

PROJECT AGREEMENT

THIS PROJECT AGREEMENT (hereinafter, the "Project Agreement"), is made as of December 27, 2024, by and between the **TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY**, a public benefit corporation of the State of New York, with offices at 119 E. Seneca Street, Suite 200, Ithaca, New York 14850 (the "Agency"), and **STATELY APARTMENTS LLC**, a New York limited liability company, with offices at 80 River Street, Suite 3C, Hoboken, New Jersey 07030 (the "Company").

WITNESSETH:

WHEREAS, the Agency was created by Chapter 55 of the Laws of 1972 of the State of New York pursuant to Title I of Article 18-A of the General Municipal Law of the State of New York (collectively, the "Act") as a body corporate and politic and as a public benefit corporation of the State of New York (the "State"); and

WHEREAS, the Company has submitted an application (the "Application") to the Agency requesting the Agency's assistance with respect to a certain project (the "Project") consisting of: (A) the acquisition by the Agency of a leasehold or other interest in approximately .23 acres of certain real property located at 110 North Corn Street, City of Ithaca, Tompkins County, New York (the "Land", being more particularly identified as tax map number 72.-3-18.2) and the existing improvements thereon consisting principally of various multi-story commercial and residential buildings, parking improvements, curbage and related site improvements (the "Existing Improvements"), (B) the demolition of the Existing Improvements and the planning, design, construction, operation and leasing by the Company of an approximately 60,480 square foot multi-tenanted mixed use redevelopment project that will include: (a) approximately 57 residential apartment units serving residents and low-income family households earning 30%-60% AMI, consisting of studio, one-bedroom and two-bedroom dwellings, (b) approximately 1,373 square feet of commercial space, (c) structured parking improvements, and (d) additional tenant amenity spaces, lobbies, common areas, various subsurface structural improvements, roadway improvements, access and egress improvements, storm water improvements, utility improvements, signage, curbage, sidewalks and landscaping improvements (collectively, the "Improvements"), and (C) the acquisition and installation in and around the Improvements of certain items of machinery, equipment and other items of tangible personal; and, together with the Land, the Existing Improvements and the Improvements, the "Facility"); and

WHEREAS, by Resolution adopted on August 9, 2023 (the "Resolution"), the Agency authorized the Company to act as its agent for the purposes of undertaking the Project, subject to the Company entering into this Project Agreement; and

WHEREAS, by the Resolution, the Agency approved certain financial assistance for the benefit of the Company in connection with the Project consisting of a partial abatement from real property taxes conferred through a certain tax agreement, by and between the Agency and the Company (the "Tax Agreement"), requiring the Company to make payments-in-lieu-of-taxes for the benefit of each municipality and school district having taxing jurisdiction over the Project (the "Financial Assistance"); and

WHEREAS, pursuant to and in accordance with Sections 859-a and 874 of the Act, the Agency requires, as a condition and as an inducement for it to provide any Financial Assistance, that the Company enter into this Project Agreement for the purposes of, among other things, to govern the administration of, and provide assurances with respect to, the provision and recapture of said Financial Assistance upon the terms herein set forth; and

WHEREAS, this Project Agreement sets forth the terms and conditions under which Financial Assistance shall be provided to the Company; and

WHEREAS, no agency appointment of the Company or any subagent thereof, nor any amount of Financial Assistance shall be provided to the Company by the Agency prior to the effective date of this Project Agreement.

NOW THEREFORE, in consideration of the covenants herein contained and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, it is mutually agreed as follows:

ARTICLE I. DEFINITIONS

Section 1.1 Definitions of Terms. The foregoing recitals are hereby incorporated into the substantive provisions of this Project Agreement. The words and terms as used in this Project Agreement shall have the same meanings as used in Schedule A attached hereto and made a part hereof, unless the context or use indicates another or different meaning or intent.

ARTICLE II. REPRESENTATIONS AND COVENANTS

Section 2.1 Representations and Covenants of the Company. The Company makes the following representations and covenants in order to induce the Agency to proceed with the Project/Facility:

(a) The Company is a limited liability company formed, validly existing and in good standing under the laws of the State of New York, has the authority to enter into this Project Agreement, and has duly authorized the execution and delivery of this Project Agreement.

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

(c) The Facility and the operation thereof will, to the Company's knowledge, conform with all applicable zoning, planning, and building laws and regulations of governmental authorities having jurisdiction over the Facility, and the Company shall defend, indemnify and

hold the Agency harmless from any liability or expenses resulting from any failure by the Company to comply with the provisions of this Section 2.1(c).

