BLUE ISLAND DEVELOPMENT, LLC

as

Landlord

and

AVB HARBOR ISLE, LLC
as

Tenant

GROUND LEASE

DATED AS OF MARCH 28, 2019

Address:	7 Washington Park, Island Park
Town:	Hempstead
County:	Nassau
State:	New York
Section:	43
Block:	381
Lots:	35, 36, 102, 314 and 328

GROUND LEASE

THIS GROUND LEASE, dated as of March 28, 2019 (this "Lease"), by and between BLUE ISLAND DEVELOPMENT LLC, a limited liability company organized and existing under the laws of the State of New York, having an office at 1750 New Highway, Farmingdale, New York 11735 (the "Landlord"), and AVB HARBOR ISLE, LLC, a limited liability company organized and existing under the laws of the State of Delaware and qualified to do business in the State of New York as a foreign limited liability company, having an office at Greenway Plaza Office Park, 135 Pinelawn Road, Suite 130 South, Melville, New York 11747 (the "Tenant").

WITNESSETH:

WHEREAS, Landlord, as seller, and Posillico Development Co. at Harbor Island, Inc. ("Posillico"), as buyer have entered into that certain Contract of Sale dated as of October 10, 2017 (the "Blue Island Contract"), whereby Landlord has agreed to sell and Posillico has agreed to purchase, that certain premises known as 7 Washington Avenue, Island Park, New York, as more specifically described on Exhibit A annexed hereto (the "Premises")

WHEREAS, Posillico, as seller, and Tenant, as buyer, have entered into that certain Real Estate Contract dated as of October 10, 2017 (the "Contract"), whereby Posillico has agreed to sell and Tenant has agreed to purchase the Premises;

WHEREAS, Tenant intends to develop the Premises as a one hundred seventy-two (172) unit multi-family rental project, as more particularly described in the Contract (the "Development")

WHEREAS, pursuant to the Contract, as a condition to Tenant's obligation to close title to the Premises, Posillico is required to perform certain environmental remediation with respect to the Premises pursuant to, among other things, that certain Brownfields Clean Up Agreement and that certain DEC Approved Remediation Work Plan (the "Remediation");

WHEREAS, Tenant has applied for and been approved for certain financial assistance from the Town of Hempstead Industrial Development Agency (the "Agency") consisting of certain sales tax, property tax and mortgage recording tax exemptions (the "IDA Transaction");

WHEREAS, in connection with Tenant's closing of the IDA Transaction, Landlord and Tenant have agreed to enter into this Lease;

NOW, THEREFORE, in consideration of the premises and the respective representations and agreements hereinafter contained, the parties hereto agree as follows:

Article I Lease of Property; Term of Lease

Section 1.01 Subject to the terms and conditions of this Lease, Landlord leases to Tenant, and Tenant leases from Landlord, the Premises for a term that shall commence on the date hereof (the "Commencement Date") and end on the earlier to occur of (a) the termination of the Contract for any reason, and (b) Tenant closes title to the Premises pursuant to the Contract (the "Expiration Date"), subject to earlier termination pursuant to any of the terms, covenants, or conditions of this Lease or pursuant to Law.

Section 1.02 The parties hereby acknowledge and agree that the Contract and the Blue Island Contract shall not be affected in anyway by the execution and delivery of this Lease; it being understood and agreed that the provisions of the Contract and the Blue Island Contract shall be remain in full force and effect and shall be enforceable against the parties thereof in accordance with their terms.

Article II No Operational Control or Right to Enter the Premises.

Section 2.02 Notwithstanding anything contained to the contrary in this Lease, except as specifically set forth in the Contract, Tenant shall not operate the Premises, conduct any operations of any kind whatsoever on the Premises or direct or control any activity on or about the Premises. Furthermore, Tenant shall not have the right to enter or cause any of its principals, managers, officers, directors, agents, employees or contractors to enter onto the Premises for any reason, except as specifically set forth in the Contract. In no event shall Tenant be permitted to perform any improvements, installations or alterations to the Premises.

Article III Rent

Section 3.01 Tenant shall pay minimum annual rent ("Rent") for the Term in the sum of $10.00, the receipt and sufficiency of which being hereby acknowledged. Tenant shall not be required to pay any other additional rent or other charges with respect to this Lease.

Section 3.02 Rent payable to Landlord shall be paid to Landlord at Landlord's Address in lawful money of the United States of America by good check or, at Landlord's request, by wire transfer. All Rent shall be paid without notice, demand, deduction, abatement or setoff, except as otherwise expressly provided in this Lease.

