

## REGULATORY AGREEMENT

Agreement (“Agreement”) made this \_\_\_\_ day of \_\_\_\_\_, 2020, by and between 14 Park Place LLC, a New York limited liability company having an address at 98 Cuttermill Road, Great Neck, New York 11023 (“Owner”), and the Village of Great Neck Plaza, a municipality incorporated under the laws of the State of New York, having an address at Village Hall, 2 Gussack Plaza, Great Neck, New York 11021 (“the Village”).

### R E C I T A L S :

A. The Owner is the owner of certain land located at 14 Park Place, a/k/a 15 Bond Street, Great Neck, New York, which is designated on the Nassau County Land and Tax Map as Section 2, Block 331, Lots 39, 40, 47 and 48 (“the Property”).

B. On or about February 7, 2018, Owner received site plan approval and a conditional use permit (“the Permit”) for the construction of a multiple dwelling (“the Building”) on the Property.

C. Condition No. 38 of the Permit requires that the Building contain at least four one-bedroom and three two-bedroom affordable housing units.

**NOW, THEREFORE**, in consideration of the foregoing recitals and the representations, the parties, intending to be legally bound, agree as follows:

1. At least four one-bedroom units and and three two-bedroom units in the Building shall constitute affordable housing units (“AHU Units” or, each of them, an “AHU Unit”) which shall be marketed and leased in accordance with the provisions of this Agreement and, to the extent not inconsistent with this Agreement, in accordance with the provisions of the Permit, of Section 225-42.1 of the Village Code, and of the Long Island Workforce Housing Act (“the Act”).

2. The AHU Units shall be integrated into the rest of the Building, and the occupants of such units shall not be discriminated against vis-à-vis other occupants of the Building in terms of services, privileges or otherwise. However, nothing herein shall regulate the location of AHU Units within the Building.

3. The exterior appearance of the AHU Units, including, but not limited to, exterior doors, windows and terraces, shall not be distinguishable as a class from other residential units in the Building. Common elements used in the construction of the AHU Units, including, but not limited to, electrical services, plumbing services, mechanical services and alarm services, shall not be distinguishable as a class from other residential units in the Building. However, the fixtures and appointments in the interior of the AHU Units need not be identical or of the same quality as other units in the building.

4. Leases for AHU Units shall be in writing; shall have terms of one year or two years; shall provide that the rental costs specified therein to the eligible persons shall be adjusted upon each lease renewal; shall provide for termination and nonrenewal in accordance with the provisions of this Agreement; and shall not have provisions which shall be discriminatory vis-à-vis persons in the AHU Units.

5. Leases for AHU Units may contain provisions to insure that eligible persons who are selected to rent such units properly maintain the units and conduct themselves as suitable tenants, provided such provisions do not discriminate between persons residing in AHU Units and other tenants or occupants in the Building.

6. In order to rent an AHU Unit, a person must satisfy the following standards regarding income and assets:

A. Assets:

(1) Total net assets (i.e., gross assets less liabilities), including assets held in trust, of \$150,000 or less.

(2) During the period of three years before the determination of eligibility, no person in the household seeking an affordable housing unit shall have transferred without fair consideration assets in excess of \$50,000 in the aggregate.

B. Income: At the time of the determination of financial eligibility, the current annual gross income of all persons living in the eligible person's household shall not exceed 100% of the median household income of the Nassau-Suffolk NY HUD Metro FMR Area, with adjustments for household size, as defined and periodically updated by the United States Department of Housing and Urban Development ("HUD"), and shall not be less than 50% of said level. In calculating household income, the income of a home health aide or other person who is required to live in an affordable housing unit as a reasonable accommodation for a person with a disability shall not be included. The minimum income requirements shall not apply to an applicant with an approved rental assistance subsidy or voucher from a governmental program (such as Section 8) which provides payment to the Owner of the specified rent for the affordable housing unit without an expenditure of more than 30% of the applicant's annual income.

