

RESOLUTION INDUCING THE FINANCING OF A COMMERCIAL FACILITY TO BE DEVELOPED BY TS 509 W 34, L.L.C. OR AN AFFILIATE AS A HUDSON YARDS COMMERCIAL CONSTRUCTION PROJECT (STRAIGHT-LEASE) TRANSACTION AND AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF AGREEMENTS IN CONNECTION THEREWITH

WHEREAS, New York City Industrial Development Agency (the “Agency”) is authorized under the laws of the State of New York, and in particular 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 1974 Laws of New York, as amended (collectively, the “Act”), to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial and research facilities and thereby advance the job opportunities, general prosperity and economic welfare of the people of the State of New York (the “State”) and to improve their prosperity and standard of living; and

WHEREAS, TS 509 W 34, L.L.C., on behalf of itself and its affiliated real estate development companies and real estate holding companies involved in the Project referred to below (collectively, the “Applicant”), has entered into negotiations with officials of the Agency in connection with the construction, furnishing and equipping, by the Applicant, of an approximately 2,550,000 gross square foot, class-A office building, which will include approximately 57,000 gross square feet of retail space, to be located on an approximately 67,451 square foot parcel of land at 509 and 527 West 34th Street and 435, 447 and 449 Tenth Avenue, New York, New York 10001 (collectively, the “Facility”), all intended for use by commercial tenants (together with the Facility, the “Project”); and

WHEREAS, the Applicant has submitted to the Agency a Project Application (the “Application”) pursuant to the Hudson Yards Commercial Construction Project Program, as described in the Agency’s Uniform Tax Exemption Policy, as amended, to initiate the accomplishment of the above; and

WHEREAS, the Application sets forth certain information with respect to the Applicant and the Project, including the following: that the construction, furnishing and equipping of the Facility will generate approximately 7,611 direct construction jobs and, at full occupancy, it is estimated that approximately 7,100 people will be employed at the Facility in office, retail and building services and that, based upon the financial assistance provided through the Agency, the Applicant desires to proceed with the Project; and

WHEREAS, based upon the Application, the Agency hereby determines that Agency financial assistance and related benefits in the form of a straight-lease transaction between the Agency and the Applicant are necessary to induce the Applicant to proceed with the Project; and

WHEREAS, in order to finance a portion of the costs of the Project, the Applicant intends to enter into a loan arrangement with one or more banks or other financial institutions acceptable to the Applicant and the Agency (collectively the “Lender”), and the Agency and the Applicant will grant one or more mortgage(s) on the Facility to the Lender (collectively, the “Lender Mortgage”), with the remaining costs of the Project to be financed with equity or other sources; and

WHEREAS, for purposes of refinancing from time to time the indebtedness secured by the Lender Mortgage (the “Original Mortgage Indebtedness”) (whether such refinancing is in an amount equal to or greater than the outstanding principal balance of the Original Mortgage Indebtedness), the

Applicant may from time to time desire to enter into new mortgage arrangements, including but not limited to consolidation with mortgages granted subsequent to the Lender Mortgage; and therefore the Applicant may request the Agency to enter into the mortgage instruments required for such new mortgage arrangements (“Refinancing Mortgages”); and

WHEREAS, in order to provide financial assistance to the Applicant for the Project, the Agency intends to grant the Applicant financial assistance through a straight-lease transaction in the form of real property tax abatements and mortgage recording tax exemptions all pursuant to the Act;

NOW, THEREFORE, NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY HEREBY RESOLVES AS FOLLOWS:

Section 1. The Agency hereby determines that the Project and the provision by the Agency of financial assistance to the Applicant pursuant to the Act in the form of a straight-lease transaction will promote and is authorized by and will be in furtherance of the policy of the State of New York as set forth in the Act and hereby authorizes the Applicant to proceed with the Project. The Agency further determines:

(a) that the Project shall not result in the removal of any facility or plant of the Applicant or any other occupant or user of the Project from outside of the City (but within the State of New York) to within the City or in the abandonment of one or more facilities or plants of the Applicant or any other occupant or user of the Project located within the State of New York (but outside of the City);