Article IV Taxes and Utilities

Section 4.01 Tenant shall not be obligated to pay any Impositions (as hereinafter defined) with respect to the Premises during the Term; it being understood and agreed that Landlord shall bear the entire cost of owning and operating the Premises during the Term (except to the extent such obligations may be imposed upon Posillico pursuant to the Blue Island Contract). The term "Impositions", as used herein, shall mean and refer to all real estate taxes, all special assessments and all other property assessments, including all assessments for public improvements or betterments, whether or not commenced or completed within the term of this Lease, (b) all ad valorem, sales and use taxes, (c) all rent and occupancy taxes and all similar taxes, (d) all personal property and other taxes on the Personal Property, (e) all water, sewer, and other utility charges imposed by any governmental authority, (f) all fines, fees, charges, penalties, and interest imposed by any governmental authority or utility, and (g) all other governmental charges and taxes, in each case of any kind or nature whatsoever, general or special, foreseen or unforeseen, ordinary or extraordinary, which are at any time during or with respect to the Term assessed, levied, charged, confirmed or imposed with respect to the Premises, the Personal Property or the use, leasing, ownership or operation thereof, or become payable out of or become a lien upon the Premises, the sidewalks or streets adjoining the Premises, or the Personal Property or the rents or income therefrom. In the event that, prior to Tenant taking title to the Premises, Tenant's obligation pursuant to the IDA Transaction to make payments in lieu of taxes commences (as opposed to tax payments being due directly to the taxing authority), , Landlord shall either make such payments directly to the Agency or, at Tenant's option, reimburse Tenant for same but in no event shall Landlord's obligation to make such payments or reimbursement exceed the amount that would have been due for real estate taxes for the subject period had the IDA Transaction not closed. Any payments or reimbursements made for any period occurring partially after the Expiration Date shall be prorated.

Article V Compliance with Law

Section 5.01 The parties shall comply in all material respects at all times, with all laws, codes and rules and regulations of any governmental authority applicable to the Premises, except that to the extent necessary to enter the Premises, perform any alterations or improvements on the Premises or exert control over the Premises to comply with such laws, codes and rules and regulations of any governmental authority, Landlord shall be responsible for such compliance.

Article VI Repairs and Maintenance.

Section 6.01 Subject to the provisions of the Contract, Landlord, at its own expense, shall at all times maintain the Premises in an orderly and safe condition, in a good state of repair, and (b) make such repairs, replacements and alterations to the Premises as are necessary to keep it in the condition required by the preceding clause (a) and to comply with the requirements of Section 5.01, whether interior or exterior, structural or non-structural, ordinary or extraordinary, foreseen or unforeseen.

Article VII Insurance; Indemnity

Section 7.01 Tenant, at Tenant's sole expense, shall maintain at all times during the Term, the following insurance:

(A) Tenant shall maintain a policy of commercial general liability insurance in customary form protecting Tenant against claims of third parties for bodily injury, death, personal injury, and property damage (including personal injury liability covering libel, slander, false arrest and malicious prosecution, and fire and water damage legal liability) occurring in, upon, or about the Premises and any appurtenances thereto. Such policy shall include contractual liability coverage covering Tenant's indemnification obligations under this Lease with respect to covered claims. Such policy shall have a per occurrence of at least Five Million Dollars ($5,000,000.00) annually. Such policy shall name Landlord as an additional insured.

(B) Tenant shall maintain workers compensation insurance as required by law and which shall include employer's liability insurance for all employees of Tenant, in accordance with the statutory limits required by Law.

Section 7.02 Landlord, at Landlord's sole expense, shall maintain at all times during the Term, the following insurance:

(A) Landlord shall maintain a policy of commercial general liability insurance in customary form protecting Landlord against claims of third parties for bodily injury, death, personal injury, and property damage (including personal injury liability covering libel, slander, false arrest and malicious prosecution, and fire and water damage legal liability) occurring in, upon, or about the Premises and any appurtenances thereto. Such policy shall include contractual liability coverage covering Landlord's indemnification obligations under this Lease with respect to covered claims. Such policy shall have a per occurrence of at least Five Million Dollars ($5,000,000.00) annually. Such policy shall name Tenant as an additional insured.

(B) Landlord shall maintain workers compensation insurance as required by law and which shall include employer's liability insurance for all employees of Landlord, in accordance with the statutory limits required by Law.