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

(e) The Company covenants that the Facility will comply in all respects with all environmental laws and regulations, and, except in compliance with environmental laws and regulations, (i) that no pollutants, contaminants, solid wastes, or toxic or hazardous substances will be stored, treated, generated, disposed of, or allowed to exist on the Facility except in compliance with all material applicable laws, (ii) that the Company will take all reasonable and prudent steps to prevent an unlawful release of hazardous substances onto the Facility or onto any other property, (iii) that no asbestos will be incorporated into the Facility, and any existing asbestos will be handled in accordance with applicable laws, (iv) that no underground storage tanks will be located on the Facility, and (v) that no investigation, order, agreement, notice, demand or settlement with respect to any of the above is, to the Company's knowledge, threatened, anticipated, or in existence. The Company upon receiving any information or notice contrary to the representations contained in this Section 2.1(e) shall immediately notify the Agency in writing with full details regarding the same. The Company hereby releases the Agency from liability with respect to, and agrees to defend, indemnify, and hold harmless the Agency, its executive director, directors, members, officers, employees, agents (other than the Company), representatives, successors, and assigns from and against any and all claims, demands, damages, costs, orders, liabilities, penalties, and expenses (including reasonable attorneys' fees) related in any way to any violation of the covenants or failure to be accurate of the representations contained in this Section 2.1(e). In the event the Agency in its reasonable discretion deems it necessary to perform due diligence with respect to any of the above, or to have an environmental audit performed with respect to the Facility, the Company agrees to pay the expenses of same to the Agency upon demand.

(f) Any personal property acquired by the Company in the name of the Agency shall be located in Tompkins County, except for temporary periods during ordinary use.

(g) The Company hereby represents to the Agency that facilities and property that are primarily used in making retail sales of goods and services to customers who personally visit the Facility, if any, will not constitute more than one-third (1/3) of the total costs of the Facility, except in accordance with New York General Municipal Law (the "GML") Section 862.

(h) The Company acknowledges and agrees that, except to the extent of bond proceeds (to the extent bonds are issued by the Agency with respect to the Project), the Agency shall not be liable, either directly or indirectly or contingently, upon any such contract, agreement, invoice, bill or purchase order in any manner and to any extent whatsoever (including payment or performance obligations), and the Company shall be the sole party liable thereunder.

(i) The Company covenants and agrees that at all times, it will (i) maintain its existence and not dissolve, (ii) continue to be a limited liability company subject to service of

process in the State and either organized under the laws of the State, or organized under the laws of any other state of the United States and duly qualified to do business in the State, (iii) not liquidate, wind-up or dissolve or otherwise sell, assign, or dispose of all or substantially all of its property, business or assets. This Project Agreement may not be assigned in whole or part without the prior written consent of the Agency or otherwise in accordance with the Leaseback Agreement dated December 1, 2024, by and among the Agency, the Company and Stately Apartments Housing Development Fund Company, Inc.

(j) The Company confirms and acknowledges under the penalty of perjury that as of the date hereof, the Company, as owner, occupant, or operator of the Project receiving Financial Assistance from the Agency in connection with the Project, is in substantial compliance with all applicable local, state and federal tax, worker protection and environmental laws, rules and regulations. The Company agrees that it will, throughout the term of this Project Agreement, promptly comply in all material respects with all statutes, codes, laws, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorizations, directions and requirements of all federal, state, county, municipal and other governments, departments, commissions, boards, companies or associations insuring the premises, courts, authorities, officials and officers, foreseen or unforeseen, ordinary or extraordinary, which now or at any time hereafter may be applicable to the Facility or any part thereof, or to any use, manner of use or condition of the Facility or any part thereof. Notwithstanding the foregoing, the Company may in good faith contest the validity of the applicability of any requirement of the nature referred to this Section 2.1(j). In such event, the Company, with the prior written consent of the Agency (which shall not be unreasonably conditioned, delayed or withheld), may fail to comply with the requirement or requirements so contested during the period of such contest and any appeal therefrom unless the Agency shall notify the Company that it must comply with such requirement or requirements.

(k) The Company covenants that it will comply with the Labor Utilization Policy of the Agency, attached hereto as **Exhibit G**, which requires providing documentation that construction bids were solicited from local contractors/subcontractors and monthly construction labor reporting as outlined in the Labor Utilization Policy of the Agency.

(l) Reserved.

(m) The Company hereby acknowledges and agrees that the foregoing Agency Financial Assistance constitutes "public funds" unless otherwise excluded under Section 224-a(3) of the New York Labor Law, and by executing this Project Agreement, (i) confirms that it has received notice from the Agency pursuant to Section 224-a(8)(d) of the New York Labor Law and (ii) acknowledges its obligations pursuant to Section 224-a(8)(a) of the New York Labor Law. Other than the Agency Financial Assistance estimates provided herein and disclosed to the Company, the Agency makes no representations or covenants with respect to the total sources of "public funds" received by the Company in connection with the Project. If and to the extent that the Company determines that it is necessary and desirable to reduce the overall amount of "public funds" to be received by the Company in connection with the Project, the Agency agrees to work cooperatively with the Company to adjust the total amount of Agency Financial Assistance to be provided to the Company, which will include, but may not be limited to amending this Project Agreement.

ARTICLE III.
GENERAL

Section 3.1 Purpose of Project. The purpose of the Financial Assistance with respect to the Project is to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of the Facility, to advance job opportunities, health, general prosperity and economic welfare of the people of Tompkins County, New York, and to specifically promote the investment commitment, employment commitment, and other commitments of the Company contained herein and in the Company's Application.

ARTICLE IV.
FINANCIAL ASSISTANCE AND RECAPTURE OF BENEFITS

Section 4.1 In accordance with the Resolution and the Cost-Benefit Analysis (or such other equivalent document or report, as determined by the Agency) (the "CBA"), attached hereto as Exhibit A, disclosed by the Agency at its public hearing for the Project (the "Public Hearing"), the Company further confirms that real property tax abatement to be provided to the Company shall conform to those disclosed within the CBA at the Public Hearing for the Project and as contained within the Tax Agreement, the terms of which Tax Agreement shall comply with the Agency's Uniform Tax Exemption Policy (the "UTEP"). If the terms of the Tax Agreement deviate from the UTEP, the Agency has or will comply with procedures for deviation from the UTEP.

