surface and underground facility.

ALL SUCH BOUNDARIES being described in the survey map set forth as Annex IX, which annex is annexed for the purpose of describing such boundaries and for no other purpose.

ANNEX I

August 20, 1969
Revised September 5, 1969

**METES AND BOUNDS DESCRIPTION OF
WELFARE ISLAND**

Survey of July 2, 1969

Description of the usable land on Welfare Island in the East River, County of New York and State of New York, being an island extending approximately from 50th Street in Manhattan northerly to approximately 86th Street in Manhattan and being more accurately described as follows.

Beginning at an angle point in the westerly face of the concrete wall on the westerly bank of Welfare Island and off the westerly end of Road #2 and being S53°-26'-26"W, datum established by U.S.A. Engr's. Mon's. "X" & "S", 126.20 feet, from U.S.A. Engr's. Mon. "X" also being point #1 of Metes & Bounds Survey and running thence N34°-13'-38"E, 198.47 feet along westerly face of aforementioned concrete wall to a corner thereof, and survey point 2, thence S51°-53'-07"E, 27.10 feet along said wall to a corner thereof, and survey point 3, thence N41°-06'-10"E, 197.31 feet along said wall to a corner thereof, and survey point 4, thence the following two courses, N34°-16'-29"E, 752.99 feet and N34°-32'-43"E, 651.53 feet, along the westerly bank of island to a point thereon opposite a pier of the Queensboro Bridge and being survey point #6, thence the following five courses:

N28°-37'-30"E	368.57 feet
N33°-43'-51"E	377.16 feet
N36°-47'-27"E	496.31 feet
S54°-45'-45"E	37.26 feet
N37°-06'-35"E	432.21 feet

along the westerly face of a stone wall to survey point #11, said point being S68°-51'-00"W, 100.50 feet from BL point KG-7, thence the following six courses:

N23°-14'-38"E	311.40 feet
N30°-13'-16"E	388.96 feet
N34°-14'-02"E	427.99 feet
N41°-43'-46"E	338.77 feet
S77°-58'-02"E	44.84 feet
N31°-05'-33"E	1704.41 feet

along the northerly face of the concrete wall to survey point #7, said point being S60°-59'-00"W, 38.20 feet from BL point KG-11, thence the following nine courses:

N54°-44'-29"E	112.86 feet
N33°-26'-24"E	142.47 feet
N15°-17'-33"E	160.75 feet
N26°-00'-06"E	264.37 feet
N41°-06'-42"E	878.12 feet
N41°-52'-08"E	197.14 feet
N62°-55'-40"E	226.10 feet
N76°-14'-50"E	182.39 feet
N36°-26'-45"E	232.34 feet

along the westerly face of the concrete wall to survey point #26 and the most north-westerly point of Welfare Island, said point being N5°-54'-00"E, 119.80 feet from BL point KG-15, thence S88°27'-18"E, 56.54 feet to survey point #27 and the most north-easterly point of Welfare Island, said point being N30°-20'-00"E, 136.30 feet from BL point KG-15, thence the following nine courses:

S32°-11'-51"E	22.17 feet
S20°-47'-55"W	175.61 feet
S 5°-16'-44"W	124.12 feet
S 3°-25'-36"E	408.86 feet
S12°-30'-25"W	147.61 feet
S30°-12'-17"W	287.38 feet
S25°-10'-27"W	201.20 feet
S55°-25'-33"W	237.32 feet
S47°-01'-46"W	365.59 feet

along the easterly face of a concrete wall on the easterly bank of Welfare Island to survey point #36, said point being S4°-16'-00"E, 84.00 feet from U.S.A. Engr's. Mon. "I" which is also BL point KG-18, thence the following seven courses:

S34°-44'-55"W	488.80 feet
S28°-54'-00"W	583.67 feet
S35°-30'-25"W	601.22 feet
S32°-48'-46"W	1697.08 feet
S45°-01'-07"W	364.66 feet
S33°-55'-49"W	464.86 feet
S55°-47'-15"W	42.79 feet

along the easterly face of last mentioned stone wall to survey point #43, said point being S22°-57'-00"E, 121.10 feet from BL point KG-25, thence the following six courses:

S36°-24'-32"W	331.90 feet
S17°-31'-41"W	306.94 feet
S34°-26'-26"W	329.25 feet
S45°-12'-07"W	279.72 feet
S40°-00'-30"W	521.36 feet
S85°-17'-07"W	37.06 feet

along the easterly bank of Welfare Island to survey point #49, said point being S64°-54'-00"E, 46.00 feet from BL point KG-29, thence the following seven courses:

S34°-46'-41"W	599.07 feet
S39°-12'-10"W	437.49 feet
S45°-40'-00"W	532.82 feet
S55°-43'-21"W	474.54 feet
S60°-02'-22"W	209.54 feet
S37°-35'-24"W	100.03 feet
S86°-48'-58"W	73.85 feet

along easterly bank of said island to survey point #54B, being the most southerly point of Welfare Island and also being the most southerly corner of the Delacorte East River Fountain, thence the following ten courses:

N29°-09'-54"W	15.00 feet
N52°-30'-20"E	75.00 feet
N34°-06'-29"E	73.31 feet
N25°-30'-00"E	130.19 feet
S88°-23'-08"E	40.50 feet
N40°-08'-00"E	195.90 feet
N30°-37'-23"E	116.89 feet
N 5°-16'-19"W	112.19 feet
N39°-24'-49"E	22.39 feet
N18°-29'-36"E	485.95 feet

along the westerly bank of Welfare Island to survey point #1, the point and place of beginning.

Containing 139.20 acres be the same more or less.

W. R. CROCKER
LS. #24078

ANNEX II

August 21, 1969

Description of
**Pierhead & Bulkhead Line at Welfare Island in East River,
 County of New York, State of New York**

Beginning at point #12 as shown on Dwg. No. S.D. 276 "General Survey of Welfare Island" Orig. Date 4-29-38, said point #12 being S69°-34'-27"W, datum established by U.S.A. Engr's. Mon's. "X" & "S", 92.07 feet from U.S.A. Engr's. Mon. "X" and running thence the following 4 courses:

N34°-27'-00"E	4090.00 feet
N33°-13'-30"E	3170.00 feet
N40°-20'-00"E	1065.00 feet
N58°-30'-00"E	645.00 feet

Northerly and off the west bank of Welfare Island to point #16, on aforementioned drawing, and the beginning of a 41.00 foot radius curve to the right, thence along said curve to point #1 on said drawing, the chord between last two mentioned points being S58°-38'-16"E, 72.97 feet, and same points being at the northerly end of Welfare Island, thence the following 8 courses:

S40°-13'-00"W	780.00 feet
S26°-59'-43"W	552.59 feet
S50°-28'-00"W	600.00 feet
S31°-36'-00"W	830.00 feet
S32°-57'-00"W	2390.00 feet
S35°-02'-00"W	1912.00 feet
S39°-13'-00"W	2115.00 feet
S44°-06'-00"W	1573.00 feet

Southerly and off the east bank of Welfare Island to point #9 on aforementioned drawing and the beginning of a 30.00 foot radius curve to the right, thence along said curve to point #10 on said drawing the chord between the last two mentioned points being N56°-56'-56"W, 58.89 feet and same points being off the southerly end of Welfare Island, thence the following 2 courses:

N22°-00'-00"E	700.00 feet
N28°-00'-00"E	1000.00 feet

Northerly and off the west bank of Welfare Island to point #12, the point and place of beginning.

Containing 142.84 acres be the same more or less.

W. R. CROCKER
LS. #24078

ANNEX III

August 23, 1969

Description of
**Line Five Feet off all Faces of Goldwater Hospital
 Buildings on Welfare Island in the East River,
 County of New York, and State of New York**

Beginning at a point at the intersection of a line parallel to and five feet east of the east face of building "F" with a similar line five feet north of the north face of building "F" and being off the northeasterly corner of said building and also being N32-50-14E, 349.87' thence N25-35-16W, 175.97 feet from BL point K.G. 29, datum being that established by U.S.A. Engr's Mon's. "X" & "S" and running thence the following five courses,

S35°-27'-04"W	93.50 feet
S54°-32'-56"E	153.75 feet
S35°-27'-04"W,	1005.50 feet
N54°-32'-56"W	65.25 feet
S35°-27'-04"W	228.61 feet

along a line five feet easterly of east face of Goldwater Hospital Buildings to a point off the southeasterly corner of the new building of said hospital, said point being N17°-17'-33"E, 72.69 feet from BL point K.G.-31, and running thence N54°-32'-56"W, 238.00 feet along a line five feet southerly of south face of said new building to a point off the southwesterly corner thereof, said point being S11°-14'-37"E 227.58 feet from BL point K.G.-2, and running thence the following five courses.

N35°-27'-04"E	228.61 feet
N54°-32'-56"W	65.25 feet
N35°-27'-04"E	1005.50 feet
S54°-32'-56"E	153.75 feet
N35°-27'-04"E	93.50 feet

along a line five feet westerly of the west face of Goldwater Hospital Buildings to a point off the northwesterly corner thereof, said point being S89°-04'-59"E, 240.48 feet from BL point K.G.-4, thence S54°-32'-56"E, 61.00 feet to the place of beginning; being 9.84 acres more or less.