Section 7.03 All policies required by this Article shall be issued by insurance companies licensed to do business in the State of New York. All such insurers shall have a claims paying ability rating of no less than "A-8" and a financial class category rating of at least "VIII" by A.M. Best Company. Such policies may be carried under a blanket policy covering the Premises and other locations, provided it provides the same protection as would a separate policy insuring only the location. All insurance policies required by this Article shall (i) contain endorsements that such insurance may not be canceled or materially changed, except upon not less than thirty (30) days prior written notice to the other party, and (ii) be written as primary policies not contributing to or in excess of any policies carried by the other party. All policies of property insurance maintained by the parties shall contain a Waiver of Subrogation endorsement.

Section 7.04 Tenant shall indemnify and hold harmless Landlord, Landlord's managing agent, and all of their affiliates, officers, directors, shareholders, members, managers, partners, and employees ("Landlord Parties") and the Agency and all of its affiliates, officers,

directors, shareholders, members, managers, partners, and employees (the "Agency Parties") from and against any and all losses, claims, suits, demands, costs, liabilities, and expenses, including reasonable attorneys' fees arising from or in connection with the negligence or willful misconduct of Tenant and/or any of Tenant's officers, directors, employees, partners, members, agents, contractors, invitees, or subtenants. If any action or proceeding is brought against a Landlord Party or Agency Party by reason of any such claim(s), Tenant, upon notice from the Landlord Party or the Agency Party shall resist and defend such action or proceeding by counsel reasonably satisfactory to such Landlord Party or Agency Party.

Section 7.05 Landlord shall indemnify and hold harmless the Tenant, and all of its affiliates, officers, directors, shareholders, members, managers, partners, and employees ("Tenant Parties") and the Agency Parties from and against any and all losses, claims, suits, demands, costs, liabilities, and expenses, including reasonable attorneys' fees arising from (a) the Premises and/or any operations or activities thereon during the Term, except to the extent such Liabilities arise out of the negligence or willful misconduct of Tenant or Tenant's Parties, and (b)j the negligence or willful misconduct of Landlord and/or any of Landlord's Parties). If any action or proceeding is brought against a Tenant Party or Agency Party by reason of any such claim(s), Landlord, upon notice from the Tenant Party or the Agency Party shall resist and defend such action or proceeding by counsel reasonably satisfactory to such Tenant Party or Agency Party.

Article VIII Casualty; Condemnation

Section 8.01 The parties hereby agree that the provisions of the Contract shall control in the event of a casualty or condemnation affecting all or part of the Premises. Neither Landlord nor Tenant shall have the right to terminate this Lease in the event of a Casualty or Condemnation unless the Contract is terminated as a result thereof.

Article IX Estoppel Certificates

Section 9.01 Landlord and Tenant shall, at any time and from time to time, within ten (10) business days following receipt of written request from the other party, execute, acknowledge and deliver a written statement certifying: that this Lease is in full force and effect and unmodified (or, if modified, stating the nature and date of such modification); the Commencement Date; the then Expiration Date; whether or not, to the best knowledge of the signer, the other party is in default in performance of any of its obligations under this Lease (and, if so, specifying each such default of which the signer shall have knowledge); if the signer is the Tenant, that Tenant is not in default of any of its obligations under this Lease; and as to such other matters regarding this Lease as may reasonably be requested.

Article X Subordination

Section 10.01 This lease, and the rights of Tenant under this lease, are subject and subordinate in all respects to all present and future underlying leases of the Building, including all modifications, extensions and replacements thereof ("Superior Leases") and all present and future mortgages on any Superior Lease or on the Building, including all modifications, extensions, supplements, consolidations and replacements thereof ("Mortgages"), and all advances under any

Mortgage. This Section is self-operative and no further instrument of subordination is required. Tenant shall, within 15 days following receipt of Landlord's request, sign, acknowledge and deliver any instrument that Landlord, any landlord under a Superior Lease ("Superior Landlord") or any mortgagee under a Mortgage ("Mortgagee") may reasonably request to evidence that subordination.

Section 10.02 If any Mortgagee or any Superior Landlord (or a designee thereof) succeeds to the rights of Landlord under this lease, then at the request of the successor, Tenant shall attorn to the successor as Tenant's landlord under this lease, and shall, within 15 days following Tenant's receipt of a request, sign, acknowledge and deliver any instrument that the successor reasonably requests to evidence the attornment.