(b) that no funds of the Agency shall be used in connection with the Project for the purpose of preventing the establishment of an industrial or manufacturing plant or for the purpose of advertising or promotional materials which depict elected or appointed government officials in either print or electronic media, nor shall any funds of the Agency be given in connection with the Project to any group or organization which is attempting to prevent the establishment of an industrial or manufacturing plant within the State of New York; and

(c) that not more than one-third of the total Project cost is in respect of facilities or property primarily used in making retail sales of goods or services to customers who personally visit such facilities within the meaning of Section 862 of the New York General Municipal Law.

Section 2. To accomplish the purposes of the Act and to provide financial assistance to the Applicant for the Project, a straight-lease transaction is hereby authorized subject to the provisions of this Resolution.

Section 3. The Agency hereby authorizes the Applicant to proceed with the Project on behalf of the Agency as set forth in this Resolution; provided, however, that it is acknowledged and agreed by the Applicant that (i) leasehold title to or other interest of the Agency in the Facility shall be in the Agency for purposes of granting financial assistance, and (ii) the Applicant is hereby constituted the agent for the Agency solely for the purpose of effecting the Project, and neither the Agency nor any of its members, directors, officers, employees, agents or servants, shall have any personal liability for any such action taken by the Applicant for such purpose.

Section 4. The execution and delivery of a Company Lease Agreement from the Applicant leasing the Facility to the Agency, an Agency Lease Agreement from the Agency subleasing the Facility to the Applicant (the "Lease Agreement"), the Lender Mortgage and the Refinancing Mortgages, PILOT Mortgages from the Agency and the Applicant to the Agency securing the Applicant's obligations to make certain payments-in-lieu of real property taxes under the Lease Agreement, Assignments of PILOT Mortgages from the Agency to Hudson Yards Infrastructure Corporation ("HYIC"), an Assignment in respect of certain payments-in-lieu of real property taxes from the Agency and The City of New York to HYIC and such subordination, recognition, non-disturbance and/or attornment agreements as are necessary or proper to carry out this Resolution, and the acceptance of a Guaranty Agreement from the Applicant, in favor of the Agency (the "Guaranty Agreement") (each document referenced in this Section 4 being, collectively, the "Agency Documents"), each being substantively the same as approved by the Agency for prior transactions, are hereby authorized. The Chairman, Vice Chairman, Executive Director, Deputy Executive Director, General Counsel and Vice President for Legal Affairs of the Agency are each hereby authorized to execute, acknowledge and deliver each such Agency Document. The execution and delivery of each such agreement by one of said officers shall be conclusive evidence of due authorization and approval.

Section 5. The officers of the Agency and other appropriate officials of the Agency and its agents and employees are hereby authorized and directed to take whatever steps may be necessary to cooperate with the Applicant to assist in the Project.

Section 6. All covenants, stipulations, obligations and agreements of the Agency contained in this Resolution and contained in the Agency Documents shall be deemed to be the covenants, stipulations, obligations and agreements of the Agency to the full extent authorized or permitted by law, and such covenants, stipulations, obligations and agreements shall be binding upon the Agency and its successors from time to time and upon any board or body to which any powers or duties affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law. Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the Agency or the members thereof by the provisions of this Resolution or the Agency Documents shall be exercised or performed by the Agency or by such members, officers, board or body as may be required by law to exercise such powers and to perform such duties.

No covenant, stipulation, obligation or agreement herein contained or contained in the Agency Documents shall be deemed to be a covenant, stipulation, obligation or agreement of any member, director, officer, agent or employee of the Agency in his or her individual capacity and neither the members nor the directors of the Agency nor any officer executing any Agency Document shall be liable personally for any amounts payable thereunder or arising from claims thereon or be subject to any personal liability or accountability by reason of the execution and delivery or acceptance thereof.