W. R. CROCKER
L.S. 24078

ANNEX IV

August 23, 1969

Description of
**A Line Parallel to and Five Feet Distant from all Faces of the
 Bird S. Coler Hospital Buildings on Welfare Island, in the
 East River, County of New York, State of New York.**

Beginning at a point at the intersection of a line five feet easterly of the most easterly buildings of said hospital with a line five feet northerly of the most northerly buildings thereof, said point being $N18^{\circ}-52'-57''W$, U.S.A. Engineers datum 133.72 feet from BL point K.G.-16 and running thence the following three courses,

$S31^{\circ}-47'-21''W$	1053.25 feet
$N58^{\circ}-12'-39''W$	465.60 feet
$N31^{\circ}-47'-21''E$	1053.25 feet

along a line five feet distant from the most easterly, southerly and westerly buildings of aforementioned hospital to a point off the north-westerly corner thereof, said point being $S74^{\circ}-54'-23''E$ —67.48 feet from the BL point K.G.-14, thence $S58^{\circ}-12'-39''E$, 465.60 feet to the place of beginning; being 11.26 acres more or less.

W. R. CROCKER
 L.S. #24078

ANNEX V

August 23, 1969

**Description of
A Line Parallel to and Six Feet Distant from the Southerly,
Westerly, and Northerly Faces of the Pier of the Welfare
Island Bridge on the East Bank of Welfare Island,
County of New York, State of New York,
The Easterly Line of this Description is the Pierhead and
Bulkhead Line in the East Channel of the East River.**

Beginning at a point six feet distant from the westerly and northerly faces of the aforementioned pier said point being N69-40-25E, 67.79' U.S.A. Engineer's datum, from the BL point K.G. 21, and running thence S55°-31'-35"E, 31.26 feet to a point on the pierhead and bulkhead line, thence S32°-57'-00"W, 66.45 feet along the pierhead and bulkhead line, thence S32°-51'-00"W, 66.45 feet along the pierhead and bulkhead line to a point thereon, thence N55°-31'-35"W, 33.03 feet to a point off the southwesterly corner of said pier, thence N34°-28'-25"E, 66.42 feet to the place of beginning; being 0.05 acre more or less.

**W. R. CROCKER
L.S. 24078**

ANNEX VI

August 23, 1969

Description of

A Line Parallel to and Five Feet Distant from the Southerly, Westerly and Northerly Faces of the Queensboro Bridge Pier on the Easterly Bank of Welfare Island, County of New York, State of New York, the Easterly Line of this Description is the Pierhead and Bulkhead Line in the East Channel of the East River.

Beginning at a point five feet distant from the westerly and northerly faces of the aforementioned pier, said point being S83-00-25"E, U.S.A. Engineer's datum 5.05 feet from BL point K.G. 27 and running thence S60-14'-33"E, 86.64 feet to a point on the pierhead and bulkhead line, thence S39°-13'-00"W, 141.06 feet along the pierhead and bulkhead line to a point thereon, thence N60°-14'-33"W, 62.71 feet to a point off the southwesterly corner of said pier, thence N29°-45'-27"E, 139.50 feet to the place of beginning; being 0.24 acre more or less.

W. R. CROCKER
L.S. #24078

ANNEX VII

August 23, 1969

Description of

A Line Parallel to and Five Feet Distant from the Southerly, Easterly, and Northerly Faces of the Queensboro Bridge Pier, on the Westerly Bank of Welfare Island, County of New York, State of New York, the Westerly Line of this Description is the Pierhead and Bulkhead Line in the Westerly Channel of the East River.

Beginning at a point five feet distant from the easterly and northerly faces of the aforementioned pier, said point being S47-51-59W. U.S.A. Engineer's datum, 3.97 feet from the BL point KG-5 and running thence S29°-45'-44"W, 139.84 feet along a line five feet easterly of easterly face of said pier to a point off the Southeasterly corner thereof, said point being S28°-11'-01"W, 140.74 feet from the BL point K.G.-5, thence N60°-14'-17"W, 102.42 feet to a point on the pierhead and bulkhead line, thence N34°-27'-00"E, 140.31 feet along the pierhead and bulkhead line to a point thereon, thence S60°-14'-16"E, 90.95' to the place of beginning; being 0.31 acre more or less.

W. R. CROCKER
L.S. 24078

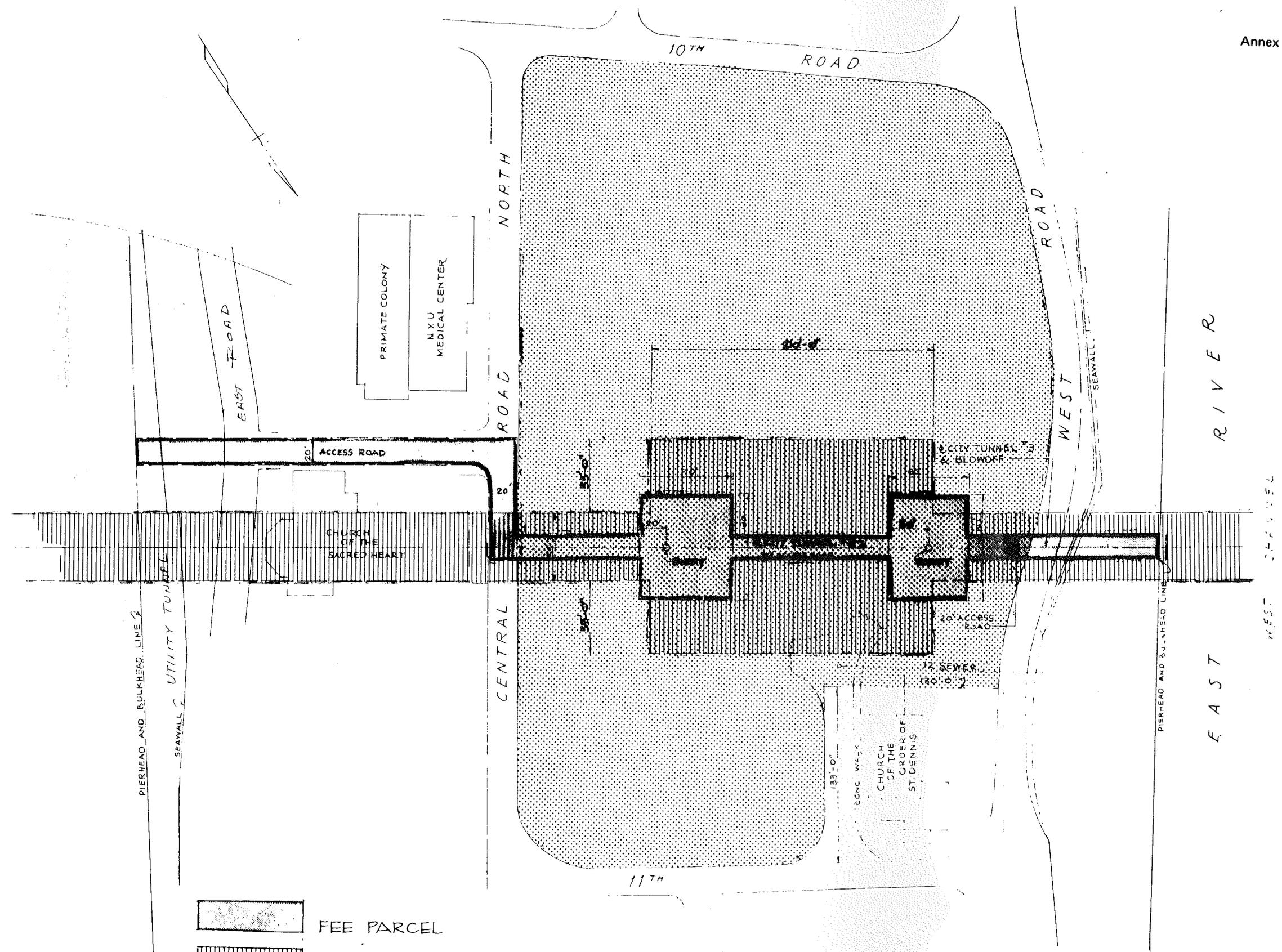
Annex VIII

Annex IX—Pages 1 through 6

(See opposite) 