Article XI Assignment/Subletting

Section 11.01 Except as provided in this Article, Tenant shall not, without Landlord's consent (a) assign (by operation of law or otherwise), encumber or otherwise transfer this lease or any interest in this lease, or (b) sublet or permit others to occupy all or any part of the Premises. The transfer, redemption or issuance (by one or more transactions) of ownership interests of Tenant, any Guarantor or any direct or indirect parent of Tenant or any Guarantor which results in 50 percent or more of the ownership interests of that person being held by persons who did not hold 50 percent or more of those ownership interests on the date of this lease shall be considered an assignment of this lease which requires Landlord's consent, unless such ownership interests are publicly traded on a national stock exchange or over the counter market. Landlord's consent to an assignment, subletting or occupancy shall not relieve Tenant from any liability under this lease or from obtaining Landlord's consent to any further assignment, subletting or occupancy.

Section 11.02 Notwithstanding anything contained to the foregoing, Landlord hereby grants its consent without the need for further consent, confirmation or action from Landlord to (a) a sublease by Tenant of all or a part of the Premises to the Agency in connection with the IDA Transaction, (b) a sub-sublease from the Agency back to Tenant (or an affiliate of Tenant) in connection with the IDA Transaction, and (c) any other subleases required or made in connection with the IDA Transaction. Tenant shall ensure that the sublease and sub-sublease referred to in the foregoing sentence, shall explicitly provide that such sublease and sub-sublease, as the case may be, will terminate if the Contract is terminated prior to closing of title thereunder.

Article XII Default

Section 12.01 Each of the following is a "Default" by Tenant under this lease:

(a) Tenant fails to comply with any term of this lease and the failure continues for thirty (30) days following Landlord's notice. If, however, compliance cannot, with diligence, reasonably be fully accomplished within that thirty (30) day period, Tenant shall have as long as is reasonably necessary to fully comply, provided Tenant commences compliance within that thirty (30) day period and thereafter pursues compliance to completion with diligence.

(b) Tenant or any Guarantor, institutes, or has instituted against it any legal action seeking any relief from its debts under any Law which is not dismissed within 60 days, or a receiver, trustee, custodian or other similar official is appointed for it or for all or a substantial portion of its assets, or commits any other act indicating insolvency.

Section 12.02 If a Default occurs, Landlord may at any time during the continuance of the Default give notice to Tenant that this lease shall terminate on the date specified in that notice, which date shall not be less than five days after Landlord's notice to Tenant. If Landlord gives that notice, the Term shall expire on the date set forth in that notice. No termination of this Lease by Landlord under this Section 12.02 shall affect the validity or enforceability of the Contract or the remedies of the parties thereunder.

Section 12.03 Tenant hereby waives (a) the service of any notice of intention to re-enter or obtain possession of the Premises or to institute any legal action in connection therewith, except as provided in this Lease and (b) on its own behalf and on behalf of all persons claiming under Tenant, including all creditors, any rights Tenant and all such persons might otherwise have under any Law to redeem the Premises, to re-enter or repossess the Premises, or to restore this Lease, after (i) Tenant is dispossessed pursuant to any law or by any governmental authority, (ii) Landlord reenters or obtains possession of the Premises pursuant to any legal proceeding, or (iii) the Expiration Date, whether by operation of law or pursuant to this lease (including the occurrence of the Expiration Date by Landlord terminating this lease pursuant to Section 12.02). The words "re-enter," "re-entry" and "re-entered" as used in this lease shall not be considered to be restricted to their technical legal meanings. Landlord shall have the right to enjoin any Default and the right to invoke any remedy allowed by any Law in addition to any remedies provided in this lease. All remedies provided in this lease are cumulative and Landlord's right to invoke, or invocation of, any remedy shall not preclude Landlord from invoking any other remedy.

Section 12.04 Landlord and Tenant each hereby waive trial by jury in any legal action brought by either party against the other in connection with this lease. If Landlord commences any summary proceeding against Tenant, Tenant shall not interpose any counterclaim in that proceeding (unless the failure to impose the counterclaim would preclude Tenant from asserting in a separate legal action the claim which is the subject of the counterclaim), and shall not seek to consolidate the proceeding with any other legal action.

Section 12.05 If there is then a Default, Landlord may, but is not obligated to, cure the Default or, without notice, cure the failure to comply, for the account of Tenant. All amounts incurred by Landlord in that connection, and any amounts (including reasonable attorneys' fees and disbursements) in instituting, prosecuting or defending any legal action by or against Tenant, or in connection with any dispute under this lease, in which Landlord prevails, with interest thereon at the Default Rate, shall be paid by Tenant to Landlord within thirty (30) days following Tenant's receipt of Landlord's request. Landlord shall promptly reimburse Tenant for any reasonable attorneys' fees and disbursements incurred by Tenant in connection with any legal action or other dispute with Landlord under this lease, in which Tenant prevails.