Section 4.2 Tax Agreement. The parties hereto have executed or will execute the Lease Agreement, the Leaseback Agreement and the Tax Agreement. As provided in the Tax Agreement, the Company agrees to certain payments (as described in the Tax Agreement) in addition to paying all special ad valorem levies, special assessments or special district taxes and service charges against real property in the jurisdiction where the Facility is located.

Section 4.3 Reserved.

Section 4.4 Reserved.

Section 4.5 Reserved.

Section 4.6 Reserved.

Section 4.7 Reserved.

Section 4.8 Recapture of Agency Benefits.

(a) It is understood and agreed by the parties hereto that the Agency is entering into this Project Agreement in order to provide the Financial Assistance to the Company for the Facility and to accomplish the public purposes of the Act. In consideration therefor, the Company hereby agrees that if there shall occur a Recapture Event (as defined below) after the date hereof, the Company shall pay to the Agency, or to the State of New York, if so directed by the Agency (except as otherwise specified below) as a return of public benefits conferred by the Agency, one hundred percent (100%) of the Recaptured Benefits.

(b) The term "Recaptured Benefits" shall mean all direct monetary benefits, tax exemptions and abatements and other financial assistance, if any, derived solely from the Agency's participation in the transaction contemplated by this Project Agreement including, but not limited to, the amount equal to 100% of:

- (i) Reserved; and
- (ii) Reserved; and
- (iii) Savings realized by or for the benefit of the Company from real property tax abatements granted pursuant to the Tax Agreement;

which Recaptured Benefits from time to time shall upon the occurrence of a Recapture Event in accordance with the provisions of Section 4.8(c) below and the declaration of a Recapture Event by notice from the Agency to the Company be payable directly to the Agency or the State of New York if so directed by the Agency within ten (10) days after such notice.

(c) The term "Recapture Event" shall mean any of the following events:

- (i) The occurrence and continuation of an Event of Default under this Project Agreement which remains uncured beyond any applicable notice and/or grace period, if any, provided hereunder; or
- (ii) Reserved; or
- (iii) Reserved; or
- (iv) The Company has made a material false or misleading statement, or omitted any information which, if included, would have rendered any information in the application or supporting documentation false or misleading in any material respect, on its application for Financial Assistance; or
- (v) Reserved; or
- (vi) Failure of the Company to create or cause to be maintained the number of full-time equivalent (FTE) jobs at the Facility as provided in the Application, if any, which failure is not reflective of the business conditions of the Company or the subtenants of the Company, including without limitation loss of major sales, revenues, distribution or other adverse business developments and/or local, national or international economic conditions, trade issues or industry wide conditions.

In order to certify and verify the foregoing, the Company shall provide annually, to the Agency, a certified statement and documentation: (i) enumerating the full-time equivalent jobs retained and the full-time equivalent jobs created as a result of the Financial Assistance, by category, if any, including full-time equivalent independent contractors or employees of independent contractors that work at the project location, (ii) indicating that the salary and fringe benefit averages or ranges for categories of jobs retained and jobs created that was provided in the application for Financial Assistance is still accurate and if it is not still accurate, providing a revised

list of salary and fringe benefit averages or ranges for categories of jobs retained and jobs created, and (iii) such other information, as so requested from time to time, to enable the Agency to assess the progress of the Project toward achieving the investment, job retention, job creation, or other objectives of the Project indicated in the Application for Financial Assistance.

(d) In the event any payment owing by the Company under this Section shall not be paid on demand by the Agency, such payment shall bear interest from the date of such demand at a rate equal to one percent (1%) plus the Prime Rate, but in no event at a rate higher than the maximum lawful prevailing rate, until the Company shall have made such payment in full, together with such accrued interest to the date of payment, to the Agency (except as otherwise specified above).

(e) The Agency shall be entitled to deduct all reasonable out of pocket expenses of the Agency, including without limitation, reasonable legal fees, incurred with the recovery of all amounts due under this Section 4.8, from amounts received by the Agency pursuant to this Section 4.8.

ARTICLE V. INSURANCE

Section 5.1 Insurance Required. Effective as of the date hereof and until the expiration or termination of the right of the Company to act as agent of the Agency hereunder, the Company shall maintain, or cause to be maintained by its subagent or subcontractors, certain insurance against such risks and for such amounts as are customarily insured against by businesses of like size and type, and paying, as the same become due and payable, all premiums in respect thereto, including, but not necessarily limited to:

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

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

(c) Insurance against loss or losses from liabilities imposed by law or assumed in any written contract (including the contractual liability assumed by the Company under Section 7.1 hereof) and arising from personal injury and death or damage to the property of others caused by any accident or occurrence, with limits of not less than **\$1,000,000** per accident or occurrence on account of personal injury, including death resulting therefrom, **\$1,000,000** per accident or occurrence on account of damage to the property of others, excluding liability imposed upon the Company by any applicable workers' compensation law; and a blanket excess liability policy in

the amount not less than **\$3,000,000**, protecting the Company against any loss or liability or damage for personal injury or property damage. Such liability limits may be satisfied by any combination of primary and excess liability policies. Such primary general liability insurance may have a \$500,000 self-insured retention and such excess liability policy may have a commercially reasonable deductible.