Section 7. The officers of the Agency are hereby designated the authorized representatives of the Agency, and each of them is hereby authorized and directed to execute and deliver any and all papers, instruments, opinions, certificates, affidavits and other documents and to do and cause to be done any and all acts and things necessary or proper for carrying out this Resolution. The Agency recognizes that due to the unusual complexities of the transaction it may become necessary that certain of the terms approved hereby may require modifications which will not affect the intent and substance of the authorizations and approvals by the Agency herein. The Agency hereby authorizes the Chairman, Vice Chairman, Executive Director, Deputy Executive Director, General Counsel or Vice President for Legal Affairs to approve modifications to the terms approved hereby which do not affect

the intent and substance of this Resolution. The approval of such modifications shall be evidenced by a certificate of determination of an Agency officer.

Section 8. Any expenses incurred by the Agency with respect to the Project shall be paid by the Applicant. By acceptance hereof, the Applicant agrees to pay such expenses and further agrees to indemnify the Agency, its members, directors, officers, employees and agents and hold the Agency and such persons harmless against claims for losses, damage or injury or any expenses or damages incurred as a result of action taken by or on behalf of the Agency in good faith with respect to the Project and the financing thereof.

Section 9. This Resolution is subject to approval based on an investigative report with respect to the Applicant. The provisions of this Resolution shall continue to be effective for one year from the date hereof, whereupon the Agency may, at its option, terminate the effectiveness of this Resolution (except with respect to the matters contained in Section 8 hereof).

Section 10. Pursuant to the State Environmental Quality Review Act, being Article 8 of the New York State Environmental Conservation Law and the implementing regulations, the Agency, as lead agency, hereby makes the findings set forth in Exhibit A hereto and incorporated by reference herein.

Section 11. In connection with the Project, the Agency intends to grant the Applicant (or a special purpose entity affiliated with the Applicant and formed solely for the Project or a related real estate holding company on behalf of the Applicant) real property tax abatements and mortgage recording tax exemptions. The Agency will also utilize mortgage recording tax exemptions to exempt mortgages securing payments in lieu of real property taxes in connection with the Project. The foregoing exemptions may be transferred to subsequent purchasers of all or a portion of the Facility.

Section 12. This Resolution shall take effect immediately.

Adopted: July 22, 2014

Accepted: _____, 2014

TS 509 W 34, L.L.C.

By: _____

Name:

Title:

EXHIBIT A

NYCIDA Findings Statement Pursuant to the New York State Environmental Quality Review Act

1. Introduction and Description of the Proposed Action

This Findings Statement has been prepared in accordance with Article 8 of the Environmental Conservation Law, the State Environmental Quality Review Act (SEQRA), and its implementing regulations promulgated at 6 NYCRR Part 617.

This Findings Statement sets forth the findings of the New York City Industrial Development Agency (the "Agency") with respect to the potential environmental impacts.

The proposed project involves a Hudson Yards Commercial Construction Project straight-lease transaction for the benefit of TS 509 W 34, L.L.C. or its affiliated real estate development company, in connection with the construction of an approximately 2,550,000 gross square foot, class-A office building, which will include approximately 57,000 gross square feet of retail space (the "Facility"). In resolutions adopted January 19, 2005 and October 11, 2006, the City Council recognized the importance to the City of the redevelopment of the Hudson Yards district and supported an undertaking by the City, subject to annual appropriation, to make the interest support payments on bonds issued by Hudson Yards Infrastructure Corporation ("HYIC") for purposes of financing certain public infrastructure components of the redevelopment. On August 8, 2006 the Agency adopted the Hudson Yards Amendment to Uniform Tax Exemption Policy ("UTEP") that established the parameters by which the Agency would confer financial assistance to Hudson Yards Commercial Construction Projects, consisting of exemptions from City real property taxes, City and State mortgage recording taxes, and City and State sales and use taxes. The Agency also entered into the PILOT Assignment and Agreement, dated as of December 1, 2006, with the City and HYIC, pursuant to which the Agency has assigned to HYIC its rights in and to certain payments in lieu of taxes ("PILOTs"), which will include PILOTs from the proposed Facility. The Facility will be constructed on a parcel of land that will include all or a portion of Block 706, Lots 17, 20, 29, 35 and 36 on the current Tax Map for the Borough of Manhattan, located at 509 and 527 West 34th Street, and 435, 447 and 449 Tenth Avenue, New York, New York 10001. The financial assistance proposed to be conferred by the Agency will consist of exemptions from City real property taxes and City and State mortgage recording taxes.