Section 12.06 The failure of a party to seek redress for a default or of Landlord or Tenant to insist upon the strict performance of any term of this Lease, shall not prevent such party from redressing a subsequent default or Landlord or Tenant from thereafter insisting on strict

performance. No term of this Lease shall be considered waived by Landlord or Tenant unless the waiver is in a writing signed by the waiving party.

Section 12.07 All legal actions relating to this Lease shall be adjudicated in the state courts of the State of New York, or the federal courts, in either case having jurisdiction in the county in which the Building is located. Tenant irrevocably consents to the personal and subject matter jurisdiction of those courts in any legal action relating to this Lease. This consent to jurisdiction is self-operative and no further instrument or legal action, other than service of process in any manner permitted by Law or this Section, is necessary in order to confer jurisdiction upon the person of Tenant and the subject matter in question in any such court. Landlord and Tenant irrevocably waive and shall not assert, by way of motion, as a defense or otherwise (i) any objection to any such court being the venue of any legal action relating to this Lease, (ii) any claim that any legal action relating to this Lease brought in any such court has been brought in an inconvenient forum or (iii) any claim that Tenant is not personally subject to the jurisdiction of that court.

Article XIII No Broker

Section 13.01 Landlord and Tenant each represents to the other that it has dealt with no broker in connection with this Lease. Landlord and Tenant shall each indemnify, defend and hold harmless the other party from and against any claims for any brokerage commissions or other compensation which are made by any broker alleging to have dealt with the indemnifying party in connection with this Lease, and all costs, expenses, liabilities and damages in connection therewith, including reasonable attorneys' fees.

Article XIV Notices

Section 14.01 Except as may be provided in this lease, all notices and other communications under this lease must be in writing and sent by nationally recognized overnight courier service or registered or certified mail (return receipt requested), addressed to Landlord or Tenant as follows:

(a) If to Landlord:

Blue Island Development LLC
1750 New Highway,
Farmingdale, New York 11735
Attention: Mr. Michael Posillico

With a copy to:

Forchelli Deegan Terrana LLP
333 Earle Ovington Boulevard, Suite 1010
Uniondale, New York 11553
Attention: Joseph P. Asselta, Esq.

(b) If to Tenant:

AVB HARBOR ISLE, LLC, c/o AvalonBay
Communities, Inc.
671 N. Glebe Road, Suite 800
Arlington, Virginia 22203
Attention: Brian R. Lerman, Esq., Vice President – Associate General Counsel

And

AVB HARBOR ISLE, LLC, c/o AvalonBay
Communities, Inc.
58 South Service Road, Suite 303
Melville, New York 11747
Attention: Christopher Capece, Vice President, Development

With a copy to:

Ruskin Moscou Faltischek, P.C.
1425 RXR Plaza
Uniondale, New York 11556
Attention: Eric C. Rubenstein, Esq.

Article XV No Representations; Liability of Landlord

Section 15.01 Except as set forth in the Contract, Landlord has not made any warranties, representations, statements or promises with respect to the Premises or any other matter, unless expressly set forth in this Lease.

Section 15.02 No act or omission of Landlord or Tenant, or their respective employees, agents or contractors shall be deemed an acceptance of a surrender of the Premises, and no agreement to accept such surrender shall be valid unless it is in a writing signed by the parties.

Section 15.03 In the event of a transfer or lease of the Premises to Posillico (a) the transferor or lessor shall be and hereby is relieved of all obligations and liabilities of Landlord under this Lease accruing after the effective date of the transfer or lease, and (b) the transferee or lessee shall be deemed to have assumed all of Landlord's obligations and liabilities under this Lease effective from and after the effective date of the transfer or lease.

Section 15.04 Landlord, its partners, members, shareholders, officers, directors and principals, disclosed or undisclosed, have no personal liability under or in connection with this Lease. Tenant shall look only to Landlord's interest in the Premises (and the proceeds therefrom) for the satisfaction of Tenant's remedies or to collect any judgment requiring the payment of money by Landlord under or in connection with this Lease, and no other assets of

Landlord or such persons shall be subject to lien, levy, execution or other enforcement procedure for the satisfaction of Tenant's remedies or the collection of any judgment under or in connection with this Lease.