EAST RIVER CHANNEL

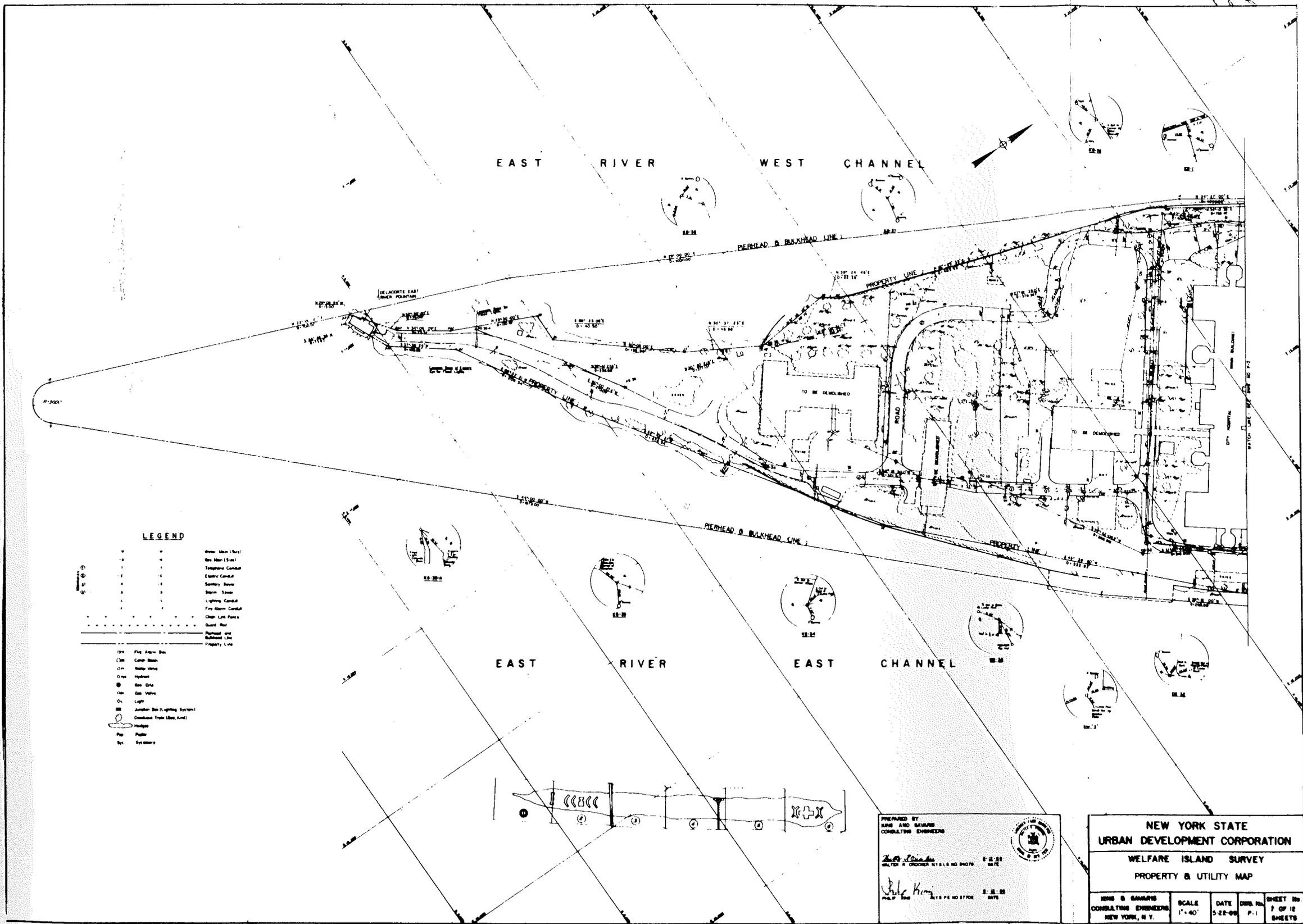
EAST



-  FEE PARCEL
-  SUBSURFACE EASEMENT IN PERPETUITY
-  TEMPORARY EASEMENT FOR CONSTRUCTION

NOTE: REVISED FROM XCCBX 43 - LCM 454 (8-27-64)
 EXTENDED EASEMENTS (10-15-64)

BOARD OF WATER SUPPLY - CITY OF NEW YORK			
CITY CONST. DEPT - DIVISION BRONX			
TITLE WELFARE ISLAND SHAFT 15.B			
EASEMENTS			
SCALE	1" = 40 FT.		
DATE	10/15/69		
REF	JWCS XCCBX 143 - LCM 459		
	LCM/P		
	FIELD NOTES		
CASE	DRAW	ACC	CCBX 50



LEGEND

- | | |
|-----|-------------------------------|
| • | Water Meter (Sewer) |
| • | Gas Meter (Sewer) |
| • | Telephone Conduit |
| • | Electric Conduit |
| • | Sanitary Sewer |
| • | Storm Sewer |
| • | Lighting Conduit |
| • | Fire Alarm Conduit |
| • | Chimney |
| • | Guard Rail |
| • | Boundary and Subdivision Line |
| • | Property Line |
| --- | Fire Alarm Box |
| --- | Conduit Bunch |
| --- | Water Valve |
| --- | Hydrant |
| --- | Gas Valve |
| --- | Light |
| --- | Transformer (Lighting System) |
| --- | Overhead Trolley (Sub. Line) |
| --- | Hedge |
| --- | Fence |
| --- | Settlement |

PREPARED BY
KING AND SARAVIS
CONSULTING ENGINEERS

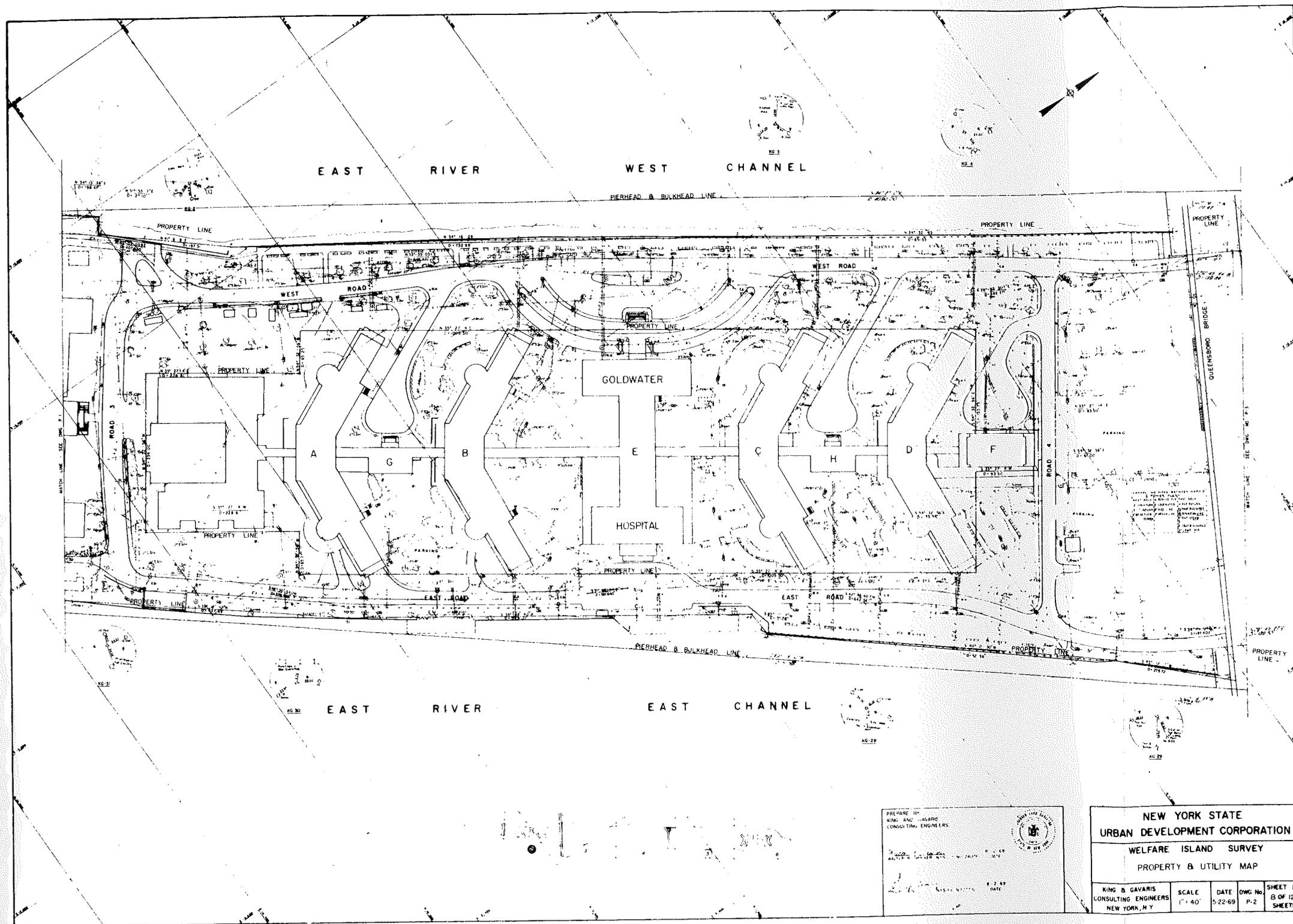
Walter J. Gochet
WALTER J. GOCHET 11118 RD 37078 E. E. 99
DATE

