
CENTRO SOCIAL LA ESPERANZA, INC.

AND

NEW YORK CITY
INDUSTRIAL DEVELOPMENT AGENCY

COMPANY LEASE AGREEMENT

Dated as of January 1, 2008

New York City Industrial Development Agency
Civic Facility Revenue Bonds
(Special Needs Facilities Pooled Program)
\$17,160,000 Series 2008A-1
\$635,000 Series 2008A-2 (Federally Taxable)

<u>Address</u>	<u>Section</u>	<u>Block</u>	<u>Lot</u>
566 West 171 st Street New York, New York	8	2127	9

COMPANY LEASE AGREEMENT

THIS COMPANY LEASE AGREEMENT, made as of January 1, 2008 (this "Company Lease"), by and between CENTRO SOCIAL LA ESPERANZA, INC., a not-for-profit corporation organized and existing under and by virtue of the laws of the State of New York (the "Company"), having its principal office at 2212 Third Avenue, New York, New York 10035, party of the first part, and NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State of New York, duly organized and existing under the laws of the State of New York (the "Agency"), having its principal office at 110 William Street, New York, New York 10038, party of the second part (capitalized terms used in this Company Lease and not defined herein shall have the respective meanings assigned to such terms in the Installment Sale Agreement or the Indenture referred to below):

WITNESSETH:

WHEREAS, the Agency was established by the New York State Industrial Development Agency Act, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended, and Chapter 1082 of the Laws of 1974 of the State of New York, as amended (the "Act"), for the benefit of The City of New York and the inhabitants thereof; and

WHEREAS, to accomplish the purposes of the Act, the Agency has entered into negotiations with several not-for-profit corporations, including the Company (each a "Participant"), in connection with the financing or refinancing of the cost of the acquisition, construction, equipping and furnishing of civic facilities for each such Participant within The City of New York, all for the purpose of providing services to people with developmental disabilities or other special needs; and

WHEREAS, each Participant will lease or sublease, as applicable, its civic facility to the Agency pursuant to a company lease agreement between such Participant and the Agency, and the Agency will sell its leasehold or subleasehold interest in such civic facility to such Participant pursuant to an installment sale agreement between the Agency and such Participant; and

WHEREAS, the Agency, in order to provide funds for a portion of the cost of financing or refinancing such civic facilities and for incidental and related costs, will issue and sell its \$17,160,000 Civic Facility Revenue Bonds (Special Needs Facilities Pooled Program), Series 2008A-1 and \$635,000 Series 2008A-2 (Federally Taxable) (collectively, the "Bonds"), pursuant to the Act, a resolution of the Agency adopted on December 11, 2007 and an Indenture of Trust, dated as of even date herewith, between the Agency and The Bank of New York, as trustee (the "Trustee"); and

WHEREAS, the Company will finance or refinance the cost of the renovation, improvement, equipping and furnishing of a civic facility (the "Facility") consisting a residential

facility providing services to individuals with developmental disabilities located at 566 West 171st Street, New York, New York;

WHEREAS, pursuant to the Prime Lease, the Prime Landlord has leased the Facility to the Company; and

WHEREAS, the Company desires to lease the Facility to the Agency on the terms and conditions set forth in this Company Lease; and

WHEREAS, pursuant to an Installment Sale Agreement, dated as of even date herewith, between the Agency and the Company (as the same may be amended or supplemented, the "Installment Sale Agreement"), the Agency will sell its leasehold interest in the Facility under this Company Lease to the Company;

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants and representations hereinafter contained, the Company and the Agency hereby agree as follows (provided that in the performance of the agreements of the Agency herein contained, any obligation it may incur for the payment of money shall not subject the Agency to any pecuniary or other liability or create a debt of the State or of the City, and neither the State nor the City shall be liable on any obligation so incurred, but any such obligation shall be payable by the Agency solely out of the installment purchase payments, revenues and receipts payable by the Company under the Installment Sale Agreement):

ARTICLE I

The Company does hereby lease to the Agency, and the Agency does hereby lease from the Company, the Facility Realty and the Facility Equipment described in Exhibit A and Exhibit B, respectively, attached hereto, including all subsequent improvements thereto and substitutions or replacements of such equipment now or hereafter located therein, for the term herein provided and for use as provided in the Installment Sale Agreement. It is the intention of the Company and the Agency that leasehold title to all improvements hereafter constructed by the Company to the Facility shall vest in the Agency as and when the same are constructed. Accordingly, the Company and the Agency agree that the Agency shall hold leasehold title to all improvements hereafter constructed by the Company to the Facility, together with all substitutions or replacements of such equipment constituting the Facility Equipment.