Section 15.05 This Lease and the obligations of Tenant to perform Tenant's other obligations under this Lease shall not be waived, delayed or otherwise affected in any manner, and Landlord shall have no liability, if Landlord is unable to comply with, or is delayed in complying with, any of Landlord's obligations under this Lease by reason of any strike, labor trouble, accident, law or other cause beyond Landlord's control.

Article XVI Memorandum of Lease

Section 16.01 Tenant shall have the right to record a memorandum of this Lease at Tenant's sole cost and expense in form acceptable to the Agency. Landlord shall, at no cost to Tenant, execute such memorandum of lease and such other transfer tax returns or other documents necessary for the recording thereof.

Article XVII Environmental Indemnity

Section 17.01 The parties hereby acknowledge and agree that the Contract originally contemplated that Landlord and/or Posillico would have completed the Remediation prior to Tenant and the Agency acquiring any real property interest in the Premises. Accordingly, Landlord hereby agrees to indemnify, defend and hold harmless the Landlord Parties and the Agency Parties from and against any and all losses, claims, suits, demands, costs, liabilities, and expenses, including reasonable attorneys' fees, penalties, interest, fines, judgment amounts, fees, and damages, of whatever kind or nature arising out of the Remediation or which are imposed upon Tenant Parties and/or Agency Parties merely as a result of their holding a leasehold interest in the Premises.

Article XVIII Miscellaneous

Section 18.01 Subject to the provisions of this Lease, this Lease shall bind and inure to the benefit of Landlord and Tenant and their respective legal representatives, successors and assigns. This Lease may not be changed or terminated, in whole or in part, except in a writing signed by Landlord and Tenant. Notwithstanding any provision of this Lease, or any law, to the contrary, or the execution of this Lease by Tenant, this Lease shall not bind or benefit Landlord or Tenant, unless and until this lease is signed and delivered by Landlord and Tenant.

Section 18.02 The Exhibits to this lease, if any, are a part of this Lease, but, in the event of an inconsistency between this Lease and the Exhibits, this Lease shall control. The captions in this lease are for reference only and do not define the scope of this Lease or the intent of any term. All Article and Section references in this Lease shall, unless the context otherwise specifically requires, be deemed references to the Articles and Sections of this Lease.

Section 18.03 Each obligation of Tenant under this Lease is a separate and independent covenant of Tenant, not dependent on any other provision of this Lease. If any provision of this Lease, or the application thereof to any person or circumstance, is invalid or

unenforceable, then in each such event the remainder of this Lease or the application of such provision to any other person or any other circumstance (other than those as to which it is invalid or unenforceable) shall not be affected, and each provision hereof shall remain valid and enforceable to the fullest extent permitted by Law.

Section 18.04 There shall be no presumption based upon the party that drafted this Lease or for any other reason.

Section 18.05 If there is then no Default, Tenant may peaceably and quietly enjoy the Premises without hindrance by Landlord or any person lawfully claiming under Landlord, subject however, to the terms of this Lease.

Section 18.06 This Lease may be executed in counterparts and may be executed and delivered by facsimile or email.

In Witness Whereof, Landlord and Tenant have executed this lease on the date of this lease.

Landlord:

BLUE ISLAND DEVELOPMENT LLC

By: _____
Name: Michael J. Posillico
Title: Manager

Tenant:

AVB HARBOR ISLE, LLC,
By: AvalonBay Communities, Inc.

By: _____
Name: Chris Capece
Title: Vice President, Development

BLUE ISLAND DEVELOPMENT, LLC

as

Landlord

and

AVB HARBOR ISLE, LLC
as

Tenant

GROUND LEASE

DATED AS OF MARCH 28, 2019

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Lots:	35, 36, 102, 314 and 328

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WITNESSETH:

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Section 3.02 Rent payable to Landlord shall be paid to Landlord at Landlord's Address in lawful money of the United States of America by good check or, at Landlord's request, by wire transfer. All Rent shall be paid without notice, demand, deduction, abatement or setoff, except as otherwise expressly provided in this Lease.

