

LAND DEVELOPMENT AGREEMENT
BY AND BETWEEN
ULSTER COUNTY HOUSING DEVELOPMENT CORPORATION
AND
PENNROSE, LLC

THIS LAND DEVELOPMENT AGREEMENT ("Agreement") is entered into this 13th day of April, 2021, by and between ULSTER COUNTY HOUSING DEVELOPMENT CORPORATION, a Not-For-Profit Local Development Corporation with a physical address at 244 Fair Street, Kingston, New York 12401 and a mailing address at P.O. Box 1800, Kingston New York 12402 (hereinafter referred to as "UCHDC"), and PENNROSE, LLC, a Pennsylvania limited liability company with a business address located at 1301 North 31st Street, Philadelphia, Pennsylvania 19121 (herein after referred to as the "Developer"). UCDHC and the Developer are referred to herein collectively as the "Parties" and each a "Party."

Recitals

- A. The County of Ulster (the "County") recognizes the need to create residential opportunities within a range of income levels in the County to ensure access to affordable housing by lower income households while meeting affordable workforce needs, including senior and supportive housing.
- B. The availability of safe, healthy, and affordable housing is a key factor in increasing spending and employment in the surrounding economy; acts to ensure an available workforce; reduces costs to local governments associated with homelessness and crime; and can place regional economies at a competitive advantage.
- C. The current Census housing data shows that more than forty percent (40%) of the rental households in Ulster County are now housing-cost-burdened, i.e. paying more than thirty percent (30%) of their income for housing.
- D. The Ulster County Legislature, pursuant to Resolution No. 179 of May 2020, directed the Ulster County Executive to examine existing County-owned lands for their potential to support housing development.
- E. The County's Planning Department identified as suitable for housing development, County owned lands located in the City of Kingston that include the former jail site consisting of approximately 20.136 acres, which is identified as a portion of tax map ID, SBL No. 56.40-1-19.300 (the "Golden Hill Site").

F. On May 28, 2020, the County issued a request for Statements of Qualifications (“SOQ”) from development firms to develop an affordable mixed-income housing project with access to open spaces, resident amenities and community service facilities (the “Project”) at the Golden Hill Site.

G. The goal of the Project as set forth in the SOQ (the “Project Goals”) include the following:

- Site planning and location of suitable building sites;
- Design and development of new, mixed income buildings, public spaces, and parking;
- Demolition of existing on-site buildings
- Accommodation of special needs populations, including support services;
- Provision of a broad level of affordability for new housing development to ensure access to affordable housing by lower income households while meeting affordable workforce housing needs;
- Development of support and recreation amenities that meet the needs of the population mix;
- Identification and, if practical, creation of space for commercial opportunities and community programming particularly appropriate to the site’s setting among nursing and mental-health-related facilities;
- Assurance of seamless access to public transit, including pedestrian/cycling connections;
- Recognition of the site’s assets, particularly the views of the Catskill Mountains, while overcoming its challenges, such as grades and access; and
- Meeting the County’s goals in connection with the “Green New Deal,” by minimizing the use of fossil fuels, maximizing the use of renewable energy and the utilization of green building practices in both design and materials.

H. Pursuant to Section 1411 of the Not-For-Profit Corporation Laws of the State of New York (the “LDC Act”), the legislative body of a county may by resolution determine that certain real property of the County not required for use by the County may be sold or leased to a not-for-profit local development corporation.

I. On July 28, 2020, a Certificate of Incorporation was filed with the New York Department of State, which established the Ulster County Housing Development Corporation as a not-for-profit local development corporation pursuant to the LDC Act.

J. Pursuant to Resolution No. 274 of August 18, 2020, the Ulster County Legislature unanimously adopted said resolution to authorize the transfer of title in fee of the Golden Hill Site from the County to UCHDC.

K. Pursuant to the SOQ’s selection criteria, the selected developer must have the proven capacity to handle the development and ongoing oversight of a mixed-use, public/private partnership development project. Further, the developer must be experienced in financing,

developing, owning, and managing affordable housing, and have demonstrated the capacity to assemble a team, including a general contractor with demonstrated capability and legal and financing professionals, which will provide all necessary services, including, but not limited to: design, construction, and support services.

L. The Developer submitted its response to the SOQ in a proposal dated June 25, 2020 and a follow up Request for Qualifications for Development Partners, dated October 13, 2020.

M. After a rigorous selection procedure aimed at assessing which development firm can best accomplish the requirements as set forth in the SOQ, the board of directors of the UCHDC determined that the Developer was most qualified to complete the Project and as such the Developer was selected to complete the Project.

