Dutchess County DCida Industrial Development Agency

3 Neptune Road, Suite A21, Poughkeepsie, NY 12601
Tel. # - (845) 463-5400 / Fax # - (845) 463-0100

NOTICE AND CONFIRMATION
BOARD OF DIRECTORS SPECIAL MEETING

Friday, April 5, 2024
8:00 AM

DATE: April 1, 2024

TO: Mark Doyle, Vice Chair
Kathleen Bauer, Secretary/Treasurer
Amy Bombardieri
Jamie Piccone II
Al Torreggiani

FROM: Tim Dean, Chairman

A special meeting of the Dutchess County Industrial Development Agency [DCIDA] has been scheduled for **Friday, April 5, 2024 at 8:00 AM** at 3 Neptune Road, Suite A21, Poughkeepsie, NY 12601.

In compliance with NYS Senate Bill S88, signed into law on August 27, 2019 and effective as of January 2020, this meeting will be recorded.

PLEASE TAKE NOTICE that the Dutchess County Industrial Development Agency (the "Agency") Board Meeting scheduled for April 5, 2024 can also be viewed electronically via conference call by the public. Members of the public may listen to the Board meeting by logging into the Zoom Platform at https://us06web.zoom.us/j/88145492169 or calling 1-929-436-2866 Meeting ID: 881 4549 2169. The meeting will be recorded and will be posted to the Agency's website.

The purpose of the meeting is to consider the following:

1. Conflict of Interest Disclosures
2. Proof of Meeting Notice
3. Bills and Communications
4. Approval of Minutes
5. Report of the Treasurer
6. Reports of Committees
7. Unfinished Business
8. New Business
   A. For Consideration and Approval of a Resolution concerning Violet Estates Owner LLC (Town of Poughkeepsie) authorizing the Executive Director to execute certain documents in connection with a refinancing transaction and authorizing an amendment to the Lease Agreement to correct the existing PILOT Schedule.

Information Copy		
Sue Serino, DC Executive Will Truitt, Chairman, DC Legislature Ronald Hicks, Dutchess County	Sarah Lee, Executive Director Jane Denbaum, CFO Donald Cappillino, Counsel Elizabeth Cappillino, Counsel	B. Hunter, WEOK/WPDH H. Gross, Mid-Hudson News

Th!nk DUTCHESS

Dutchess County DCida Industrial Development Agency

3 Neptune Road, Suite A21, Poughkeepsie, NY 12601
Tel. # - (845) 463-5400 / Fax # - (845) 463-0100

BOARD OF DIRECTORS SPECIAL MEETING

Friday, April 5, 2024
8:00 AM

AGENDA

1. Roll Call
2. Conflict of Interest Disclosures
3. Proof of Meeting Notice
4. Bills and Communications
5. Approval of Minutes
6. Report of the Treasurer
7. Reports of Committees
8. Unfinished Business
9. New Business
   A. For Consideration and Approval of a Resolution concerning Violet Estates Owner LLC (Town of Poughkeepsie) authorizing the Executive Director to execute certain documents in connection with a refinancing transaction and authorizing an amendment to the Lease Agreement to correct the existing PILOT Schedule.
10. Adjournment

In compliance with NYS Senate Bill S88, signed into law on August 27, 2019 and effective as of January 2020, this meeting will be recorded.

PLEASE TAKE NOTICE that the Dutchess County Industrial Development Agency (the "Agency") Board Meeting scheduled for April 5, 2024 can also be viewed electronically via conference call by the public. Members of the public may listen to the Board meeting by logging into the Zoom Platform at https://us06web.zoom.us/j/88145492169 or calling 1-929-436-2866 Meeting ID: 881 4549 2169. The meeting will be recorded and will be posted to the Agency's website.

RESOLUTION AUTHORIZING AMENDMENT
(Violet Estates Owner LLC 2021 Project)

At a special meeting of the Dutchess County Industrial Development Agency (the "Agency") convened in public session at 8:00 a.m., local time at Three Neptune Road, Poughkeepsie, New York on the 5th day of April, 2024, the following members of the Agency were:

PRESENT: Timothy Dean, Chairman
Mark Doyle, Vice Chairman
Ronald J. Piccone, II
Amy L. Bombardieri

ABSENT: Kathleen M. Bauer, Secretary/ Treasurer
Alfred D. Torreggiani

ALSO PRESENT: Sarah Lee, Executive Director
Jane Denbaum, Chief Financial Officer
Donald Cappillino, Counsel
Elizabeth A. Cappillino, Counsel

After the meeting had been duly called to order, the (Vice) Chairman announced that among the purposes of the meeting was to consider and take action on certain matters pertaining to the amendment of documents related to a certain industrial development facility (Violet Estates Owner LLC 2021 Project) as more particularly described below:

RESOLUTION OF THE DUTCHESS COUNTY INDUSTRIAL DEVELOPMENT AGENCY AUTHORIZING MORTGAGE FINANCING FOR VIOLET ESTATES OWNER LLC, MAKING A CORRECTION TO THE PILOT SCHEDULE FOR THE VIOLET ESTATES OWNER LLC FACILITY AND APPROVING THE EXECUTION AND DELIVERY OF RELATED DOCUMENTS IN CONNECTION THEREWITH.

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended and Chapter 335 of the Laws of 1977 of the State of New York (collectively, the "**Act**"), the Agency was created with the authority and power among other things, to assist with the acquisition of certain industrial development projects as authorized by the Act; and

WHEREAS, the Agency previously provided its assistance to Violet Estates Owner LLC, a Delaware limited liability company authorized to transact business in the State of New York, having its principal office c/o Reynolds Asset Management at 45 Eisenhower Drive, Suite 500, Paramus, New Jersey 07652 (the "**Company**") with respect to the Facility (hereinafter defined), including exemptions from certain sales and use taxes, real property taxes, real estate transfer taxes and mortgage recording taxes (collectively, the "**Financial Assistance**") for the following project (the "**Project**"): (a) the acquisition of an approximately 7.194-acre parcel of land located at 35 Violet Avenue, Town of Poughkeepsie, County of Dutchess, State of New York, bearing Tax Map

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Grid No. 134689-6162-10-427650 (the "**Land**"), the demolition of existing structures on the Land, and the construction of (i) two (2) three-story, 14,400 square-foot mixed-use buildings each with seven (7) residential units and approximately 4,000 square feet of commercial space; (ii) one (1) three-story, 12,960 square-foot building with nine (9) residential units; (iii) one (1) three-story, 19,365 square-foot building with eleven (11) residential units and an approximately 1,443 square foot senior center; (iv) one (1) three-story, 25,380 square-foot building with twenty-three (23) residential units; and (v) one (1) three-story, 28,890 square-foot building with twenty-seven (27) residential units (the "**Improvements**"), and the acquisition and equipping of certain equipment not part of the Equipment (as such term is defined herein) (the "**Facility Equipment**"; and together with the Land and the Improvements, the "**Company Facility**"), which Company Facility is to be leased and subleased by the Agency to Company to Violet Estates LLC, a Delaware limited liability company (the "**Sublessee**"); and (b) the acquisition and installation of certain equipment and personal property (the "**Equipment**"; and together with the Company Facility, the "**Facility**"), which Equipment is to be leased by the Agency to the Sublessee, and which Facility is to be used by the Sublessee as a senior housing community and mixed-use commercial facility; and

WHEREAS, the Project was approved by the Agency by resolution duly adopted on December 9, 2020 (the "**Authorizing Resolution**"); and

WHEREAS, pursuant to the Authorizing Resolution, the Company Facility was leased by the Company to the Agency pursuant to the terms of the Company Lease Agreement, dated as of March 1, 2021 (the "**Company Lease**"), by and between the Company, as lessor, and the Agency, as lessee; and

WHEREAS, the Agency subleased the Company Facility to the Company pursuant to a certain Lease and Project Agreement, dated as of March 1, 2021 (the "**Lease Agreement**"), by and between the Agency, as sublessor, and the Company, as sublessee; and

WHEREAS, the Company agreed to transfer to the Agency title to the Equipment pursuant to a Bill of Sale, dated March 5, 2021 (the "**Bill of Sale**"); and

WHEREAS, the Company previously notified that the Company would be terminating its Sublease Agreement with the Sublessee and that the Company will act as the operator of the Project for the remainder of the Lease Term (as defined in the Lease Agreement) and therefore the Company requested an amendment to the Lease Agreement; and

WHEREAS, by resolution duly adopted on April 8, 2022, the Agency 1) agreed to the termination of the Sublessee Documents; 2) authorized the amendment of the Lease Agreement to reflect the Company's operation of the Facility; and 3) authorized the assignment of the Sublessee's unused sales tax benefits to the Company and the amendment of the Lease Agreement to reflect the increase in the Maximum Company Sales Tax Savings Amount by $8,125; and

WHEREAS, the Company and the Agency amended the Lease Agreement pursuant to the terms of a First Amendment of Lease and Project Agreement dated as of April 1, 2022; and

WHEREAS, the Company previously submitted a request to the Agency for an

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amendment to the Lease Agreement, as amended, to increase in the Maximum Company Sales Tax Savings Amount by $50,000.00, citing significant increases in the anticipated Project costs due to increased prices of construction materials as the reason for the request; and

WHEREAS, in connection therewith, the Company and the Agency amended the Lease Agreement, as amended, pursuant to the terms of a Second Amendment of Lease and Project Agreement dated as of November 1, 2022, to amend the Maximum Company Sales Tax Savings Amount granted thereunder to increase such amount by $50,000.00 and reflect a new Maximum Company Sales Tax Savings Amount of $293,750.00; and

WHEREAS, it has recently come to the attention of the Agency that the PILOT Schedule set forth in the Authorizing Resolution and in Exhibit C to the Lease Agreement, contains an incorrect schedule of percentages for the School District PILOT Exemption Percentage; and

WHEREAS, at the time of the approval of the Authorizing Resolution, the Agency had information containing the correct PILOT Schedule, including materials provided to the Agency with the Company's Application, project evaluation materials and consents to the PILOT from the Town of Poughkeepsie and the Hyde Park Central School District; and

WHEREAS, the Agency and the Company agree that the inclusion of the incorrect schedule for the School District PILOT Exemption Percentage was the result of a scrivener's error and was not reflective of the actual agreement of the Agency and the Company; and

WHEREAS, the Agency and the Company now desire to amend the Lease Agreement pursuant to a Third Amendment of Lease and Project Agreement dated as of April 1, 2024 (the "**Third Amendment to Lease Agreement**") to correct the PILOT Schedule therein by replacing the PILOT Schedule in its entirety with the version attached hereto as Schedule 1; and

WHEREAS, the Company has also submitted a request to the Agency in connection with its refinancing of existing mortgages on the Facility; and

WHEREAS, in connection with its refinancing, the Company is entering into a financing transaction with WALKER & DUNLOP, LLC, a limited liability company organized and existing under the laws of the State of Delaware (the "**Lender**") to secure amounts borrowed with respect to the Facility in the aggregate principal amount not to exceed $20,440,000.00 (the "**Loan**"); and

WHEREAS, as security for such Loan being made to the Company by the Lender, the Company requests that the Agency join with the Company in executing and delivering to the Lender one or more mortgages and such other loan documents, satisfactory to the Agency, upon advice of counsel, in both form and substance, as may be reasonably requested by the Lender (the "**Loan Documents**"); and

WHEREAS, the Company has also requested that the Loan Documents permit assignment of the Company Lease and the Lease Agreement to the Lender and certain other Lender designated entities as set forth in the Loan Documents upon an event of default under the Loan Documents; and

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WHEREAS, the Company has agreed to indemnify the Agency against certain losses, claims, expenses, damages and liabilities that may arise in connection with the transaction contemplated by the financing or refinancing of the Facility and the continued leasing of the Facility.

NOW, THEREFORE, BE IT RESOLVED, by the Agency (a majority of the members thereof affirmatively concurring) as follows:

Section 1. The Agency reaffirms and readopts the findings and determinations in its Authorizing Resolution with regard to the Project.

Section 2. The Agency further hereby finds and determines:

(a) By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act; and

(b) Because the correction to the PILOT set forth in the Third Amendment to Lease and the refinancing will not result in the Agency providing more than $100,000 of "financial assistance" (as such quoted term is defined in the Act) to the Company, Section 859-a of the Act does not require a public hearing to be held with respect to Third Amendment to Lease or the refinancing; and

(c) It is desirable and in the public interest for the Agency to approve the Request and authorize the Third Amendment to Lease Agreement; and

(d) The Third Amendment to Lease Agreement will be an effective instrument whereby the Agency and the Company agree to amend the Lease Agreement, as amended, to correct the PILOT Schedule contained in Exhibit C to the Lease Agreement.

(e) The Loan Documents will be effective instruments whereby the Agency and the Company agree to secure the Loan and assign to the Lender their respective rights under the Company Lease and the Lease Agreement (except the Agency's Unassigned Rights as defined therein).

Section 3. In consequence of the foregoing, the Agency hereby determines to: (i) execute and deliver the Third Amendment to Lease Agreement, in such forms and containing such terms, conditions and provisions as the person executing the same on behalf of the Agency shall approve, such approval to be conclusively evidenced by his or her execution and delivery thereof; (ii) grant a mortgage or mortgages on and security interest in and to the Facility pursuant to certain mortgages and security agreements for the benefit of the Lender (the "**Mortgage**"); (iii) execute, deliver and perform the Mortgage; and (iv) execute, deliver and perform the Loan Documents to which the Agency is a party, as may be necessary or appropriate to effect the Loan or any subsequent refinancing of the Mortgage; and (v) execute, deliver and perform such other related documents to which the Agency is a party, as may be necessary or appropriate.

Section 4. Subject to the provisions of this resolution and the Lease Agreement, as amended, the Agency is hereby authorized to do all things necessary or appropriate for the

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execution, delivery and performance of the Agency Documents, as hereinafter defined, and such other related documents as may be necessary or appropriate to effect the Loan, or any subsequent refinancing of the Loan, and all acts heretofore taken by the Agency with respect to such financing or refinancing are hereby approved, ratified and confirmed. The Agency is hereby further authorized to execute and deliver any future documents in connection with any future refinancing or permanent financing of the Facility without need for any further or future approvals of the Agency.

Section 5. (a) The Chairman, Vice Chairman, any member of the Agency or the Executive Director are hereby authorized, on behalf of the Agency, to execute and deliver the Third Amendment to Lease Agreement, the Mortgage, and Loan Documents, in substantially the forms thereof presented to this meeting with such changes, variations, omissions and insertions as the Chairman, Vice Chairman, any member of the Agency or the Executive Director shall approve, and such other related documents as may be, in the judgment of the Executive Director and Agency Counsel necessary or appropriate to effect the transactions contemplated by this resolution (hereinafter collectively called the "**Agency Documents**"). The execution thereof by the Chairman, Vice Chairman, any member of the Agency or the Executive Director of the Agency shall constitute conclusive evidence of such approval.

(b) The Chairman, Vice Chairman, any member of the Agency and the Executive Director of the Agency are further hereby authorized, on behalf of the Agency, to designate any additional Authorized Representatives of the Agency (as defined in and pursuant to the Lease Agreement, as amended). The Agency hereby appoints each Member of the Agency, Agency Counsel to serve as an Assistant Secretary of the Agency for purposes of this transaction.

Section 6. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required or provided for by the provisions of the Agency Documents, and to execute and deliver all such additional certificates, instruments and documents, pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Agency Documents binding upon the Agency.

Section 7. Any expenses incurred by the Agency with respect to the financing or refinancing of the Facility shall be paid by the Company. The Company has agreed to pay such expenses and has further agreed to indemnify the Agency, its members, directors, employees and agents and hold the Agency and such persons harmless against claims for losses, damage or injury or any expenses or damages incurred as a result of action taken by or on behalf of the Agency in good faith with respect to the financing or refinancing of the Facility.

Section 8. This resolution shall take effect immediately.

The following resolution was duly moved by [ ], seconded by [ ], discussed and adopted with the following members voting:

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Timothy Dean, Chairman	VOTING	
Mark Doyle, Vice Chairman	VOTING	
Kathleen M. Bauer, Secretary/Treasurer	being	ABSENT
Alfred D. Torreggiani	being	ABSENT
Ronald J. Piccone, II	VOTING	
Amy L. Bombardieri	VOTING	

The Resolution was thereupon declared duly adopted.

Adopted: April 5, 2024

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Schedule 1 to Third Amendment to Lease Agreement

EXHIBIT C
PILOT Schedule

Formula for Payments-In-Lieu-of-Taxes ("**PILOTs**"): Town of Poughkeepsie, (including any existing incorporated village or any village which may be incorporated after the date hereof, within which the Facility is wholly or partially located), Hyde Park Central School District, Dutchess County and Special Districts (collectively the "**Taxing Jurisdictions**").

Section 1 - Definitions: In this PILOT Schedule, the following terms shall have the meanings specified as follows, unless the context otherwise requires:

"PILOT" shall mean the payment-in-lieu-of-taxes required hereunder to be paid by the Company to the Agency. The PILOTs are more particularly described as follows:

"Annual PILOT" shall mean the sum of PILOTs due hereunder in a PILOT year.

"Apportioned Share of the Annual PILOT" shall mean the percentage of each Annual PILOT each Taxing Jurisdiction is entitled to receive, to be determined ratably using the ratio that the Taxing Jurisdiction's tax rate bears to the total tax rate of all of the Taxing Jurisdictions, using the tax rates from the year prior to the Taxable Status Date. The Special District PILOTs shall not be apportioned but shall be billed with the Annual PILOT invoice. The School District PILOT shall not be apportioned but shall be calculated, billed and paid separately.

"County PILOT" shall mean the Dutchess County's Apportioned Share of the Annual PILOT due on February 28 of each year.

"School District PILOT" shall mean the Hyde Park Central School District's Apportioned Share of the Annual PILOT due on October 1 of each year.

"Town PILOT" shall mean the Town of Poughkeepsie's Apportioned Share of the Annual PILOT due on February 28 of each year.

"Special Districts PILOTs" shall mean the PILOTs for the Fairview Fire District, the Townwide Drain Improvement District, the Consolidated Light District, the Poughkeepsie Library District, the Town-Wide Water Improvement District, and the 4th Ward Sewer Improvement District.

"PILOT Year" shall mean the first tax year following the Taxable Status Date after the Completion Date and each year thereafter for a total of fifteen (15) years in accordance with the Schedule of PILOT Payments. For example, if the Completion Date was prior to March 1, 2024, the Initial PILOT Year would include the

2024/2025 School District PILOT, the
2025 County PILOT, the
2025 Town PILOT, the
2025 Fairview Fire District PILOT

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2025 Townwide Drain Improvement District PILOT, the
2025 Consolidated Light District PILOT, the
2025 Poughkeepsie Library District PILOT, the
2025 Town-Wide Water Improvement District PILOT, and the
2025 4th Ward Sewer Improvement District PILOT (collectively the "**Initial PILOT Year**") shall become due, and annually thereafter for a total of fifteen (15) years in accordance with the Schedule of PILOT Payments.