This Findings Statement is based on: (a) the Hudson Yards Final Generic Environmental Impact Statement ("FGEIS") for the No. 7 Extension - Hudson Yards Rezoning and Development Program, approved by the New York City Planning Commission ("CPC") and the Metropolitan Transportation Authority ("MTA") in November 2004; and (b) their Co-Lead Agencies Findings Statement, dated November 22, 2004, which is attached hereto as Exhibit B (the "Co-Lead

Agencies Findings Statement”). Capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Co-Lead Agencies Findings Statement.

2. The FGEIS

The FGEIS analyzed four projects (collectively, the "FGEIS Proposed Action"): 1) the proposed rezoning of the Project Area; 2) the extension of the No. 7 subway line to 34th Street and Eleventh Avenue; 3) construction of a Multi-Use Facility to function, in part, as the stadium for the New York Jets; and 4) the Jacob K. Javits Convention Center expansion project. The CPC and the MTA were designated co-lead agencies for the environmental review of the FGEIS Proposed Action.

As the FGEIS analyzed multiple project elements that would be developed or implemented over a period of 20 years or more, two analysis years, 2010 and 2025, were considered in the FGEIS. Construction impacts in the FGEIS were assessed for the estimated peak years of construction for the two phases: 2006 and 2017.

In addition to analyzing the four large-scale planning initiatives that collectively comprised the FGEIS Proposed Action, the FGEIS also analyzed 21 alternatives. Alternatives were derived from options identified during the public scoping process, developed in previous land use and transportation studies, identified through the internal planning processes of the various project sponsors, or suggested in comments on the draft generic environmental impact statement.

Alternative S adjusted the FGEIS Proposed Action to retain the same overall level of new development, but with more residential and approximately 2 million square feet less office use. Under that Alternative, the rezoning area would be reduced by eliminating blocks south of Penn Station. As described below, Alternative S, with some refinements established by the City Planning Commission and the City Council, became the approved rezoning action for the Project Area.

3. The Co-Lead Agencies Findings Statement

The Co-Lead Agencies Findings Statement sets forth the CPC's and MTA's findings with respect to the environmental impacts of the FGEIS Proposed Action, as well as the alternatives analyzed in the FGEIS. The Co-Lead Agencies Findings Statement also certifies that the Co-Lead Agencies met the requirements of SEQRA and 6 NYCRR Part 617 in reviewing the FGEIS Proposed Action, including but not limited to:

- Establishing the CPC and the MTA as Co-Lead Agencies;
- Issuing a Positive Declaration on April 21, 2003;
- Issuing a Draft Scoping Document on April 30, 2003;
- Issuing a Final Scoping Document on May 28, 2004;
- Causing the preparation of a DGEIS;

Accepting the DGEIS for public review and comment on June 21, 2004;
Holding a public hearing on the DGEIS on September 23, 2004;
Receiving public comments on the DGEIS within the prescribed period after the close of the public hearing;
Causing the preparation of the FGEIS; and
Accepting the FGEIS and filing a Notice of Completion.

The Co-Lead Agencies Findings Statement concluded:

- that the FGEIS Proposed Action and Alternative S had been designed and was expected to achieve its goals and objectives while minimizing the potential for adverse environmental impacts;
- that implementation of the FGEIS Proposed Action and Alternative S would necessarily involve some significant adverse impacts to community facilities; architectural historical resources; archaeological resources; traffic; transit; pedestrian conditions; noise; and construction period air quality, noise, and traffic;
- that the Co-Lead Agencies and involved agencies have committed to a broad program of measures to mitigate (or fully avoid) these impacts;
- that the significant adverse impacts to community facilities, noise, and construction period air quality and traffic would be fully mitigated by these measures; while significant adverse impacts to architectural historical resources, archaeological resources, and construction period noise would remain unmitigated; and
- that many, but not all, traffic, transit, and pedestrian impacts would also be fully mitigated by these measures.