Section 5.2 Additional Provisions Respecting Insurance. (a) **All insurance required by Section 5.1(a) hereof shall name the Agency as a named insured and the insurance required by Section 5.1 shall name the Agency as an additional insured.** All insurance shall be procured and maintained in financially sound and generally recognized responsible insurance companies selected by the Company and authorized to write such insurance in the State. Such insurance may be written with deductible amounts comparable to those on similar policies carried by other companies engaged in businesses similar in size, character and other respects to those in which the Company is engaged. All policies evidencing such insurance shall provide (i) for payment of the losses of the Company and the Agency as their respective interest may appear, and (ii) that the insurance company shall endeavor to give thirty (30) days' prior written notice or such other notice as the policy provides for, of the cancellation thereof to the Company and the Agency.

(b) All such certificates of insurance of the insurers indicating that such insurance is in force and effect, and all policies (if applicable), shall be deposited with the Agency on the date hereof. Prior to the expiration of any such policy evidenced by said certificates, the Company shall furnish the Agency with evidence that the policy has been renewed or replaced or is no longer required by this Project Agreement.

ARTICLE VI. EVENTS OF DEFAULT AND REMEDIES

Section 6.1 The following shall each be "Events of Default" under this Project Agreement:

(a) the failure by the Company to observe and perform any covenant contained in Sections 2.1(g) (Retail Sales Limitation), 2.1(i) (Company Existence), 5.1 (Insurance Requirements), 5.2 (Additional Insurance Requirements), 7.1 (Hold Harmless) and 7.6 (Agency Fees);

(b) the failure by the Company to pay the Recaptured Benefits on the date due;

(c) the occurrence and continuation of a Recapture Event;

(d) the dissolution or liquidation of the Company; or the failure by the Company to release, stay, discharge, lift or bond within thirty (30) days any execution, garnishment, judgment or attachment of such consequence as may impair its ability to carry on its operations; or the failure by the Company generally to pay its debts as they become due except that any mechanics' or materialmen's lien may be affirmatively insured against or bonded over; or an assignment by the Company for the benefit of creditors; or the commencement by the Company (as the debtor) of a case in bankruptcy or any proceeding under any other insolvency law; or the commencement of a case in bankruptcy or any proceeding under any other insolvency law against the Company (as the

debtor), wherein a court having jurisdiction over the Project enters a decree or order for relief against the Company as the debtor, or such case or proceeding is consented to by the Company or remains undismissed for ninety (90) days, or the Company consents to or admits the material allegations against it in any such case or proceeding; or a trustee, receiver or agent (however named) is appointed or authorized to take charge of substantially all of the property of the Company for the purpose of enforcing a lien against such property or for the purpose of general administration of such property for the benefit of creditors.

The Agency agrees to give the Company's Investor Member written notice of any and all defaults by the Company hereunder, and an opportunity, at the Investor Member's option, to cause the cure of such default. Notwithstanding anything herein to the contrary, so long as such cure is accomplished during the time period(s) set forth herein, the Agency agrees to accept cure by the Investor Member as if such cure were made by the Company.

Section 6.2 Remedies on Default.

(a) Whenever any Event of Default shall have occurred and be continuing, the Agency may take, to the extent permitted by law, any one or more of the following remedial steps:

(i) declare, by written notice to the Company, to be immediately due and payable, whereupon the same shall become immediately due and payable: (A) all due and owing Recaptured Benefits and (B) all other payments due under this Project Agreement; or

(ii) terminate this Project Agreement; or

(iii) take any other action at law or in equity which may appear necessary or desirable to collect the payments then due or thereafter to become due hereunder, and to enforce the obligations, agreements and covenants of the Company under this Project Agreement.

(b) No action taken pursuant to this Section 6.2 (including termination of the Project Agreement) shall relieve the Company from its obligation to make all payments required by the Leaseback Agreement, Tax Agreement or Recaptured Benefits.

Section 6.3 Remedies Cumulative. No remedy herein conferred upon or reserved to the Agency is intended to be exclusive of any other available remedy, but each and every such remedy shall be cumulative and in addition to every other remedy given under this Project Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right and power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Agency to exercise any remedy reserved to it in this Article VI it shall not be necessary to give any notice, other than such notice as may be herein expressly required in this Project Agreement.

Section 6.4 Agreement to Pay Attorneys' Fees and Expenses. In the event the Company should default under any of the provisions of this Project Agreement and the Agency

should employ attorneys or incur other expenses for the collection of amounts payable hereunder or the enforcement of performance or observance of any obligations or agreements on the part of the Company herein contained, the Company shall, on demand therefor, pay to the Agency the fees of such reasonable attorneys and such other expenses so incurred.