"Schedule of Exemptions and Calculation of PILOTs" – Special District PILOTs shall be equal to the full amount of taxes that would have been levied upon the Facility and Additional Facilities if the Facility and Additional Facilities were owned by the Company and the Agency had no ownership interest. For the County PILOT, the Town PILOT and the School District PILOT, the PILOT shall be equal to the full amount of taxes that would have been levied upon the Facility and Additional Facilities, up to an assessed value of $202,500, if the Facility and Additional Facilities were owned by the Company and the Agency had no ownership interest. If the assessed value exceeds $202,500, the County PILOT, Town PILOT and the School District PILOT shall be increased by an amount equal to the amount of taxes that would have been levied upon the Facility and Additional Facilities on that excess amount but reduced by the following exemption percentage:

PILOT Year	**County PILOT and Town PILOT Exemption Percentage**	**School District PILOT Exemption Percentage**
1	50%	50%
2	50%	50%
3	50%	40%
4	40%	30%
5	30%	20%
6	20%	10%
7	10%	10%
8	10%	10%
9	10%	10%
10	5%	10%
11	0%	10%
12	0%	5%
13	0%	5%
14	0%	5%
15	0%	5%
thereafter	0%	0%

"Taxable Status Date" shall mean March 1 of each year. For School District PILOTs, Taxable Status Date shall mean March 1 of the year the PILOTs are due. For County, Town and

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Special District PILOTs, Taxable Status Date shall mean March 1 of the year prior to the PILOTs being due.

Section 2 - Billing, Apportionment and Distribution of PILOTs

After Taxable Status Date each year the Agency shall determine the Annual PILOT, the Apportioned Share of the Annual PILOT and the School District Annual PILOT. The Agency shall send an invoice to the Company for the Annual PILOT. Once received by the Agency, the PILOTs shall be distributed to the appropriate Taxing Jurisdiction timely in accordance with law.

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Cappillino, Rothschild & Egan LLP

DUTCHESS COUNTY INDUSTRIAL DEVELOPMENT AGENCY

(DUTCHESS COUNTY, NEW YORK)

and

VIOLET ESTATES OWNER LLC

THIRD AMENDMENT TO LEASE AND PROJECT AGREEMENT

Dated as of April 1, 2024

Dutchess County Industrial Development Agency

(Third Amendment to Violet Estates Owner LLC 2021 Facility)

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THIS THIRD AMENDMENT TO LEASE AND PROJECT AGREEMENT (this "**Third Amendment to Lease Agreement**"), dated as of April 1, 2024, is between the DUTCHESS COUNTY INDUSTRIAL DEVELOPMENT AGENCY, a public benefit corporation of the State of New York, having its office at 3 Neptune Road, Poughkeepsie, New York 12601 (the "**Agency**"), VIOLET ESTATES OWNER LLC, a limited liability company duly organized and validly existing under the laws of the State of Delaware and authorized to transact business in the State of New York, having its principal office c/o Reynolds Asset Management at 45 Eisenhower Drive, Suite 500, Paramus, New Jersey 07652 (the "**Company**").

R E C I T A L S

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York as amended and Chapter 335 of the Laws of 1977 of the State of New York (collectively the "**Act**"), the Agency was created with the authority and power to provide financial assistance for the purpose of, among other things, acquiring, constructing, installing, furnishing and equipping certain facilities as authorized by the Act; and the Agency was created and is empowered to undertake the providing, financing and leasing of the Facility defined below; and

WHEREAS, the Agency previously provided certain "financial assistance" (within the meaning of the Act) with respect to the Project (hereinafter defined), including potential exemptions from certain sales and use taxes, real property taxes, real estate transfer taxes and mortgage recording taxes (collectively, the "**Financial Assistance**") for the following project consisting of: (a) the acquisition of an approximately 7.194-acre parcel of land located at 35 Violet Avenue, Town of Poughkeepsie, County of Dutchess, State of New York, bearing Tax Map Grid No. 134689-6162-10-427650 (the "**Land**"), the demolition of existing structures on the Land, and the construction of (i) two (2) three-story, 14,400 square-foot mixed-use buildings each with seven (7) residential units and approximately 4,000 square feet of commercial space; (ii) one (1) three-story, 12,960 square-foot building with nine (9) residential units; (iii) one (1) three-story, 19,365 square-foot building with eleven (11) residential units and an approximately 1,443 square foot senior center; (iv) one (1) three-story, 25,380 square-foot building with twenty-three (23) residential units; and (v) one (1) three-story, 28,890 square-foot building with twenty-seven (27) residential units (the "**Improvements**"), and the acquisition and equipping of certain equipment not part of the Equipment (as such term is defined herein) (the "**Facility Equipment**"; and together with the Land and the Improvements, the "**Company Facility**"), which Company Facility is to be leased and subleased by the Agency to Violet Estates Owner LLC, a Delaware limited liability company (the "**Company**"), and further subleased by the Company to the Violet Estates, LLC (the "**Sublessee**"); and (b) the acquisition and installation of certain equipment and personal property (the "**Equipment**"; and together with the Company Facility, the "**Facility**"), which Equipment is to be leased by the Agency to the Sublessee, and which Facility is to be used by the Sublessee as a senior housing community and mixed-use commercial facility (the "**Project**"); and

WHEREAS, the Project was approved by the Agency by resolution duly adopted on December 9, 2020 (the "**Authorizing Resolution**"); and

WHEREAS, pursuant to the Authorizing Resolution, the Company Facility was leased by the Company to the Agency pursuant to the terms of the Company Lease Agreement, dated as of March 1, 2021 (the "**Company Lease Agreement**"), by and between the Company, as lessor, and the Agency, as lessee; and

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WHEREAS, the Agency subleased the Company Facility to the Company pursuant to a certain Lease and Project Agreement, dated as of March 1, 2021 (the "**Lease Agreement**"), by and between the Agency, as sublessor, and the Company, as sublessee; and

WHEREAS, the Company agreed to transfer to the Agency title to the Facility Equipment pursuant to a Bill of Sale, dated March 5, 2021 (the "**Bill of Sale**"); and

WHEREAS, the Sublessee agreed to transfer to the Agency title to the Equipment pursuant to an Equipment Bill of Sale, dated March 5, 2021 (the "**Equipment Bill of Sale**"); and

WHEREAS, the Agency leased the Equipment to the Sublessee pursuant to a certain Equipment Lease Agreement, dated as of March 1, 2021 (the "**Equipment Lease Agreement**"), by and between the Agency, as lessor, and the Sublessee, as lessee; and

WHEREAS, the Sublessee and the Agency entered into an Agency Compliance Agreement, dated as of March 1, 2021 whereby the Sublessee provided certain assurances to the Agency with respect to the Facility (the "**Agency Compliance Agreement**" and together with the Equipment Bill of Sale and the Equipment Lease Agreement, the "**Sublessee Documents**"); and

WHEREAS, the Company previously notified that the Company would be terminating its Sublease Agreement with the Sublessee and that the Company will act as the operator of the Project for the remainder of the Lease Term (as defined in the Lease Agreement) and therefore the Company requested an amendment to the Lease Agreement; and

WHEREAS, by resolution duly adopted on April 8, 2022, the Agency 1) agreed to the termination of the Sublessee Documents; 2) authorized the amendment of the Lease Agreement to reflect the Company's operation of the Facility; and 3) authorized the assignment of the Sublessee's unused sales tax benefits to the Company and the amendment of the Lease Agreement to reflect the increase in the Maximum Company Sales Tax Savings Amount by $8,125; and

WHEREAS, the Company and the Agency amended the Lease Agreement pursuant to the terms of a First Amendment of Lease and Project Agreement dated as of April 1, 2022; and

WHEREAS, on August 29, 2022, the Company submitted a request to the Agency for an amendment to the Lease Agreement, as amended, to increase in the Maximum Company Sales Tax Savings Amount by $50,000.00, citing significant increases in the anticipated Project costs due to increased prices of construction materials as the reason for the request; and

WHEREAS, the Company and the Agency amended the Lease Agreement, as amended, pursuant to the terms of this Second Amendment to Lease Agreement to amend the Maximum Company Sales Tax Savings Amount granted thereunder to increase such amount by $50,000.00 and reflect a new Maximum Company Sales Tax Savings Amount of $293,750.00; and

WHEREAS, the PILOT Schedule set forth in the Authorizing Resolution and in Exhibit C to the Lease Agreement contained an incorrect schedule of percentages for the School District PILOT Exemption Percentage; and

WHEREAS, at the time of the approval of the Authorizing Resolution, the Agency had information containing the correct PILOT Schedule, including materials provided to the Agency

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with the Company's Application, project evaluation materials and consents to the PILOT from the Town of Poughkeepsie and the Hyde Park Central School District; and

WHEREAS, the Agency and the Company agree that the inclusion of the incorrect schedule for the School District PILOT Exemption Percentage was the result of a scrivener's error and was not reflective of the actual agreement of the Agency and the Company; and

WHEREAS, the Company and the Agency now intend to amend the Lease Agreement, as amended, pursuant to the terms of this Third Amendment to Lease Agreement to correct the PILOT Schedule contained in Exhibit C of the Lease Agreement.

AGREEMENT

For and in consideration of the premises and the mutual covenants hereinafter contained, the parties hereto do hereby mutually agree as follows:

ARTICLE I
DEFINITIONS

Section 1.1 Definitions in this Third Amendment to Lease Agreement. All capitalized terms used in this Third Amendment to Lease Agreement which are not otherwise defined herein shall have the meanings assigned thereto in the Lease Agreement, as amended, which definitions are incorporated herein and made a part hereof by reference.

ARTICLE II
THIRD AMENDMENT TO LEASE AGREEMENT

Section 2.1 Amendment of Exhibit C to the Lease Agreement. The Company and the Agency agree that Exhibit C to the Lease Agreement, as amended, is hereby replaced in its entirety with the version set forth in Schedule 1 attached hereto.

Section 2.2 Recording of Memorandum of Third Amendment to Lease Agreement. In connection with the execution and delivery of this Third Amendment to Lease Agreement, the Agency and the Company shall record or cause to be recorded a Memorandum of Third Amendment to Lease reflecting the amendment and modification of the Lease Agreement pursuant to the terms of this Third Amendment to Lease Agreement.

ARTICLE III
MISCELLANEOUS

Section 3.1. Binding Effect. This Third Amendment to Lease Agreement shall inure to the benefit of and shall be binding upon the parties and their respective successors and assigns.

Section 3.2. Severability. In the event any provision of this Third Amendment to Lease Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

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Section 3.3. Amendments, Changes and Modifications. This Third Amendment to Lease Agreement may not be amended, changed, modified, altered or terminated except in a writing executed by the parties hereto.

Section 3.4. Execution of Counterpart. This Third Amendment to Lease Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 3.5. Applicable Law. This Third Amendment to Lease Agreement shall be governed exclusively by the applicable laws of the State of New York without regard or reference to its conflict of laws principles.

Section 3.6. Ratification of Lease Agreement. Except as otherwise amended and modified by this Third Amendment to Lease Agreement, the Lease Agreement, as amended, is hereby ratified and confirmed and remains in full force and effect.

(Remainder of Page Intentionally Left Blank)

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IN WITNESS WHEREOF, the Agency and the Company have caused this Third Amendment to Lease Agreement to be executed in their respective names by their duly authorized officers, all as of the date and year first above written.

DUTCHESS COUNTY INDUSTRIAL DEVELOPMENT AGENCY

By:_____
Name: Sarah Lee
Title: Executive Director

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

On the day of April in the year 2024, before me, a Notary Public in and for said State, personally appeared **SARAH LEE**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual, or the person or entity on behalf of which the individual acted, executed the instrument.

_____
Notary Public

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VIOLET ESTATES OWNER LLC

By: _____
Name: Matthew Earl Suckle
Title: Authorized Signatory

STATE OF NEW YORK)
: SS.:
COUNTY OF DUTCHESS)

On the day of April in the year 2024, before me, the undersigned, personally appeared **MATTHEW EARL SUCKLE**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument, and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person or entity on behalf of which the individual acted, executed the instrument.

_____
Notary Public

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Schedule 1 to Third Amendment to Lease Agreement

EXHIBIT C
PILOT Schedule

Formula for Payments-In-Lieu-of-Taxes ("**PILOTs**"): Town of Poughkeepsie, (including any existing incorporated village or any village which may be incorporated after the date hereof, within which the Facility is wholly or partially located), Hyde Park Central School District, Dutchess County and Special Districts (collectively the "**Taxing Jurisdictions**").

Section 1 - Definitions: In this PILOT Schedule, the following terms shall have the meanings specified as follows, unless the context otherwise requires:

"PILOT" shall mean the payment-in-lieu-of-taxes required hereunder to be paid by the Company to the Agency. The PILOTs are more particularly described as follows:

"Annual PILOT" shall mean the sum of PILOTs due hereunder in a PILOT year.

"Apportioned Share of the Annual PILOT" shall mean the percentage of each Annual PILOT each Taxing Jurisdiction is entitled to receive, to be determined ratably using the ratio that the Taxing Jurisdiction's tax rate bears to the total tax rate of all of the Taxing Jurisdictions, using the tax rates from the year prior to the Taxable Status Date. The Special District PILOTs shall not be apportioned but shall be billed with the Annual PILOT invoice. The School District PILOT shall not be apportioned but shall be calculated, billed and paid separately.

"County PILOT" shall mean the Dutchess County's Apportioned Share of the Annual PILOT due on February 28 of each year.

"School District PILOT" shall mean the Hyde Park Central School District's Apportioned Share of the Annual PILOT due on October 1 of each year.

"Town PILOT" shall mean the Town of Poughkeepsie's Apportioned Share of the Annual PILOT due on February 28 of each year.

"Special Districts PILOTs" shall mean the PILOTs for the Fairview Fire District, the Townwide Drain Improvement District, the Consolidated Light District, the Poughkeepsie Library District, the Town-Wide Water Improvement District, and the 4th Ward Sewer Improvement District.

"PILOT Year" shall mean the first tax year following the Taxable Status Date after the Completion Date and each year thereafter for a total of fifteen (15) years in accordance with the Schedule of PILOT Payments. For example, if the Completion Date was prior to March 1, 2024, the Initial PILOT Year would include the

2024/2025 School District PILOT, the
2025 County PILOT, the
2025 Town PILOT, the
2025 Fairview Fire District PILOT
2025 Townwide Drain Improvement District PILOT, the
2025 Consolidated Light District PILOT, the

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2025 Poughkeepsie Library District PILOT, the
2025 Town-Wide Water Improvement District PILOT, and the
2025 4th Ward Sewer Improvement District PILOT (collectively the "**Initial PILOT Year**") shall become due, and annually thereafter for a total of fifteen (15) years in accordance with the Schedule of PILOT Payments.

"Schedule of Exemptions and Calculation of PILOTs" – Special District PILOTs shall be equal to the full amount of taxes that would have been levied upon the Facility and Additional Facilities if the Facility and Additional Facilities were owned by the Company and the Agency had no ownership interest. For the County PILOT, the Town PILOT and the School District PILOT, the PILOT shall be equal to the full amount of taxes that would have been levied upon the Facility and Additional Facilities, up to an assessed value of $202,500, if the Facility and Additional Facilities were owned by the Company and the Agency had no ownership interest. If the assessed value exceeds $202,500, the County PILOT, Town PILOT and the School District PILOT shall be increased by an amount equal to the amount of taxes that would have been levied upon the Facility and Additional Facilities on that excess amount but reduced by the following exemption percentage:

PILOT Year	**County PILOT and Town PILOT Exemption Percentage**	**School District PILOT Exemption Percentage**
1	50%	50%
2	50%	50%
3	50%	40%
4	40%	30%
5	30%	20%
6	20%	10%
7	10%	10%
8	10%	10%
9	10%	10%
10	5%	10%
11	0%	10%
12	0%	5%
13	0%	5%
14	0%	5%
15	0%	5%
thereafter	0%	0%

"Taxable Status Date" shall mean March 1 of each year. For School District PILOTs, Taxable Status Date shall mean March 1 of the year the PILOTs are due. For County, Town and Special District PILOTs, Taxable Status Date shall mean March 1 of the year prior to the PILOTs being due.

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Section 2 - Billing, Apportionment and Distribution of PILOTs

After Taxable Status Date each year the Agency shall determine the Annual PILOT, the Apportioned Share of the Annual PILOT and the School District Annual PILOT. The Agency shall send an invoice to the Company for the Annual PILOT. Once received by the Agency, the PILOTs shall be distributed to the appropriate Taxing Jurisdiction timely in accordance with law.

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CONSOLIDATION, EXTENSION AND MODIFICATION AGREEMENT

This CONSOLIDATION, EXTENSION AND MODIFICATION AGREEMENT (the "**Agreement**") dated as of February ___, 2024, is executed by VIOLET ESTATES OWNER LLC, a limited liability company organized and existing under the laws of the State of Delaware, as mortgagor ("**Borrower**"), to and for the benefit of WALKER & DUNLOP, LLC, a limited liability company organized and existing under the laws of the State of Delaware, as mortgagee ("**Lender**").

WHEREAS Borrower is indebted to Lender in the original principal amount of Twenty Million Four Hundred Forty Thousand and 00/100 Dollars ($20,440,000.00), and Borrower and Lender desire to secure (a) the repayment of that indebtedness, with interest, and all renewals, extensions and modifications thereof, (b) the repayment of any future advances, with interest thereon made by Lender to Borrower, and (c) the performance of all of Borrower's obligations, covenants and agreements stated herein and consolidated herewith; and

WHEREAS Borrower has an interest in the real property located in the County of Dutchess, State of New York, and described in Exhibit A attached to this Agreement and incorporated by reference (the "**Mortgaged Property**").

Borrower hereby covenants and agrees with Lender as follows:

1. Borrower's Assumption of Obligations under Notes and Security Instruments.

Borrower assumes all of the obligations and liabilities of the notes (the "**Notes**") and mortgages, deeds of trust or other security instruments (the "**Security Instruments**") listed on Exhibit B attached hereto. Borrower also assumes all of the obligations and liabilities in all agreements, whether or not listed in Exhibit B, which consolidate, modify or extend such Notes and Security Instruments.