ARTICLE II

The term of this Company Lease shall commence on the Closing Date and shall expire the earliest of: (i) July 1, 2033 (11:59 p.m., New York City time), (ii) the date of termination or rescission of the Prime Lease, (iii) one Business Day prior to the expiration of such term of the Prime Lease, (iv) the date of assignment by the Company of its interest in the Prime Lease (other than pursuant to Section 6.1 of the Installment Sale Agreement), (v) the date on which the Company ceases to possess the Facility, (vi) the date of expiration or earlier termination of the Installment Sale Agreement as provided therein, or (vii) the date of payment in full of all the Bonds (whether at maturity or earlier redemption or upon defeasance or discharge

of the Bonds under the Indenture as provided in Section 10.01 thereof) so that the Bonds shall cease to be Outstanding under the Indenture.

ARTICLE III

The sole rental hereunder shall be the single sum of ten dollars (\$10), receipt of which is hereby acknowledged by the Company.

ARTICLE IV

The Company hereby delivers possession to the Agency of the Facility.

ARTICLE V

The Company represents and warrants that the execution and delivery by the Company of this Company Lease and the performance by the Company of its obligations under this Company Lease and the consummation of the transactions herein contemplated have been duly authorized by all requisite corporate action on the part of the Company and will not violate (i) any provision of law, or any order of any court or agency of government, (ii) the certificate of incorporation or bylaws of the Company, or (iii) any indenture, agreement or other instrument to which the Company is a party or by which it or any of its property is subject to or bound or be in conflict with or result in a breach of or constitute (with due notice and/or lapse of time) a default under any such indenture, agreement or other instrument, or result in the imposition of any lien, charge or encumbrance of any nature whatsoever on the Facility other than Permitted Encumbrances. The Company represents and warrants that it has full right and lawful authority to enter into this Company Lease for the full term hereof.

ARTICLE VI

Neither the Agency nor the Company shall assign or transfer this Company Lease, nor sublease the whole or any part of the Facility, nor subject this Company Lease to any lien, claim, mortgage or encumbrance (other than Permitted Encumbrances), in any manner, nor sell, assign, convey or otherwise dispose of the Facility or any part thereof, during the term of this Company Lease, in any manner, to any Person, except that (i) the Agency shall sell its leasehold interest in the Facility under this Company Lease to the Company pursuant to the Installment Sale Agreement, and (ii) the Company may sublease all or portions of the Facility in accordance with the Installment Sale Agreement. This Company Lease shall be subject and subordinate to the Prime Lease and such lien, security interest, pledge and assignment thereunder.

ARTICLE VII

It is the intention of the Agency and the Company under this Company Lease that the sale by the Agency pursuant to the Installment Sale Agreement of its leasehold interest in the Facility under this Company Lease shall not result in a merger of the leasehold estates and interests of the Company and the Agency under this Company Lease so as to effect a termination or any other impairment of this Company Lease; and until the termination of this Company Lease in accordance with its terms or the expiration hereof in accordance with Article II hereof,

this Company Lease shall continue in full force and effect to the same extent as if the Agency had not sold its leasehold interest in the Facility to the Company pursuant to the Installment Sale Agreement.

ARTICLE VIII

Except for the Installment Sale Agreement, this Company Lease contains the entire agreement between the parties hereto with respect to the subject matter hereof and all prior negotiations and agreements are merged in this Company Lease. This Company Lease may not be changed, modified or discharged in whole or in part and no oral or executory agreement shall be effective to change, modify or discharge in whole or in part this Company Lease or any obligations under this Company Lease, unless such agreement is set forth in a written instrument executed by the Company and the Agency. No consent or approval of the Company shall be deemed to have been given or to be effective for any purposes unless such consent or approval is set forth in a written instrument executed by the Company. No consent or approval of the Agency shall be deemed to have been given or to be effective for any purposes unless such consent or approval is set forth in a written instrument executed by the Agency.

ARTICLE IX

All notices or other communications required or permitted to be given hereunder shall be in writing and shall be given by hand delivery, Federal Express, or other reputable courier service, or by postage prepaid registered or certified mail, return receipt requested, and shall (except to the extent otherwise expressly provided herein) be deemed to have been given and received (whether actually received or not) (i) when received at the following addresses if hand delivered or sent by Federal Express, or other reputable courier service, and (ii) three (3) Business Days after being post-marked if sent by registered or certified mail, return receipt requested, addressed to the parties hereto as hereinafter provided, or to such other substitute address and/or addressee as any party hereto shall designate by written notice to the other party in accordance with the terms of this Article IX; provided, however, that no such notice of change of address and/or addressee shall be effective unless and until actually received by the party to whom such notice is sent. Any notice shall be sent in the manner set forth above in this Article IX and shall be addressed, if to the Agency, to New York City Industrial Development Agency, 110 William Street, New York, New York 10038, Attention: General Counsel, with a copy to the Executive Director of the Agency at the same address, and if to the Company, to Centro Social La Esperanza, Inc., 2212 Third Avenue, New York, New York 10035, Attention: Executive Director, with a copy to Lombardi, Walsh, Wakeman, Harrison, Amodeo & Davenport, P.C., III Winners Circle, Albany, New York 12205, Attention: Robert G. Wakeman, Esq.