Paul K. King
PAUL K. KING 11118 RD 37078 E. E. 99
DATE

NEW YORK STATE
URBAN DEVELOPMENT CORPORATION

WELFARE ISLAND SURVEY
PROPERTY & UTILITY MAP

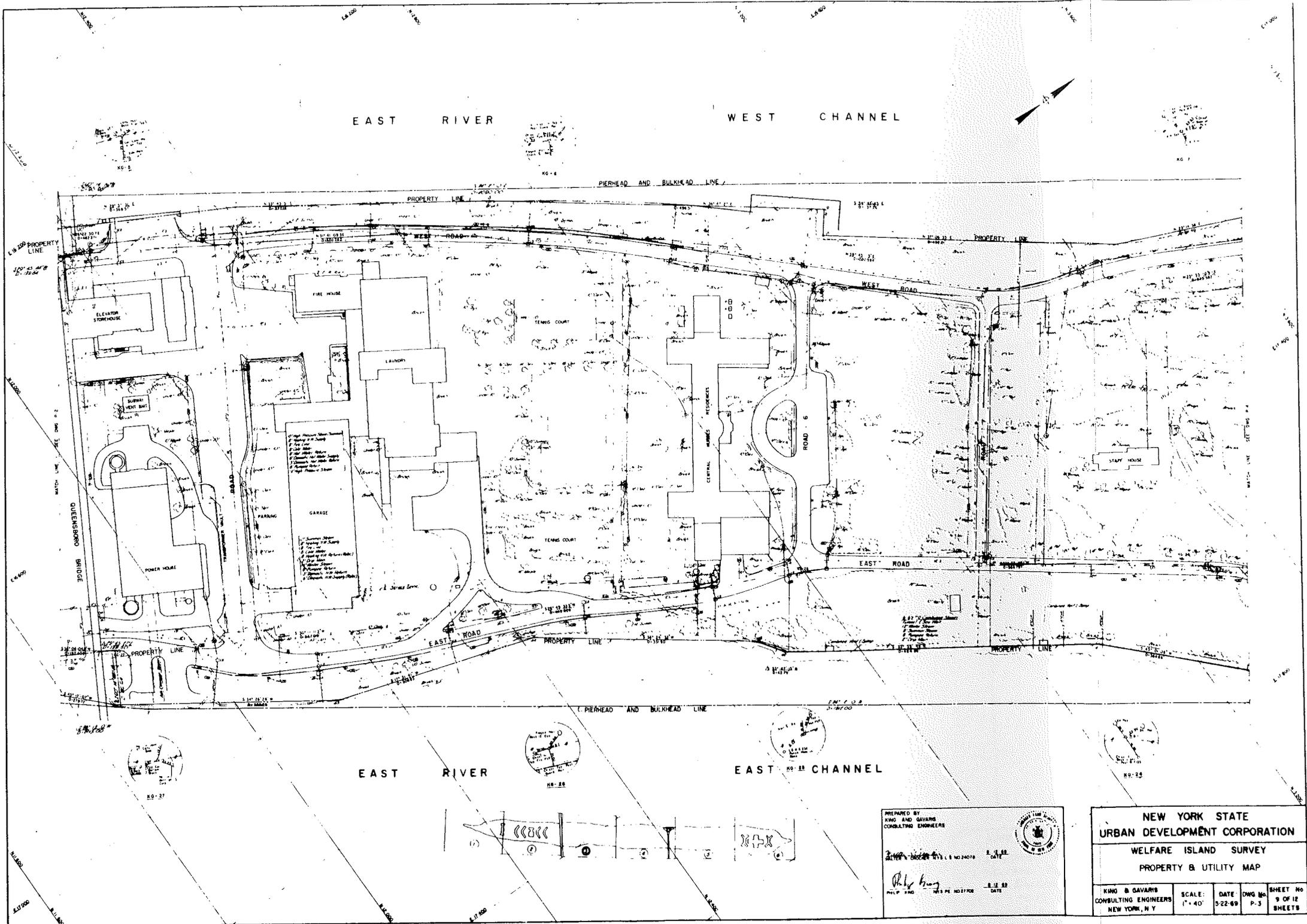
KING & SARAVIS CONSULTING ENGINEERS NEW YORK, N. Y.	SCALE 1" = 40'	DATE 5-22-99	DWG. NO. P-1	SHEET NO. 7 OF 12 SHEETS
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KING & GAVARIS
CONSULTING ENGINEERS
NEW YORK, N. Y.

NEW YORK STATE
URBAN DEVELOPMENT CORPORATION
WELFARE ISLAND SURVEY
PROPERTY & UTILITY MAP

KING & GAVARIS CONSULTING ENGINEERS NEW YORK, N. Y.	SCALE 1" = 40'	DATE 5-22-69	DWG. NO. P-2	SHEET NO. 8 OF 12 SHEETS
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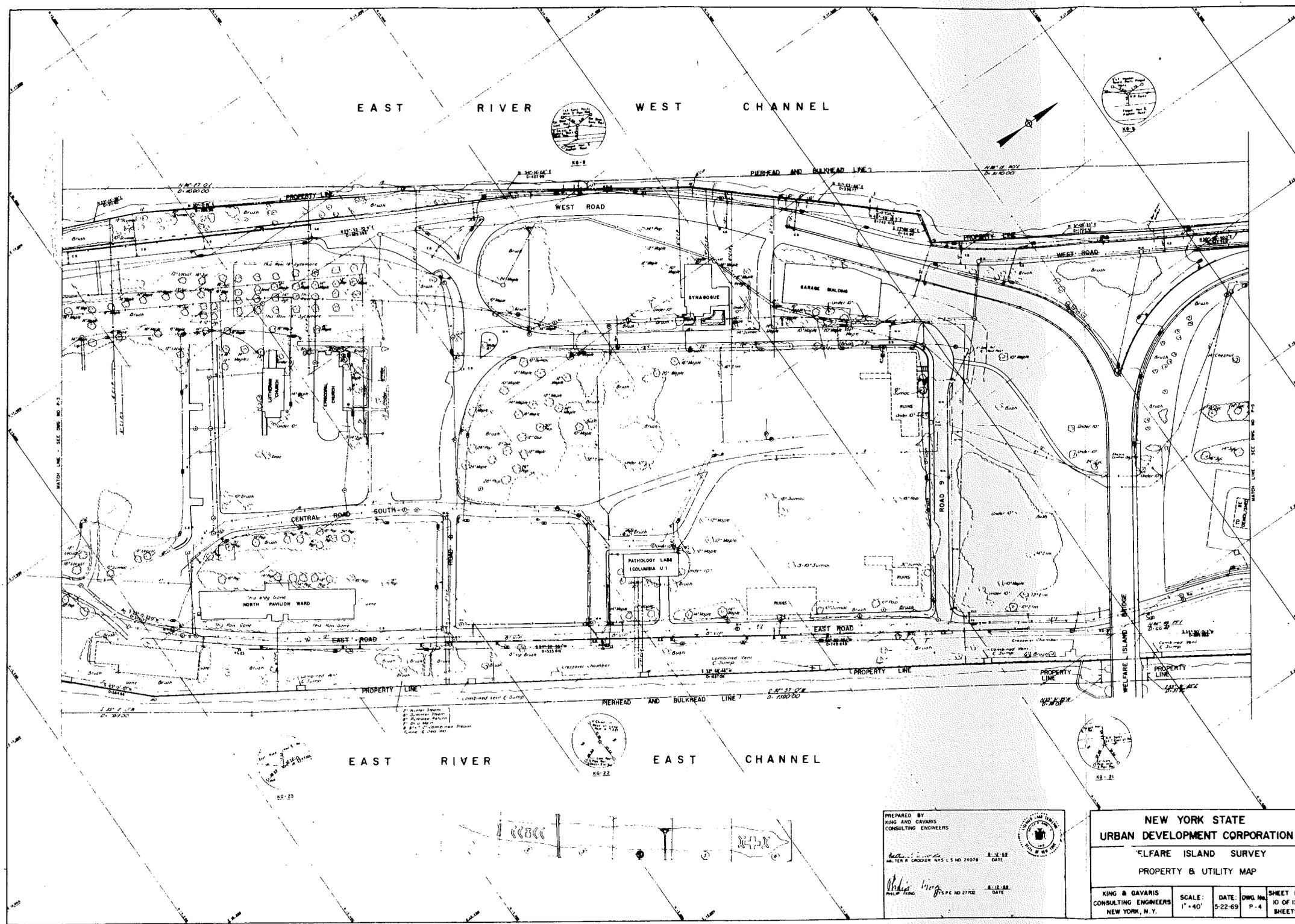


PREPARED BY
KING AND GAVARS
CONSULTING ENGINEERS
NEW YORK, N. Y.
DATE: 5-22-69



NEW YORK STATE
URBAN DEVELOPMENT CORPORATION
WELFARE ISLAND SURVEY
PROPERTY & UTILITY MAP

KING & GAVARS CONSULTING ENGINEERS NEW YORK, N. Y.	SCALE: 1" = 40'	DATE: 5-22-69	DWG No. P-3	SHEET No. 9 OF 12 SHEETS
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PREPARED BY
KING AND GAVARIS
CONSULTING ENGINEERS