7. A. The annual rent to be charged for an AHU Unit shall equal the Nassau-Suffolk, NY HUD Metro Area Fair Market Rent as determined by the United States Department of Housing and Urban Development ("Nassau-Suffolk HUD FMR"). The Nassau-Suffolk HUD FMR rates for 2020 are as follows: One Bedroom: \$1624 per month; Two Bedroom: \$1992 per month. Rents may be updated at each lease renewal based upon the most current Nassau-Suffolk HUD FMR rates. In the event that HUD should, at some future date, cease establishing a Nassau-Suffolk HUD FMR, then the rents for the affordable housing units in the Building shall be set either: (a) as a percentage of the tenant household's annual income, but not more than 30%; or (b) subject to the consent of both the Village and Owner, in accordance with generally accepted practices and guidelines established by HUD for the rental of affordable housing units.

B. Applicant represents and warrants that the rental levels established herein satisfy the standards established by HUD for affordable housing units. In the event that, notwithstanding such warranty and representation, these rental levels do not comply with applicable HUD and other standards for affordable housing units, Owner shall indemnify and hold harmless the Village, its agents and representatives for all damages, claims and costs arising from such non-compliance, including attorneys fees and litigation costs, as more fully set forth in paragraph 18.

C. Except for the amount charged as rent pursuant to subsection A above, the tenant

of the AHU Unit shall not be responsible for other costs and charges relating to the AHU Unit. Such costs and charges shall include, but shall not be limited to, the following: taxes; building insurance; assessments; common charges; maintenance charges; repair costs; administrative costs; and financing costs. The tenant of the AHU Unit shall be obligated to pay only the rental amount calculated pursuant to subsection A above. However, notwithstanding the prior sentences in this subsection, the tenant may also be required to pay a security deposit (not to exceed one month's rent unless, with the consent of the tenant, a greater amount is required for the purpose of addressing a poor credit report regarding the applicant); utility charges; late rent fees; amenity and parking fees; renter's insurance; moving expenses; and repair costs and damages necessitated by the negligence or misuse of persons in the household of the tenant, provided that such additional charges do not discriminate between persons in AHU Units and other tenants or occupants in the Building.

D. The eligibility of a person to lease an AHU Unit shall be determined at the time of initial leasing and at each lease renewal.

E. The selection of the tenants who rent AHU Units in the Building shall be determined as to eligibility by the Owner in accordance with the provisions of this section. Other than as to eligibility issues, the selection of the tenants who rent AHU Unit shall be made by the Owner in accordance with the provisions and procedures applicable to other tenants in the Building, provided such provisions do not conflict with the provisions of this Agreement and do not discriminate against the tenants of the AHU.

F. Owner shall provide the Village with a copy of its plan to market the AHU Units in the Building, which shall do so in a manner reasonably calculated to reach persons served by civic organizations and public agencies that serve non-white and low-income communities and clients, families with children, and people with disabilities, and by the Nassau County Section 8 housing voucher program.

G. In marketing, reviewing the eligibility of, and selecting tenants for AHU Units in the Building, Owner may contract with a third-party entity (such as the Long Island Housing Partnership) that has experience in developing and implementing affirmative marketing plans for affordable housing to undertake such tasks on behalf of the Owner. Owner shall notify the Village in writing of any such third-party entity with which it contracts, and shall provide the Village with a copy of such contract. Owner has advised the Village that it intends to enter into an agreement with the Long Island Housing Partnership ("LIHP") to assist and advise it in marketing and leasing the AHU Units in the Building. In the event such agreement with LIHP is canceled, terminated or expires, Owner shall provide the Village with at least thirty (30) days advance written notice of such cancellation, termination or expiration.

8. A. The AHU Units shall be governed by the provisions and requirements of this Agreement for a period of thirty (30) years after the Building receives an initial certificate of occupancy. The Owner may not sell, assign, transfer or otherwise dispose of any of the AHU units in the Building during such period.