2. Agreement to Consolidate and Modify the Notes.

Borrower agrees that the obligations under the Notes (and under all other agreements which consolidated, modified or extended the obligations under the Notes) shall be and are

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hereby consolidated. To that end, Borrower has concurrently herewith executed and delivered to Lender an Amended and Restated Multifamily Note (the "**Consolidated Note**") which consolidates, amends and restates in their entirety the terms and provisions of the Notes, as reflected in that certain Multifamily Loan and Security Agreement with Lender (as amended, restated, replaced, supplemented or otherwise modified from time to time, the "**Loan Agreement**").

3. Agreement to Consolidate and Modify the Security Instruments.

Borrower agrees that the rights and obligations under the Security Instruments (and under all other agreements which consolidated, modified or extended rights and obligations under the Security Instruments) shall be and are hereby consolidated and that Lender's rights in the Mortgaged Property shall be and are hereby combined so that Lender has one real estate security interest (the "**Consolidated Mortgage**") securing the Consolidated Note evidencing Borrower's indebtedness to Lender. Borrower and Lender agree that the terms of the Consolidated Mortgage are hereby amended and restated in their entirety to be the terms which are set out in Exhibit C hereto. As consolidated and restated hereby, the terms and provisions of the Security Instruments shall remain in full force and effect and are hereby ratified and confirmed by Borrower in all respects. For purposes of the Consolidated Mortgage, Borrower's address stated below and Lender's address stated below shall be the addresses of Borrower and Lender, respectively, unless and until modified in accordance with the terms of the Consolidated Mortgage.

4. Borrower's Warranties.

Borrower covenants that Borrower is lawfully seised of an estate in the property and has the right to consolidate, modify and extend the Notes and Security Instruments (and, if this Agreement is on a leasehold, that the ground lease is in full force and effect without modification except as noted in Exhibit D, if any, attached hereto and without default on the part of either lessor or lessee thereunder) and that Borrower will defend the title to the Mortgaged Property against all claims and demands, subject to the Permitted Encumbrances as defined in the Consolidated Mortgage. Borrower also covenants and warrants that there are no offsets, counterclaims or defenses against the indebtedness now unpaid or against the Consolidated Note or the Consolidated Mortgage.

5. Termination; Change; Amendments.

This Agreement may not be terminated, changed or amended except by a written agreement signed by the party whose rights or obligations are being changed by that Agreement.

[Remainder of Page Intentionally Left Blank.]

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IN WITNESS WHEREOF, Borrower and Lender have signed and delivered this Agreement under seal (where applicable) or have caused this Agreement to be signed and delivered under seal (where applicable) by their duly authorized representative. Where applicable law so provides, Borrower and Lender intend that this Agreement shall be deemed to be signed and delivered as a sealed instrument.

BORROWER:

VIOLET ESTATES OWNER LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

BORROWER NOTICE ADDRESS

c/o Reynolds Asset Management
45 Eisenhower Drive, Suite 500
Paramus, New Jersey 07652

THE STATE OF _____§
§
COUNTY OF _____§

This instrument was acknowledged before me on the _____ day of February, 2024, by _____, as _____ of Violet Estates Owner LLC, a Delaware limited liability company. He is personally known to me or has produced _____ as identification.

_____
Notary Public in and for the State of _____
Identification Number: _____

My commission expires: _____

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LENDER:

WALKER & DUNLOP, LLC,
a Delaware limited liability company

By: _____
Name: Paula Battista
Title: Vice President

LENDER NOTICE ADDRESS

7272 Wisconsin Avenue, Suite 1300
Bethesda, Maryland 20814

COMMONWEALTH OF MASSACHUSETTS

County of Norfolk

On this _____ day of February, 2024, before me, the undersigned notary public, personally appeared Paula Battista, as Vice President of Walker & Dunlop, LLC, a Delaware limited liability company, proved to me through satisfactory evidence of identification, which was _____, to be the person whose name is signed on the preceding or attached document, and acknowledged to me that she signed it voluntarily for its stated purpose.

_____
Notary Public [Affix Seal]

My commission expires: _____

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EXHIBIT A
TO
CONSOLIDATION, EXTENSION AND MODIFICATION AGREEMENT

[Description of the Land]

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EXHIBIT B
TO
CONSOLIDATION, EXTENSION AND MODIFICATION AGREEMENT

Notes

Amended, Restated and Consolidated Acquisition Loan Note dated as of April 13, 2022, executed by Violet Estates Owner LLC, a Delaware limited liability company, payable to the Order of Haymarket Insurance Company, a Nebraska corporation, in the original amount of $11,940,000.00.

Multifamily Note dated February ___, 2024, executed by Violet Estates Owner LLC, a Delaware limited liability company, payable to the Order of Walker & Dunlop, LLC, a Delaware limited liability company, in the original principal amount of [$8,500,000.00].

Amended and Restated Multifamily Note dated February __, 2024, executed by Violet Estates Owner LLC, a Delaware limited liability company, payable to the Order of Walker & Dunlop, LLC, a Delaware limited liability company, in the original principal amount of $20,440,000.00.

Mortgages

[Insert list of mortgages]

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EXHIBIT C
TO
CONSOLIDATION, EXTENSION AND MODIFICATION AGREEMENT

[Consolidated Mortgage]

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Prepared by, and after recording
return to:
Christopher J. McCarty, Esquire
HINCKLEY ALLEN
28 State Street
Boston, Massachusetts 02109

MULTIFAMILY MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING

(NEW YORK)

THIS SECURITY INSTRUMENT IS FOR USE ONLY FOR MULTIFAMILY PROPERTIES CONTAINING MORE THAN SIX (6) RESIDENTIAL UNITS

 © 2022 Fannie Mae

MULTIFAMILY MORTGAGE,
ASSIGNMENT OF LEASES AND RENTS,
SECURITY AGREEMENT
AND FIXTURE FILING

This MULTIFAMILY MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING (as amended, restated, replaced, supplemented, or otherwise modified from time to time, the "**Security Instrument**") dated as of February ___, 2024, is executed by VIOLET ESTATES OWNER LLC, a limited liability company organized and existing under the laws of the State of Delaware, as mortgagor ("**Borrower**"), to and for the benefit of WALKER & DUNLOP, LLC a limited liability company organized and existing under the laws of the State of Delaware, as mortgagee ("**Lender**").

Borrower, in consideration of (i) the loan in the original principal amount of Twenty Million Four Hundred Forty Thousand and 00/100 Dollars ($20,440,000.00) (the "**Mortgage Loan**") evidenced by that certain Multifamily Note dated as of the date of this Security Instrument, executed by Borrower and made payable to the order of Lender (as amended, restated, replaced, supplemented, or otherwise modified from time to time, the "**Note**"), and (ii) that certain Multifamily Loan and Security Agreement dated as of the date of this Security Instrument, executed by and between Borrower and Lender (as amended, restated, replaced, supplemented or otherwise modified from time to time, the "**Loan Agreement**"), and to secure to Lender the repayment of the Indebtedness (as defined in this Security Instrument), and all renewals, extensions and modifications thereof, and the performance of the covenants and agreements of Borrower contained in the Loan Documents (as defined in the Loan Agreement), excluding the Environmental Indemnity Agreement (as defined in this Security Instrument), irrevocably and unconditionally mortgages, grants, assigns, remises, releases, warrants and conveys to and for the benefit of Lender the Mortgaged Property (as defined in this Security Instrument), including the real property located in the County of Dutchess, State of New York, and described in Exhibit A attached to this Security Instrument and incorporated by reference (the "**Land**"), to have and to hold such Mortgaged Property unto Lender and Lender's successors and assigns, forever; Borrower hereby releasing, relinquishing and waiving, to the fullest extent allowed by law, all rights and benefits, if any, under and by virtue of the homestead exemption laws of the Property Jurisdiction (as defined in this Security Instrument), if applicable.

Notwithstanding anything to the contrary contained in this Security Instrument, the maximum principal amount of indebtedness secured hereby as of the date hereof, or which may be secured hereby at any time hereafter, is [$20,440,000.00] plus amounts expended by Lender after a default by Borrower to the extent that any such amounts constitute payment of (a) Impositions and insurance premiums relating to the Mortgaged Property, and (b) expenses incurred by Lender in upholding or sustaining the lien of this Security Instrument, including legal fees incurred by Lender to enforce or defend its right under this Security Instrument or the

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lien created hereby, or (c) any amount, cost or charge to which Lender becomes subrogated, upon payment, whether under recognized principles of law or equity, or under express statutory authority; and all such amounts or costs, together with interest thereon, shall be added to the indebtedness secured hereby and shall be secured by this Security Instrument.

Borrower represents and warrants that Borrower is lawfully seized of the Mortgaged Property and has the right, power and authority to mortgage, grant, assign, remise, release, warrant and convey the Mortgaged Property, and that the Mortgaged Property is not encumbered by any Lien (as defined in this Security Instrument) other than Permitted Encumbrances (as defined in this Security Instrument). Borrower covenants that Borrower will warrant and defend the title to the Mortgaged Property against all claims and demands other than Permitted Encumbrances.

Borrower and Lender, by its acceptance hereof, each covenants and agrees as follows:

1. Defined Terms.

Capitalized terms used and not specifically defined herein have the meanings given to such terms in the Loan Agreement. All terms used and not specifically defined herein, but which are otherwise defined by the UCC, shall have the meanings assigned to them by the UCC. The following terms, when used in this Security Instrument, shall have the following meanings:

"**Accounts**" means all money, funds, investment property, accounts, general intangibles, deposit accounts, chattel paper, documents, instruments, judgments, claims, settlements of claims, causes of action, refunds, rebates, reimbursements, reserves, deposits, subsidies, proceeds, products, Rents, and profits, now or hereafter arising, received or receivable, from or on account of the ownership, management and operation of the Mortgaged Property.

"**Condemnation Action**" means any action or proceeding, however characterized or named, relating to any condemnation or other taking, or conveyance in lieu thereof, of all or any part of the Mortgaged Property, whether direct or indirect.

"**Enforcement Costs**" means all expenses and costs, including reasonable attorneys' fees and expenses, fees and out-of-pocket expenses of expert witnesses and costs of investigation, incurred by Lender as a result of any Event of Default under the Loan Agreement or in connection with efforts to collect any amount due under the Loan Documents, or to enforce the provisions of the Loan Agreement or any of the other Loan Documents, including those incurred in post-judgment collection efforts and in any bankruptcy or insolvency proceeding (including any action for relief from the automatic stay of any bankruptcy proceeding or Foreclosure Event) or judicial or non-judicial foreclosure proceeding, to the extent permitted by law.

"**Environmental Indemnity Agreement**" means that certain Environmental Indemnity Agreement dated as of the date of this Security Instrument, executed by Borrower to and for the

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benefit of Lender, as the same may be amended, restated, replaced, supplemented, or otherwise modified from time to time.

"**Environmental Laws**" has the meaning set forth in the Environmental Indemnity Agreement.

"**Event of Default**" has the meaning set forth in the Loan Agreement.

"**Fixtures**" means all Goods that are so attached or affixed to the Land or the Improvements as to constitute a fixture under the laws of the Property Jurisdiction.

"**Goods**" means all of Borrower's and Agency's respective present and hereinafter acquired right, title and interest in goods which are used now or in the future in connection with the ownership, management, or operation of the Land or the Improvements or are located on the Land or in the Improvements, including inventory; furniture; furnishings; machinery, equipment, engines, boilers, incinerators, and installed building materials; systems and equipment for the purpose of supplying or distributing heating, cooling, electricity, gas, water, air, or light; antennas, cable, wiring, and conduits used in connection with radio, television, security, fire prevention, or fire detection, or otherwise used to carry electronic signals; telephone systems and equipment; elevators and related machinery and equipment; fire detection, prevention and extinguishing systems and apparatus; security and access control systems and apparatus; plumbing systems; water heaters, ranges, stoves, microwave ovens, refrigerators, dishwashers, garbage disposers, washers, dryers, and other appliances; light fixtures, awnings, storm windows, and storm doors; pictures, screens, blinds, shades, curtains, and curtain rods; mirrors, cabinets, paneling, rugs, and floor and wall coverings; fences, trees, and plants; swimming pools; exercise equipment; supplies; tools; books and records (whether in written or electronic form); websites, URLs, blogs, and social network pages; computer equipment (hardware and software); and other tangible personal property which is used now or in the future in connection with the ownership, management, or operation of the Land or the Improvements or are located on the Land or in the Improvements.

"**Imposition Deposits**" means deposits in an amount sufficient to accumulate with Lender the entire sum required to pay the Impositions when due.

"**Impositions**" means

(a) any water and sewer charges which, if not paid, may result in a lien on all or any part of the Mortgaged Property;

(b) the premiums for fire and other casualty insurance, liability insurance, rent loss insurance and such other insurance as Lender may require under the Loan Agreement;

(c) Taxes; and

(d) amounts for other charges and expenses assessed against the Mortgaged Property

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which Lender at any time reasonably deems necessary to protect the Mortgaged Property, to prevent the imposition of liens on the Mortgaged Property, or otherwise to protect Lender's interests, all as reasonably determined from time to time by Lender.

"**Improvements**" means the buildings, structures, improvements, and alterations now constructed or at any time in the future constructed or placed upon the Land, including any future replacements, facilities, and additions and other construction on the Land.

"**Indebtedness**" means the principal of, interest on, and all other amounts due at any time under the Note, the Loan Agreement, this Security Instrument or any other Loan Document (other than the Environmental Indemnity Agreement and Guaranty), including Prepayment Premiums, late charges, interest charged at the Default Rate, and accrued interest as provided in the Loan Agreement and this Security Instrument, advances, costs and expenses to perform the obligations of Borrower or to protect the Mortgaged Property or the security of this Security Instrument, all other monetary obligations of Borrower under the Loan Documents (other than the Environmental Indemnity Agreement), including amounts due as a result of any indemnification obligations, and any Enforcement Costs.

"**Land**" means the real property described in Exhibit A.

"**Leases**" means all present and future leases, subleases, licenses, concessions or grants or other possessory interests now or hereafter in force, whether oral or written, covering or affecting the Mortgaged Property, or any portion of the Mortgaged Property (including proprietary leases or occupancy agreements if Borrower is a cooperative housing corporation), and all modifications, extensions or renewals thereof.

"**Lien**" means any claim or charge against property for payment of a debt or an amount owed for services rendered, including any mortgage, deed of trust, deed to secure debt, security interest, tax lien, any materialman's or mechanic's lien, or any lien of a Governmental Authority, including any lien in connection with the payment of utilities, or any other encumbrance.

"**Mortgaged Property**" means all of Borrower's present and hereafter acquired right, title and interest, if any, in and to all of the following:

(a) the Land;

(b) the Improvements;

(c) the Personalty;

(d) current and future rights, including air rights, development rights, zoning rights and other similar rights or interests, easements, tenements, rights-of-way, strips and gores of land, streets, alleys, roads, sewer rights, waters, watercourses, and appurtenances related to or

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benefitting the Land or the Improvements, or both, and all rights-of-way, streets, alleys and roads which may have been or may in the future be vacated;

(e) insurance policies relating to the Mortgaged Property (and any unearned premiums) and all proceeds paid or to be paid by any insurer of the Land, the Improvements, the Personalty, or any other part of the Mortgaged Property, whether or not Borrower obtained the insurance pursuant to Lender's requirements;

(f) awards, payments and other compensation made or to be made by any municipal, state or federal authority with respect to the Land, the Improvements, the Personalty, or any other part of the Mortgaged Property, including any awards or settlements resulting from (1) Condemnation Actions, (2) any damage to the Mortgaged Property caused by governmental action that does not result in a Condemnation Action, or (3) the total or partial taking of the Land, the Improvements, the Personalty, or any other part of the Mortgaged Property under the power of eminent domain or otherwise and including any conveyance in lieu thereof;

(g) contracts, options and other agreements for the sale of the Land, the Improvements, the Personalty, or any other part of the Mortgaged Property entered into by Borrower now or in the future, including cash or securities deposited to secure performance by parties of their obligations;

(h) Leases and Lease guaranties, letters of credit and any other supporting obligation for any of the Leases given in connection with any of the Leases, and all Rents;

(i) earnings, royalties, accounts receivable, issues and profits from the Land, the Improvements or any other part of the Mortgaged Property, and all undisbursed proceeds of the Mortgage Loan and, if Borrower is a cooperative housing corporation, maintenance charges or assessments payable by shareholders or residents;

(j) Imposition Deposits;

(k) refunds or rebates of Impositions by any municipal, state or federal authority or insurance company (other than refunds applicable to periods before the real property tax year in which this Security Instrument is dated);

(l) tenant security deposits;

(m) names under or by which any of the above Mortgaged Property may be operated or known, and all trademarks, trade names, and goodwill relating to any of the Mortgaged Property;

(n) Collateral Accounts and all Collateral Account Funds;

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(o) products, and all cash and non-cash proceeds from the conversion, voluntary or involuntary, of any of the above into cash or liquidated claims, and the right to collect such proceeds; and

(p) all oil, gas, minerals, mineral interests, royalties, overriding royalties, production payments, net profit interests and other interests and estates in, under and on the Mortgaged Property and other oil, gas, minerals and mineral interests with which any of the foregoing interests or estates are pooled or unitized.

"**Permitted Encumbrance**" means only the easements, restrictions and other matters listed in a schedule of exceptions to coverage in the Title Policy and Taxes for the current tax year that are not yet due and payable.

"**Personalty**" means all Goods, Accounts, choses in action, chattel paper, documents, general intangibles (including Software), payment intangibles, instruments, investment property, letter of credit rights, supporting obligations, computer information, source codes, object codes, records and data, all telephone numbers or listings, claims (including claims for indemnity or breach of warranty), deposit accounts and other property or assets of any kind or nature related to the Land or the Improvements now or in the future, including operating agreements, surveys, plans and specifications and contracts for architectural, engineering and construction services relating to the Land or the Improvements, and all other intangible property and rights relating to the operation of, or used in connection with, the Land or the Improvements, including all governmental permits relating to any activities on the Land.

"**Prepayment Premium**" has the meaning set forth in the Loan Agreement.

"**Property Jurisdiction**" means, as the context may apply, the State of New York, and the county and municipality where the Mortgaged Property is located, provided that any controversy arising under any Loan Document shall be governed by the provisions of Section 12 of this Security Instrument.

"**Rents**" means all rents (whether from residential or non-residential space), revenues and other income from the Land or the Improvements, including subsidy payments received from any sources, including payments under any "Housing Assistance Payments Contract" or other rental subsidy agreement (if any), parking fees, laundry and vending machine income and fees and charges for food, health care and other services provided at the Mortgaged Property, whether now due, past due, or to become due, and tenant security deposits.

"**Software**" means a computer program and any supporting information provided in connection with a transaction relating to the program. The term does not include any computer program that is included in the definition of Goods.

"**State**" or "**state**" means the State of New York.