The Co-Lead Agencies Findings Statement declared that the Co-Lead Agencies had considered the relevant environmental impacts, facts and conclusions disclosed in the FGEIS and had weighed and balanced relevant environmental impacts with social, economic and other considerations. Based on the foregoing, the Co-Lead Agencies certified that, consistent with social, economic and other essential considerations from among the reasonable alternatives available, both the FGEIS Proposed Action and Alternative S would avoid or minimize adverse environmental impacts to the maximum extent practicable, and that adverse environmental impacts would be avoided or minimized to the maximum extent practicable by incorporating as conditions to the decision those mitigative measures that were identified as practicable for both the FGEIS Proposed Action and Alternative S.

4. The Hudson Yards Rezoning

On November 22, 2004, the CPC approved Application No. N040500(A) ZMM and related actions, which together provide for the establishment of the Special Hudson Yards District and other rezoning actions on the Far West Side of Midtown Manhattan (the "Hudson Yards

Rezoning"). The approved actions are largely described as Alternative S of the FGEIS. Modifications by CPC to the actions described in Alternative S were assessed in a Technical Memorandum dated November 17, 2004. Pursuant to the City's Uniform Land Use Review Procedure, the New York City Council proposed certain additional amendments to the CPC-approved Special Hudson Yards District and related actions. Among other changes, the City Council amendments decreased the total commercial development permitted in the Special District by approximately 1.4 million gross square feet. These were described and their potential for creating significant adverse environmental impacts not already identified in the FGEIS was assessed in a Technical Memorandum dated January 14, 2005. The analysis concluded that the proposed changes would not result in any significant adverse impacts not already identified in the FGEIS.

5. Decisions on Other Actions

Following issuance of the Co-Lead Agencies Findings Statement, the MTA approved the extension of the No. 7 subway line and the Multi-Use Facility. Thereafter, the Public Authorities Control Board disapproved the Multi-Use Facility and approved the extension of the No. 7 subway line.

On July 18, 2006, the Convention Center Development Corporation and the Empire State Development Corporation approved a revised Convention Center expansion plan and adopted a lead agency findings statement for that action.

NYCIDA - Hudson Yards UTEP

In August 2006, the NYCIDA adopted a resolution to (a) amend its Uniform Tax Exemption Policy ("UTEP") to approve criteria for the provision of financial assistance by the Agency for certain commercial construction projects within the Hudson Yards UTEP Area (as defined in such proposed UTEP amendment) (the "Proposed UTEP Action"); and (b) authorize the Agency to enter into an agreement to assign certain payments in lieu of taxes received by the Agency from such commercial projects to Hudson Yards Infrastructure Corporation ("HYIC"), or a trustee on behalf of HYIC, to be used as partial repayment of bonds issued by HYIC to fund certain infrastructure costs in the area (the "Project Area") generally bounded by West 43rd Street on the north, Hudson River Park on the west, West 28th and West 30th Streets on the south and Seventh and Eighth Avenues on the east (the "Proposed PILOT Assignment Action"). NYCIDA prepared a Statement of Findings pursuant to SEQRA, E.C.L. Art. 8, and the regulations promulgated thereunder, found at 6 NYCRR Part 617. The Agency adopted the Statement of Findings in its Resolution dated August 8, 2006.

Hudson Yards Follow-up Text Amendments

On February 11, 2008, the City Planning Commission referred a zoning text change application (N 080184 ZRM) submitted by the Department of City Planning relating to the Special Hudson

Yards and Special Clinton Districts. On July 2, 2008, the City Planning Commission approved application N 080184 ZRM (A) with modifications. On September 4, 2008, the City Council approved the proposed text amendments with modifications relating to the Special Hudson Yards District.