B. At the conclusion of the above-referenced 30-year period, the AHU units may thereafter be sold by the Owner, or rented at market rates, provided that:

(1) Persons renting and occupying an AHU Unit in the Building (if it has remained a rental building) shall have an additional period after the conclusion of the thirty-year period to vacate the unit, during which time their rental rate shall remain at the levels set in accordance with this section; said additional period shall be six months for persons who have resided in the affordable housing unit for less than four years, and 12 months for persons who have resided in the affordable housing unit four years or longer.

(2) At least six months before the conclusion of such period, persons renting and occupying an AHU Unit in the Building (if it has become a co-op or condo building) are provided, in writing, with an opportunity to purchase the unit at fair market value;

(3) Persons renting and occupying an AHU Unit in the Building (if it has become a co-op or condo building) who opt not to purchase the unit at fair market value shall have an additional period after the conclusion of the thirty-year period to vacate the unit, during which time their rental rate shall remain at the levels set in accordance with this article; said additional period shall be six months for persons who have resided in the affordable housing unit for less than four years and 12 months for persons who have resided in the affordable housing unit four years or longer.

9. A. When an AHU Unit shall become available for rental in the Building, the Owner shall disseminate information about the availability of the unit by methods reasonably calculated to notify potentially eligible persons. Such notification shall include material relevant information about the location, size and cost of the unit to become available; a statement of eligibility guidelines; a description of the application process; and contact information to be used by persons interested in obtaining information or submitting an application. Such information shall be (a) posted on the website, if any, of the Owner; (b) posted on other internet websites that are free for prospective tenants to access; and (c) provided to entities experienced in marketing affordable housing units, a list of which has been provided to the Owner by the Village (attached hereto as Exhibit A). In order to affirmatively further fair housing, Owner shall develop and provide the Village with a copy of a plan to market the AHU Units in the Building in a manner reasonably calculated to reach persons that are least likely to apply, including those served by civic organizations and public agencies that serve non-white and low-income communities and clients, families with children, people with disabilities and the Nassau County Section 8 housing voucher program.

B. Any person who wishes to apply for an AHU Unit that shall become available in the Building may be required to submit a written application demonstrating eligibility for such units under the standards established by this Agreement and documentation to confirm such eligibility. The application of persons who have submitted valid and complete applications for an AHU unit shall be reviewed and acted upon in a fair and non-discriminatory manner.

C. A person who has submitted an application for an AHU Unit shall receive written notice of eligibility or of noneligibility and, if not eligible, of the reasons therefore.

D. Absent good cause shown, any person who is selected to rent an AHU Unit shall be required to sign a lease for the AHU Unit within 15 days after the unit becomes available for rental and the eligible person has been notified of eligibility (the "Availability Date"). The eligible person may also be required by the Owner to deposit all sums due in connection with entering into a lease within 30 days after the Availability Date, and to commence paying rent for the affordable housing unit as of 60 days after the Availability Date. If a selected eligible person is unable or fails to meet these time requirements, then the available AHU Unit may be offered to other eligible persons.

E. If a person is initially eligible to rent an AHU Unit and, during such period of eligibility, enters into a lease for an AHU Unit, but such person subsequently fails to satisfy eligibility standards, then such person's right to continue renting and occupying the affordable housing unit shall end three months after written notice of loss of eligibility is sent to such person, or at the end of such person's current lease, whichever is later. Every lease for an AHU Unit shall contain a provision stating this. Written notice of the loss of eligibility shall be sent by express mail and/or by certified mail, return receipt requested, to the persons occupying the AHU Unit. If the formerly eligible person fails to voluntarily vacate the AHU Unit at the requisite time, or fails to pay the rent due prior to such time, then all appropriate, lawful and available measures shall be used by the Owner to evict such person involuntarily.

F. No person who is leasing an AHU Unit shall be entitled to a renewal lease from the Owner if said person fails to satisfy the tenant eligibility requirements as set forth in this Agreement. If a renewal lease is not offered to an eligible person who continues to satisfy the eligibility requirements of the AHU Unit, then, for a period of two years after the expiration date of the lease which has not been renewed (the "Non-Renewed Lease"), the Owner and/or the unit owner shall be prohibited from charging a higher rent for the AHU unit than that specified in the Non-Renewed Lease.