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"**Taxes**" means all taxes, assessments, vault rentals and other charges, if any, general, special or otherwise, including assessments for schools, public betterments and general or local improvements, which are levied, assessed or imposed by any public authority or quasi-public authority, and which, if not paid, may become a lien, on the Land or the Improvements or any taxes upon any Loan Document.

"**Title Policy**" has the meaning set forth in the Loan Agreement.

"**UCC**" means the Uniform Commercial Code in effect in the State of New York, as amended from time to time.

"**UCC Collateral**" means any or all of that portion of the Mortgaged Property in which a security interest may be granted under the UCC and in which Borrower has any present or hereafter acquired right, title or interest.

2. Security Agreement; Fixture Filing.

(a) To secure to Lender, the repayment of the Indebtedness, and all renewals, extensions and modifications thereof, and the performance of the covenants and agreements of Borrower contained in the Loan Documents, Borrower hereby pledges, assigns, and grants to Lender a continuing security interest in the UCC Collateral. This Security Instrument constitutes a security agreement and a financing statement under the UCC. This Security Instrument also constitutes a financing statement pursuant to the terms of the UCC with respect to any part of the Mortgaged Property that is or may become a Fixture under applicable law, and will be recorded as a "fixture filing" in accordance with the UCC. Borrower hereby authorizes Lender to file financing statements, continuation statements and financing statement amendments in such form as Lender may require to perfect or continue the perfection of this security interest without the signature of Borrower. If an Event of Default has occurred and is continuing, Lender shall have the remedies of a secured party under the UCC or otherwise provided at law or in equity, in addition to all remedies provided by this Security Instrument and in any Loan Document. Lender may exercise any or all of its remedies against the UCC Collateral separately or together, and in any order, without in any way affecting the availability or validity of Lender's other remedies. For purposes of the UCC, the debtor is Borrower and the secured party is Lender. The name and address of the debtor and secured party are set forth after Borrower's signature below which are the addresses from which information on the security interest may be obtained.

(b) Borrower represents and warrants that: (1) Borrower maintains its chief executive office at the location set forth after Borrower's signature below, and Borrower will notify Lender in writing of any change in its chief executive office within five (5) days of such change; (2) Borrower is the record owner of the Mortgaged Property; (3) Borrower's state of incorporation, organization, or formation, if applicable, is as set forth on Page 1 of this Security Instrument; (4) Borrower's exact legal name is as set forth on Page 1 of this Security Instrument; (5) Borrower's organizational identification number, if applicable, is as set forth after Borrower's signature below; (6) Borrower is the owner of the UCC Collateral subject to no liens, charges or

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encumbrances other than the lien hereof; (7) except as expressly provided in the Loan Agreement, the UCC Collateral will not be removed from the Mortgaged Property without the consent of Lender; and (8) no financing statement covering any of the UCC Collateral or any proceeds thereof is on file in any public office except pursuant hereto.

(c) All property of every kind acquired by Borrower after the date of this Security Instrument which by the terms of this Security Instrument shall be subject to the lien and the security interest created hereby, shall immediately upon the acquisition thereof by Borrower and without further conveyance or assignment become subject to the lien and security interest created by this Security Instrument. Nevertheless, Borrower shall execute, acknowledge, deliver and record or file, as appropriate, all and every such further deeds of trust, mortgages, deeds to secure debt, security agreements, financing statements, assignments and assurances as Lender shall require for accomplishing the purposes of this Security Instrument and to comply with the rerecording requirements of the UCC.

3. Assignment of Leases and Rents; Appointment of Receiver; Lender in Possession.

(a) As part of the consideration for the Indebtedness, Borrower absolutely and unconditionally assigns and transfers to Lender all Leases and Rents. It is the intention of Borrower to establish present, absolute and irrevocable transfers and assignments to Lender of all Leases and Rents and to authorize and empower Lender to collect and receive all Rents without the necessity of further action on the part of Borrower. Borrower and Lender intend the assignments of Leases and Rents to be effective immediately and to constitute absolute present assignments, and not assignments for additional security only. Only for purposes of giving effect to these absolute assignments of Leases and Rents, and for no other purpose, the Leases and Rents shall not be deemed to be a part of the Mortgaged Property. However, if these present, absolute and unconditional assignments of Leases and Rents are not enforceable by their terms under the laws of the Property Jurisdiction, then each of the Leases and Rents shall be included as part of the Mortgaged Property, and it is the intention of Borrower, in such circumstance, that this Security Instrument create and perfect a lien on each of the Leases and Rents in favor of Lender, which liens shall be effective as of the date of this Security Instrument.

(b) Until an Event of Default has occurred and is continuing, but subject to the limitations set forth in the Loan Documents, Borrower shall have a revocable license to exercise all rights, power and authority granted to Borrower under the Leases (including the right, power and authority to modify the terms of any Lease, extend or terminate any Lease, or enter into new Leases, subject to the limitations set forth in the Loan Documents), and to collect and receive all Rents, to hold all Rents in trust for the benefit of Lender, and to apply all Rents to pay the Monthly Debt Service Payments and the other amounts then due and payable under the other Loan Documents, including Imposition Deposits, and to pay the current costs and expenses of managing, operating and maintaining the Mortgaged Property, including utilities and Impositions (to the extent not included in Imposition Deposits), tenant improvements and other capital expenditures. So long as no Event of Default has occurred and is continuing (and no event

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which, with the giving of notice or the passage of time, or both, would constitute an Event of Default has occurred and is continuing), the Rents remaining after application pursuant to the preceding sentence may be retained and distributed by Borrower free and clear of, and released from, Lender's rights with respect to Rents under this Security Instrument.

(c) If an Event of Default has occurred and is continuing, without the necessity of Lender entering upon and taking and maintaining control of the Mortgaged Property directly, by a receiver, or by any other manner or proceeding permitted by the laws of the Property Jurisdiction, the revocable license granted to Borrower pursuant to Section 3(b) shall automatically terminate, and Lender shall immediately have all rights, powers and authority granted to Borrower under any Lease (including the right, power and authority to modify the terms of any such Lease, or extend or terminate any such Lease) and, without notice, Lender shall be entitled to all Rents as they become due and payable, including Rents then due and unpaid. During the continuance of an Event of Default, Borrower authorizes Lender to collect, sue for and compromise Rents and directs each tenant of the Mortgaged Property to pay all Rents to, or as directed by, Lender, and Borrower shall, upon Borrower's receipt of any Rents from any sources, pay the total amount of such receipts to Lender. Although the foregoing rights of Lender are self-effecting, at any time during the continuance of an Event of Default, Lender may make demand for all Rents, and Lender may give, and Borrower hereby irrevocably authorizes Lender to give, notice to all tenants of the Mortgaged Property instructing them to pay all Rents to Lender. No tenant shall be obligated to inquire further as to the occurrence or continuance of an Event of Default, and no tenant shall be obligated to pay to Borrower any amounts that are actually paid to Lender in response to such a notice. Any such notice by Lender shall be delivered to each tenant personally, by mail or by delivering such demand to each rental unit.

(d) If an Event of Default has occurred and is continuing, Lender may, regardless of the adequacy of Lender's security or the solvency of Borrower, and even in the absence of waste, enter upon, take and maintain full control of the Mortgaged Property, and may exclude Borrower and its agents and employees therefrom, in order to perform all acts that Lender, in its discretion, determines to be necessary or desirable for the operation and maintenance of the Mortgaged Property, including the execution, cancellation or modification of Leases, the collection of all Rents (including through use of a lockbox, at Lender's election), the making of repairs to the Mortgaged Property and the execution or termination of contracts providing for the management, operation or maintenance of the Mortgaged Property, for the purposes of enforcing this assignment of Rents, protecting the Mortgaged Property or the security of this Security Instrument and the Mortgage Loan, or for such other purposes as Lender in its discretion may deem necessary or desirable.

(e) Notwithstanding any other right provided Lender under this Security Instrument or any other Loan Document, if an Event of Default has occurred and is continuing, and regardless of the adequacy of Lender's security or Borrower's solvency, and without the necessity of giving prior notice (oral or written) to Borrower, Lender may apply to any court having jurisdiction for the appointment of a receiver for the Mortgaged Property to take any or

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all of the actions set forth in Section 3. If Lender elects to seek the appointment of a receiver for the Mortgaged Property at any time after an Event of Default has occurred and is continuing, Borrower, by its execution of this Security Instrument, expressly consents to the appointment of such receiver, including the appointment of a receiver *ex parte*, if permitted by applicable law. Borrower consents to shortened time consideration of a motion to appoint a receiver. Lender or the receiver, as applicable, shall be entitled to receive a reasonable fee for managing the Mortgaged Property and such fee shall become an additional part of the Indebtedness. Immediately upon appointment of a receiver or Lender's entry upon and taking possession and control of the Mortgaged Property, possession of the Mortgaged Property and all documents, records (including records on electronic or magnetic media), accounts, surveys, plans, and specifications relating to the Mortgaged Property, and all security deposits and prepaid Rents, shall be surrendered to Lender or the receiver, as applicable. If Lender or receiver takes possession and control of the Mortgaged Property, Lender or receiver may exclude Borrower and its representatives from the Mortgaged Property.

(f) The acceptance by Lender of the assignments of the Leases and Rents pursuant to this Section 3 shall not at any time or in any event obligate Lender to take any action under any Loan Document or to expend any money or to incur any expense. Lender shall not be liable in any way for any injury or damage to person or property sustained by any Person in, on or about the Mortgaged Property. Prior to Lender's actual entry upon and taking possession and control of the Land and Improvements, Lender shall not be:

(1) obligated to perform any of the terms, covenants and conditions contained in any Lease (or otherwise have any obligation with respect to any Lease);

(2) obligated to appear in or defend any action or proceeding relating to any Lease or the Mortgaged Property; or

(3) responsible for the operation, control, care, management or repair of the Mortgaged Property or any portion of the Mortgaged Property.

The execution of this Security Instrument shall constitute conclusive evidence that all responsibility for the operation, control, care, management and repair of the Mortgaged Property is and shall be that of Borrower, prior to such actual entry and taking possession and control by Lender of the Land and Improvements.

(g) Lender shall be liable to account only to Borrower and only for Rents actually received by Lender. Lender shall not be liable to Borrower, anyone claiming under or through Borrower or anyone having an interest in the Mortgaged Property by reason of any act or omission of Lender under this Section 3, and Borrower hereby releases and discharges Lender from any such liability to the fullest extent permitted by law, provided that Lender shall not be released from liability that occurs as a result of Lender's gross negligence or willful misconduct as determined by a court of competent jurisdiction pursuant to a final, non-appealable court order. If the Rents are not sufficient to meet the costs of taking control of and managing the

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Mortgaged Property and collecting the Rents, any funds expended by Lender for such purposes shall be added to, and become a part of, the principal balance of the Indebtedness, be immediately due and payable, and bear interest at the Default Rate from the date of disbursement until fully paid. Any entering upon and taking control of the Mortgaged Property by Lender or the receiver, and any application of Rents as provided in this Security Instrument, shall not cure or waive any Event of Default or invalidate any other right or remedy of Lender under applicable law or provided for in this Security Instrument or any Loan Document.

4. Protection of Lender's Security.

If Borrower fails to perform any of its obligations under this Security Instrument or any other Loan Document, or any action or proceeding is commenced that purports to affect the Mortgaged Property, Lender's security, rights or interests under this Security Instrument or any Loan Document (including eminent domain, insolvency, code enforcement, civil or criminal forfeiture, enforcement of Environmental Laws, fraudulent conveyance or reorganizations or proceedings involving a debtor or decedent), Lender may, at its option, make such appearances, disburse or pay such sums and take such actions, whether before or after an Event of Default or whether directly or to any receiver for the Mortgaged Property, as Lender reasonably deems necessary to perform such obligations of Borrower and to protect the Mortgaged Property or Lender's security, rights or interests in the Mortgaged Property or the Mortgage Loan, including:

(a) paying fees and out-of-pocket expenses of attorneys, accountants, inspectors and consultants;

(b) entering upon the Mortgaged Property to make repairs or secure the Mortgaged Property;

(c) obtaining (or force-placing) the insurance required by the Loan Documents; and

(d) paying any amounts required under any of the Loan Documents that Borrower has failed to pay.

Any amounts so disbursed or paid by Lender shall be added to, and become part of, the principal balance of the Indebtedness, be immediately due and payable and bear interest at the Default Rate from the date of disbursement until fully paid. The provisions of this Section 4 shall not be deemed to obligate or require Lender to incur any expense or take any action.

5. Default; Acceleration; Remedies.

(a) If an Event of Default has occurred and is continuing, Lender, at its option, may declare the Indebtedness to be immediately due and payable without further demand, and may either with or without entry or taking possession as herein provided or otherwise, proceed by suit or suits at law or in equity or any other appropriate proceeding or remedy to enforce payment of the Mortgage Loan; to foreclose this Security Instrument judicially or non-judicially; to enforce

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or exercise any right under any Loan Document; and to pursue any one (1) or more other remedies provided in this Security Instrument or in any other Loan Document or otherwise afforded by applicable law. Each right and remedy provided in this Security Instrument or any other Loan Document is distinct from all other rights or remedies under this Security Instrument or any other Loan Document or otherwise afforded by applicable law, and each shall be cumulative and may be exercised concurrently, independently, or successively, in any order. Borrower has the right to bring an action to assert the nonexistence of an Event of Default or any other defense of Borrower to acceleration and sale.

(b) In connection with any sale made under or by virtue of this Security Instrument, the whole of the Mortgaged Property may be sold in one (1) parcel as an entirety or in separate lots or parcels at the same or different times, all as Lender may determine in its sole discretion. Lender shall have the right to become the purchaser at any such sale. In the event of any such sale, the outstanding principal amount of the Mortgage Loan and the other Indebtedness, if not previously due, shall be and become immediately due and payable without demand or notice of any kind. If the Mortgaged Property is sold for an amount less than the amount outstanding under the Indebtedness, the deficiency shall be determined by the purchase price at the sale or sales. To the extent not prohibited by applicable law, Borrower waives all rights, claims, and defenses with respect to Lender's ability to obtain a deficiency judgment.

(c) Borrower acknowledges and agrees that the proceeds of any sale shall be applied as determined by Lender unless otherwise required by applicable law.

(d) In connection with the exercise of Lender's rights and remedies under this Security Instrument and any other Loan Document, there shall be allowed and included as Indebtedness: all expenditures and expenses authorized by applicable law and all other expenditures and expenses which may be paid or incurred by or on behalf of Lender for reasonable legal fees, appraisal fees, outlays for documentary and expert evidence, stenographic charges and publication costs; all expenses of any environmental site assessments, environmental audits, environmental remediation costs, appraisals, surveys, engineering studies, wetlands delineations, flood plain studies, and any other similar testing or investigation deemed necessary or advisable by Lender incurred in preparation for, contemplation of or in connection with the exercise of Lender's rights and remedies under the Loan Documents; and all additional advances made pursuant to Section 8303 of the Civil Practice Law and Rules of the State of New York and costs (which may be reasonably estimated as to items to be expended in connection with the exercise of Lender's rights and remedies under the Loan Documents) of procuring all abstracts of title, title searches and examinations, title insurance policies, and similar data and assurance with respect to title as Lender may deem reasonably necessary either to prosecute any suit or to evidence the true conditions of the title to or the value of the Mortgaged Property to bidders at any sale which may be held in connection with the exercise of Lender's rights and remedies under the Loan Documents. All expenditures and expenses of the nature mentioned in this Section 5, and such other expenses and fees as may be incurred in the protection of the Mortgaged Property and rents and income therefrom and the maintenance of the lien of this

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Security Instrument, including the fees of any attorney employed by Lender in any litigation or proceedings affecting this Security Instrument, the Note, the other Loan Documents, or the Mortgaged Property, including bankruptcy proceedings, any Foreclosure Event, or in preparation of the commencement or defense of any proceedings or threatened suit or proceeding, or otherwise in dealing specifically therewith, shall be additional Indebtedness and shall be immediately due and payable by Borrower, with interest thereon at the Default Rate until paid.

(e) Any action taken by Lender pursuant to the provisions of this Section 5 shall comply with the laws of the Property Jurisdiction. Such applicable laws shall take precedence over the provisions of this Section 5, but shall not invalidate or render unenforceable any other provision of any Loan Document that can be construed in a manner consistent with any such applicable laws. If any provision of this Security Instrument shall grant to Lender (including Lender acting as a mortgagee-in-possession), or a receiver appointed pursuant to the provisions of this Security Instrument any powers, rights or remedies prior to, upon, during the continuance of or following an Event of Default that are more limited than the powers, rights, or remedies that would otherwise be vested in such party under any applicable law in the absence of said provision, such party shall be vested with the powers, rights, and remedies granted in such applicable law to the full extent permitted by law. The rights and remedies of Lender specified in this Security Instrument shall be in addition to Lender's rights and remedies under New York law, specifically including Section 254 of the Real Property Law. In the event of any conflict between the provision of this Security Instrument and the provisions of Section 254 of the Real Property Law, the provisions of this Security Instrument shall control.

6. Waiver of Statute of Limitations and Marshaling.

Borrower hereby waives the right to assert any statute of limitations as a bar to the enforcement of the lien of this Security Instrument or to any action brought to enforce any Loan Document. Notwithstanding the existence of any other security interests in the Mortgaged Property held by Lender or by any other party, Lender shall have the right to determine the order in which any or all of the Mortgaged Property shall be subjected to the remedies provided in this Security Instrument and/or any other Loan Document or by applicable law. Lender shall have the right to determine the order in which any or all portions of the Indebtedness are satisfied from the proceeds realized upon the exercise of such remedies. Borrower, for itself and all who may claim by, through or under it, and any party who now or in the future acquires a security interest in the Mortgaged Property and who has actual or constructive notice of this Security Instrument, waives any and all right to require the marshaling of assets or to require that any of the Mortgaged Property be sold in the inverse order of alienation or that any of the Mortgaged Property be sold in parcels (at the same time or different times) in connection with the exercise of any of the remedies provided in this Security Instrument or any other Loan Document, or afforded by applicable law.

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7. Waiver of Redemption; Rights of Tenants.