Special Clinton District Text Amendments

After further review relating to the theater bonus in Subarea 2 of the 42nd Street Perimeter Area of the Special Clinton District (Section 96-25), the Department submitted a modified application (N 080184(B) ZRM) on October 20, 2008 which was referred to Community Board 4 and the Manhattan Borough President. The Commission held a public hearing on the application on November 19, 2008 and on December 17, 2008 approved the proposed text with modifications. On January 28, 2009, the City Council approved the proposed text amendments without modifications and the changes are now in effect.

6. IDA Findings

The proposed project would involve financial assistance proposed to be conferred by the Agency will consist of exemption from City real property taxes and exemption from City and State mortgage recording taxes. The proposed project would not generate any significant adverse environmental impacts that have not been identified and analyzed in the FGEIS.

The Hudson Yards zoning provisions identified certain subareas within the Hudson Yards area, including Subarea A2. Sites in Subarea A2 would be permitted a commercial base FAR of 10 above which an additional 8 FAR could be obtained through utilization of the District Improvement Bonus. Additional floor area, up to a total FAR of 33 (inclusive of the commercial base FAR of 10 and the additional 8 FAR obtained through utilization of the District Improvement Bonus), could be distributed from the eastern portion of Caemmerer Yard under the regulations of the Large Scale Development. The Facility, as proposed, would be an approximately 2,550,000 gross square foot, class-A office building, which will include approximately 57,000 gross square feet of retail space. The Facility is within zoning and there would be no changes to density, height, bulk, or setback regulations as set forth in the FGEIS. Therefore, the analyses and conclusions for Subarea A2, and thus the Facility, in the FGEIS would remain valid.

The Agency has carefully considered the Co-Lead Agencies Findings Statement and finds that this document is a thorough and comprehensive evaluation of the FGEIS Proposed Action. In particular, the Agency finds that the Co-Lead Agencies Findings Statement identifies the relevant areas of concern under SEQRA and its implementing regulations, assesses the potential environmental and land use impacts of the FGEIS Proposed Action and Alternatives thereto; identifies measures to avoid or mitigate adverse impacts to the extent practicable, considers a reasonable range of alternatives, and sets forth appropriate conditions to be imposed as

conditions of approval. The Board of Directors of the Agency hereby adopts and incorporates by reference the Co-Lead Agencies Findings Statement (including the conditions therein).

The Agency finds that the proposed project will not generate any additional significant adverse environmental impacts beyond those identified and analyzed in the FGEIS and therefore concludes that a supplemental FGEIS need not be prepared for such actions.

7. Conclusion

Having considered the FGEIS and the Co-Lead Agencies Findings Statement, the Agency certifies that:

- The requirements of SEQRA, including 6 NYCRR §617.9, have been met and fully satisfied.
- The proposed project has been designed and is expected to achieve goals and objectives while minimizing the potential for significant adverse environmental impacts.
- The FGEIS Proposed Action, as a whole, would involve some significant adverse impacts that were identified in the FGEIS. The Co-Lead Agencies committed to the program of measures identified in the FGEIS to mitigate (or fully avoid) these impacts. The significant adverse impacts to community facilities, noise, and construction period air quality and traffic would be fully mitigated by these measures; while significant adverse impacts to architectural historical resources, archaeological resources, and construction period noise would remain unmitigated. Many, but not all, traffic, transit, and pedestrian impacts would also be fully mitigated by these measures.
- The Agency has considered the relevant environmental impacts, facts and conclusions disclosed in the FGEIS and in the Co-Lead Agency Findings Statement. The Agency has weighed and balanced relevant environmental impacts with social, economic and other considerations. Based on the foregoing, the Agency certifies that, consistent with social, economic and other essential considerations from among the reasonable alternatives available, the proposed project would avoid or minimize adverse environmental impacts to the maximum extent practicable, and that significant adverse environmental impacts will be avoided or minimized to the maximum extent practicable by incorporating as conditions to the decision those mitigative measures that were identified as practicable in the FGEIS and the Co-Lead Agencies Findings Statement.

EXHIBIT B

Co-Lead Agencies Finding Statement

This document can be downloaded from:
<http://www.nycedc.com/event/nycida-public-hearing-26>