10. A. No lease for an AHU Unit shall be assignable. No subletting of all or any portion of an AHU Unit shall be permitted.

B. The Owner shall provide the Village annually with a sworn certification that the AHU Units in the Building have been marketed and leased in accordance with the provisions of this Agreement, including compliance with approved rental levels. Said certification shall be reviewed and certified by a third-party entity that has experience in implementing marketing plans for affordable housing (such as the Long Island Housing Partnership). Additionally, whenever requested by the Village, the Owner shall provide the Village with a copy of information requested with respect to the AHU Units, including, but not limited to, the following: applications; leases; rent invoices; rent receipts; repair and maintenance records; invoices for repairs and maintenance costs; correspondence relating to the unit; and any documents relating to common charges and assessments.

C. In addition to any other notices required by law, the Owner shall provide written notice to the persons occupying an AHU Unit that the lease for an AHU Unit is not being renewed on the grounds that said person is no longer eligible for the unit, together with a written explanation of the basis for the determination of

noneligibility; and a determination that the lease for an AHU Unit is being cancelled or terminated for any other reason, together with a written explanation of the basis for the proposed cancellation or termination.

11. Within fifteen (15) days after this Agreement is fully executed, Owner shall record, at its sole expense, a declaration of covenants and restrictions ("DCR") (subject to the review and approval of the Village Attorney) in the Office of the Nassau County Clerk which incorporates the provisions of this Agreement. Such DCR shall run with the land. No certificate of occupancy shall be issued to the Building unless and until a proper DCR has been recorded. Proof of such filing and recordation shall be promptly provided by Owner to the Village.

12. The selection of tenants for the AHU Units shall be made in compliance with applicable law, including, without limitation, in accordance with the federal Fair Housing Act.

13. Rentals and Leases for the AHU Units will not be subject to any age or residency preferences, unless required by law.

14. The Owner will adopt an equal housing opportunity policy substantially similar to the one attached as Exhibit B hereto, including a reasonable accommodation policy and a reasonable accommodation request form similar to the one attached as Exhibit C hereto.

15. The Owner will post fair housing posters substantially similar to those attached hereto as Exhibit D, issued by HUD and by New York State, in its rental office at the Building where it can readily be seen by members of the public.

16. The Owner will use the HUD fair housing logo, pictured in Exhibit E hereto, on the Building's website and in marketing materials related to the Building.

17. Nothing in this Agreement shall be deemed to prohibit the Owner from marketing the AHU Units in additional ways not described herein.

18. Owner shall indemnify and hold harmless the Village, its affiliates and its representatives, including but not limited to its employees, trustees, officials, agents and counsel, and their successors, from and against all claims, suits, obligations, liabilities, losses, damages, judgments, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses, whether incurred in disputes, both litigated and non-litigated, with Owner or third parties) arising out of or in connection with the marketing, leasing and rent levels of the AHU Units in the Building. Such indemnification shall include reimbursing the Village for payment of all policy deductibles and/or self-insured retention the Village incurs. Owner further agrees that it will diligently provide for the defense of any action brought against the Village in connection with the marketing, leasing and/or rent levels of the AHU Units in the Building, including that brought by a third party, with counsel to be approved by the Village. Owner, at its sole expense, shall do all things necessary or appropriate to cause all judgments and fees to be paid. Should Owner fail to do so, then the Village may do the same and may pay, compromise or settle the judgment or any claim or demand based thereon if the Village deems such action reasonable necessary, and Owner shall promptly reimburse the Village for any payment, expense or expenditure made or incurred in so doing, including, but not limited, to reasonable attorneys' fees.

19. The Village shall not declare a breach of this Agreement pursuant to a failure of Owner to comply with the requirements of this Agreement until such time as the Village shall have provided written notice to Owner and a reasonable period and opportunity to cure such breach (which period, shall, in any such event, be at least thirty (30) days and shall be extended so long as Owner shall diligently pursue the cure of same).