N. UCHDC and the Developer agree that the foregoing terms and recitals are material to this Development Agreement, and that each party has relied on the material nature of such terms and recitals in entering into this Development Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and promises of the Parties, UCHDC and the Developer hereby agree as follows:

AGREEMENT

ARTICLE I

PROPERTY DESCRIPTION

Section 1.0. Property Description. The property which is the subject of this Agreement consists of approximately 20.136 acres, located in the City of Kingston identified as a portion of tax map ID, SBL No. 56.40-1-19.300. A map showing the boundaries of the Golden Hill Site is attached hereto and made a part hereof as Exhibit A.

ARTICLE II

DEVELOPMENT AND CONSTRUCTION OF THE PROJECT

Section 2.0 Overview of the development and construction of the Project. The Developer shall develop and construct the Project in accordance with and subject to the terms and conditions as set forth in the SOQ, this Agreement and pursuant to the Developer's Concept Plan and Proposal (the "Plan") as attached hereto as Exhibit B and incorporated herein by reference, and any amendments to the Plan or this Agreement as may, from time to time be agreed upon in writing between the Parties. Pursuant to the Plan, the Project shall include a total of one hundred

sixty (160) units of which eighty (80) one- or two-bedroom units shall be located in a four-story mid-rise senior oriented building; and eighty (80) town house units shall be located in nine (9) town house buildings comprising three (3) two-story buildings and six (6) three-story buildings. The Project shall also include a 5,000 GSF one-story Community Hub, as defined in the Plan, with seventeen (17) parking spaces.

Section 2.1 General development obligations of the Developer. In addition to the Project Goals, the Developer and UCHDC agree that the following shall be integral elements (each an “Integral Element,” and collectively the “Integral Elements”) of the Project. The Developer agrees, understands, and acknowledges that each such Integral Element is a development obligation of the Developer. Further, the Developer agrees, understands and acknowledges that the Integral Elements, together with the other terms and conditions of this Agreement, provide the incentive and consideration for UCHDC entering into this Agreement with the Developer.

(a). **Broad Affordability.** The Project shall target a broad range of incomes, supporting but not overly concentrating the community’s most vulnerable populations. A Low-Income Housing Tax Credit- aligned portion of apartments shall target middle-income families or individuals with incomes up to eighty percent (80%) Area Median Income (AMI) for a family of four. Other apartments shall target residents earning 60%, 50%, and 30% of AMI, respectively. Rents will be dependent upon income.

(b). **Intergenerational Housing.** The Project shall support intergenerational housing with no fewer than sixty (60) age-restricted units for occupancy by senior citizens, the remainder being offered for general occupancy.

(c). **Support and Recreation.** The Project shall provide residents with an array of health, social services, education and recreational amenities.

(d). **Commercial and Community Programming.** The Developer’s planning and design strategy for the Project shall provide a flexible framework to integrate commercial and community programming. The Project’s community hub will deliver programming centered around wellness, health, outdoor recreation, and supportive services.

(e). **Multimodal Transportation.** UCHDC and the Developer agree that ease of mobility and connectivity to the broader Ulster County is critical for residents of the Project. The Developer and UCHDC shall make provisions for a newly-located bus stop within the Project, and new pedestrian and biking trail connections to the Empire State Trail network.

(f). **Views and Access.** The Developer shall maximize the key advantages of the location and characteristics of the Golden Hill Site such as the Catskill Mountains, as well as the surrounding woodlands. The Developer and UCHDC shall also leverage access to adjacent facilities and services such as connector trails, an added bus stop, and convenient curbside parking enabling elderly and alter-abled residents to enjoy the Project’s lifestyle with ease.

(g). **Green New Deal Advancement.** The developer understands and agrees that UCHDC and Ulster County are committed to goals for a Green New Deal and, as such, the

Developer shall take a comprehensive approach to identify opportunities to reduce greenhouse gas emissions and incorporate sustainability features in all aspects of the Project, including design, procurement, construction, operations, hiring and more. In order to advance Ulster County's Green New Deal commitments, specifically all electric buildings, the Project shall incorporate such green features and sustainability measures as may be commercially viable and are prioritized by project funding partners, including by not limited to NYS DHCR.