(a) Borrower hereby covenants and agrees that it will not at any time apply for, insist upon, plead, avail itself, or in any manner claim or take any advantage of, any appraisement, stay, exemption or extension law or any so-called "Moratorium Law" now or at any time hereafter enacted or in force in order to prevent or hinder the enforcement or foreclosure of this Security Instrument. Without limiting the foregoing:

(1) Borrower, for itself and all Persons who may claim by, through or under Borrower, hereby expressly waives any so-called "Moratorium Law" and any and all rights of reinstatement and redemption, if any, under any order or decree of foreclosure of this Security Instrument, it being the intent hereof that any and all such "Moratorium Laws", and all rights of reinstatement and redemption of Borrower and of all other Persons claiming by, through or under Borrower are and shall be deemed to be hereby waived to the fullest extent permitted by the laws of the Property Jurisdiction;

(2) Borrower shall not invoke or utilize any such law or laws or otherwise hinder, delay or impede the execution of any right, power or remedy herein or otherwise granted or delegated to Lender but will suffer and permit the execution of every such right, power and remedy as though no such law or laws had been made or enacted; and

(3) if Borrower is a trust, Borrower represents that the provisions of this Section 7 (including the waiver of reinstatement and redemption rights) were made at the express direction of Borrower's beneficiaries and the persons having the power of direction over Borrower, and are made on behalf of the trust estate of Borrower and all beneficiaries of Borrower, as well as all other persons mentioned above.

(b) Lender shall have the right to foreclose subject to the rights of any tenant or tenants of the Mortgaged Property having an interest in the Mortgaged Property prior to that of Lender. The failure to join any such tenant or tenants of the Mortgaged Property as party defendant or defendants in any such civil action or the failure of any decree of foreclosure and sale to foreclose their rights shall not be asserted by Borrower as a defense in any civil action instituted to collect the Indebtedness, or any part thereof or any deficiency remaining unpaid after foreclosure and sale of the Mortgaged Property, any statute or rule of law at any time existing to the contrary notwithstanding.

8. Notice.

(a) All notices under this Security Instrument shall be:

(1) in writing, and shall be delivered, in person, mailed, postage prepaid, either by registered or certified delivery, return receipt requested, or sent by overnight express courier;

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(2) addressed to the intended recipient at its respective address set forth at the end of this Security Instrument; and

(3) deemed given on the earlier to occur of:

(A) the date when the notice is received by the addressee; or

(B) if the recipient refuses or rejects delivery, the date on which the notice is so refused or rejected, as conclusively established by the records of the United States Postal Service or such express courier service.

(b) Any party to this Security Instrument may change the address to which notices intended for it are to be directed by means of notice given to the other party in accordance with this Section 8.

(c) Any required notice under this Security Instrument which does not specify how notices are to be given shall be given in accordance with this Section 8.

9. Mortgagee-in-Possession.

Borrower acknowledges and agrees that the exercise by Lender of any of the rights conferred in this Security Instrument shall not be construed to make Lender a mortgagee-in-possession of the Mortgaged Property so long as Lender has not itself entered into actual possession of the Land and Improvements.

10. Satisfaction of Debt.

Upon payment of the Indebtedness, Lender shall discharge this Security Instrument, or if at such time, industry practice is to assign rather than discharge a mortgage, upon Borrower's written request, Lender shall assign Lender's interest in this Security Instrument, together with the Note or notes secured by this Security Instrument, to a person or entity specified by Borrower in writing to Lender. Lender shall make any such assignment without recourse to Lender, using such form of assignment as is acceptable to Lender. If any original note is lost or destroyed, Lender shall provide a lost note affidavit, which shall provide that Lender shall have no liability for such loss or destruction. Borrower shall pay Lender's reasonable costs incurred in discharging or assigning this Security Instrument, as applicable. Borrower further agrees to hold harmless and indemnify Lender for and against any loss, cost, damage or liability incurred by Lender in connection with any such assignment.

11. New York State Specific Provisions.

(a) Borrower shall receive advances under this Security Instrument subject to the trust fund provisions of Section 13 of the Lien Law of the State of New York and shall hold the right to receive the same as a trust fund to be applied first for the purpose of paying the cost of

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the improvement and shall apply the same first to the payment of the cost of the improvement before using any part for any other purpose.

(b) In connection with any non-residential Leases having an unexpired term of five (5) years or longer from the date of this Security Instrument, Lender shall have, against the lessee under each Lease, all the rights set forth in Section 291-f of the Real Property Law of the State of New York, as amended from time to time. Borrower shall promptly deliver the written notices described in said Section 291-f to all present lessees under the Leases.

(c) This Security Instrument covers property improved by one (1) or more structures containing in the aggregate more than six (6) residential units each having their own separate cooking facilities.

12. Governing Law; Consent to Jurisdiction and Venue.

(a) The validity, enforceability, interpretation, and performance of this Security Instrument shall be governed by State law without giving effect to any conflict of law or choice of law rules that would result in the application of the laws of another jurisdiction.

(b) In the administration or litigation of a controversy arising under or in relation to this Security Instrument or the security for the Indebtedness, Borrower consents to the exercise of personal jurisdiction by State court or federal court in such State. Borrower agrees that the State courts have subject matter jurisdiction over such controversies. If Lender elects to sue in State court, Borrower waives any right to remove to federal court or to contest the State court's jurisdiction. Borrower waives any objection to venue in any State court or federal court in such State, and covenants and agrees not to assert any objection to venue, whether based on inconvenience, domicile, habitual residence, or other ground.

13. Miscellaneous Provisions.

(a) This Security Instrument shall bind, and the rights granted by this Security Instrument shall benefit, the successors and assigns of Lender. This Security Instrument shall bind, and the obligations granted by this Security Instrument shall inure to, any permitted successors and assigns of Borrower under the Loan Agreement. If more than one (1) person or entity signs this Security Instrument as Borrower, the obligations of such persons and entities shall be joint and several. The relationship between Lender and Borrower shall be solely that of creditor and debtor, respectively, and nothing contained in this Security Instrument shall create any other relationship between Lender and Borrower. No creditor of any party to this Security Instrument and no other person shall be a third party beneficiary of this Security Instrument or any other Loan Document.

(b) The invalidity or unenforceability of any provision of this Security Instrument or any other Loan Document shall not affect the validity or enforceability of any other provision of this Security Instrument or of any other Loan Document, all of which shall remain in full force

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and effect. This Security Instrument contains the complete and entire agreement among the parties as to the matters covered, rights granted and the obligations assumed in this Security Instrument. This Security Instrument may not be amended or modified except by written agreement signed by the parties hereto.

(c) The following rules of construction shall apply to this Security Instrument:

(1) The captions and headings of the sections of this Security Instrument are for convenience only and shall be disregarded in construing this Security Instrument.

(2) Any reference in this Security Instrument to an "Exhibit" or "Schedule" or a "Section" or an "Article" shall, unless otherwise explicitly provided, be construed as referring, respectively, to an exhibit or schedule attached to this Security Instrument or to a Section or Article of this Security Instrument.

(3) Any reference in this Security Instrument to a statute or regulation shall be construed as referring to that statute or regulation as amended from time to time.

(4) Use of the singular in this Security Instrument includes the plural and use of the plural includes the singular.

(5) As used in this Security Instrument, the term "including" means "including, but not limited to" or "including, without limitation," and is for example only, and not a limitation.

(6) Whenever Borrower's knowledge is implicated in this Security Instrument or the phrase "to Borrower's knowledge" or a similar phrase is used in this Security Instrument, Borrower's knowledge or such phrase(s) shall be interpreted to mean to the best of Borrower's knowledge after reasonable and diligent inquiry and investigation.

(7) Unless otherwise provided in this Security Instrument, if Lender's approval, designation, determination, selection, estimate, action or decision is required, permitted or contemplated hereunder, such approval, designation, determination, selection, estimate, action or decision shall be made in Lender's sole and absolute discretion.

(8) All references in this Security Instrument to a separate instrument or agreement shall include such instrument or agreement as the same may be amended or supplemented from time to time pursuant to the applicable provisions thereof.

(9) "Lender may" shall mean at Lender's discretion, but shall not be an obligation.

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14. Time is of the Essence.

Borrower agrees that, with respect to each and every obligation and covenant contained in this Security Instrument and the other Loan Documents, time is of the essence.

15. WAIVER OF TRIAL BY JURY.

TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EACH OF BORROWER AND LENDER (BY ITS ACCEPTANCE HEREOF) (A) COVENANTS AND AGREES NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THIS SECURITY INSTRUMENT OR THE RELATIONSHIP BETWEEN THE PARTIES AS BORROWER AND LENDER THAT IS TRIABLE OF RIGHT BY A JURY AND (B) WAIVES ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO SUCH ISSUE TO THE EXTENT THAT ANY SUCH RIGHT EXISTS NOW OR IN THE FUTURE. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS SEPARATELY GIVEN BY EACH OF BORROWER AND LENDER, KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL.

ATTACHED EXHIBITS. The following Exhibits are attached to this Security Instrument and incorporated fully herein by reference:

|**X**|	Exhibit A	Description of the Land (required)
|**X**|	Exhibit B	Modifications to Security Instrument (IDA Ground Lease Provisions)
|**X**|	Exhibit C	Modifications to Security Instrument (Joinder and Consent of Agency; Borrower Acknowledgement and Agreement)

[Remainder of Page Intentionally Blank]

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IN WITNESS WHEREOF, Borrower has signed and delivered this Security Instrument under seal (where applicable) or has caused this Security Instrument to be signed and delivered by its duly authorized representative under seal (where applicable). Where the applicable laws of the Property Jurisdiction so provide, Borrower intends that this Security Instrument shall be deemed to be signed and delivered as a sealed instrument.

BORROWER:

VIOLET ESTATES OWNER LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

THE STATE OF _____§
§
COUNTY OF _____§

This instrument was acknowledged before me on the _____ day of February, 2024, by _____, as _____ of Violet Estates Owner LLC, a Delaware limited liability company. He is personally known to me or has produced _____ as identification.

_____
Notary Public in and for the State of _____
Identification Number: _____
My commission expires: _____

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The name, chief executive office and organizational identification number of Borrower (as Debtor under any applicable Uniform Commercial Code) are:
Debtor Name/Record Owner:
VIOLET ESTATES OWNER LLC
Debtor Chief Executive Office Address:
c/o Reynolds Asset Management
45 Eisenhower Drive, Suite 500
Paramus, New Jersey 07652
Debtor Organizational ID Number: 4004776

The name and chief executive office of Lender (as Secured Party) are:
Secured Party Name: WALKER & DUNLOP, LLC
Secured Party Chief Executive Office Address:
7272 Wisconsin Avenue, Suite 1300
Bethesda, Maryland 20814

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EXHIBIT A

[DESCRIPTION OF THE LAND]

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EXHIBIT B

MODIFICATIONS TO SECURITY INSTRUMENT
(IDA Ground Lease Provisions)

The foregoing Security Instrument is hereby modified as follows:

1. Capitalized terms used and not specifically defined herein have the meanings given to such terms in the Security Instrument.

2. Section 1 of the Security Instrument (Defined Terms) is hereby amended by adding the following new definitions in the appropriate alphabetical order:

"**Agency**" means Dutchess County Industrial Development Agency, a public benefit corporation of the State of New York.

"**Agency Lease Transaction**" means the transaction entered into by and between Borrower and Agency with respect to the status of the Mortgaged Property as evidenced by (i) that certain Company Lease Agreement dated as of March 1, 2021, and (ii) that certain Lease and Project Agreement, dated as of March 1, 2021, as amended by that certain First Amendment to Lease and Project Agreement dated as of April 1, 2022, and that certain Second Amendment to Lease and Project Agreement dated as of November 1, 2022.

"**Borrower Ground Lease Default**" means (a) a Sub-Lease Rent Payment Default, or (b) a default by Borrower in performing or observing any of the terms, covenants or conditions of the Ground Lease (other than the payments referred to in clause (a)) required to be performed or observed by Borrower.

"**Fee Estate**" means Borrower's: (a) fee simple ownership of the Land and interest in the Improvements, reversionary or otherwise, under the Over-Lease, and (b) right, title and interest in, under, and to the Over-Lease, including (1) all options, privileges and rights under the Over-Lease and all appurtenances with respect to the Over-Lease, and (2) all amounts paid to, or deposited by Agency with, Borrower under the Over-Lease.

"**Ground Lease**" means, individually or collectively as the context requires, the Over-Lease and the Sub-Lease.

"**Leasehold Estate**" means, individually or collectively as the context requires, Agency's interest in the Land and Improvements pursuant to the Over-Lease and Borrower's right, title and interest in the Land and Improvements pursuant to the Sub-Lease or other instrument, and in and to the Ground Lease, including, in both cases, (a) all rights of Agency and/or Borrower, as applicable, to renew or extend the term of the Ground Lease, (b) all amounts deposited by Agency with Borrower under the Over-Lease and all amounts deposited by Borrower with Agency under the Sub-Lease, (c) Borrower's and/or Agency's right or privilege to terminate, cancel, surrender, modify or amend the Ground

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Lease, and (d) all other options, privileges and rights granted and demised to Agency and/or Borrower under the Ground Lease and all appurtenances with respect to the Ground Lease.

"**Lender's Assumption Notice**" means a notice from Lender to Borrower in which (a) Lender demands that Borrower assume the Ground Lease and assign the Ground Lease to Lender, or its designee, in accordance with the applicable Insolvency Laws, and (b) Lender agrees to cure or provide adequate assurance of prompt cure of any PILOT Payment Default and Sub-Lease Rent Payment Default.

"**Over-Lease**" means the lease described in Schedule I pursuant to which Borrower leased the Land to Agency, as such lease may be amended, modified, supplemented, renewed and extended.

"**PILOT Payment Default**" means failure to make PILOT Payments when due.

"**PILOT Payments**" means payments in lieu of all real estate taxes and assessments as set forth on Exhibit C of the Sub-Lease, as the same may be amended or restated from time to time.

"**Sub-Lease**" means the sub-lease described in Schedule II pursuant to which the Borrower subleased the Land from Agency, as such lease may be amended, modified, supplemented, renewed and extended.

"**Sub-Lease Rent**" means the base or minimum rent payable in fixed monthly or other periodic installments under the Sub-Lease.

"**Sub-Lease Rent Payment Default"** means failure to pay Sub-Lease Rent beyond any notice or cure period, if any, that constitutes a default, however defined, under the Sub-Lease.

"**Unassigned Rights**" has the meaning given that term in the Ground Lease.

3. The definitions of "**Impositions**", "**Mortgaged Property**" and "**Personalty**" set forth in Section 1 of the Security Instrument (Defined Terms) are hereby deleted and restated in their entirety to read as follows:

"**Impositions**" means

(a) any water and sewer charges which, if not paid, may result in a lien on all or any part of the Mortgaged Property;

(b) the premiums for fire and other casualty insurance, liability insurance, rent loss insurance and such other insurance as Lender may require under the Loan Agreement;

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(c) Taxes and PILOT Payments;

(d) monthly payments to assure that sufficient funds are on deposit to cover all required Sub-Lease Rent payments; and

(e) amounts for other charges and expenses assessed against the Mortgaged Property which Lender at any time reasonably deems necessary to protect the Mortgaged Property, to prevent the imposition of liens on the Mortgaged Property, or otherwise to protect Lender's interests, all as reasonably determined from time to time by Lender.

"**Mortgaged Property**" means all of Borrower's and Agency's respective present and hereafter acquired right, title and interest, if any, in and to all of the following:

(a) the Land, the Fee Estate and the Leasehold Estate;

(b) the Improvements;

(c) the Personalty;

(d) current and future rights, including air rights, development rights, zoning rights and other similar rights or interests, easements, tenements, rights-of-way, strips and gores of land, streets, alleys, roads, sewer rights, waters, watercourses, and appurtenances related to or benefitting the Land or the Improvements, or both, and all rights-of-way, streets, alleys and roads which may have been or may in the future be vacated;

(e) insurance policies relating to the Mortgaged Property (and any unearned premiums) and all proceeds paid or to be paid by any insurer of the Land, the Improvements, the Personalty or any other part of the Mortgaged Property, whether or not Borrower obtained the insurance pursuant to Lender's requirements;

(f) awards, payments and other compensation made or to be made by any municipal, state or federal authority with respect to the Land, the Improvements, the Personalty or any other part of the Mortgaged Property, including any awards or settlements resulting from (1) Condemnation Actions, (2) any damage to the Mortgaged Property caused by governmental action that does not result in a Condemnation Action, or (3) the total or partial taking of the Land, the Improvements, the Personalty or any other part of the Mortgaged Property under the power of eminent domain or otherwise and including any conveyance in lieu thereof;

(g) contracts, options and other agreements for the sale of the Land, the Improvements, the Personalty or any other part of the Mortgaged Property entered into by Borrower now or in the future, including cash or securities deposited to secure performance by parties of their obligations;

(h) Leases and Lease guaranties, letters of credit and any other supporting obligation for any of the Leases given in connection with any of the Leases, and all Rents;

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(i) earnings, royalties, accounts receivable, issues and profits from the Land, the Improvements or any other part of the Mortgaged Property, and all undisbursed proceeds of the Mortgage Loan and, if Borrower is a cooperative housing corporation, maintenance charges or assessments payable by shareholders or residents;

(j) Imposition Deposits;

(k) refunds or rebates of Impositions by any municipal, state or federal authority or insurance company (other than refunds applicable to periods before the real property tax year in which this Security Instrument is dated);

(l) tenant security deposits;

(m) names under or by which any of the above Mortgaged Property may be operated or known, and all trademarks, trade names and goodwill relating to any of the Mortgaged Property;

(n) Collateral Accounts and all Collateral Account Funds;

(o) products, and all cash and non-cash proceeds from the conversion, voluntary or involuntary, of any of the above into cash or liquidated claims, and the right to collect such proceeds; and

(p) all of Borrower's right, title and interest in the oil, gas, minerals, mineral interests, royalties, overriding royalties, production payments, net profit interests and other interests and estates in, under and on the Mortgaged Property and other oil, gas and mineral interests with which any of the foregoing interests or estates are pooled or unitized.

Notwithstanding anything to the contrary in the preceding definition and solely with respect to the Agency, the "Mortgaged Property" shall expressly exclude the Agency's Unassigned Rights.

"**Personalty**" means all of Borrower's and Agency's present and hereafter acquired right, title and interest in all Goods, accounts, choses of action, chattel paper, documents, general intangibles (including Software), payment intangibles, instruments, investment property, letter of credit rights, supporting obligations, computer information, source codes, object codes, records and data, all telephone numbers or listings, claims (including claims for indemnity or breach of warranty), deposit accounts and other property or assets of any kind or nature related to the Land, the Leasehold Estate or the Improvements now or in the future, including operating agreements, surveys, plans and specifications and contracts for architectural, engineering and construction services relating to the Land, the Leasehold Estate or the Improvements, and all other intangible property and rights relating to the operation of, or used in connection with, the Land, the Leasehold Estate or the Improvements, including all governmental permits relating to any activities on the Land or the Fee Estate, the Leasehold Estate, all Fee and Leasehold Estate improvements, or related furniture and equipment, together with all present and future parts, additions,

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accessories, replacements, attachments, accessions, replacement parts and substitutions therefor, and the proceeds thereof (cash and non-cash including insurance proceeds) and any other equipment, supplies or furniture owned by Borrower and leased to any third party service provider or any property manager, including replacements and additions to any of the foregoing.