DATE: 8-22-69
NO. 118 R. CROCKER WTS. L.S. NO. 24078

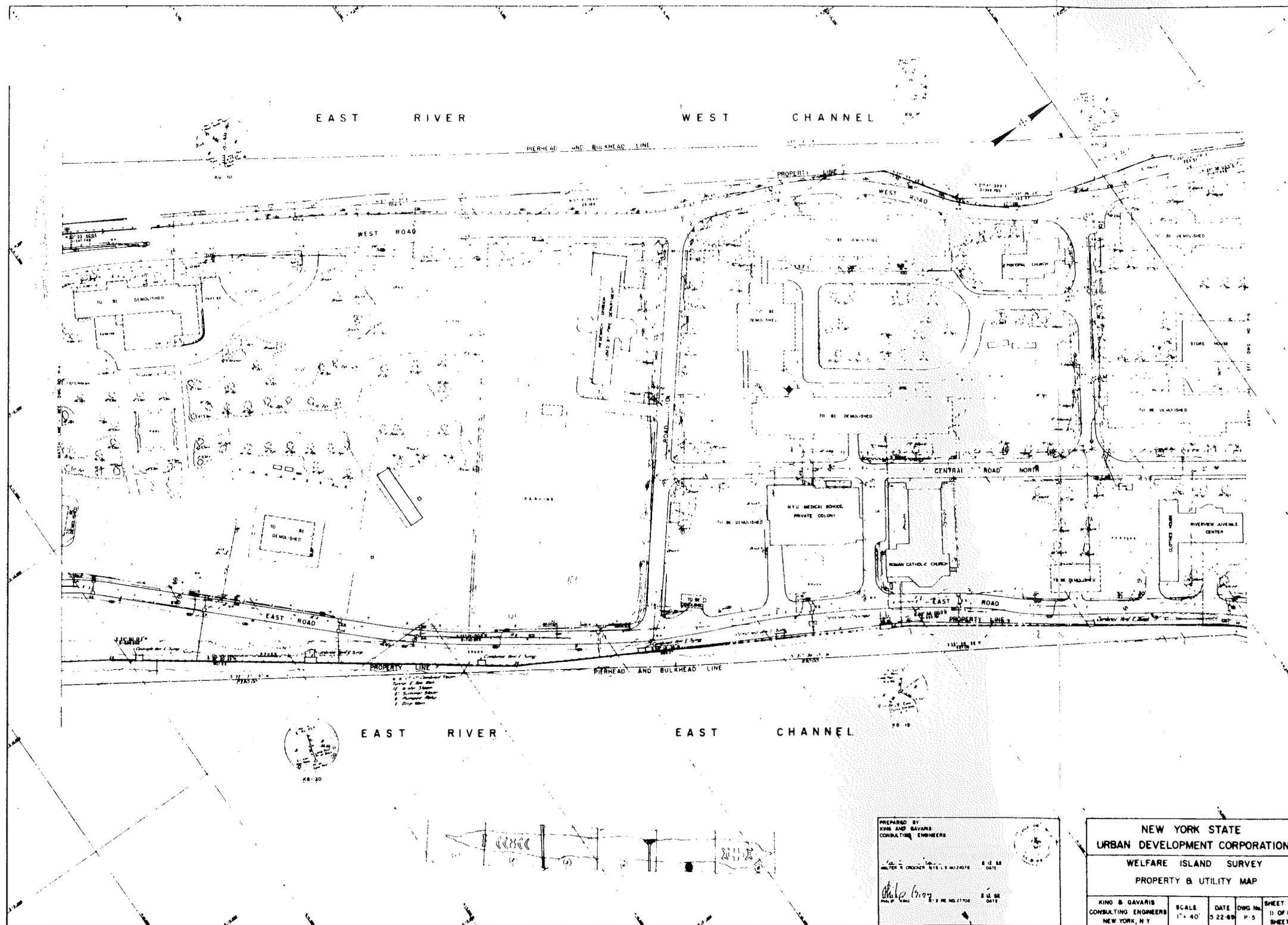
DATE: 8-22-68
NO. 118 R. CROCKER WTS. L.S. NO. 27702



NEW YORK STATE
URBAN DEVELOPMENT CORPORATION

WELFARE ISLAND SURVEY
PROPERTY & UTILITY MAP

KING & GAVARIS CONSULTING ENGINEERS NEW YORK, N.Y.	SCALE: 1" = 40'	DATE: 5-22-69	DWG. No. P-4	SHEET No. 10 OF 12 SHEETS
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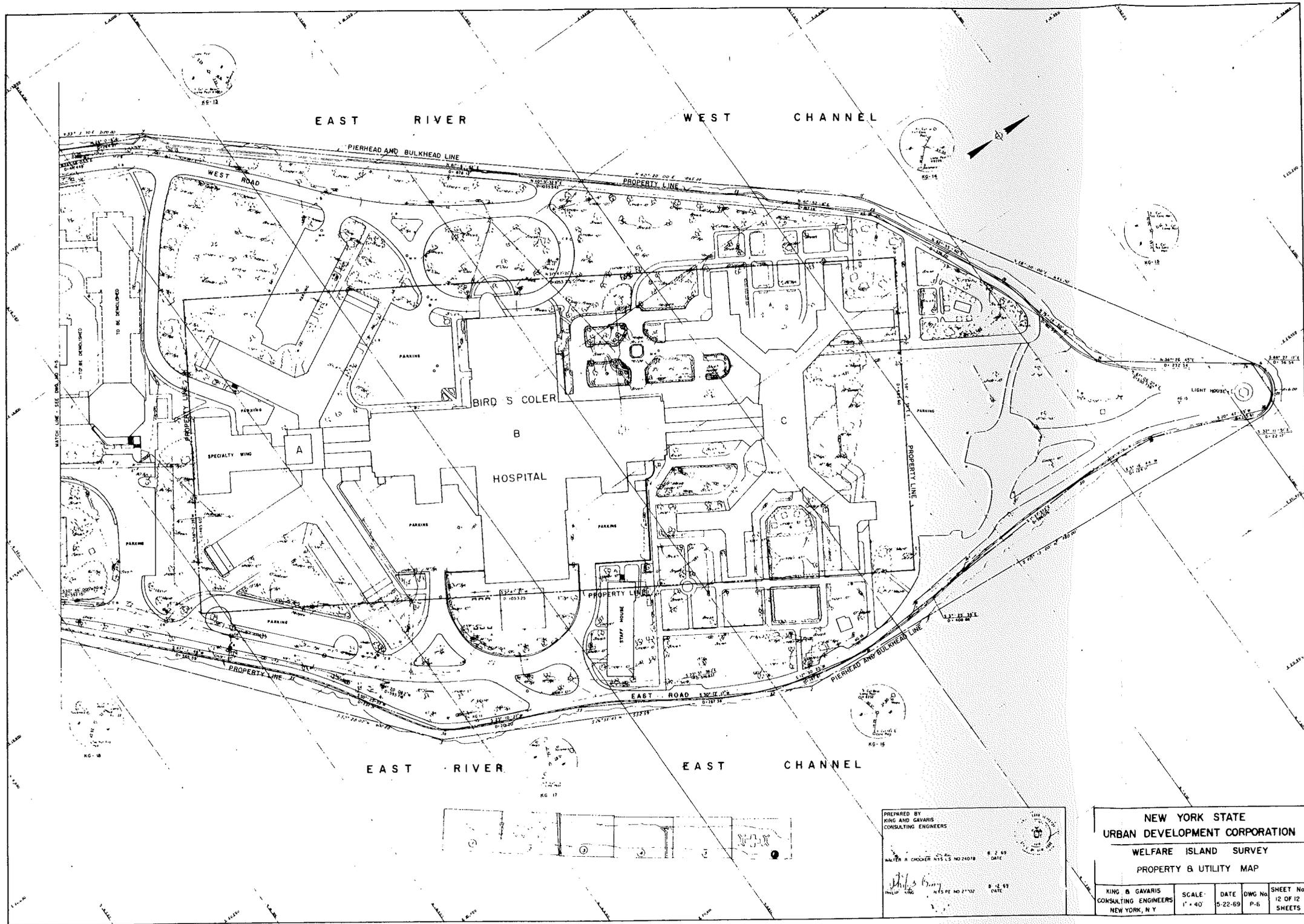


PREPARED BY
KING AND GAVARIS
CONSULTING ENGINEERS

DATE 5 22 68

DATE 5 22 68

NEW YORK STATE				
URBAN DEVELOPMENT CORPORATION				
WELFARE ISLAND SURVEY				
PROPERTY & UTILITY MAP				
KING & GAVARIS CONSULTING ENGINEERS NEW YORK, N.Y.	SCALE 1" = 40'	DATE 5 22 68	DWG. No. P-5	SHEET No. 11 OF 12 SHEETS



PREPARED BY
KING AND GAVARIS
CONSULTING ENGINEERS

WALTER R. CHICKER 4155 L.S. NO 24018 6-2-69 DATE

Philip D. King
PHILIP D. KING 4155 L.S. NO 27702 6-2-69 DATE

NEW YORK STATE
URBAN DEVELOPMENT CORPORATION

WELFARE ISLAND SURVEY
PROPERTY & UTILITY MAP

KING & GAVARIS CONSULTING ENGINEERS NEW YORK, N.Y.	SCALE: 1" = 40'	DATE 5-22-69	DWG No. P-6	SHEET No. 12 OF 12 SHEETS
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SCHEDULE 2**GENERAL DEVELOPMENT PLAN**

The City of New York (the "City") and the New York State Urban Development Corporation (the "Corporation") have agreed that the City and the Corporation should collaborate to develop Welfare Island (the "Island") generally on the basis of the recommendations of the Mayor's Committee on Welfare Island. The object of collaboration is to use the full powers of the Corporation to create on the Island as rapidly as possible a New Community. The object of the New Community is to make the maximum contribution to the present needs of the City consistent with the limitations of the Island site and of foreseeably available financing.

To that end, the Corporation has organized a subsidiary of the Corporation (the "Subsidiary") in order to assure full participation by the City in such development, has prepared the Lease dated December 23, 1969 between the City, the Corporation and the Subsidiary (the "Lease") and has caused this General Development Plan to be prepared by Philip Johnson and John Burgee, Architects.

Upon execution of the Lease and in accordance with the provisions thereof, the Corporation will undertake the development described below.