Section 2.2 Other specific design, development and construction obligations of the Developer. The Developer has also identified and agreed to incorporate the following specific design, development and construction elements into the Project, subject to building and site plan approval requirements and Project budget constraints:

Section 2.2.1 Building Design. The Project's building design shall draw from a careful study of the Project's surroundings, Kingston's character and Hudson Valley architectural vernacular, as well as input from community engagement. The Developer shall focus on building forms, materiality and character-defining elements like roof forms, windows, trim and detailing that could inform the building design. The design process will not simply copy these elements but interpret them in the context of the Project's goals, specific site, and budget. The exterior materials will complement the surrounding Kingston neighborhoods and forested hillsides.

The architectural vocabulary shall be applied in a complimentary way to the buildings. The Developer's integrated design process shall also assure and be mindful of the architectural design and materiality as the Developer designs the landscape and open space so that there is a cohesion that contributes to a unique sense of place.

Section 2.2.2 Building Program. Buildings shall offer supportive housing units, with a mixture of workforce and affordable housing above and interspersed throughout the Project. The blending of the unit program shall enable a truly intergenerational experience for residents.

The Community Hub building will provide a flexible space for formal and informal gatherings, a fitness room, amenity spaces, on-site management offices, and maintenance facilities. A community-based health organization program shall also be included in the Community Hub.

Section 2.2.3 Sustainable, Resilient and Wellness-Oriented Design. The Project will conform to Enterprise Green Community building standards as part of the Project's alignment with the Ulster County Green New Deal initiatives. The Developer shall incorporate high performance design strategies to minimize energy consumption and provide superior indoor air quality for the residents of the Project.

The Developer is also committed to supporting New York State's goal of reducing greenhouse gas emissions eighty percent (80%) by 2050. The Project is intended to feature a solar photovoltaic system, and Energy Star appliances shall be utilized throughout the development. Exterior and common area lighting shall utilize ultra-high

efficiency LED lighting. The residential buildings shall include the latest in low-flow showerheads and toilets and faucet aerators in order to reduce water usage. In the event that the Developer decides to design to these standards, but not obtain third party certification, the following guiding design and construction principles shall be followed:

- Install an on-site solar array to enable a localized energy source, reduce grid dependence, and assist Ulster County in achieving Net Zero Energy targets (subject to receipt of necessary approvals and funding);
- Commit to purchasing low/no Volatile Organic Compounds paints and materials when used on interior spaces;
- Maximize the benefits of solar heat gain in the winter while providing solar shading in the summer to minimize cooling loads (subject to receipt of necessary approvals and funding).
- Minimize thermal bridges to maximize insulation continuity to minimize heating and cooling loads;
- Utilize high-performance windows to minimize heating and cooling loads and provide superior occupant comfort;
- Provide a continuous air barrier to minimize heating and cooling loads and provide superior occupant comfort; and
- Provide energy recovery systems for space heating/cooling (as appropriate).

In the spirit of the Hudson Valley's residents' commitment to the outdoors and personal wellbeing, health and wellness shall reside at the core of the Developer's approach, implementing strategies that promote activity and healthy eating, reduce indoor pollutants, and enhance air quality.

Section 2.2.4 Building Superstructure and Systems. The Project's buildings shall be fully sprinklered and the fire alarm and detection systems shall be provided in accordance with the City of Kingston's Building Code. Electrical service for the apartments and community facility are anticipated to be individually metered to foster tenant responsibility for utility consumption and the overall sustainability sensibility of the Project.

Parking shall be provided on-site and near respective residential units for ease of loading and unloading. The parking spaces shall be placed around the perimeter of the site to enable a centralized community space that prioritizes pedestrian use and walkability without interruption from vehicles. The design shall enable a continuity of green space. The Developer shall work in good faith with the Ulster County Transit Authority (UCAT) to locate a bus stop within the Project to support transit-oriented access to the downtown, and surrounding County amenities.

Section 2.2.5 Building Finishes. The Developer shall use sustainable, high-quality residential finishes for the residential portion of the Project, including luxury vinyl tile flooring, wainscot and tub surrounds at bathrooms, full height kitchen cabinets, kitchen backsplashes, and finished ceilings with gypsum board soffits. Public spaces and lobbies will have durable floors and decorative treatments to create an inviting, residential character. All units shall be built to the same high-quality specifications, regardless of affordability level.

Section 2.2.6 Landscape Design. The Project's landscape design and development shall integrate an intergenerational open space that embraces a diverse set of programs for all ages and abilities, providing access to social, cultural, public health, and environmental benefits for the residents. Inspired by the connectivity of both local and regional trails, the open-space design shall strategically organize various scales of programs along circulation routes that traverse the Project's site, defining multifaceted programmable spaces that include pollinator gardens to enhance the ecology of the region, as well as outdoor recreation areas that underscore Kingston's focus on natural recreation and wellbeing.