Article IV Taxes and Utilities

Section 4.01 Tenant shall not be obligated to pay any Impositions (as hereinafter defined) with respect to the Premises during the Term; it being understood and agreed that Landlord shall bear the entire cost of owning and operating the Premises during the Term (except to the extent such obligations may be imposed upon Posillico pursuant to the Blue Island Contract). The term "Impositions", as used herein, shall mean and refer to all real estate taxes, all special assessments and all other property assessments, including all assessments for public improvements or betterments, whether or not commenced or completed within the term of this Lease, (b) all ad valorem, sales and use taxes, (c) all rent and occupancy taxes and all similar taxes, (d) all personal property and other taxes on the Personal Property, (e) all water, sewer, and other utility charges imposed by any governmental authority, (f) all fines, fees, charges, penalties, and interest imposed by any governmental authority or utility, and (g) all other governmental charges and taxes, in each case of any kind or nature whatsoever, general or special, foreseen or unforeseen, ordinary or extraordinary, which are at any time during or with respect to the Term assessed, levied, charged, confirmed or imposed with respect to the Premises, the Personal Property or the use, leasing, ownership or operation thereof, or become payable out of or become a lien upon the Premises, the sidewalks or streets adjoining the Premises, or the Personal Property or the rents or income therefrom. In the event that, prior to Tenant taking title to the Premises, Tenant's obligation pursuant to the IDA Transaction to make payments in lieu of taxes commences (as opposed to tax payments being due directly to the taxing authority), , Landlord shall either make such payments directly to the Agency or, at Tenant's option, reimburse Tenant for same but in no event shall Landlord's obligation to make such payments or reimbursement exceed the amount that would have been due for real estate taxes for the subject period had the IDA Transaction not closed. Any payments or reimbursements made for any period occurring partially after the Expiration Date shall be prorated.

Article V Compliance with Law

Section 5.01 The parties shall comply in all material respects at all times, with all laws, codes and rules and regulations of any governmental authority applicable to the Premises, except that to the extent necessary to enter the Premises, perform any alterations or improvements on the Premises or exert control over the Premises to comply with such laws, codes and rules and regulations of any governmental authority, Landlord shall be responsible for such compliance.

Article VI Repairs and Maintenance.

Section 6.01 Subject to the provisions of the Contract, Landlord, at its own expense, shall at all times maintain the Premises in an orderly and safe condition, in a good state of repair, and (b) make such repairs, replacements and alterations to the Premises as are necessary to keep it in the condition required by the preceding clause (a) and to comply with the requirements of Section 5.01, whether interior or exterior, structural or non-structural, ordinary or extraordinary, foreseen or unforeseen.

Article VII Insurance; Indemnity

Section 7.01 Tenant, at Tenant's sole expense, shall maintain at all times during the Term, the following insurance:

(A) Tenant shall maintain a policy of commercial general liability insurance in customary form protecting Tenant against claims of third parties for bodily injury, death, personal injury, and property damage (including personal injury liability covering libel, slander, false arrest and malicious prosecution, and fire and water damage legal liability) occurring in, upon, or about the Premises and any appurtenances thereto. Such policy shall include contractual liability coverage covering Tenant's indemnification obligations under this Lease with respect to covered claims. Such policy shall have a per occurrence of at least Five Million Dollars ($5,000,000.00) annually. Such policy shall name Landlord as an additional insured.

(B) Tenant shall maintain workers compensation insurance as required by law and which shall include employer's liability insurance for all employees of Tenant, in accordance with the statutory limits required by Law.

Section 7.02 Landlord, at Landlord's sole expense, shall maintain at all times during the Term, the following insurance:

(A) Landlord shall maintain a policy of commercial general liability insurance in customary form protecting Landlord against claims of third parties for bodily injury, death, personal injury, and property damage (including personal injury liability covering libel, slander, false arrest and malicious prosecution, and fire and water damage legal liability) occurring in, upon, or about the Premises and any appurtenances thereto. Such policy shall include contractual liability coverage covering Landlord's indemnification obligations under this Lease with respect to covered claims. Such policy shall have a per occurrence of at least Five Million Dollars ($5,000,000.00) annually. Such policy shall name Tenant as an additional insured.

(B) Landlord shall maintain workers compensation insurance as required by law and which shall include employer's liability insurance for all employees of Landlord, in accordance with the statutory limits required by Law.

Section 7.03 All policies required by this Article shall be issued by insurance companies licensed to do business in the State of New York. All such insurers shall have a claims paying ability rating of no less than "A-8" and a financial class category rating of at least "VIII" by A.M. Best Company. Such policies may be carried under a blanket policy covering the Premises and other locations, provided it provides the same protection as would a separate policy insuring only the location. All insurance policies required by this Article shall (i) contain endorsements that such insurance may not be canceled or materially changed, except upon not less than thirty (30) days prior written notice to the other party, and (ii) be written as primary policies not contributing to or in excess of any policies carried by the other party. All policies of property insurance maintained by the parties shall contain a Waiver of Subrogation endorsement.