4. The following section is hereby added to the Security Instrument as Section 16 (Ground Lease Provisions):

16. Ground Lease Provisions.

(a) Representations and Warranties Regarding Ground Lease.

Borrower represents and warrants to Lender that, as of the Effective Date:

(1) Borrower leases the Land and owns fee simple title to the Improvements pursuant to the Sub-Lease or other instrument;

(2) the Ground Lease is in full force and effect in accordance with its terms, unmodified by any writing or otherwise, except as previously disclosed to Lender in writing;

(3) Borrower warrants and represents that all Sub-Lease Rent, payments in lieu of taxes and all other sums of money due and payable at any time and from time to time under the Ground Lease due prior to the date of this Security Instrument have been paid in full and all conditions and agreements required under the Ground Lease have been performed;

(4) Borrower has not waived, canceled or surrendered any of its rights under the Ground Lease;

(5) Borrower is the sole owner of, and has good and marketable title to, the Fee Estate and the Leasehold Estate pursuant to the Sub-Lease;

(6) Borrower enjoys the quiet and peaceful possession of the Fee Estate and the Leasehold Estate pursuant to the Sub-Lease, and there are, as of the date hereof, no defenses to Borrower's enforcement of its rights under the Ground Lease;

(7) the Fee Estate and Leasehold Estate are free and clear of all liens, encumbrances and other matters affecting title, other than the lien of this Security Instrument and the easements and restrictions listed in a schedule of exceptions to coverage in the title insurance policy issued to Lender contemporaneously with the execution and recordation of this Security Instrument and insuring Lender's interest in the Mortgaged Property, including the Fee Estate and the Leasehold Estate;

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(8) there is no existing Borrower Ground Lease Default and no event has occurred which, with the passage of time or the giving of notice, or both, would constitute a Borrower Ground Lease Default;

(9) there is no existing Agency Ground Lease Default and no event has occurred which, with the passage of time or the giving of notice, or both, would constitute an Agency Ground Lease Default; and

(10) upon the occurrence of an Event of Default, Lender may take such action, without notice or demand, as it deems advisable to protect and enforce its rights against Borrower and in and to the Mortgaged Property, including the Land, to the fullest extent under the terms of this Security Instrument, the Loan Agreement, and the other Loan Documents.

(b) Affirmative Covenants Regarding Ground Lease.

Borrower shall:

(1) pay the Sub-Lease Rent and all other sums of money due and payable at any time and from time to time under the Ground Lease as and when such sums become due and payable, but in any event before the expiration of any grace period provided in the Ground Lease for the payment of any such sum;

(2) at all times promptly and fully perform, observe and comply with all other terms, covenants and conditions of the Ground Lease to be performed, observed or complied with by Borrower as lessor under the Over-Lease and as lessee under the Sub-Lease, at the times for performance set forth therein, with allowance for grace periods, if any, and will enforce the obligations of Agency under the Ground Lease to the end that Borrower may enjoy all of the material rights granted it under the Ground Lease;

(3) notify Lender if Borrower or Agency initiates any appraisal, arbitration, litigation or other dispute resolution proceeding affecting the Ground Lease, and allow Lender to participate in such proceeding on Borrower's behalf, in Borrower's name, place and stead, or to exercise any or all of Borrower's rights in such proceeding;

(4) deliver to Lender, simultaneously with Borrower's delivery to Agency, a true and correct copy of each notice, demand, complaint or request made by either party under, or with respect to, a default under the Ground Lease (except that failure to provide such copy shall not affect the validity of such notice, demand, complaint or request);

(5) at the sole expense of Borrower, each within ten (10) days after written request from Lender, deliver to Lender or such other person as is requested by Lender, an estoppel certificate, reasonably acceptable to Lender, with respect to the Ground Lease; and

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(6) fully consent to the terms, covenants, and conditions contained in Sections 3 and 4 of this Security Instrument, including the assignment of leases and rents and the appointment of a receiver granted to Lender thereunder.

If the Ground Lease does not provide for a grace period for the payment of a sum of money, Borrower shall make the payment on or before the date on which the payment becomes due and payable. Borrower shall deliver evidence of the payment to Lender within ten (10) days after receipt of a written request from Lender for evidence of the payment.

(c) Negative Covenants Regarding Ground Lease.

Borrower shall not, without the written consent of Lender (which may be given or withheld by Lender in its sole and absolute discretion):

(1) surrender its Leasehold Estate to Agency or terminate or cancel the Ground Lease;

(2) amend, modify or change the Ground Lease, either orally or in writing, or waive any of Borrower's rights under the Ground Lease;

(3) except as provided in this Security Instrument, subordinate the Ground Lease or the Leasehold Estate to any mortgage, deed of trust or other lien on the Fee Estate;

(4) except as otherwise provided in Section 16(d) (Ground Lease Provisions – Borrower Bankruptcy Event) of this Security Instrument, reject or assume the Ground Lease or assign the Leasehold Estate pursuant to any Insolvency Laws. Borrower absolutely and unconditionally transfers and assigns to Lender all of Borrower's rights to surrender, terminate, cancel, modify and change the Ground Lease, and any such surrender, termination, cancellation, modification or change made without the prior written consent of Lender shall be void and have no legal effect; or

(5) acquire the Agency's interest in the Agency's Leasehold Estate.

(d) Borrower Bankruptcy Event.

(1) Borrower assigns to Lender, as additional security for the Indebtedness, Borrower's right to reject the Ground Lease under the Insolvency Laws after the occurrence of a Bankruptcy Event, subject to Section 16(d)(2) (Ground Lease Provisions – Borrower Bankruptcy Event) of this Security Instrument.

(2) If, after the occurrence of a Bankruptcy Event, Borrower decides to reject the Ground Lease, Borrower shall give Lender written notice, at least ten (10) Business Days in advance, of the date on which Borrower intends to

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apply to any bankruptcy court for authority and permission to reject the Ground Lease. Lender shall have the right, but not the obligation, within ten (10) days after receipt of Borrower's notice, to deliver a Lender's Assumption Notice. If Lender timely delivers Lender's Assumption Notice to Borrower, Borrower shall not reject the Ground Lease and shall, within fifteen (15) days after receipt of Lender's notice, comply with the demand contained in Lender's Assumption Notice. If Lender does not timely deliver Lender's Assumption Notice to Borrower, Borrower shall have the right to reject the Ground Lease.

(e) Intentionally Omitted.

(f) Lender's Right to Cure Borrower Ground Lease Defaults.

At any time after Lender receives notice of a Borrower Ground Lease Default, (1) Lender may (but shall not be obligated to do so), make any payment, perform any obligation, and take any other action Borrower would have the right to pay, perform or take under the Ground Lease which Lender deems necessary or desirable to cure the Borrower Ground Lease Default, and (2) Lender and its authorized agents shall have the right at any time or from time to time to enter the Mortgaged Property, or any part thereof, including the Leasehold Estate, to such extent and as often as Lender, in its discretion, deems necessary or desirable in order to cure the Borrower Ground Lease Default, subject to the rights of the tenants and occupants of the Mortgaged Property. Lender may exercise its rights hereunder immediately after receipt of notice of a Borrower Ground Lease Default and without regard to any grace period provided to defaulting party in the Ground Lease to cure the Borrower Ground Lease Default. For purposes of exercising its rights hereunder, Lender shall be fully protected for any action taken or omitted to be taken by Lender, in good faith, in reliance on any written notice from Borrower and/or Agency stating that a Borrower Ground Lease Default has occurred and is continuing even though Borrower and/or Agency may question or deny the existence or nature of the Borrower Ground Lease Default. All expenditures made by Lender hereunder to cure a Borrower Ground Lease Default shall become an additional part of the Indebtedness.

(g) Intentionally Omitted.

(h) No Merger of Estates.

If Borrower acquires Agency's interest in the Leasehold Estate, (1) there shall be no merger between the Fee Estate and the Leasehold Estate unless all persons, including Lender, having an interest in the Ground Lease consent in writing to the merger, and (2) simultaneously with Borrower's acquisition of Agency's interest in the Leasehold Estate, the lien of this Security Instrument shall automatically, without the necessity of any further conveyance, be spread to cover the Leasehold Estate (or if previously encumbered, will continue to cover) and as so spread shall be prior to the lien of any mortgage, deed of trust or other lien placed on the Leasehold Estate after the date of this Security Instrument. Promptly after Borrower's acquisition of Agency's interest in the

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Leasehold Estate, Borrower, at its sole cost and expense, including payment of Lender's attorneys' fees and out-of-pocket disbursements, shall execute and deliver all documents and instruments necessary to subject the Agency's interest in the Leasehold Estate, or confirm the Fee Estate is subjected to, the lien of this Security Instrument, and shall provide to Lender a title insurance policy insuring the lien of this Security Instrument as a first lien on the Fee Estate and the Leasehold Estate. If Lender acquires the Fee Estate and the Leasehold Estate (whether by foreclosure of this Security Instrument, or otherwise), the Fee Estate and the Leasehold Estate shall not merge and shall remain separate and distinct for all purposes unless and until Lender shall elect to merge the Fee Estate and the Leasehold Estate.

(i) Intentionally Omitted.

(j) New Over-Lease and Sub-Lease.

To the extent applicable, if (1) the Ground Lease is canceled or terminated for any reason before the natural expiration of its term, and (2) Lender (or its designee) enters into a new over-lease and sub-lease with Agency in accordance with the term of the Ground Lease, Borrower shall have no right, title or interest in and to the new lease or the leasehold estate created by the new over-lease and sub-lease.

(k) Notices Under Ground Lease.

Borrower shall deliver to Lender, (1) within ten (10) days after Borrower's receipt, a true and correct copy of each notice, demand, complaint or request from Agency under, or with respect to, the Ground Lease; and (2) within ten (10) days after Borrower's receipt of request from Lender, such other information and evidence as Lender may reasonably request concerning Borrower's due observance, performance and compliance with the terms, covenants and provisions of the Ground Lease.

(l) Appointment of Lender as Borrower's Attorney-In-Fact.

Borrower makes, constitutes and appoints Lender as Borrower's attorney-in-fact, in Borrower's name, place and stead, with full power of substitution, to take all actions and to sign all documents and instruments which Lender, in its discretion, considers to be necessary or desirable to (1) prevent or cure a Borrower Ground Lease Default pursuant to Section 16(f) (Ground Lease Provisions – Lender's Right To Cure Borrower Ground Lease Defaults) of this Security Instrument, (2) perform or carry out any of Borrower's covenants under Section 16(d) (Ground Lease Provisions – Borrower Bankruptcy Event) of this Security Instrument, (3) Intentionally Omitted, (4) appoint arbitrators and conduct arbitration proceedings, and (5) request and obtain estoppel certificates from Agency. Borrower gives and grants to Lender, as Borrower's attorney-in-fact, full power and authority to do and perform every act and sign every document and instrument necessary and proper to be done in the exercise of the foregoing power as fully as Borrower might or could do, and Borrower hereby ratifies and confirms all acts that Lender, as Borrower's attorney-in-fact, shall lawfully do or cause to be done by virtue of this power

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of attorney. This power of attorney, being coupled with an interest, shall be irrevocable as long as any of the Indebtedness remains unpaid.

(m) No Lender Obligation Under Ground Lease.

Lender shall have no liability or obligation under the Ground Lease by reason of its acceptance of this Security Instrument.

(n) Schedule I.

Schedule I (Description of Over-Lease) is hereby attached to and made a part of this Security Instrument.

(o) Schedule II.

Schedule II (Description of Sub-Lease) is hereby attached to and made a part of this Security Instrument.

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SCHEDULE I

DESCRIPTION OF OVER-LEASE

Company Lease Agreement by and between Violet Estates Owner LLC, a Delaware limited liability company and the Dutchess County Industrial Development Agency, a public benefit corporation of the State of New York dated as of March 1, 2021.

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SCHEDULE II

DESCRIPTION OF SUB-LEASE

Lease and Project Agreement by and between Violet Estates Owner LLC, a Delaware limited liability company and the Dutchess County Industrial Development Agency, a public benefit corporation of the State of New York dated as of March 1, 2021, as amended by that certain First Amendment to Lease and Project Agreement dated as of April 1, 2022, and that certain Second Amendment to Lease and Project Agreement dated as of November 1, 2022.

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EXHIBIT C

MODIFICATIONS TO SECURITY INSTRUMENT
(Joinder and Consent of Agency; Borrower Acknowledgement and Agreement)

The foregoing Security Instrument is hereby modified as follows:

1. Capitalized terms used and not specifically defined herein have the meanings given to such terms in the Security Instrument.

2. Section 1 of the Security Instrument (Defined Terms) is hereby amended by adding the following new definition in the appropriate alphabetical order:

> "**Agency's Leasehold Estate**" means the Agency's leasehold estate and all of the Agency's right, title and interest in the Mortgaged Property created by the Over-Lease.

3. Intentionally Omitted.

4. The second paragraph of this Security Instrument is hereby deleted and restated in its entirety to read as follows:

> Borrower, and Agency, as applicable, in consideration of (i) the loan in the original principal amount of Twenty Million Four Hundred Forty Thousand and 00/100 Dollars ($20,440,000.00) (the "**Mortgage Loan**") evidenced by that certain Multifamily Note dated as of the date of this Security Instrument, executed by Borrower and made payable to the order of Lender (as amended, restated, replaced, supplemented, or otherwise modified from time to time, the "**Note**"), and (ii) that certain Multifamily Loan and Security Agreement dated as of the date of this Security Instrument, executed by and between Borrower and Lender (as amended, restated, replaced, supplemented or otherwise modified from time to time, the "**Loan Agreement**"), and to secure to Lender the repayment of the Indebtedness (as defined in this Security Instrument), and all renewals, extensions and modifications thereof, and the performance of the covenants and agreements of Borrower contained in the Loan Documents (as defined in the Loan Agreement), excluding the Environmental Indemnity Agreement (as defined in this Security Instrument), irrevocably and unconditionally mortgages, grants, assigns, remises, releases, warrants and conveys to and for the benefit of Lender Borrower's and Agency's respective interests in the Mortgaged Property (as defined in this Security Instrument), each for themselves and not the other, including the real property located in the County of Dutchess, Town of Poughkeepsie, State of New York, and described in Exhibit A attached to this Security Instrument and incorporated by reference (the "**Land**"), but excluding the Agency's Unassigned Rights, to have and to hold such

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Mortgaged Property unto Lender and Lender's successors and assigns, forever; Borrower hereby releasing, relinquishing and waiving, to the fullest extent allowed by law, all rights and benefits, if any, under and by virtue of the homestead exemption laws of the Property Jurisdiction (as defined in this Security Instrument), if applicable.

5. The fourth paragraph of this Security Instrument is hereby deleted and restated in its entirety to read as follows:

Borrower represents and warrants that it is lawfully seized of a fee and sub-leasehold interest in the Mortgaged Property; Agency represents that it is lawfully seized of a leasehold interest in the Mortgaged Property; and the Agency and the Borrower each have the right, power and authority to mortgage, grant, assign, remise, release, warrant and convey their respective interests in the Mortgaged Property or Ground Lease as applicable, and Borrower represents that neither the Mortgaged Property nor the Ground Lease are encumbered by any Lien (as defined in this Security Instrument) other than Permitted Encumbrances (as defined in this Security Instrument) and any lien created in the Ground Lease. Borrower covenants that Borrower will warrant and defend the title to the Mortgaged Property against all claims and demands other than Permitted Encumbrances.

6. Section 2(a) of this Security Instrument (Security Agreement; Fixture Filing) is hereby amended and restated to read as follows:

(a) To secure to Lender, the repayment of the Indebtedness, and all renewals, extensions and modifications thereof, and the performance of the covenants and agreements of Borrower contained in the Loan Documents, Borrower and Agency by executing and delivering this Security Instrument, for themselves and not the other, each hereby pledges, assigns, and grants to Lender a continuing security interest in the Borrower and the Agency's respective interests in the UCC Collateral. This Security Instrument constitutes a security agreement and a financing statement under the UCC. This Security Instrument also constitutes a financing statement pursuant to the terms of the UCC with respect to any part of the Mortgaged Property that is or may become a Fixture under applicable law, and will be recorded as a "fixture filing" in accordance with the UCC. Borrower and Agency hereby authorize Lender to file financing statements, continuation statements and financing statement amendments in such form as Lender may require to perfect or continue the perfection of this security interest without the signature of Borrower or Agency. If an Event of Default has occurred and is continuing, Lender shall have the remedies of a secured party under the UCC or otherwise provided at law or in equity, in addition to all remedies provided by this Security Instrument and in any Loan Document. Lender may exercise any or all of its remedies against the UCC Collateral separately or together, and in any order, without in any way affecting the availability or validity of Lender's other remedies. For purposes of the UCC, the debtor is Borrower and Agency and the secured party is Lender.

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7. Section 6 of this Security Instrument (Waiver of Statute of Limitations and Marshaling) is hereby amended and restated to read as follows:

> Borrower and/or Agency, as applicable and appropriate, hereby waives the right to assert any statute of limitations as a bar to the enforcement of the lien of this Security Instrument or to any action brought to enforce any Loan Document to which Borrower and/or Agency is/are a party. Notwithstanding the existence of any other security interests in the Mortgaged Property held by Lender or by any other party, Lender shall have the right to determine the order in which any or all of the Mortgaged Property (including the separate estates of Agency and Borrower) shall be subjected to the remedies provided in this Security Instrument and/or any other Loan Document or by applicable law. Lender shall have the right to determine the order in which any or all portions of the Indebtedness are satisfied from the proceeds realized upon the exercise of such remedies. Borrower, for itself and all who may claim by, through or under it, and any party who now or in the future acquires a security interest in the Mortgaged Property and who has actual or constructive notice of this Security Instrument, waives any and all right to require the marshaling of assets or to require that any of the Mortgaged Property (or the separate estates of Agency and Borrower therein) be sold in the inverse order of alienation or that any of the Mortgaged Property (or the separate estates of Agency and Borrower therein) be sold in parcels (at the same time or different times) in connection with the exercise of any of the remedies provided in this Security Instrument or any other Loan Document, or afforded by applicable law.

8. Section 12 this Security Instrument (Governing Law; Consent to Jurisdiction and Venue) of is hereby amended and restated to read as follows:

> This Security Instrument shall be governed by the laws of the Property Jurisdiction without giving effect to any choice of law provisions thereof that would result in the application of the laws of another jurisdiction. Borrower and Agency agree that any controversy arising under or in relation to this Security Instrument shall be litigated exclusively in the Property Jurisdiction. The state and federal courts and authorities with jurisdiction in the Property Jurisdiction shall have exclusive jurisdiction over all controversies that arise under or in relation to any security for the Indebtedness. Borrower and Agency irrevocably consent to service, jurisdiction, and venue of such courts for any such litigation and waives any other venue to which it might be entitled by virtue of domicile, habitual residence or otherwise.