The southern edge of the Project site shall take advantage of the tree-lined topography, and create a "Nature Trail" for pedestrians, cyclists and hikers, connecting directly to the 750-mile Empire State trail network. The broad open spaces to the northwest of the Project site, the Community Lawn and Central Green, shall allow residents and visitors to connect with the surrounding forest and views of the Catskill Mountains. More intimate, and smaller-scaled spaces, such as the Resident Court and Resident Grove, shall be designed to enhance accessibility to play areas and seating along the Resident Loop pedestrian path that meanders the site. The network of pedestrian paths shall allow all ages of residents to benefit from accessible proximities to the diverse landscape programs in a setting that is inspired by, and promotes, the outdoor context and surrounding scenery.

Section 2.3 Development Timing. The Developer understands and agrees for itself and its successors and assigns of the Project or any part thereof, that it shall begin promptly and prosecute diligently the construction of the Project in the manner described in the Plan and this Agreement, no later than twelve (12) months from the last to occur of (i) receipt of all planning approvals of the Plan by the City of Kingston; (ii) the date of conveyance of the real property from UCHDC to the Developer (or a single-purpose affiliate of the Developer formed for the purpose of developing, constructing, owning and operating the Project) pursuant to the PSA (as defined in Section 5.01 below), or Qualified Housing Fund Development Corporation (HFDC) (iii) the closing on all sources of debt and equity construction financing for the Project. The Developer further agrees that the Project will be completed no later than forty-four (44) months from the date of commencement of construction, subject to force majeure.

Section 2.4 Economic Development & Workforce Utilization Goals. The Project is expected to generate a wide variety of construction period and long-term economic opportunities within the region. The Project will adopt an equal employment opportunity approach to support participation in the Project across job sectors, as well as to ensure that New York State Certified Minority Women Business Enterprises (“M/WBEs”) and NYS-Certified Service-Disabled Veteran-Owned Businesses (“SDVOBs”), and workers or businesses within in Ulster, Greene, Delaware, Sullivan, Orange, Dutchess, and Columbia counties (“Local Labor”) are afforded opportunities for meaningful participation in the Project. To achieve this, the goals applicable to the Project are:

- Thirty percent (30%) of the NYS DHCR Project funding commitment amount to qualified M/WBEs;
- Six percent (6%) of the NYS DHCR Project funding commitment amount to qualified SDVOBs;
- Twenty percent (20%) of the total dollar amount of all covered construction contracts, and fifty percent (50%) of the aggregate number of new construction hires, to Local Labor.

The Developer shall cause the Project’s general contractor to:

- Incorporate as part of all subcontracts, provisions of the General Conditions in the contract which relate to equal employment opportunities, including for M/WBE, SDVOBs, and Local Labor
- Post advertisements placed in not less than two (2) periodicals and/or internet forums targeting M/WBEs, SDVOBs and Local Labor for recruitment purposes
- Establish contact and working relationships with M/WBE, SDVOB Local Labor firms
- Ensure solicited and completed follow-ups to M/WBEs, SDVOBs and Local Labor in a timely manner
- Provide M/WBEs, SDVOBs and Local Labor adequate time to review plans/specs and respond to solicitations
- Notify and request assistance from the NYS Office of Economic Opportunity and Partnership Development, and UCHDC of difficulties preventing M/WBE, SDVOB and Local Labor participation
- Submit a complete, acceptable utilization plan in accordance with the applicable goal requirements for participation, of M/WBEs, SDVOB and Local Labor established in the construction contract
- Document and maintain additional records of “good faith effort” to address the Project’s goals.

Notwithstanding the foregoing goals, the project will adopt an open shop approach, however, the Developer shall cause the general contractor to work in good faith with union labor organizations and trades during the bidding for, and performance of, construction-related opportunities.

Section 2.5 Special Needs Housing Program. The Developer shall cause the Project to establish a program with preference for households or persons with special needs for which a documented demand within the primary market area exists. These units shall receive services in accordance with a comprehensive service plan and an agreement with one or more experienced service providers. Preference shall be given to service providers within Ulster, Greene, Delaware, Sullivan, Orange, Dutchess, and Columbia counties. In no event shall the cost of services provided to tenants be funded by reserves, or project operations.