20. Nothing herein is intended to be for, or to inure to, the benefit of any person or party other than the parties hereto.

21. This Agreement shall be governed by and construed in accordance with the laws of the State of New York without regard to the conflict of law rules thereof.

22. This Agreement may not be altered, amended, changed, waived, terminated or modified in any respect unless the same shall be in writing and signed by or on behalf of the parties hereto.

23. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute but one and the same letter agreement.

24. This Agreement constitutes the entire agreement and understanding among the parties pertaining to the subject matter hereof and supersedes any and all prior agreements, whether written or oral, relating thereto.

25. This Agreement shall be binding on all successors and assignees of the Owner.

26. All notices required or permitted to be given pursuant to this Agreement shall be in writing and shall be deemed to have been given if mailed by registered or certified mail, or if personally delivered with receipt of acknowledgment therefor, or if delivered to a nationally recognized overnight carrier for next business day delivery, to the parties at the following addresses (or such other address for a party as shall be specified by notice given pursuant to this paragraph):

To Owner: 14 Park Place LLC, 98 Cuttermill Road, Great Neck, NY 10023  
Attn: Ephraim Namdar, Managing Member

With a copy to: Zaccaria & Sasson, 175 East Shore Road, Upper Level  
Great Neck NY 11023, Attn: William J Zaccaria, Esq.

To the Village: Village Hall, Gussack Plaza, Great Neck, NY 11023  
Attn: Village Mayor

With a copy to: Richard Gabriele, Esq., Village Attorney, 320 South Street,  
Unit 1-B, Morristown, NJ 07960

27. All or any part of any provision of this Agreement may be waived in writing by all the parties hereto. The failure to insist upon the strict performance of all or any part of any provision hereof, or to seek remedies for a default or breach in connection therewith, shall not be construed as a waiver. The waiver of all or any part of any provision shall not affect or alter this Agreement or all or any part of any other provision hereof, not shall it render unnecessary consent to, or approval of, any subsequent similar act.

28. No remedy conferred herein, or provided at law or in equity, is intended to be exclusive of any other available remedy, but each and every remedy shall be cumulative and in addition to every other remedy given under or in connection with this Agreement or now or hereafter existing at law or in equity.

29. The representations, warranties, agreements, and covenants contained in this Agreement or in any other documents delivered in accordance with or by virtue of this Agreement shall survive the execution and delivery of this Agreement and all other instruments in connection herewith or therewith. The expiration or termination of this Agreement shall not affect any right or remedy accruing prior thereto.

30. Each of the parties shall, without cost to the other, execute and deliver to the other any and all documents, in addition to those expressly provided for herein, that may be necessary or appropriate to effectuate the provisions of this Agreement, whether before, at, or after the execution, consummation or termination hereof.

31. Each of the parties has contributed to the preparation of this Agreement and no party shall be considered the draftsman hereof for purposes of construction of its terms or drawing inferences in favor or against any party.

**IN WITNESS WHEREOF**, the parties hereto have duly executed this Village Agreement as of the date set forth above.

**VILLAGE:**

VILLAGE OF GREAT NECK PLAZA,  
a village incorporated under the laws of the  
State of New York

**OWNER:**

14 PARK PLACE LLC  
a New York limited liability company

By: \_\_\_\_\_

By: \_\_\_\_\_

Ephraim Namdar  
Managing Member

**ACKNOWLEDGMENT**

State of New York ) ss.:  
County of Nassau )

On the \_\_\_\_\_ day of \_\_\_\_\_ in the year 2020, before me, the undersigned, a notary public in and for said State, personally appeared \_\_\_\_\_ personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed in the within instrument and acknowledged to me that (he)(she) executed the same in (his)(her) capacity, and that by said signature on the instrument, the entity on behalf of which the individual acted, executed the instrument.

\_\_\_\_\_  
Notary Public