9. Section 13(a) of this Security Instrument (Miscellaneous Provisions) is hereby amended and restated to read as follows:

> (a) This Security Instrument shall bind, and the rights granted by this Security Instrument shall benefit, the successors and assigns of Lender. This Security Instrument shall bind, and the obligations granted by this Security Instrument shall inure to, any permitted successors and assigns of Borrower under the Loan Agreement. This Security Instrument unto which Agency hereby joins shall bind, and the obligations granted by

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this Security Instrument shall inure to, any permitted successors and assigns of Agency. If more than one (1) person or entity signs this Security Instrument as Borrower, the obligations of such persons and entities shall be joint and several. The relationship between Lender and Borrower shall be solely that of creditor and debtor, respectively, and nothing contained in this Security Instrument shall create any other relationship between Lender and Borrower. No creditor of any party to this Security Instrument and no other person shall be a third party beneficiary of this Security Instrument or any other Loan Document.

10. Section 15 of this Security Instrument (Waiver of Trial by Jury) is hereby amended and restated to read as follows:

TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EACH OF BORROWER, AGENCY AND LENDER (BY ITS ACCEPTANCE HEREOF) (A) COVENANTS AND AGREES NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THIS SECURITY INSTRUMENT OR THE RELATIONSHIP BETWEEN THE PARTIES AS BORROWER, AGENCY AND LENDER THAT IS TRIABLE OF RIGHT BY A JURY AND (B) WAIVES ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO SUCH ISSUE TO THE EXTENT THAT ANY SUCH RIGHT EXISTS NOW OR IN THE FUTURE. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS SEPARATELY GIVEN BY EACH OF BORROWER, AGENCY AND LENDER, KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL.

11. **Agency Joinder.**

The undersigned, a public benefit corporation organized and existing under the laws of the State of New York is the owner of the Agency's Leasehold Estate and the landlord under the Sub-Lease.

This Joinder and Consent is hereby attached to and incorporated into the Security Instrument and deemed a part thereof, and all references in the Loan Documents to the Security Instrument shall be deemed to include this Joinder and Consent.

By its execution and delivery of this Joinder and Consent, Agency hereby joins in the Security Instrument for the purpose of (a) imposing the lien of the Security Instrument on the Agency's Leasehold Estate except for the Unassigned Rights, (b) acknowledging and consenting to the mortgage, pledge, assignment and hypothecation by Borrower of all of Borrower's interest in the Mortgaged Property, including the Agency's Leasehold Estate except for the Unassigned Rights, pursuant to the Security Instrument, and (c) acknowledging the agreements, covenants and obligations set forth in the Security Instrument, including those set forth in this Joinder and Consent, as may be applicable to Agency, and agreeing to the modifications, agreements, representations,

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warranties, waivers and covenants contained in this Joinder and Consent, to wit:

Agency, in consideration of Lender's making the Mortgage Loan to Borrower and approving the Ground Lease, to secure to Lender Borrower's repayment of the Indebtedness, and all renewals, extensions and modifications thereof, and the performance of the covenants and agreements of Borrower contained in the Loan Documents (excluding the Environmental Indemnity Agreement), irrevocably and unconditionally mortgages, grants, assigns, remises, releases, and conveys to and for the benefit of Lender, the Agency's present and future right, title and interest in and to the Agency's Leasehold Estate on the Land described in Exhibit A attached to the Security Instrument and incorporated herein by reference, except for the Unassigned Rights, to have and to hold such Agency's Leasehold Estate unto Lender and Lender's successors and assigns, forever; Agency hereby releasing, relinquishing and waiving, to the fullest extent allowed by law, all rights and benefits, if any, under and by virtue of the homestead exemption laws of the Property Jurisdiction (as defined in the Security Instrument), if applicable.

Agency represents that (a) Agency has the power, authority and right to execute this Joinder and Consent, and (b) Agency is lawfully seized of the Leasehold Estate in the Over-Lease and Sub-Lease, has the right, power and authority to mortgage, grant, assign, remise, release, warrant and convey Agency's Leasehold Estate, except for the Unassigned Rights, and to Agency's knowledge the Agency's Leasehold Estate is not encumbered by any Lien other than Permitted Encumbrances.

12. **Assignment of Ground Lease.**

Following commencement of the exercise of any remedies provided to the Lender pursuant to the terms of this Security Instrument, if Lender determines to assume the Ground Lease, or request a new ground Lease with Agency, Lender will provide Agency with a minimum of thirty (30) days' written notice of the default and that it intends to assume Borrower's obligations under the Agency Lease Transaction Documents, or request a new ground lease. Subject to then-applicable laws and, if there is a PILOT Payment Default, paying or causing to be paid such PILOT Payment, together with any applicable statutory penalties or interest with respect thereto within thirty (30) days following receipt of written notice of such PILOT Payment Default, the Agency will consent (without condition, other than Agency's continued reservation of the Unassigned Rights) to the assignment and assumption of the rights, interests, covenants and obligations of the Borrower under the Agency Lease Transaction, to (i) Lender, (ii) Fannie Mae (iii) the trustee or certificate administrator for any REMIC trust to which this Instrument is assigned in connection with a securitization sponsored by Fannie Mae, provided, that the trustee or certificate administrator (each, an "**Eligible Trustee/CA**") for such REMIC trust is a corporation, national bank, trust company or national banking association, organized and doing business under the laws of any state or the United States of America or the District of Columbia and having a combined capital and surplus of at

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least $50,000,000, or such other capital and surplus amount as is then required on a programmatic basis for Fannie Mae sponsored securitizations of mortgages similar to the Leasehold Mortgage and securitized in the same program as the Leasehold Mortgage (a "**REMIC Trust**"), or (iv) a nominee of either Lender, Fannie Mae or a REMIC Trust provided such nominee is controlled by Lender, Fannie Mae or such REMIC Trust) (the "**Nominee**"). Each of the entities described in clauses (i) through (iv) are a "**Lender Party**." Such consent shall be evidenced by an assignment and assumption agreement, whereby the successor entity shall covenant to keep, observe and perform, from and after the date of the assignment and assumption, all of the covenants, agreements, provisions and obligations of the Borrower pursuant to the Ground Lease and which provides that there shall be no recourse against such Lender Party for any liability to the Agency arising in connection with any breach or default under the Agency Lease Transaction by such Lender Party or in connection with such Lender Party's interest in the Mortgaged Property, except to the extent the same is enforced against the rights, title and interest of such Lender Party in the Mortgaged Property, and Agency shall look solely to the rights, title and interest of such Lender Party relating to the Mortgaged Property in enforcing its rights against such Lender Party under and in connection with the Agency Lease Transaction. However, if the successful bidder at the time of settlement of a foreclosure of the Mortgaged Property is a third-party (and not a Lender Party), the assignment and assumption of the rights, interests, covenants and obligations of the Borrower under the Ground Lease shall be subject to the consent of Agency, provided further that, upon request by the Lender, such approval by the Agency shall not be unreasonably delayed, conditioned or denied. Such consent shall be evidenced by an assignment and assumption agreement, whereby the successor entity shall covenant to keep, observe and perform, from and after the date of the assignment and assumption, all of the covenants, agreements, provisions and obligations of the Borrower pursuant to the Ground Lease. Any further transfer following a foreclosure or deed in lieu of foreclosure shall be subject to the consent of the Agency in accordance with the terms of the Ground Lease.

13. The following section is hereby added to the Security Instrument as Section 17 (Agency Provisions):

17. Agency Provisions.

(a) Agency represents to Lender that, as of the Effective Date:

(1) Agency owns the Leasehold Estate in the Over-Lease and the Sub-Lease;

(2) the name and address of the Agency are set forth after Agency's signature below which are the addresses from which information on the security interest may be obtained;

(3) Agency maintains its chief executive office at the location set forth after the Agency's signature below;

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(4) the state of incorporation, organization, or formation, if applicable, of Agency is as set forth in this Joinder and Consent and Agency's exact legal name is as set forth in this Joinder and Consent;

(5) Agency's organizational identification number, if applicable, is as set forth after Agency's signature below;

(6) to Agency's actual knowledge, no financing statement covering any of the UCC Collateral owned by Agency (or any proceeds thereof) is on file in any public office except pursuant hereto;

(7) notwithstanding anything contained in the Ground Lease to the contrary, (i) the reference to "any mortgage or mortgages" and relatedly "lender" in the Ground Lease means this Security Instrument and the Lender under this Security Instrument, its successors and/or assigns. Lender intends to assign this Security Instrument to Fannie Mae and from and after such assignment, all references to "Lender" in this Security Instrument means, Fannie Mae, its successors and assigns and Lender is entitled to all rights and benefits applicable to "lender" as contemplated by the Ground Lease, as applicable; and (ii) in the event of a casualty and/or condemnation at or otherwise affecting the Mortgaged Property, the settlement, issuance and receipt of any insurance proceeds and/or condemnation awards, as applicable with respect to such casualty and/or condemnation, excluding proceeds of any liability insurance policy for the benefit of the Agency, shall be administered, handled, delivered, held and disbursed in accordance with the terms of the Loan Agreement; and

(8) subject to Section 12 of this Joinder and Consent (Assignment of Ground Lease), in the event of a foreclosure or transfer in lieu of foreclosure of Borrower's interest in the Mortgaged Property, Lender is acknowledged as lessee under the Ground Lease.

(b) The Agency acknowledges the following:

(1) Agency will at all times promptly and fully perform, observe and comply with all other terms, covenants and conditions of the Ground Lease to be performed, observed or complied with by Agency.

(2) Agency will duly and timely comply with all laws, regulations, rules, statutes, orders and decrees of any Governmental Authority or court applicable to it or to the Agency's interest in the Mortgaged Property or any part thereof.

(3) Agency will accept payments and performance tendered by Lender with respect to Borrower's obligations under the Ground Lease.

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(4) Agency agrees to deliver to Lender or such other person as is requested by Lender, at the sole expense of Borrower, each within ten (10) days after written request from Lender, an estoppel certificate, reasonably acceptable to the Agency and the Lender, with respect to the Ground Lease.

(c) The Agency will not, without the written consent of Lender (which may be given or withheld by Lender in its sole and absolute discretion) take any of the following actions:

(1) Accept a surrender of the Leasehold Estate or terminate or cancel the Ground Lease.

(2) amend, modify or change the Ground Lease, either orally or in writing; or

(3) pledge, assign, convey, transfer, sell, further encumber or mortgage the Agency's Leasehold Estate or subordinate the Ground Lease or the Agency's Leasehold Estate to any mortgage, deed of trust or other lien on the Agency's Leasehold Estate other than this Security Instrument.

(d) Subordination; Agency Consent.

(1) Agency acknowledges and agrees that the obligations of Borrower to make payments to Agency required under the Ground Lease and to perform and observe the other covenants and agreements on the part of Borrower as contained in the Ground Lease (including claims under the Ground Lease or any rights to subrogation Agency may have as a result of the Security Instrument or any action taken by Lender under the Security Instrument), shall: (i) be personal to the Borrower; (ii) be subordinate and junior in priority, right of payment and all other respects to any and all obligations of Borrower under the Loan Documents; (iii) not be secured by this Security Instrument; and (iv) not constitute a lien on the Mortgaged Property. Agency acknowledges and agrees that the lien of the Security Instrument shall be senior to the Agency's Leasehold Estate (but not the Ground Lease itself) and the Agency's Leasehold Estate (but not the Ground Lease itself) is hereby subjected and made subordinate to the lien of the Security Instrument.

(2) Agency hereby consents to the hypothecation, transfer, pledge and assignment of Borrower's present and hereafter acquired right, title and interest in the Ground Lease, the Fee Estate and the Borrower's Leasehold Estate pursuant to the Security Instrument. Agency acknowledges, agrees and consents to the terms contained in the Security Instrument as they relate to the Agency and its respective interest in the Mortgaged Property.

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(3) Notwithstanding anything in the Ground Lease to the contrary, a Lender Party may foreclose upon the lien of this Security Instrument on the Fee Estate and Borrower's Leasehold Estate or accept a deed in lieu of foreclosure with respect to the Fee Estate, and accept a transfer in lieu of foreclosure with respect to Borrower's Leasehold Estate, or otherwise acquire the Fee Estate and/or Borrower's Leasehold Estate but not Agency's Leasehold Estate, such action shall not constitute a default under the Ground Lease, and, in such case, in the event the Lender Party chooses to foreclose this Security Instrument or accept a transfer in lieu of foreclosure with respect to the Fee Estate and Borrower's Leasehold Estate, but not Agency's Leasehold Estate, subject to the terms and provisions of Section 12 of this this Joinder and Consent (Assignment of Ground Lease), Lender is acknowledged as lessee under Ground Lease unless otherwise requested in writing by Lender; the Ground Lease will remain in full force and effect according to its terms and Lender Party shall have the same rights and obligations as Borrower during the period that Lender Party holds the Fee Estate and Borrower's Leasehold Estate, not to exceed Lender Party's interest in the Mortgaged Property. The foregoing notwithstanding, if following an Event of Default, Borrower transfers its Leasehold Estate to Lender Party and tenders a deed in lieu of foreclosure to Lender Party with respect to the Fee Estate, if requested in writing by Lender, Agency agrees to terminate the Ground Lease and transfer its Leasehold Estate to Lender Party.

(e) Additional Provisions.

Agency acknowledges and agrees that:

(1) all leasehold mortgagee protection provisions set forth in the Sub-Lease, and all other provisions inuring to the benefit of leasehold mortgagees or their successors or assigns contained in the Ground Lease, are hereby incorporated into the Security Instrument herein by reference and are restated and confirmed by Agency for the benefit of Lender and its successors and assigns;

(2) until such time, if any, that the Indebtedness shall be satisfied or Lender shall give Agency written notice that the Indebtedness has been satisfied, Lender shall have the protections of a leasehold mortgagee as described in the Ground Lease and the execution of this Joinder and Consent by Agency satisfies all notice and consent requirements for Lender to obtain and maintain status as a leasehold mortgagee under the Ground Lease;

(3) upon the occurrence of an Event of Default, Lender may take such action and exercise such remedies, without notice or demand, as it deems advisable to protect and enforce its rights against Borrower and Agency, and its rights in and to the Mortgaged Property to the fullest extent under the terms of the Security Instrument, the Loan Agreement, and the other Loan Documents;

(4) upon receipt of notice from the Agency of a default by Borrower

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under the Ground Lease, Lender may, but shall not be obligated to, cure any default of Borrower. Lender may exercise its rights under this subsection (e)(4) immediately after receipt of notice of a default by Borrower under the Ground Lease and within any grace period afforded to the Borrower under the Ground Lease to cure such default. For purposes of exercising its rights under this subsection, Lender will not be liable to Borrower or Agency for any action taken or omitted to be taken by Lender, in good faith, in reliance on any written notice from Agency stating that a default by Borrower under the Ground Lease has occurred and is continuing even though Borrower may question or deny the existence or nature of such default. All expenditures made by Lender pursuant to this subsection to cure a default by Borrower under the Ground Lease will become an additional part of the Indebtedness as provided in the Security Instrument.

(f) Agency Waivers.

Agency hereby waives the following:

(1) any defense that Agency may have by reason of the failure of Lender to provide Agency with any material facts about Borrower, including any information respecting the financial condition of Borrower, Borrower's ability to perform the Loan obligations or the sufficiency of Lender's security; and

(2) any defense that may arise by reason of the incapacity, lack of authority, death or disability of any other Person, or the failure of Lender to file or enforce a claim against the estate (in administration, bankruptcy or any other proceeding) of any other Person or Persons.

(g) Agency's Personal Liability.

Agency and any member, director, officer, employee or agent of the Agency have no personal liability for the repayment of the Indebtedness or for the performance of any of Borrower's obligations under the Loan Documents, and Agency's liability under this Security Instrument is expressly limited to its interest in the Leasehold Estate. Nothing in this Security Instrument limits the liability or obligations of Agency as landlord under the Sub-Lease.

(h) Notices Under Ground Lease.

Agency shall deliver to Lender, simultaneously with Agency's delivery of same to Borrower, a true and correct copy of each notice, demand, complaint or request made by Agency under, or with respect to, the Ground Lease. However, Agency's failure to provide such copy to Lender shall not affect the validity of such notice, demand, complaint or request sent to Borrower.

(i) No Recourse Against Agency. The general credit of the Agency is not obligated

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or available for the payment of this Mortgage. The Lender will not look to the Agency or any principal, member, director, officer or employee of the Agency with respect to the indebtedness evidenced by this Mortgage or any covenant, stipulation, promise, agreement or obligation contained herein. In enforcing its rights and remedies under this Mortgage, the Lender will look solely to the mortgaged premises and/or the Borrower for the payment of the indebtedness secured by this Mortgage and for the performance of the provisions hereof. The Lender will not seek a deficiency or other money judgment against the Agency or any principal, member, director, officer or employee of the Agency and will not institute any separate action against the Agency by reason of any default that may occur in the performance of any of the terms and conditions of this Mortgage or the Loan Documents. This agreement on the part of the Lender shall not be construed in any way so as to effect or impair the lien of this Mortgage or the Lender's right to foreclose hereunder as provided by law or construed in any way so as to limit or restrict any of the rights or remedies of the Lender in any foreclosure proceedings or other enforcement of payment of the indebtedness secured hereby out of and from the security given therefor. All covenants, stipulations, promises, agreements and obligations are the Agency's and not of any member, director, officer, employee or agent (except the Borrower) of the Agency in his or her individual capacity, and no recourse shall be had for the payment of the principal of any debt or interest thereon or for any claim based thereon or hereunder against any member, director, officer, employee or agent (except the Borrower) of the Agency or any natural person executing this Mortgage on behalf of the Agency. No covenant contained herein shall be deemed to constitute a debt of the State of New York or the County of Dutchess, and neither the State of New York nor the County of Dutchess shall be liable on any covenant contained herein, nor shall any obligations hereunder be payable out of any funds of the Agency.

(j) Hold Harmless Provisions.