ARTICLE VII. MISCELLANEOUS

Section 7.1 Hold Harmless Provision. The Company hereby releases the Agency from, agrees that the Agency shall not be liable for, and agrees to indemnify, defend and hold the Agency and its executive director, directors, members, officers, employees, agents (other than the Company), representatives, successors and assigns 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 any cause whatsoever pertaining to the Facility or arising by reason of or in connection with the occupation or the use thereof or the presence on, in or about the Facility or breach by the Company of this Project Agreement or (ii) liability arising from or expense incurred by the Agency's financing, acquiring, constructing, equipping, owning and leasing of the Equipment or of the Facility, including without limiting the generality of the foregoing, all causes of action and reasonable attorneys' fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing. The foregoing indemnities shall apply notwithstanding the fault or negligence on the part of the Agency, or any of its respective executive director, directors, members, officers, agents or employees and irrespective of the breach of a statutory obligation or the application of any rule of comparative or apportioned liability, except that such indemnities will not be applicable with respect to willful misconduct or gross negligence on the part of the Agency or any other person or entity to be indemnified.

Section 7.2 This Project Agreement may be executed in any number of counterparts each of which shall be deemed an original but which together shall constitute a single instrument. The exchange of copies of this Project Agreement and of signature pages by facsimile or portable document format (PDF) transmission shall constitute effective execution and delivery of this Project Agreement as to the parties hereto and may be used in lieu of the original Project Agreement and signature pages for all purposes.

Section 7.3 All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by e-mail of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next business day if sent after normal business hours of the recipient or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective party at the following address (or at such other address for a party as shall be specified in a notice given in accordance with this Section:

To the Agency: Tompkins County Industrial Development Agency
119 East Seneca Street, Suite 200
Ithaca, New York 14850
Attention: Heather McDaniel, Administrative Director
Email: heatherm@ithacaareaed.org

With a copy to: Harris Beach PLLC
99 Garnsey Road
Pittsford, New York 14534
Attention: Russell E. Gaenzle, Esq.
Email: rgaenzle@harrisbeach.com

To the Company: Stately Apartments LLC
80 River Street, Suite 3C
Hoboken, New Jersey 07030
Attention: Niall Murray
Email: nmurray@rockabill.com

With a copy to: Cannon Heyman & Weiss, LLP
726 Exchange Street, Suite 500
Buffalo, New York 14210
Attention: Tim Favaro, Esq.
Email: tfavaro@chwattys.com

With a copy to: RAH Investor 457 LLC
c/o Regions Affordable Housing
111 Great Neck Road, Suite 500
Great Neck, New York 11021

With a copy to: Kutak Rock LLP
1650 Farnam Street
Omaha, Nebraska 68102
Attn: Jill Goldstein, Esq.

To the Lender: JPMorgan Chase Bank, N.A.
c/o Community Development Banking
277 Park Avenue, 36th Floor
Mail Code NY1-L036
New York, New York 10172
Attention: Sharmi Sobhan
Email: sharmi.a.sobhan@chase.com

With a copy to: Phillips Lytle LLP
28 East Main Street, Suite 1400
Rochester, New York 14614
Attention: Victoria L. Grady, Esq.

Email: vgrady@phillipslytle.com

To the Permanent Merchants Capital Corp.
Senior Lender: 255 E. Kellogg Boulevard, Suite 103
St. Paul, Minnesota 55101
Attn: Lisa Lundeen

With a copy to: Sidley Austin LLP
787 Seventh Avenue
New York, New York 10019
Attn: Adam S. Verstandig, Esq.

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

Section 7.4 This Project Agreement shall be governed by, and all matters in connection herewith shall be construed and enforced in accordance with, the laws of the State of New York applicable to agreements executed and to be wholly performed therein and the parties hereto hereby agree to submit to the personal jurisdiction of the federal or state courts located in Tompkins County, New York.

Section 7.5 The warranties, representations, obligations and covenants of the Company under this Project Agreement shall be absolute and unconditional and shall remain in full force and effect during the term of this Project Agreement, shall be deemed to have been relied upon by the Agency, and shall survive the delivery and termination of this Project Agreement to the Agency, regardless of any investigation made by the Agency. This Project Agreement shall survive any termination or expiration of the Leaseback Agreement or Tax Agreement, as described below.


Section 7.6 By executing this Project Agreement, the Company covenants and agrees to pay all fees, costs and expenses incurred by the Agency for (a) legal services, including, but not limited to, those provided by the Agency's general counsel and bond/transaction counsel, (b) other consultants retained by the Agency, if any, in connection with the Project; and (c) with respect to Agency's enforcement of any event of default or failure to comply with the terms of this Project Agreement (including reasonable attorney fees). The Company further covenants and agrees that the Company is liable for payment to the Agency of all charges referred to above, as well as all other actual costs and expenses incurred by the Agency in undertaking the Project notwithstanding the occurrence of any of (i) the Company's withdrawal, abandonment, cancellation or failure to pursue the Project; (ii) the inability of the Agency or the Company to procure the services of one or more financial institutions to provide financing for the Project; or (iii) the Company's failure, for whatever reason, to undertake and/or successfully complete the Project.

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[Signature Page to Project Agreement]

IN WITNESS WHEREOF, the parties hereto have executed this Project Agreement as of the day and year first above written.

**TOMPKINS COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

By: 
Name: Heather McDaniel
Title: Administrative Director

STATELY APARTMENTS LLC

By: _____
Name: Niall J. Murray
Title: Authorized Signatory

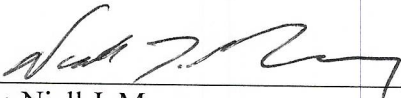
[Signature Page to Project Agreement]

IN WITNESS WHEREOF, the parties hereto have executed this Project Agreement as of the day and year first above written.