ARTICLE III

OBLIGATIONS AND RESPONSIBILITIES OF DEVELOPER

Section 3.0 Project Development. The Developer shall construct and develop the Project in accordance with and subject to the terms and conditions of this Agreement and the Plan, and any amendments to the Plan or this Agreement as from time to time may be agreed to by the Parties pursuant to this Agreement. The failure of the Developer to comply with any material term or condition of, or fulfill any material obligation of, the Developer under the SOQ, this Agreement or the Plan, or any amendments to the Plan or this Agreement as may have been agreed to by the Parties, shall constitute default by the Developer under this Agreement; provided, however, that any such default shall be subject to cure by the Developer as set forth in Article VIII hereof.

Section 3.1 Obligation to Pursue Permits and Approvals. The Developer shall be responsible, at its sole cost and expense to timely submit application for, and use reasonably commercial efforts to, pursue the issuance of all permits and environmental studies as required for developing and constructing the Project, including but not limited to the following:

Section 3.1.1 Rezoning of the Golden Hill Site. The Golden Hill Site is currently zoned as a RRR One Family District under §405 of the Administrative Code of the City of Kingston, which is inconsistent with multi-family development. UCHDC and the Developer agree and understand that in order for the Developer to develop and construct the Project, the Golden Hill Site will need to be rezoned so as to be consistent with the Project Goals as defined in the SOQ. The Developer shall submit an application for rezoning of the Golden Hill Site to the City of Kingston no later than one-hundred and twenty (120) days from the effective date of this Agreement.

Section 3.1.2 All other Permits and Approvals. The Developer shall also be responsible, at its sole cost and expense for timely pursuing and obtaining any and all special permits, development permits, and approvals necessary to allow the Project to be constructed, including, but not limited to, materials needed to meet the requirements for SEQRA, SWPP, DEC, and any and all applicable Federal, State, or Local laws, ordinances, codes, rules and/or regulations.

UCHDC, as fee owner of the Golden Hill Site, agrees to reasonably cooperate with the Developer in the pursuit of Project permits and approvals and join in any applications to the extent required by the respective permitting entities.

Section 3.2 Responsibility to pursue funding for the construction of the Project. The Parties acknowledge and agree that funding for the construction of the Project will require securing and layering a wide range of public and private financing sources. It shall be the Developer's sole responsibility to apply for all construction and permanent financing in order to develop, construct and complete the Project. Such financing is anticipated to include, without limitation, equity financing through the sale of low-income housing tax credits, tax-exempt bond financing, subsidies, grants, and below-market loans, as available, appropriate and sufficient to construct, develop and complete the Project in accordance with the terms and conditions of this Agreement and the Plan. UCHDC agrees to work in good faith with the Developer in its pursuit of Project financing.

Section 3.3 Timeline for application for funding from public financing sources for development and construction of the Project. The Developer shall pursue sources of public financing in a commercially reasonable timeframe according to the availability of such funding and the competitive position of the Project for any such round. Subject to the availability of financing, in no event will the Developer forgo applications in two successive rounds unless the UCHDC fails to support the application.

Section 3.4 Obligation to demolish existing buildings at the Golden Hill Site. The Developer shall be responsible for the demolition and related remediation of the existing buildings at the Golden Hill Site. Project budget(s), developed by the Developer, will include uses and sources for the demolition and abatement of any recognized environmental contaminants associated with the existing facilities, including but not limited to the existing jail.

Section 3.5 Obligation to improve existing site infrastructure as necessary to support the Project. The Developer shall be responsible for any improvements necessary to the existing site infrastructure including, but not limited to, water, sewer, electric, gas, roadways, stormwater as necessary to support the Project. Project budget(s), developed by the Developer, will include uses and sources for the same.

Section 3.6 Obligation to provide notice prior to the purchase and sale of the property. The Developer shall provide notice at the time of its award of financing as to its expected closing date for the purchase and sale of the property to, in no event less than 6 months prior to closing.

Section 3.6 Obligation to Conduct a Project Outreach Program. The Developer shall be responsible for conducting a broad outreach program whose focus is to inform and provide a forum to address the concerns of all stakeholders, including Project neighbors, the business community, other housing service providers and local funding sources. This outreach program shall include a Project website that provides an overview of the Project, access to pertinent Project documents as they are developed, response to concerns and updates on the Project status.