1. *Basic Program.* The Corporation will develop on the Island a New Community including approximately 5,000 units of housing (including a program of hospital related housing developed in consultation with the City), approximately 200,000 square feet of office space, approximately 100,000 square feet of commercial space and the public facilities defined below. The New Community will be developed in two areas, a South Town Area and a North Town Area, with a Town Center in the South Town Area and with related Open Space Areas.

The housing will be provided approximately as follows: (a) 20% for persons and families eligible for admission to Federally-assisted public housing; (b) 10% for elderly persons and families of the

same income class; (c) 25% for persons and families eligible to benefit from interest reduction payments pursuant to Section 236 of the National Housing Act; (d) 20% for persons and families eligible to occupy limited profit housing financed under Article 2 of the New York State Private Housing Finance Law; and (e) 25% for persons and families who can afford conventionally financed and fully tax-paying units. Bedroom distributions in such housing will offer accommodations for a substantial number of families with one or more children and for hospital employees. For purposes of the Lease, Subsidized Housing includes all units occupied by any person or family in categories (a), (b) and (c) hereof, Middle Income Housing includes all units occupied by any person or family in category (d) hereof and Conventionally Financed Housing includes all remaining housing units.

The public facilities (for purposes of the Lease, the Public Facilities) are as follows: A school or schools for grades K through 8 to serve approximately 2000 children of Island residents; a library facility; a comprehensive system of community facilities including community rooms, daycare centers for Island children, facilities for the elderly, two swimming pools and other recreation facilities; a fire station and police office; public open spaces including a Town Square, a Town Harbor and a glass-enclosed shopping arcade; a public street system; a pedestrian circulation system of pedestrian and bicycle paths, including a Waterfront Promenade suitable for use by emergency vehicles; a mini-transit system; a garage for approximately 2500 cars; utility facilities including a water main, facilities for the collection, treatment and disposition of liquid and solid wastes, gas, telephone and electric lines; and Open Spaces Areas to be developed as parks (subject to delays attributable to Lessor's activities in connection with the construction of water tunnel #3) with the landmarks identified below stabilized. Public facilities will also include a new elevator to the Queensborough Bridge if the Corporation determines in its discretion that such elevator is feasible, and an Urban Ecology Center and rehabilitation of the identified landmarks, if such Center and rehabilitation can be financed other than with financing from the

Corporation. The Corporation will maintain and operate or cause to be maintained and operated the mini-transit system, the elevator, the garage and the public open spaces.

The Town Center will be focus for Island life and will contain commercial facilities sufficient for the daily needs of New Community residents and persons working in New Community offices. Office space, accommodations for transients, the police and fire services and public open spaces will be developed there.

The public streets and pedestrian circulation system within the North and South Town areas will be based on a street system down the length of the Island with a loop within the South Town Area and related access roads,, walkways and paths. The system will emphasize pedestrian circulation and travel by public transport on the mini-transit system within the Island. Residents, employees and visitors will be encouraged to park their cars at the garage called the Motor-gate, to be built at the Island end of the Welfare Island Bridge.

The Open Space Areas will be developed to serve residents of the City as a whole, as well as residents of the Island.

Access will be provided to the Bird S. Coler and Goldwater Memorial Hospitals on the Island.

2. Land Use. The New Community will be constructed in two principal development areas, a North Town Area and a South Town Area and related Open Space Areas.

The North Town Area will contain approximately sixty percent of the dwelling units, including some units of all types, the Motorgate, a utility complex, commercial facilities and child care and recreational facilities, including a swimming pool. A landmark in the area, the Chapel of the Good Shepherd, will be preserved.

The South Town Area will contain approximately forty percent of the dwelling units, including some units of all types, a swimming pool, the library, the schools and the Town Center. The Town Center will be located at the site of the new IND subway station to be provided by the MTA.

The Open Space Areas are: Lighthouse Park, approximately three acres at the north end of the Island, including the existing

inactive lighthouse; Octagon Park, approximately twenty-five acres immediately south of the Bird S. Coler Hospital and north of the North Town Area, containing the site for the Urban Ecology Center and a landmark, the Octagon; Blackwell Park, approximately six acres separating the North Town Area and the South Town Area, containing a landmark, the Blackwell House; and Southpoint Park approximately ten acres south of Goldwater Memorial Hospital at the south end of the Island containing three landmarks, the Strecker Laboratory, the main building of the old City Hospital and the former Small Pox Hospital.

An additional Open Space Area, approximately seven acres under the Queensborough Bridge, will be developed as a Sports Park for residents with areas for games.

The Open Space Areas will be interlinked by a system of pedestrian paths and walkways. The entire waterfront of the Island will be reserved for pedestrians and cyclists on a Waterfront Promenade suitable for use by emergency vehicles.

Maps of existing land uses and of the proposed Town and Open Space Areas are annexed as Appendix I and II, respectively.

3. *Design Criteria.* Residential building elements in the North and South Town Areas will be irregularly shaped structures opening towards the water, approximately twelve stories high in their highest parts along the main street and diminishing in height as their extensions approach the Waterfront Promenade. Buildings will provide community rooms and service facilities for tenants and recreational lawn areas between their extensions.

The Town Center, the highest part of the development, will extend east and west across the island. It will include a Town Square facing Manhattan and a Town Harbor facing Queens linked by an enclosed shopping arcade with colonnades on both the Town Square and the Town Harbor. The loop of the main street will intersect it.

Lighthouse and Southpoint Parks at the ends of the Island will offer sitting and picnic areas at the edge of the water. Other parks will be landscaped to enhance existing topography and growth.

The site plan annexed as Appendix III is illustrative only and does not indicate the final form or location of the improvements.

4. *Circulation.* The City and the Corporation anticipate that the following access routes will be available to Island residents: access for vehicles and pedestrians by the existing Welfare Island Bridge which the City owns and will maintain; access by water, to the extent feasible, to be provided by landings on the west side of Octagon Park and in the Town Center at the Town Square and Town Harbor; access for pedestrians by a new subway station to be provided by the MTA; and access for pedestrians from the Queensborough Bridge by new passenger elevators descending into the Sports Park, if the Corporation constructs such new elevators. It is generally agreed that inexpensive and convenient access for pedestrians by subway from both Manhattan and Queens will be essential for the general success of the Welfare Island New Community, and that provision of such access by the time dwelling units and office space are ready for occupancy is of central importance.

The principal vehicular routes on the Island will start from a plaza at the Motorgate and provide roads north to Bird S. Coler Hospital and Lighthouse Park and south through the New Community to Goldwater Memorial Hospital and Southpoint Park.

Pedestrian circulation will be provided by internal walkway systems within the parks and by pedestrian streets and plazas in the residential and Town Center sections of the New Community. The Waterfront Promenade will serve pedestrians and cyclists.

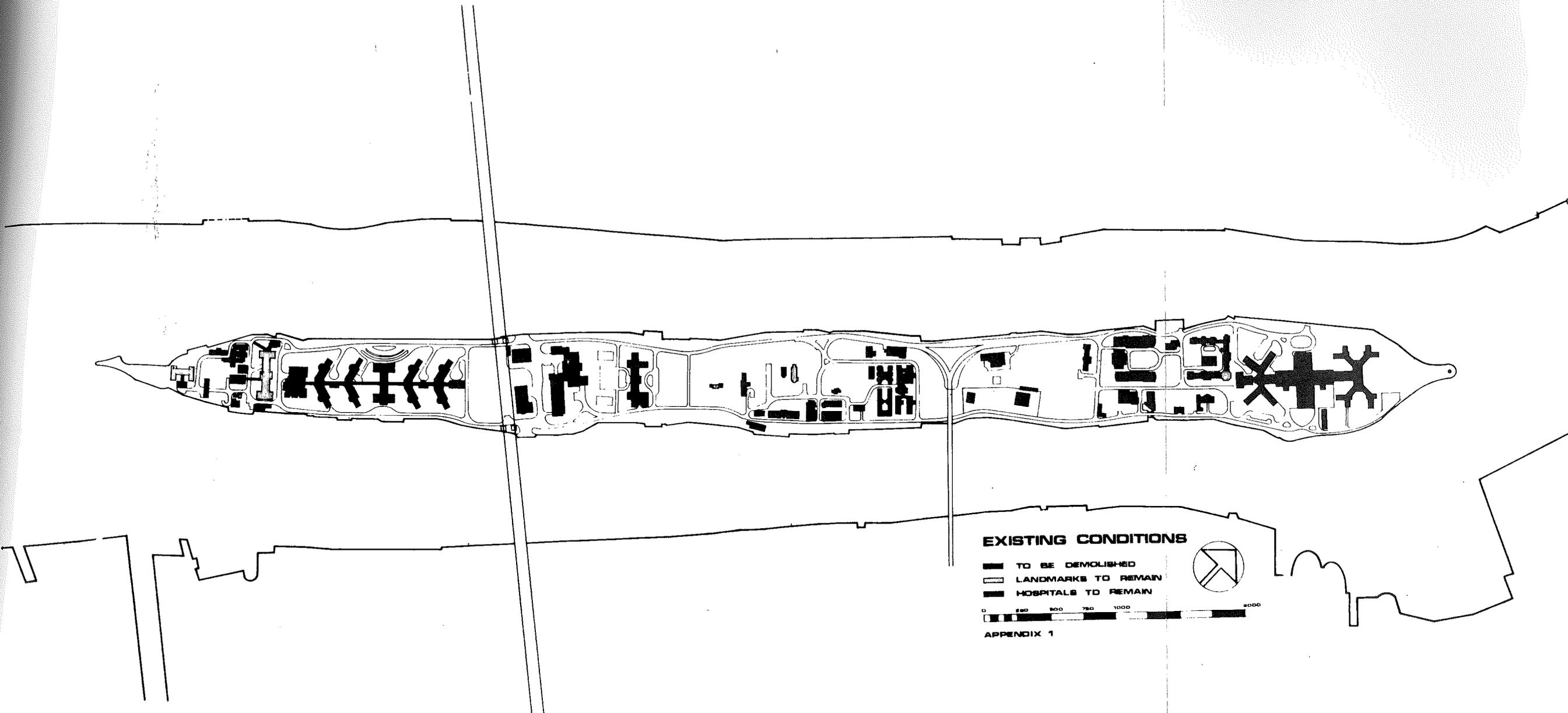
The principal on-Island public transportation system will be a mini-transit system chosen for its efficiency and economy. Residents and visitors will be encouraged to leave their cars at the Motorgate plaza except when loading and unloading.