ARTICLE X

This Company Lease shall be governed by, and construed in accordance with, the laws of the State of New York.

The terms of this Company Lease are and shall be binding upon and inure to the benefit of the Agency and the Company and their respective successors and assigns.

If any one or more of the provisions of this Company Lease shall be ruled invalid by any court of competent jurisdiction, the invalidity of such provision(s) shall not affect any of the remaining provisions hereof, but this Company Lease shall be construed and enforced as if such illegal or invalid provision had not been contained herein.

ARTICLE XI

This Company Lease shall become effective upon the Closing Date. It may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

ARTICLE XII

All covenants, stipulations, promises, agreements and obligations of the Agency contained in this Company Lease shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Agency, and not of any member, director, officer, employee or agent of the Agency in his individual capacity, and no recourse shall be had for the payment of any amounts hereunder against any member, director, officer, employee or agent of the Agency. In addition, in the performance of the agreements of the Agency herein contained, any obligation it may incur shall not subject the Agency to any pecuniary or other liability nor create a debt of the State or of the City, and neither the State nor the City shall be liable on any obligation so incurred, but any such obligation shall be payable solely out of the installment purchase payments, revenues and receipts derived from or in connection with the Facility payable to the Agency under the Installment Sale Agreement.

All covenants, stipulations, promises, agreements and obligations of the Company contained in this Company Lease shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Company, and not of any director, officer, employee or agent of the Company in his individual capacity, and no recourse shall be had for the payment of any amounts hereunder against any director, officer, employee or agent of the Company.

ARTICLE XIII

The Agency and the Company agree that this Company Lease shall not be recorded in the office of the Register of The City of New York.

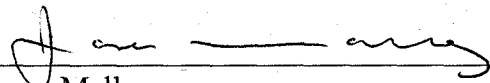
ARTICLE XIV

The use of the Facility, and all other rights, duties, liabilities and obligations of the Company and the Agency with respect thereto and including the acquisition, renovation, improvement, equipping and furnishing of the Facility, and the use, operation, leasing and financing of the Facility, not fixed in this Company Lease, shall be as set forth in the Installment Sale Agreement.

IN WITNESS WHEREOF, the Company has caused its corporate name to be subscribed hereto by its authorized officer pursuant to a resolution duly adopted by its Board of Directors, and the Agency has caused its corporate name to be hereunto subscribed by its duly authorized Chairman, Vice Chairman, Executive Director, Deputy Executive Director, General Counsel or Vice President for Legal Affairs all being done as of the year and day first above written.

CENTRO SOCIAL LA ESPERANZA, INC.

By



James Malley
Executive Director

NEW YORK CITY INDUSTRIAL
DEVELOPMENT AGENCY

By




Maureen P. Babis
Executive Director

STATE OF NEW YORK)

: ss.:

COUNTY OF NEW YORK)

On the 28TH day of January, in the year two thousand eight, before me, the undersigned, personally appeared James Malley, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person or entity upon behalf of which the individual acted, executed the instrument.



Notary Public

ROBERT G. WAKEMAN
Notary Public, State of New York
No. 4707138
Qualified in Albany County
Commission Expires Feb. 28, 2010

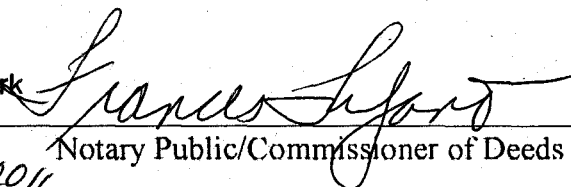
STATE OF NEW YORK)

: ss.:

COUNTY OF NEW YORK)

On the 24 day of January, in the year two thousand eight, before me, the undersigned, personally appeared Maureen P. Babis, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signāture on the instrument, the individual, or the person or entity upon behalf of which the individual acted, executed the instrument.

FRANCES TUFANO
Notary Public, State of New York
No. 01TU5080131
Qualified in Queens County
Commission Expires June 16, 2011


Notary Public/Commissioner of Deeds

DESCRIPTION OF FACILITY REALTY

BLOCK 2127 LOT 9 ON THE TAX MAP OF NEW YORK COUNTY

ALL that certain plot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the Borough of Manhattan, City, County and State of New York, bounded and described as follows:

BEGINNING at a point in the southerly side of West 171st. Street, distant 100 feet easterly from the corner formed by the intersection of said southerly side of 171st. Street with the easterly side of St. Nicholas Avenue;

RUNNING THENCE Southerly parallel with the said easterly side of St. Nicholas Avenue, 95 feet;

THENCE Easterly parallel to the said southerly side of 171st. Street, 25 feet;

THENCE Northerly again parallel to the said easterly side of St. Nicholas Avenue, 95 feet to the southerly side of 171st. Street;

THENCE Westerly along the southerly side of 171st. Street, 25 feet to the point or place of BEGINNING.

EXHIBIT B

DESCRIPTION OF FACILITY EQUIPMENT

None