ARTICLE IV

COOPERATION AND SUPPORT OF UCHDC

Section 4.0 Reasonable Support for Rezoning Application to City of Kingston. The Developer acknowledges and agrees that it is the Developer's sole responsibility to diligently and timely pursue, facilitate, and expedite all actions reasonably necessary and required for the rezoning of the Golden Hill Site. UCHDC agrees to provide reasonable cooperation, support and assistance to the Developer in its application to the City of Kingston for rezoning of the Golden Hill Site to allow for the development and construction of the Project.

Section 4.1 Reasonable Support for Public Funding. If the Developer applies for funding for the Project from any public source, UCHDC agrees to provide reasonable cooperation, support and assistance to the Developer in its application for such funding.

Section 4.2 Reasonable Support for PILOT. UCHDC agrees to provide reasonable cooperation, support and assistance to the Developer in an application for a payment in lieu of taxes agreement for the Project.

Section 4.3 General Support for Funding, Grants, Applications and Approvals. UCHDC agrees to provide reasonable cooperation, support and assistance to the Developer in its applications to the various funding sources as set forth above in this Agreement.

ARTICLE V

PURCHASE AND SALE OF THE REAL PROPERTY

Section 5.0 Sale of the Real Property to Developer. Subject to the terms of an agreement for the purchase and sale of real property (the "PSA") to be entered into between UCHDC and the Developer, UCHDC agrees to sell and convey to the Developer, and the Developer agrees to purchase upon the terms and conditions set forth in the PSA, an approximately 20.136-acre portion of the Golden Hill Site, being more particularly described and/or shown on Exhibit B to the PSA. A copy of the PSA is attached hereto as Exhibit C and made a part of this Agreement.

ARTICLE VI

EFFECTIVE DATE AND TERM OF THE AGREEMENT

Section 6.0 Effective Date. The Effective Date of this Agreement shall be the later of (i) the date on which UCHDC signs this Agreement, or (ii) the date on which the Developer signs this Agreement, as set forth immediately under UCHDC's and the Developer's signature below.

Section 6.1 Term. The term of this Agreement (the "Term") shall commence upon the Effective Date and shall extend until the earliest to occur of:

- (a) The Closing as set forth in the PSA; or
- (b) Termination of the PSA; or
- (c) One (1) year(s) after the Developer secures commitments for the Project financing as set forth above in Section 3.2 of Article III of this Agreement; or
- (d) Five (5) years; or
- (e) Termination of this Agreement by either party pursuant to the terms of Article XIII of this Agreement.

Following the expiration of the Term, this Agreement shall be deemed terminated and of no further force and effect.

ARTICLE VII

AMENDMENT OF THE AGREEMENT

Section 7.0 Amendment of Agreement. This Agreement may be amended from time to time in writing by mutual consent of the Parties.

Section 7.1 Major and Minor Amendments. Any proposed amendment to this Agreement which affects or relates to (a) the Term; (b) a material modification of the Plan; (c) the obligations and responsibilities of the Developer, as set forth in Article III of this Agreement or (d) the terms and conditions of the PSA, shall be considered a "Major Amendment" and shall be reviewed by the Board of Directors of UCHDC before consent is given to such amendment. Any amendment which is not a Major Amendment shall be deemed a "Minor Amendment," and the President of UCHDC or his or her delegee shall have the authority to approve such Minor Amendment.

ARTICLE VIII
DEFAULT AND TERMINATION

Section 8.0 Default. Subject to extensions of time by mutual consent in writing, failure or unreasonable delay by either Party to perform any material term or provision of this Agreement shall constitute default. In the event of default or breach of any of the material terms or conditions of this Agreement, the Party alleging such default or breach shall give the other Party not less than thirty (30) days' notice in writing, specifying the nature of the alleged default and the manner in which said default may be satisfactorily cured. During any such thirty (30) day period, the Party charged shall not be considered in default for purposes of termination or institution of legal proceedings.

After notice and expiration of the thirty (30) day period, if such default has not been cured or is not being diligently cured in the manner set forth in the notice, the other Party to this Agreement may at its option:

(a) Terminate this Agreement, in which event neither Party shall have any further rights against or liability to the other with respect to this Agreement or the Property; or

(b) Institute legal or equitable action to cure, correct or remedy any default, including but not limited to an action for specific performance of the terms of this Agreement.

Section 8.1 Termination. This Agreement shall expire and/or terminate as provided below:

(a) This Agreement shall expire and be of no further force and effect if the Developer does not construct the Project as contemplated by the permits and approvals identified in this Agreement, and/or submits applications for development of the Project that are inconsistent with such permits and approvals.

(b) This Agreement shall terminate upon the expiration of the term identified in Section 6.1(c) or when the Project has been fully developed, which ever first occurs.