[CHART]

Appendix 1

Appendix 2

(See opposite) 

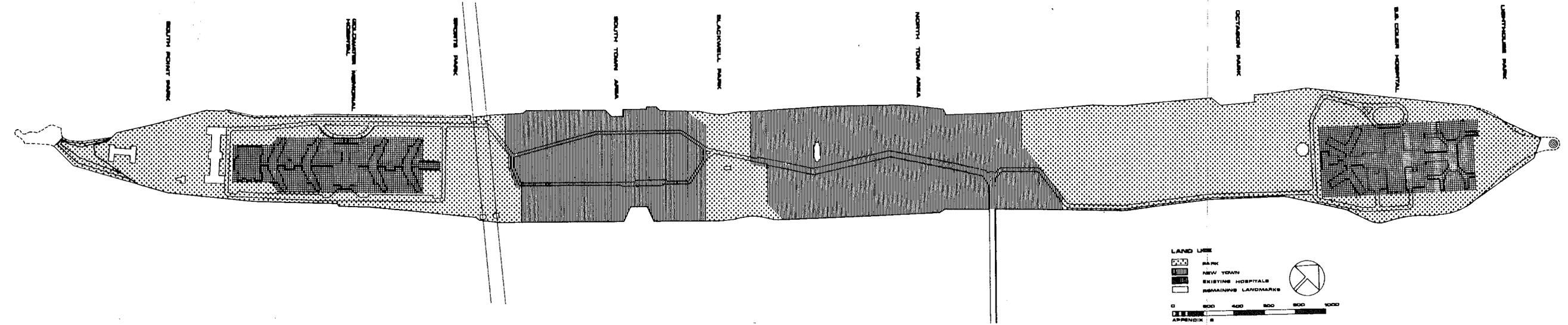


EXISTING CONDITIONS

- TO BE DEMOLISHED
- - - LANDMARKS TO REMAIN
- ▬ HOSPITALS TO REMAIN



APPENDIX 1



LAND USE

	PARK
	NEW TOWN
	EXISTING HOSPITALS
	EXISTING LANDMARKS

0 200 400 600 800 1000

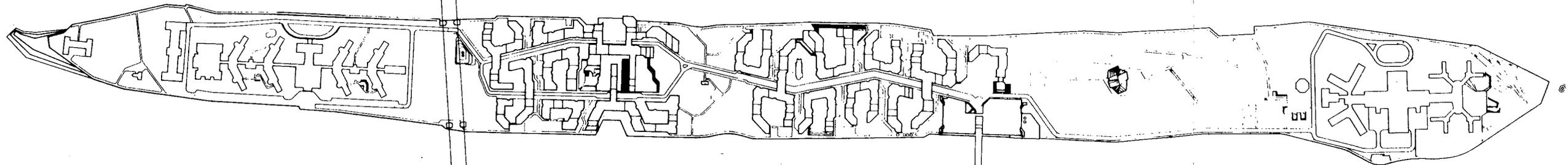
APPENDIX 2

[CHART]

[CHART]

Appendix 3

(See opposite) 



ILLUSTRATIVE
SITE
PLAN



SCHEDULE 3
LESSOR'S DEMOLITION

The Lessor will demolish the following improvements existing on the Leased Premises and identified by the numbers by which they are identified on the map called Welfare Island Plot Plan delivered by Lessee to Lessor with respect to such demolition:

<u>Building Numbers</u>	
226	267
227	268
228	269
233	270
237	272
242	273
241	255
240	252
225	253
260	251
261	250
281	256 (other than the Octagon)
262	257
	276

EXHIBIT A
AGREEMENT

THIS AGREEMENT, made this 23rd day of December, 1969, by and among the NEW YORK STATE URBAN DEVELOPMENT CORPORATION, a public benefit corporation of the State of New York (the "Corporation") having an office at 666 Fifth Avenue, Borough of Manhattan, City, County and State of New York, THE CITY OF NEW YORK, a municipal corporation of the State of New York (the "City") having an office at City Hall, Borough of Manhattan, City, County and State of New York and the WELFARE ISLAND DEVELOPMENT CORPORATION, a New York corporation and a subsidiary of the Corporation (the "Subsidiary") having an office at 666 Fifth Avenue, Borough of Manhattan, City, County and State of New York.

WITNESSETH :

WHEREAS, the City and the Corporation have agreed to collaborate to develop Welfare Island;

WHEREAS, the Corporation has agreed to lease certain premises on Welfare Island (the "Leased Premises") from the City and to develop thereon certain improvements (the "Improvements") called for by the General Development Plan (the "General Development Plan"), including subsidized housing ("Subsidized Housing"), middle income housing ("Middle Income Housing"), conventionally financed housing ("Conventionally Financed Housing"), public facilities ("Public Facilities") and commercial space ("Commercial Space"), all as defined and described in the lease between the Corporation, the City and Subsidiary dated December 23, 1969 (the "Lease");

WHEREAS, the Corporation has organized Subsidiary to provide certain services in connection with the development of Welfare Island and Subsidiary wishes to render such services; and

WHEREAS, in order to assure full participation by the City in the development of Welfare Island and in consideration of the execution of the Lease by the City, the Corporation has prepared this Agreement for execution by the City and Subsidiary and the City and Subsidiary wish to execute this Agreement;

Now, THEREFORE, in consideration of the mutual covenants herein contained, the Corporation, the City and Subsidiary hereby agree as follows:

1. *Services of Subsidiary.* In order to assist the Corporation in carrying out its obligations and functions under the Lease, Subsidiary shall render all services necessary to bring about the development of the Leased Premises in accordance with the General Development Plan, including, without limitation, the following:

(a) Subsidiary will prepare a detailed program for each Improvement called for by the General Development Plan and will arrange with architects and engineers to prepare complete designs, plans and specifications therefor and to inspect the construction thereof;

(b) Subsidiary will conduct all studies and reviews and prepare all applications, contracts, leases and other documents and materials necessary to obtain financing from public agencies or private investors for each Improvement and to procure all interest reduction, capital grant and other contracts or grants for any additional public subsidies required thereby;

(c) Subsidiary will obtain and designate a developer or developers, which developer may be the Corporation, for each Improvement and will prepare all contracts, leases, deeds and other documents necessary to secure the participation thereof in the development of each such Improvement;

(d) Subsidiary will obtain and designate a builder or builders for each Improvement and will prepare all contracts, subcontracts, bid documents and other documents necessary to permit such builder or builders to construct such Improvement;

(e) Subsidiary will supervise the construction of each such Improvement on behalf of the City and the Corporation and the

completion of each such Improvement in accordance with the final designs, plans and specifications therefor and in accordance with all laws and regulations applicable thereto;

(f) Subsidiary will manage each such Improvement when completed if requested to do so by the Corporation; and

(g) Subsidiary shall take all steps necessary to assure the success of the development of Welfare Island as a new community, as provided in the General Development Plan.

2. *Obligations of the Corporation.* Upon delivery to and approval by the Corporation of the designs, applications, contracts, leases and other documents prepared by Subsidiary with respect to each Improvement and of all matters set forth therein, the Corporation will develop each such Improvement or cause each such Improvement to be developed in the manner set forth in such documents as follows:

(a) With respect to each Improvement consisting of Subsidized Housing or Middle Income Housing, the Corporation will (i) take all necessary steps to make the development of such Improvement a project of the Corporation; (ii) apply under its usual certificate to the appropriate public agency or agencies or otherwise provide for financing for and for any other subsidy required by such Improvement; (iii) form or cause to be formed a housing company subsidiary of the Corporation eligible to construct, own or operate such Improvement; (iv) cause such housing company to enter into the agreements prepared by Subsidiary and take all other steps required for such development; (v) sublease to such housing company the portion of the Leased Premises required for such Improvement; and (vi) sell such housing company to the developer designated by Subsidiary;

(b) With respect to each Improvement consisting of Conventionally Financed Housing, the Corporation will sublease to the developer designated by Subsidiary the portion of the Leased Premises required for such Improvement;

(c) With respect to each Improvement consisting of Commercial Space, the Corporation will sublease to the developer designated by Subsidiary the portion of the Leased Premises required for such Improvement or, if designated as developer,

will (i) take all steps necessary to make the development of such Commercial Space a project of the Corporation; (ii) provide financing for such development; (iii) enter into the agreements prepared by Subsidiary and take all other steps required for such development; and

(d) With respect to each Public Facility, the Corporation will (i) take all steps necessary to make the development of such Public Facility a project of the Corporation; (ii) provide financing for such development; (iii) enter into the agreements prepared by Subsidiary and take all other steps required for such development; and (iv) transfer such facility upon completion to the City as and when required by the Lease.