1. The Borrower agrees that the Agency, its directors, members, officers, agents (except the Borrower) and employees shall not be liable for and agrees to defend, indemnify, release and hold the Agency, its director, members, officers, agents (except the Borrower) and employees harmless from and against any and all (i) liability for loss or damage to property or injury to or death of any and all persons that may be occasioned by, directly or indirectly, any cause whatsoever pertaining to the Company Facility or arising by reason of or in connection with the use thereof or under this Mortgage, or (ii) liability arising from or expense incurred by the Project Work or the Agency's acquiring, owning and leasing of the Company Facility, including without limiting the generality of the foregoing, all claims arising from the breach by the Borrower of any of its covenants contained herein and all causes of action and reasonable attorneys' fees (whether by reason of third party claims or by reason of the enforcement of any provision of the Mortgage (including, without limitation, this Section)) and any other expenses incurred in defending any claims, suits or actions which may arise as a result of the foregoing, provided that any such losses, damages, liabilities or expenses of the Agency are not incurred or do not result from the gross negligence or intentional or willful wrongdoing of the Agency or any of its directors, members, officers, agents (except the Borrower) or employees. The

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foregoing indemnities shall apply notwithstanding the fault or negligence on the part of the Agency, or any of its members, directors, officers, agents, or employees and irrespective of the breach of a statutory obligation or the application of any rule of comparative or apportioned liability. The foregoing indemnities are limited only to the extent of any prohibitions imposed by law, and upon the application of such prohibition by the final judgment or decision of a competent court of law, the remaining provisions of these indemnities shall remain in full force and effect.

2. Notwithstanding any other provisions of this Mortgage, the obligations of the Borrower pursuant to this Section shall remain in full force and effect after the termination of this Mortgage until the expiration of the period stated in the applicable statute of limitations during which a claim, cause of action or prosecution relating to the matters herein described may be brought and payment in full or the satisfaction of such claim, cause of action or prosecution relating to the matters herein described and the payment of all reasonable expenses and charges incurred by the Agency, or its respective members, directors, officers, agents (except the Borrower) and employees, relating to the enforcement of the provisions herein specified.

3. In the event of any claim against the Agency or its members, directors, officers, agents (except the Borrower) or employees by any employee or contractor of the Borrower or anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, the obligations of the Borrower hereunder shall not be limited in any way by any limitation on the amount or type of damages, compensation, disability benefits or other employee benefit acts.

(k) Termination of Ground Lease. Upon the termination of the Ground Lease for any reason whatsoever, and at the sole cost and expense of the Borrower, the Lender shall prepare, execute and deliver to the Agency and the Borrower, and the Agency and the Borrower shall execute, any documents necessary to amend the Mortgage to remove the Agency as a party thereto.

[Remainder of Page Intentionally Blank]

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IN WITNESS WHEREOF, Agency has signed and delivered this Joinder and Consent of Agency to this Security Instrument or has caused this Joinder and Consent of Agency to this Security Instrument to be signed and delivered by its duly authorized representative.

AGENCY:

DUTCHESS COUNTY INDUSTRIAL DEVELOPMENT AGENCY,
a public benefit corporation of the State of New York

By: _____(SEAL)
Name: Sarah Lee
Title: Executive Director

THE STATE OF NEW YORK§
§
COUNTY OF DUTCHESS§

On the ___, day of _____, 2024, before me, the undersigned, personally appeared SARAH LEE, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument, and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person or entity on behalf of which the individual acted, executed the instrument.

_____
Notary Public in and for the State of _____
Identification Number: _____

My commission expires: _____

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The name, chief executive office and organizational identification number of Agency (as Debtor under any applicable Uniform Commercial Code) are:
Debtor Name/Record Owner:
Dutchess County Industrial Development Agency
3 Neptune Road
Poughkeepsie, New York 12601
Attention: Executive Director
Debtor Organizational ID Number: [_____]

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Acknowledged and Agreed to by:

BORROWER:

VIOLET ESTATES OWNER LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

THE STATE OF _____§
§
COUNTY OF _____§

This instrument was acknowledged before me on the _____ day of _____, 2024, by _____, as _____ of Violet Estates Owner LLC, a Delaware limited liability company. He is personally known to me or has produced _____ as identification.

_____
Notary Public in and for the State of _____
Identification Number: _____

My commission expires: _____

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EXHIBIT D
TO
CONSOLIDATION, EXTENSION AND MODIFICATION AGREEMENT

[Exceptions to Ground Lease]

None.

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INSTRUCTIONS FOR NEW YORK CONSOLIDATION, EXTENSION AND MODIFICATION AGREEMENT

- REMOVE BEFORE RECORDING -

These instructions apply if the Agreement is used in consolidation, extension or modification of a multifamily loan intended for sale to Fannie Mae by the Lender ("**Seller**").

(1) The core terms of the obligation as consolidated, extended and modified must be the Fannie Mae Multifamily Note, Multifamily Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing, and Multifamily Loan and Security Agreement. The terms of the security instrument are supplied by means of Exhibit C to the Agreement (the Uniform and Non-Uniform Covenants from the real estate security instrument, with any designation of trustee(s) and other appropriate blanks completed and any riders thereto attached). See Paragraph 3 of the Agreement. Seller must require the Borrower to execute the Consolidated Note which amends and restates in their entirety the terms and conditions of all notes evidencing the Borrower's obligations (including, without limitation, any note executed in accordance with Paragraph 3 below of these instructions) and any modifications, consolidations or extensions thereof. The form of the Consolidated Note must be the then current Fannie Mae Multifamily Note for New York with the following language added to the note:

> This Note consolidates, amends and restates in their entirety the terms and provisions of those certain promissory notes as more fully described on Exhibit A attached hereto (said promissory notes being hereinafter collectively referred to as the "**Existing Notes**") so that this Note shall hereafter constitute evidence of but one debt in the principal amount of Twenty Million Four Hundred Forty Thousand and 00/100 Dollars ($20,440,000.00). The conditions contained in this Note shall supersede and control the terms, covenants, agreements, rights, obligations and conditions of the Existing Notes (it being agreed that the modification of the Existing Notes shall not impair the debt evidenced by each of the Existing Notes). This Note does not create new or additional indebtedness but evidences the same indebtedness evidenced by the Existing Notes and secured by the Security Instrument

All notes, mortgages, deeds of trust or other security instruments and the most recent consolidation agreements prior to the Agreement and related agreements that modify, consolidate or extend prior underlying obligations and which predate the Agreement must be identified in the Agreement or in Exhibit B to the Agreement.

(2) For sales of whole loans to Fannie Mae, Seller must deliver the executed original of the Agreement and all exhibits to it (or a certified true copy from the recording clerk, if the original is not yet available), together with the original Consolidated Note. Each original note which is the original evidence of any part of Borrower's indebtedness set out in the Agreement, including the original note for new money, if any, must be retained by Seller in trust for Fannie Mae.

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(3) If new funds are advanced at the time of the consolidation and modification evidenced by the Agreement, the new obligation must be evidenced by a new note and a new security instrument on the then current Fannie Mae Multifamily Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing. Since this "gap" security instrument will not reflect the terms of the entire obligation, it cannot be used as Exhibit C to supply the terms of the consolidated security instrument.

(4) Any exceptions noted pursuant to Paragraph 4 of the Agreement should be contained in Exhibit D.

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AGENCY/BORROWER IDA ESTOPPEL CERTIFICATE

March ____, 2024

PROPERTY NAME:	Violet Estates
PROPERTY ADDRESS:	35 Violet Avenue Poughkeepsie, New York 12601 Dutchess County (the "**Mortgaged Property**")
OVER-LEASE DATE:	March 1, 2021
SUB-LEASE DATE:	March 1, 2021
AGENCY:	DUTCHESS COUNTY INDUSTRIAL DEVELOPMENT AGENCY, a public benefit corporation of the State of New York ("**Agency**")
BORROWER:	VIOLET ESTATES OWNER LLC, a Delaware limited liability company ("**Borrower**")

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Agency and Borrower acknowledge that (a) WALKER & DUNLOP, LLC, a Delaware limited liability company (together with its successors and assigns, "**Lender**") has agreed, subject to the satisfaction of certain terms and conditions, to make a loan (the "**Mortgage Loan**") to Borrower, which Mortgage Loan is or will be secured by a lien on the fee estate, the leasehold estate and the sub-leasehold estate interests in the Mortgaged Property (the "**Premises**"), and (b) Lender is requiring this Agency/Borrower IDA Estoppel Certificate (this "**Estoppel**") as a condition to its making the Mortgage Loan. Accordingly, Agency and Borrower hereby certify, confirm, covenant and agree to Lender and its transferees, successors and assigns, as follows:

1. A true, complete and correct copy of the (a) over-lease between Borrower, as lessor, and Agency, as lessee with respect to the leasehold estate of the Premises, together with any other amendment, supplement or agreement related thereto, is attached hereto as Schedule I (collectively, the "**Over-Lease**"), and (b) sub-lease between the Agency, as lessor, and Borrower, as lessee, with respect to the sub-leasehold estate of the Premises, together with any other amendment, supplement or agreement related thereto, is attached hereto as Schedule II (collectively, the "**Sub-Lease**" and, together with the Over-Lease, individually or collectively as the context may require, the "**Lease**"). Other than as attached on Schedule I and Schedule II, the Lease has not been modified, changed, altered, assigned, supplemented or amended in any respect. The Lease represents the entire agreement between Agency and Borrower with respect to the Premises.

2. Agency and Borrower each hereby acknowledge that Lender intends to assign the Mortgage Loan to Fannie Mae and from and after such assignment, all references to "Lender" in

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this Agency/Borrower IDA Estoppel Certificate shall mean, Fannie Mae, its successors and assigns and Fannie Mae and its successors and/or assigns may rely on this Agency/Borrower IDA Estoppel Certificate.

3. Agency and Borrower each hereby consent to the Mortgage Loan secured by a lien as to the fee estate, the leasehold estate created by the Over-Lease, and the sub-leasehold estate created by the Sub-Lease, and to the encumbrance of a security lien against Borrower's fee estate, Agency's leasehold estate, and Borrower's sub-leasehold estate as security for repayment of the Mortgage Loan, it being expressly understood and agreed that Lender intends to assign the Loan to Fannie Mae, and that Fannie Mae, its successors and assigns, may specifically rely on the provisions of this Agency/Borrower IDA Certificate.

4. The Over-Lease and the Sub-Lease each provides for an original term commencing as of March 5, 2021 and expiring on December 31, 2039.

5. The Over-Lease and the Sub-Lease each make the following provision for renewal or extension of its term beyond the original term: (initial one)

(X) the Lease does not contain an option(s) or other right to renew or extend for any additional term or terms.

(___) the Lease contains an option for _____ additional term(s) of _____ years each.

6. The rent currently payable by Agency to Borrower under the Over-Lease is $1.00 per annum, payable annually. The rent currently payable by Borrower to Agency under the Sub-Lease is $1.00 per annum, payable annually and Borrower shall be obligated to pay to the Agency an annual compliance fee of $500.00 per annum. The rent currently payable by Agency to Borrower under the Lease as of the date hereof has been fully paid by Agency. The rent and annual compliance fee payable by Borrower to Agency under the Lease through the date hereof has been fully paid by Borrower.

7. Borrower shall be obligated to make all PILOT Payments (as defined in the Sub-Lease). Borrower has paid all PILOT Payments that have been billed under the Lease through the date hereof. Agency and Borrower acknowledge that Borrower was billed for the School District PILOT using an incorrect PILOT schedule. Under the proper PILOT schedule, an additional $69,830.15 remains due and outstanding by Borrower. Borrower has agreed to pay such additional amount to the Hyde Park Central School District within thirty (30) days of closing on the Mortgage Loan.

8. [The Lease is valid and in full force and effect, and to Agency or Borrower's actual knowledge, there is no existing default or unfulfilled obligation on the part of Agency or Borrower in any of the terms and conditions of the Lease, and, to Agency or Borrower's actual knowledge, no event has occurred or condition exists which, with the passing of time or giving of notice or both, would constitute an Event of Default under the Lease, except:

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(a) Agency and Borrower acknowledge that the $69,830.15 remaining due and outstanding by Borrower shall not constitute an Event of Default under the Lease so long as Borrower makes payment of such to the Hyde Park Central School District within thirty (30) days of closing on the Mortgage Loan.

(b) Agency and Borrower acknowledge that Mechanics' Liens have been filed on the Company Facility. Borrower has represented to the Agency that it has in good faith contested such liens and bonded such liens within thirty (30) days of the filing or perfection thereof, in compliance with Section 8.8 of the Lease. Borrower has also represented to Agency that it will use diligent, good-faith efforts to discharge and satisfy such liens after closing on the Mortgage Loan.

9. Agency has no right to terminate the Lease other than for an uncured Event of Default thereunder (which default continues beyond applicable notice, grace and cure periods), provided that, prior to such termination, Agency provides Lender with notice of such default and an opportunity to cure. In the event that Lender does not timely cure such default, Agency may terminate the Lease without further notice to Borrower or Lender.

10. Agency has no option or right of first refusal to purchase the Premises or any part thereof.

11. Borrower owns all improvements located on the Premises, subject to the Agency's leasehold interest in the Improvements pursuant to the Over-Lease, and the Borrower's leasehold interest in the Improvements pursuant to the Sub-Lease.

12. Subject to the Agency's reservation of the Unassigned Rights, as defined within the Sub-Lease Agency and Borrower each agree that it shall not accept a voluntary surrender or termination of the Lease for so long as the Premises are subject to the Mortgage Loan. Notwithstanding the foregoing, the Agency will have the right to terminate the Lease upon the occurrence of an Event of Default by Borrower as defined thereunder (which default continues beyond applicable notice, grace and cure periods) provided that, prior to such termination, Agency provides Lender with notice of such default and an opportunity to cure. In the event that Lender does not timely cure such default, Agency may terminate the Lease without further notice to Borrower or Lender.

13. Subject to the Agency's reservation of the Unassigned Rights, as defined within the Sub-Lease Agency and Borrower shall not terminate, cancel, amend or modify the Lease without the prior written consent of Lender, which consent shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, the Agency will have the right to terminate the Lease upon the occurrence of an Event of Default by Borrower as defined thereunder (which default continues beyond applicable notice, grace and cure periods) provided that, prior to such termination, Agency provides Lender with notice of such default and an opportunity to cure. In the event that Lender does not timely cure such default, Agency may terminate the Lease without further notice to Borrower or Lender.

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14. Subject to the Agency's reservation of the Unassigned Rights, as defined within the Sub-Lease, Agency and Borrower each agree that if it initiates any appraisal, arbitration, litigation or other dispute resolution proceeding affecting the Lease, then Borrower shall notify Lender, and Lender will have the right to participate in such proceeding on Borrower's behalf.

15. Except for (i) any mortgages which are being paid off in connection with the Mortgage Loan to Borrower, and (ii) the Mortgage Loan, Borrower represents that there are no mortgages encumbering the fee estate in the Mortgaged Property, the leasehold estate in the Mortgaged Property, or the sub-leasehold estate in the Mortgaged Property. Agency and Borrower each acknowledge and agree that it will not mortgage or otherwise encumber their respective interests in the fee estate, the leasehold estate, and the sub-leasehold estate in the future so long as the Mortgage Loan is in effect.

16. Except for (i) any mortgages which are being paid off in connection with the Mortgage Loan to Borrower, (ii) the Mortgage Loan and (iii) an expired Sublease Agreement between Borrower and Violet Estates LLC, Agency and Borrower each have not assigned, mortgaged, conveyed, transferred, encumbered, hypothecated or granted to any party its respective interest in the Lease or the Premises (other than (i) lease agreements, and (ii) recorded easements, rights of way or other encumbrances or documents of record as of the date hereof) other than to Agency pursuant to the Over-Lease, and Borrower pursuant to the Sub-Lease, or granted to any party any right or option to purchase the Premises or any interest of Agency or Borrower in the Lease other than options granted to Agency under the Over-Lease and Borrower under the Sub-Lease. Agency and Borrower have not subordinated their respective interests in the Lease to any mortgage lien or other encumbrance on the fee, the leasehold or the sub-leasehold estates.

17. Subject to the terms of the Security Instrument, Agency and Borrower consent to the right of Lender to foreclose on the Mortgage Loan and sell or take title to or possession of the fee estate, the leasehold estate, and the sub-leasehold estate in its own name or in the name of or a party authorized pursuant to Section 12 of the Joinder and Consent of Agency, without Agency's and Borrower's prior consent. In the event of any such foreclosure or any other exercise by Lender of rights and remedies (whether under the Mortgage Loan or under applicable law), as a result of which Lender (or a party authorized pursuant to Section 12 of the Joinder and Consent of Agency) becomes owner of the fee estate, the leasehold estate, and the sub-leasehold estate, or delivery of a deed or other conveyance of Agency's and Borrower's respective interests in lieu of any of the foregoing, Borrower and Agency agree that Lender (or a party authorized pursuant to Section 12 of the Joinder and Consent of Agency) shall only be liable for acts or omissions taking place during the period in which Lender (or a party authorized pursuant to Section 12 of the Joinder and Consent of Agency) had record title to the fee estate, leasehold estate, and sub-leasehold estate, and Borrower will provide for an automatic release of Lender (or a party authorized pursuant to Section 12 of the Joinder and Consent of Agency).

18. Upon receipt of notice from the Agency or Borrower of a default by Borrower under the Lease, Lender may, but shall not be obligated to, cure such default in accordance with Section 13(e)(4) (Joinder and Consent of Agency; Borrower Acknowledgement and Agreement) of Exhibit C to the Consolidated Mortgage, which is attached to the Security Instrument as Exhibit C.

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19. Lender will rely on the covenants and agreements made by Agency and Borrower herein in connection with Lender's agreement to make the Mortgage Loan and Agency and Borrower agree that Lender may so rely on such representations and agreements.

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IN WITNESS WHEREOF, the undersigned has signed and delivered this Agency/Borrower IDA Estoppel Certificate under seal (where applicable) or has caused this Agency/Borrower IDA Estoppel Certificate to be signed and delivered under seal (where applicable) by its duly authorized representative. Where applicable law so provides, the undersigned intend(s) that this Agency/Borrower IDA Estoppel Certificate shall be deemed to be signed and delivered as a sealed instrument.

AGENCY:

DUTCHESS COUNTY INDUSTRIAL DEVELOPMENT AGENCY,
a public benefit corporation of the State of New York

By:_____(SEAL)
Name: Sarah Lee
Title: Executive Director

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BORROWER:

VIOLET ESTATES OWNER LLC,
a Delaware limited liability company

By: Violet Estates LLC, a Delaware limited liability company, its sole member

By: Violet Estates Manager, LLC, a New Jersey limited liability company, its managing member

By:_____
Name: Louis J. Reynolds, IV
Title: Managing Member

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SCHEDULE I TO AGENCY/BORROWER IDA ESTOPPEL CERTIFICATE

(Copy of Over-Lease)

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SCHEDULE II TO AGENCY/BORROWER IDA ESTOPPEL CERTIFICATE

(Copy of Sub-Lease)

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