Effect of Termination on Developer Obligations.

(a) Should this Agreement be terminated for any reason other than the event described in Section 6.1(a) above, all studies, plans, and other materials developed as part of the approval process for the Project (the "Project Materials") shall become the property of UCHDC and the Developer shall be obligated to provide the Project Materials to UCHDC upon request.

ARTICLE IX
PERIODIC REVIEW

Section 9.0 Meetings and Updates. During the term of this Agreement, the Developer shall, on a monthly basis, provide UCHDC with updates on the progress of the Project noting major milestones, adherence or non-adherence to timelines, and problems. In addition, every quarter during the term of this Agreement, the Developer and UCHDC shall review the extent of good faith substantial compliance by the Developer with the terms and conditions of this Agreement. During such quarterly reviews, the Developer shall provide such information as may be reasonably requested by UCHDC and deemed by UCHDC to be reasonably required in order to ascertain compliance with this Agreement.

ARTICLE X
GENERAL PROVISIONS

Section 10.0 Assignment and Assumption. Subject to the provisions below, the Developer shall have the right to sell, assign or transfer its rights, title and interest in this Agreement to any person or entity during the term of this Agreement. Developer shall provide UCHDC with written notice of any such intent to sell, assign, or transfer its rights and obligations hereunder at least 30 days in advance of such proposed action.

No assignment shall be effective until UCHDC, by action of its Board of Directors, approves the assignment. Approval shall not be unreasonably withheld, or delayed provided that:

- (a) The assignee (or the guarantor(s) of the assignee's performance) has the financial ability to meet the obligations proposed to be assigned and to undertake and complete the obligations of the Developer under this Agreement affected by the assignment; and
- (b) The proposed assignee (or its affiliated entity if the assignee is a single purpose entity formed for the purpose of developing the Project) has adequate experience with residential or nonresidential developments of comparable scope and complexity to the Project that is the subject of the assignment.

Any request for UCHDC approval of an assignment shall be in writing and accompanied by certified financial statements of the proposed assignee (and/or the guarantor of the assignee's performance) and any additional information concerning the identify, financial condition and experience of the assignee (and/or the guarantor of the assignee's performance) as UCHDC may reasonably request.

Section 10.1 Notices. Unless otherwise specified herein, any notices or communications required or permitted to be given by this Agreement must be (i) given in writing and (ii) personally delivered or mailed, by prepaid, certified mail or overnight courier, or transmitted by electronic mail transmission (including PDF), to the party to whom such notice or communication is directed, to the mailing address or regularly-monitored electronic mail address of such party as follows:

Notices to the Developer shall be sent to:

Pennrose, LLC
230 Wyoming Avenue
Kingston, Pennsylvania 18704
Attention: Dylan Salmons
Phone: (267) 386-8643
Email: dsalmons@pennrose.com

With copies to:

Cannon Heyman & Weiss, LLP
54 State Street, 5th Floor
Albany, New York 12207
Attention: Melissa M. Beskid, Esq.
Phone No.: 518-465-1500, Ext. 230
Email: mbeskid@chwattys.com

Notices to UCHDC shall be sent to:

For Personal Delivery:
Ulster County Housing Development Corporation
c/o Ulster County Attorney's Office
County Office Building
5th Floor
244 Fair Street
Kingston, NY 12401

For Certified Mail:
Ulster County Housing Development Corporation
c/o Ulster County Attorney's Office
P.O. Box 1800
Kingston, NY 12402-1800

and

Attn: Clinton G. Johnson, Esq.
County Attorney, Ulster County
Phone No.: 845-340-3685
Email: cjoh@co.ulster.ny.us

Any such notice or communication shall be deemed to have been given on (i) the day such notice or communication is personally delivered, (ii) three (3) days after such notice or communication is mailed by prepaid certified or registered mail, (iii) one (1) working day after such notice or communication is sent by overnight courier, or (iv) the day such notice or communication is sent electronically, provided that the sender has received a confirmation of such electronic transmission. A party may, for purposes of this Agreement, change his, her or its business address, mailing address, email address or the person to whom a notice or other communication is marked to the attention of, by giving notice of such change to the other party pursuant to this Section 10.1.

Section 10.2 Applicable Law and Attorneys' Fees. This Agreement shall be construed and enforced in accordance with the laws of the State of New York. If litigation is initiated to enforce the terms of this Agreement, the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs from the non-prevailing party. Any and all disputes involving this Agreement, including the breach or alleged breach thereof shall be heard in the Supreme Court of the State of New York, with venue in Ulster County, or if appropriate, in the Federal District Court, with venue in the Northern District of New York, Albany Division.