3. *Payment to Subsidiary.* The Corporation will pay to the Subsidiary compensation for services of Subsidiary rendered pursuant hereto, including, without limitation, Subsidiary's actual overhead and direct expenses relating to such services.

4. *Agreement of the City and the Corporation Concerning Subsidiary.* The Corporation shall vote its shares of the capital stock of Subsidiary and otherwise take all action permitted to be taken by it as shareholder of Subsidiary, and the City shall cause its officers or their designates to take all action permitted to be taken by them as directors of Subsidiary, in order to bring about or maintain the following:

(a) The Board of Directors of Subsidiary shall consist of eighteen directors who shall be elected at each annual meeting of Subsidiary to hold office until the next annual meeting of Subsidiary and until their successors shall have qualified;

(b) Such eighteen directors shall include the holders from time to time of the following offices: (i) the Administrator of the Housing and Development Administration of the City; (ii) the Chairman of the City Planning Commission of the City; (iii) the Administrator of the Parks, Recreation and Cultural Affairs Administration of the City; (iv) the Deputy Administrator of the Housing and Development Administration of the City; (v) the Chairman of the Corporation; (vi) the President and Chief Executive Officer of the Corporation; (vii) the General Manager of the

Corporation; (viii) the Comptroller of the City; (ix) the President of the City Council of the City; (x) the Borough President of Queens; and (xi) the Borough President of Manhattan;

(c) Each holder of an office specified in paragraph (b) above may in his discretion designate in a writing delivered to the Secretary of Subsidiary prior to the first meeting of the directors of Subsidiary after the accession of such holder to such office and prior to each annual meeting of the shareholders of Subsidiary while such holder continues to hold such office, a person who shall be elected a director of Subsidiary in lieu of such holder;

(d) The remaining seven directors shall be independent citizens of the City not officers of the City or the State of New York designated by a nominating committee consisting of the President and Chief Executive Officer of the Corporation and the Administrator of the Housing and Development Administration of the City;

(e) Eight directors shall constitute a quorum of the Board, which may act by vote of five directors;

(f) There shall be a Chairman of the Board of Directors to be elected each year by the directors from the seven directors designated as provided in (d) above; and

(g) There shall be a President who shall be the President and Chief Executive Officer of the Corporation and who shall designate the Chief Executive Officer of Subsidiary, subject to the approval of the Board of Directors of Subsidiary.

5. *Termination.* The term of this Agreement shall be ten (10) years from the date hereof and shall be automatically renewed for additional terms of one year commencing on the tenth anniversary of the date hereof and each subsequent anniversary of the date hereof unless the City and the Corporation shall have given notice of their intention to terminate no less than one hundred and eighty (180) days prior to the tenth anniversary of the date hereof or prior to any subsequent anniversary of the date hereof.

6. *Notice.* Any notice, demand or request which, under the terms of this Agreement or under any statute, must or may be given

or made by the parties hereto, shall be in writing and shall be given by mailing the same by registered or certified mail addressed to (a) the City addressed as follows: Administrator, Housing and Development Administration of the City of New York, 100 Gold Street, Borough of Manhattan, City, County and State of New York; (b) the Corporation addressed as follows: General Manager, New York State Urban Development Corporation, 666 Fifth Avenue, Borough of Manhattan, City, County and State of New York; and (c) Subsidiary addressed as follows: President, Welfare Island Development Corporation, 666 Fifth Avenue, Borough of Manhattan, City, County and State of New York. Any notice given hereunder shall be deemed delivered when deposited in a United States general or branch post office, enclosed in a registered or certified prepaid wrapper, addressed as hereinbefore provided. Any such address may be changed from time to time upon notice given by the addressee in the manner herein provided.

7. *Arbitration.* Any dispute between the Corporation and Subsidiary with respect to any matter in this Agreement shall be settled by arbitration between them in the manner set forth in Paragraph 16 of the Lease for arbitration between the Corporation and the City. Any dispute between the Corporation and the City with respect to matters set forth in Paragraph 4 hereof shall be settled by arbitration between them in the manner set forth in Paragraph 16 of the Lease.

IN WITNESS WHEREOF, the undersigned have duly executed this Agreement as of the day and year first above written.

NEW YORK STATE URBAN DEVELOPMENT
CORPORATION

By _____
President and Chief Executive Officer

ATTEST:

By _____
Secretary

THE CITY OF NEW YORK

By _____
Administrator, Housing and
Development Administration

ATTEST:

By _____
City Clerk

APPROVED AS TO FORM:

By _____
Corporation Counsel

WELFARE ISLAND DEVELOPMENT CORPORATION

By _____
President

ATTEST:

By _____
Secretary

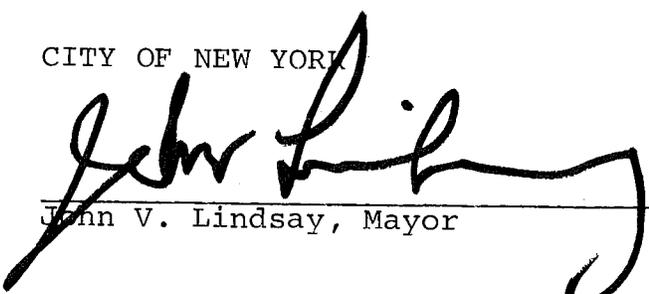
July 26 , 1972

AGREEMENT

In accordance with the provisions of Section 22 of the Lease of Welfare Island dated December 23, 1969 (the "Lease") between the City of New York, the New York State Urban Development Corporation ("UDC") and the Welfare Island Development Corporation, the undersigned, John V. Lindsay, Mayor of the City of New York, and Edward J. Logue, President and Chief Executive Officer of UDC, hereby agree to modify the General Development Plan made part of the Lease by substituting the word "twenty-one" for the word "twelve" in the third line of Section 3 of such Plan.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands as of the day first above written.

CITY OF NEW YORK



John V. Lindsay, Mayor

NEW YORK STATE URBAN DEVELOPMENT CORPORATION



Edward J. Logue, President
and Chief Executive Officer

December 6, 1973

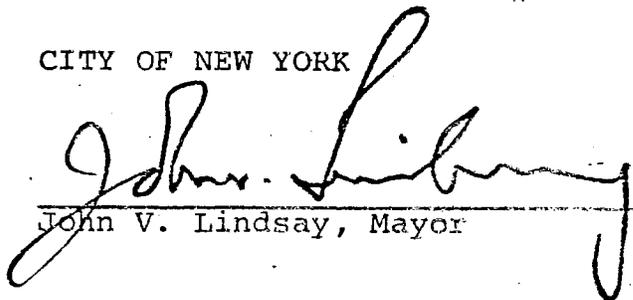
NY!

AGREEMENT

In accordance with the provisions of Section 22 of the Lease of Roosevelt Island (formerly Welfare Island) dated December 23, 1969 (the "Lease") between the City of New York, the New York State Urban Development Corporation ("UDC") and the Roosevelt Island Development Corporation, the undersigned, John V. Lindsay, Mayor of the City of New York, and Edward J. Logue, President and Chief Executive Officer of UDC, hereby agree to modify the General Development Plan made part of the Lease by substituting the words "an aerial tramway to Manhattan in accordance with the authorization of the Board of Estimate therefor on December 6, 1973 (Cal. No. 18)" for the words "a new elevator to the Queensborough Bridge" in the seventeenth and eighteenth lines of the fourth paragraph of Section 1 of such Plan.

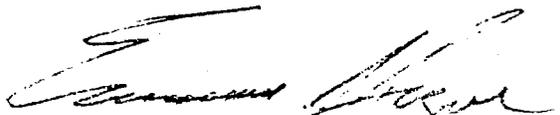
IN WITNESS WHEREOF, the parties hereto have hereunto set their hands as of the day first above written.

CITY OF NEW YORK



John V. Lindsay, Mayor

NEW YORK STATE URBAN DEVELOPMENT CORPORATION



Edward J. Logue,
President and Chief Executive Officer

ed as to form


John R. Thompson
Acting Corporation Counsel

April 1974

NOTES to accompany Reprint:

1. By City of New York Board of Estimate resolution dated February 8, 1973 (Cal. No. 268), the Comptroller of the City of New York was excluded from membership of the Board of Directors of the Welfare Island Development Corporation.
2. By City of New York Board of Estimate resolution dated April 12, 1973 (Cal. No. 283), the President of the New York City Health and Hospitals Corporation replaced the Comptroller as a member of the Board of Directors of the Welfare Island Development Corporation.
3. By the City of New York Local Law 49 of 1973, (Council Int. 1194), Welfare island was renamed Franklin D. Roosevelt island.
4. By Certificate of Amendment of the Certificate of Incorporation executed September 18, 1973 by the President, New York State Urban Development Corporation, the "Welfare Island Development Corporation" was renamed "Roosevelt Island Development Corporation."