**TOMPKINS COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

By: _____
Name: Heather McDaniel
Title: Administrative Director

STATELY APARTMENTS LLC

By:  _____
Name: Niall J. Murray
Title: Authorized Signatory

SCHEDULE A

SCHEDULE OF DEFINITIONS

"Authorized Representative" shall mean, in the case of the Agency, the Administrative Director, the Chair or the Vice Chair and such additional persons as, at the time, are designated to act on behalf of the Agency; and in the case of the Company, the members and such additional persons as, at the time, are designated to act on behalf of the Company.

"Lease Agreement" shall mean that certain Lease Agreement, dated as of December 1, 2024 (or such other appropriate date) by and between the Company and the Agency.

"Leaseback Agreement" shall mean that certain Leaseback Agreement, dated as of December 1, 2024 (or such other appropriate date) by and between the Company and the Agency.

"Independent Accountant" shall mean an independent certified public accountant or firm of independent certified public accountants selected by the Company and approved by the Agency (such approval not to be unreasonably withheld or delayed).

"Prime Rate" shall mean (i) if no lender, the rate designated by The Wall Street Journal from time to time as its "prime rate", or (ii) if a lender exists, the rate designated by the lender from time to time as its "prime rate".

SCHEDULE B

RESERVED

SCHEDULE C

RESERVED

EXHIBIT A
COST BENEFIT ANALYSIS

[Attached]

Tompkins County Industrial Development Agency

Administration provided by Ithaca Area Economic Development

510 West State Street (Stately Apartments)- Community Benefits Overview **7/12/23 updated 7/19/23**

Project Overview

Stately Apartments (“the Project”) is a mixed-use affordable housing development involving demolition of two existing buildings and new construction of one mixed use building. The project will be located on a lot at 510 West State Street, Ithaca. The proposal includes 57 apartments: 1 studio, 18 one-bedroom, and 38 two-bedroom units. The project will serve low-income family households earning 30% - 60% AMI. Stately Apartments also includes 20 supportive housing units: 5 of these units (3 one-bed, 2 two-bed) will be reserved for homeless survivors of domestic violence. 15 units (11 one-bed and 4 two bed) will serve homeless individuals with a history of substance abuse disorder. Catholic Charities of Tompkins/Tioga, which began in Tompkins County services in 1997, will serve as the service provider. The project will have 6 accessible units (10.5%) for people with mobility impairment. Three units (approx. 5% of the total units) will be fully adapted for hearing and visually impaired. Common areas include a community room, common laundry, unit bulk storage, indoor bike parking, supportive service areas, and a management office along with an exterior patio, tot lot, and gardens. The project includes one approximately 1,373 square foot commercial space with a separate entrance along West State Street.

The applicant is requesting the incentive outlined in the TCIDA Uniform Tax Exemption Policy for an affordable housing project. The term of the incentive is for 30 years plus a 20 year extension which is coterminous with the regulatory period for the affordable housing. A drafted PILOT schedule is included in the application packet.

The applicant has also requested the IDA consider reducing the fee by 50%. A memo from the applicant was provided.

Cost-Benefit Analysis

- Extent to which project would create and/or retain private sector jobs – This is an affordable housing project and as such, there would be no direct job creation. The management company and a supportive services agency will provide some indirect jobs on site. An estimated 75-100 temporary construction jobs would be created.
- Estimated value of tax exemption – 6.8% of total project costs
Projected Property Tax Savings \$2,021,614
- Estimate of private sector investment to be generated by the project – \$29,588,550
- Likelihood of completing project in a timely manner – SEQR has been completed and final site plan secured. Visum Development has a track record. The company was nominated the fastest-growing company in Upstate NY by Inc.5000 and the #24 fastest-growing private real estate company in the U.S. The company has a pipeline of 11 projects and 750 units under development.
- Extent to which project would generate additional sources of revenue for local taxing jurisdictions \$1,381,675 in projected new property taxes as a result of the project.
- Other benefits that might result from the project:

Affordable Housing – 57 units of affordable housing units serving households with incomes between 30%-60% of Area Median Income.

Supportive Housing – 20 supportive housing units; five targeted for homeless survivors of domestic violence and 15 for homeless individuals with a history of substance abuse disorder. Services will be provided on site by Catholic Charities of Tompkins/Tioga.

Energy Efficiency – The project will pursue stretch goals by meeting Energy Star Multifamily New Construction v1.1, Enterprise Green Communities 2020 PLUS, DOE Zero energy Ready Homes and EPA Indoor airPLUS. The addition of high-performance packaged heat pumps for heating and cooling, central heat pump water heaters for domestic hot water, and continuous envelope insulation will aid in increased energy efficiency and building resiliency.

Neighborhood Revitalization – The project is in the State Street corridor where the City of Ithaca has identified the need for more housing and community development projects. The affordable housing project complements the nearby Ironworks market rate housing project.

Transportation Accessibility – The project's location encourages walkability and bicycling to nearby services. The project developer will request on-street reserved ADA parking for persons with disabilities on an as needed basis. There is public transit available at the site.