Section 10.3. Severability. If any section, sentence, clause or portion of this Agreement is declared unlawful or unconstitutional for any reason, the remainder of this Agreement shall continue in full force and effect.

Section 10.4 Covenant Running with Land. The conditions and covenants set forth in this Agreement and incorporated herein by the Exhibits shall be covenants running with the land and/or equitable servitudes, and shall be binding on the parties and their successors and assigns, and on all subsequent purchasers, lessees or lessors, and transferors of every nature as set forth herein.

Section 10.05 Counterparts. This Agreement may be signed in any number of counterparts, and by PDF signature delivered by electronic mail, each of which shall be an original, with the same effect as if the original signatures thereto and hereto were upon the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Development Agreement to be executed as of the dates set forth below:

ULSTER COUNTY HOUSING DEVELOPMENT CORPORATION

By: Evelyn Wright

Name: Evelyn Wright

Title: President

Date: 4/13/21

PENNROSE, LLC

By: Dylan Salmons

Name: Dylan Salmons

Title: Regional Vice President

Date: March 25, 2021

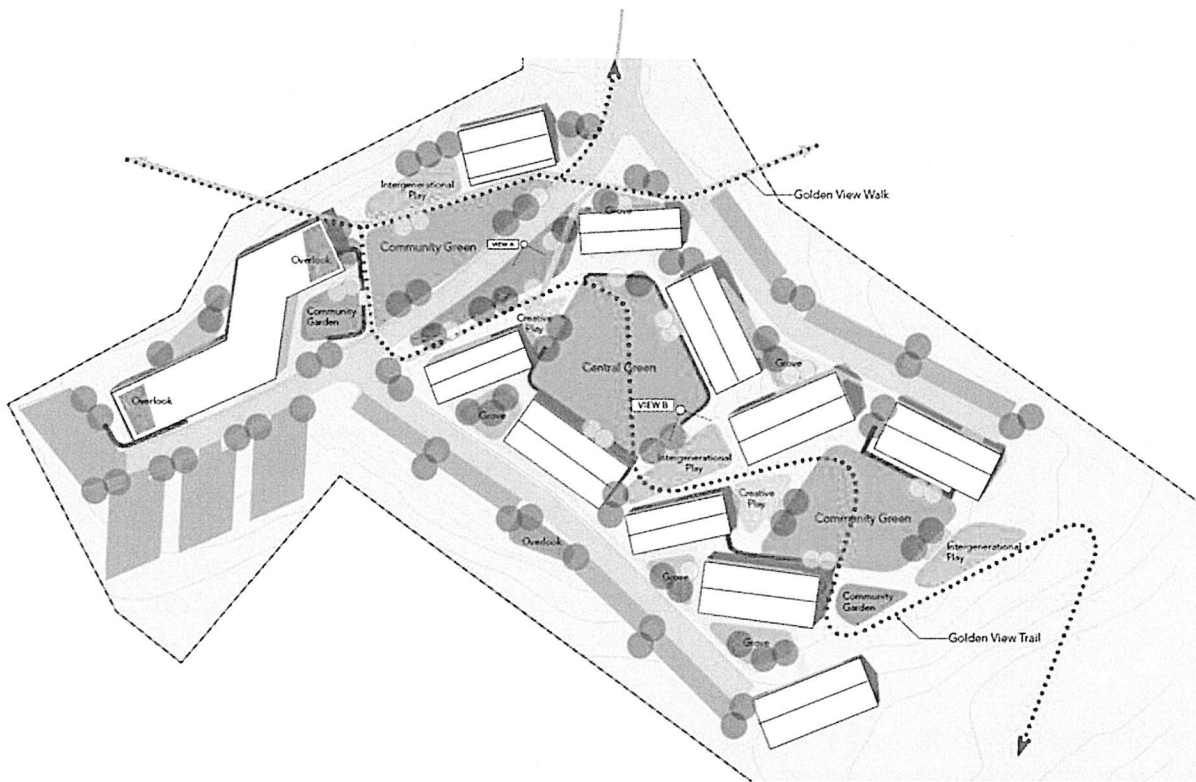
EXHIBIT A

PROPERTY DESCRIPTION

(See Lot 3A; lot area = 20.136 acres)

EXHIBIT B

**Developer's Concept Plan and Proposal
(the "Plan")**



160 Unit Site Plan