7/5/23

510 W State Street DRAFT Projected Taxes

(payment schedule subject to budget adjustments during pre-construction phase; final budget prior to closing will establish PILOT schedule)

Year	1	2	3	4	5	6	7	8	9	10
Net Operating Income (before taxes and debt service)	\$ 283,818	\$ 285,783	\$ 287,676	\$ 289,491	\$ 291,225	\$ 292,872	\$ 294,427	\$ 295,884	\$ 297,237	\$ 298,479
PILOT Proposed	\$ 34,058	\$ 34,739	\$ 35,434	\$ 36,143	\$ 36,866	\$ 37,603	\$ 38,355	\$ 39,122	\$ 39,905	\$ 40,703
581-a Estimated Tax	\$ 97,838	\$ 98,817	\$ 99,805	\$ 100,803	\$ 101,811	\$ 102,829	\$ 103,857	\$ 104,896	\$ 105,945	\$ 107,004
Difference	\$ (63,780)	\$ (64,077)	\$ (64,371)	\$ (64,660)	\$ (64,945)	\$ (65,226)	\$ (65,502)	\$ (65,774)	\$ (66,040)	\$ (66,301)

Year	11	12	13	14	15	16	17	18	19	20
Net Operating Income (before taxes and debt service)	\$ 299,606	\$ 300,610	\$ 301,485	\$ 302,222	\$ 302,816	\$ 303,258	\$ 303,541	\$ 303,655	\$ 303,594	\$ 303,347
PILOT Proposed	\$ 41,517	\$ 42,347	\$ 43,194	\$ 44,058	\$ 44,939	\$ 45,838	\$ 46,755	\$ 47,690	\$ 48,643	\$ 49,616
581-a Estimated Tax	\$ 108,074	\$ 109,155	\$ 110,246	\$ 111,349	\$ 112,462	\$ 113,587	\$ 114,723	\$ 115,870	\$ 117,029	\$ 118,199
Difference	\$ (66,557)	\$ (66,808)	\$ (67,052)	\$ (67,291)	\$ (67,523)	\$ (67,749)	\$ (67,968)	\$ (68,180)	\$ (68,385)	\$ (68,583)

Year	21	22	23	24	25	26	27	28	29	30
Est. Net Operating Income (before taxes and debt service)	\$ 306,380	\$ 309,444	\$ 312,539	\$ 315,664	\$ 318,821	\$ 322,009	\$ 325,229	\$ 328,481	\$ 331,766	\$ 335,084
PILOT Proposed	\$ 50,609	\$ 51,621	\$ 52,653	\$ 53,706	\$ 54,780	\$ 55,876	\$ 56,994	\$ 58,133	\$ 59,296	\$ 60,482
581-a Estimated Tax	\$ 119,381	\$ 120,575	\$ 121,781	\$ 122,999	\$ 124,228	\$ 125,471	\$ 126,725	\$ 127,993	\$ 129,273	\$ 130,565
Difference	\$ (68,772)	\$ (68,954)	\$ (69,127)	\$ (69,292)	\$ (69,448)	\$ (69,595)	\$ (69,732)	\$ (69,859)	\$ (69,977)	\$ (70,083)

PILOT Proposed	\$ 1,381,675
Estimated 581-a Total	\$ 3,403,290
Total Savings	\$ 2,021,614

Fees		
IDA	(1% of Hard Costs)	\$205,692
IDA Attorney	(approx 33% of IDA fee)	\$68,564
	IDA app	\$1,000
	Total	\$275,256

PILOT proposed is a fixed amount based on 12% of NOI in year one with a 2% increase each year

Proposed 30 year PILOT with an option to renew for 20 more years (coterminus with the affordability period underwritten by DHCR)

EXHIBIT B

RESERVED

EXHIBIT C-1

RESERVED

EXHIBIT C-2

RESERVED

EXHIBIT C-3

RESERVED

EXHIBIT D

RESERVED

EXHIBIT E

RESERVED

EXHIBIT F-1

RESERVED

EXHIBIT F-2

RESERVED

EXHIBIT G

Local Labor Utilization Policy

[See Attached Page]

Tompkins County Industrial Development Agency

Administration provided by Ithaca Area Economic Development

Local Labor Utilization Policy

Adopted: December 9, 2021

Updated: November 8, 2023

It is the goal of the Tompkins County Industrial Development Agency (TCIDA) to maximize the use of local labor. The Local Labor Policy (Policy) described herein applies to all general contractors, subcontractors, trade professionals, and their employees (collectively, the “workers”). The TCIDA encourages the use of workers enrolled in a New York State certified apprenticeship program. It also encourages the use of local suppliers whenever possible and can provide applicants with a vendor list upon request.

Project applicants who receive financial assistance from the TCIDA (e.g., sales tax exemption, mortgage recording tax exemption, real property tax abatement, or bond proceeds) are required to solicit bids from local contractors and use three-quarters (75%) local workers (measured in number of workers, not their hours or wages) for the construction of new, expanded, or renovated facilities. The local catchment area is defined as Tompkins County and the six contiguous counties of Cortland, Cayuga, Seneca, Schuyler, Chemung, and Tioga, as determined by zip code analysis*.

Applicants are required to comply with the following requirements:

1. **Notification** – Within five (5) business days of TCIDA approval, the applicant must submit a description of the project and the anticipated financial assistance via certified mail to the following agency:

Tompkins-Cortland Building and Construction Trades Council
Todd Bruer, President
134 Cecil A. Malone Drive
Ithaca, NY 14850
businessmanager@ibewlocal241.com
(607) 272-2809

2. **Proof of Local Bids** – The applicant will provide, as early as possible and in a format acceptable to the TCIDA, a bid list with the name, address, contact information, and detailed type of work for all of the companies it solicited, along with corresponding documentation that an invitation to bid was sent. If there are types of work for which no bid was solicited from a local company (i.e., no local companies provide that service), a written explanation must be attached.
3. **Construction Labor Reporting** – The applicant will provide monthly payroll reports for all workers on site during that month, certified by an authorized representative. The reporting form is provided by the TCIDA and must include the name of the worker and/or associated identification numbers, total hours, net wages, zip code of residence, and worker classification. Reports must be submitted within 60 days of the end of each month in which work was performed for the duration of construction.

**The IDA recognizes that some zip codes extend into other, non-contiguous counties but has determined this method to be an acceptable indicator of local labor utilization.*

Waiver

The TCIDA may on a case-by-case basis waive the local labor requirement for all or portions of a project. Warranty issues, documented lack of qualified local bids or available workers, documented need for specialized skills not available locally, or a cost differential of ten percent (10%) or more will receive an administrative review; other extenuating circumstances are subject to review and approval by the TCIDA board of directors. Waivers are subcontractor-specific; those that receive a waiver still report monthly but are removed from the cumulative total percentage of workers on the project. And the local labor personage is calculated using the remaining number of workers not subject to the waiver.

To obtain a waiver, the applicant must submit to the TCIDA's Administrative Director a waiver request form (provided by the TCIDA), certified by an authorized representative and accompanied by an explanation for the request and evidence of the inability to satisfy the requirements of the Policy. Administrative reviews will be conducted within fifteen (15) days of receipt of a waiver request. For other extenuating circumstances, the TCIDA board of directors will issue a determination within thirty (30) days of receipt of a waiver request; failure to act within either period is equivalent to an automatic waiver. If a waiver request is denied during administrative review, the applicant may appeal to the TCIDA board of directors. All determinations issued by the TCIDA board of directors are final.

The TCIDA Administrative Director will provide a monthly report of all recent waiver requests at each regular meeting of the TCIDA.

Exemptions

Affordable housing, defined as those projects where at least seventy-five percent (75%) of units are made available to households earning eighty percent (80%) or less of area median income and are subject to a regulatory compliance agreement by a local, state, or federal agency for a period of at least twenty (20) years, are exempt from this Policy.

Default

If the applicant fails to comply with any of the requirements of the Policy the TCIDA, shall, at its discretion and in compliance with its Recapture Policy, have the authority to terminate and/or recapture all financial assistance provided to the project.

Prevailing Wage

The TCIDA is a public authority and as such, covered projects are subject to prevailing wage requirements contained in Section 200 and 220-b of the New York State Labor Law. Covered projects are defined as "construction work done under contract which is paid for in whole or in part out of public funds where the amount of all such public funds, when aggregated, is at least thirty percent (30%) of the total construction project costs and where project costs are over \$5 million."

Acknowledgment

By accepting financial assistance from the TCIDA, the applicant acknowledges the Policy outlined above and agrees to comply with the requirements included herein.

Contact Information

Heather McDaniel, Administrative Director

Ithaca Area Economic Development

119 E Seneca Street, Suite 200

Ithaca, NY 14850

(607) 273-0005

heatherm@IthacaAreaED.org

The TCIDA will review the Policy annually and revise as needed.

Exhibit G

Local Labor Utilization Policy

Adopted: April 14, 2016

Policy is to apply to all IDA applications.

Applicants are encouraged to hire locally wherever possible. Applicants must solicit construction bids from local subcontractors and submit monthly construction labor reports during the construction period. This is an effort to collect data regarding local construction labor utilization. There is no minimum or maximum local construction labor utilization requirement.

Local is defined as anyone residing in Tompkins County, or any of the 6 contiguous counties of Cayuga, Seneca, Schuyler, Chemung, Tioga, and Cortland Counties. Zip codes will be used to determine local labor utilization rates. The IDA recognizes that some zip codes reach into other non-contiguous counties, but determined this to be a relatively adequate indicator.

The following reporting information will be required:

Proof of Local Bids

The general contractor will provide (in a format acceptable to the IDA) a bid list with the name, address, contact information and detail of type of work for all firms that were solicited and documentation that an 'invitation to bid' was sent. If there are categories or types of work for which no bid was solicited from a local firm, a written explanation must be attached (i.e. no firms locally provide that service).

Construction Labor Reporting

The general contractor will provide monthly payroll reports for workers for all contractors and subcontractors on site. Monthly reports will cover any pay periods ending during that month. Reports will be submitted within 30 days of the end of each month during construction. The reporting format will be provided by the IDA and will include a written certification, similar to a certified payroll report. Reports will include the name of the individual or an identifying number, total hours, gross amount earned, and zip code of residence.

Electronic construction labor reporting forms may be obtained by contacting heatherm@tcad.org.