Section 7.04 Tenant shall indemnify and hold harmless Landlord, Landlord's managing agent, and all of their affiliates, officers, directors, shareholders, members, managers, partners, and employees ("Landlord Parties") and the Agency and all of its affiliates, officers,

directors, shareholders, members, managers, partners, and employees (the "Agency Parties") from and against any and all losses, claims, suits, demands, costs, liabilities, and expenses, including reasonable attorneys' fees arising from or in connection with the negligence or willful misconduct of Tenant and/or any of Tenant's officers, directors, employees, partners, members, agents, contractors, invitees, or subtenants. If any action or proceeding is brought against a Landlord Party or Agency Party by reason of any such claim(s), Tenant, upon notice from the Landlord Party or the Agency Party shall resist and defend such action or proceeding by counsel reasonably satisfactory to such Landlord Party or Agency Party.

Section 7.05 Landlord shall indemnify and hold harmless the Tenant, and all of its affiliates, officers, directors, shareholders, members, managers, partners, and employees ("Tenant Parties") and the Agency Parties from and against any and all losses, claims, suits, demands, costs, liabilities, and expenses, including reasonable attorneys' fees arising from (a) the Premises and/or any operations or activities thereon during the Term, except to the extent such Liabilities arise out of the negligence or willful misconduct of Tenant or Tenant's Parties, and (b)j the negligence or willful misconduct of Landlord and/or any of Landlord's Parties). If any action or proceeding is brought against a Tenant Party or Agency Party by reason of any such claim(s), Landlord, upon notice from the Tenant Party or the Agency Party shall resist and defend such action or proceeding by counsel reasonably satisfactory to such Tenant Party or Agency Party.

Article VIII Casualty; Condemnation

Section 8.01 The parties hereby agree that the provisions of the Contract shall control in the event of a casualty or condemnation affecting all or part of the Premises. Neither Landlord nor Tenant shall have the right to terminate this Lease in the event of a Casualty or Condemnation unless the Contract is terminated as a result thereof.

Article IX Estoppel Certificates

Section 9.01 Landlord and Tenant shall, at any time and from time to time, within ten (10) business days following receipt of written request from the other party, execute, acknowledge and deliver a written statement certifying: that this Lease is in full force and effect and unmodified (or, if modified, stating the nature and date of such modification); the Commencement Date; the then Expiration Date; whether or not, to the best knowledge of the signer, the other party is in default in performance of any of its obligations under this Lease (and, if so, specifying each such default of which the signer shall have knowledge); if the signer is the Tenant, that Tenant is not in default of any of its obligations under this Lease; and as to such other matters regarding this Lease as may reasonably be requested.

Article X Subordination

Section 10.01 This lease, and the rights of Tenant under this lease, are subject and subordinate in all respects to all present and future underlying leases of the Building, including all modifications, extensions and replacements thereof ("Superior Leases") and all present and future mortgages on any Superior Lease or on the Building, including all modifications, extensions, supplements, consolidations and replacements thereof ("Mortgages"), and all advances under any

Mortgage. This Section is self-operative and no further instrument of subordination is required. Tenant shall, within 15 days following receipt of Landlord's request, sign, acknowledge and deliver any instrument that Landlord, any landlord under a Superior Lease ("Superior Landlord") or any mortgagee under a Mortgage ("Mortgagee") may reasonably request to evidence that subordination.

Section 10.02 If any Mortgagee or any Superior Landlord (or a designee thereof) succeeds to the rights of Landlord under this lease, then at the request of the successor, Tenant shall attorn to the successor as Tenant's landlord under this lease, and shall, within 15 days following Tenant's receipt of a request, sign, acknowledge and deliver any instrument that the successor reasonably requests to evidence the attornment.

Article XI Assignment/Subletting

Section 11.01 Except as provided in this Article, Tenant shall not, without Landlord's consent (a) assign (by operation of law or otherwise), encumber or otherwise transfer this lease or any interest in this lease, or (b) sublet or permit others to occupy all or any part of the Premises. The transfer, redemption or issuance (by one or more transactions) of ownership interests of Tenant, any Guarantor or any direct or indirect parent of Tenant or any Guarantor which results in 50 percent or more of the ownership interests of that person being held by persons who did not hold 50 percent or more of those ownership interests on the date of this lease shall be considered an assignment of this lease which requires Landlord's consent, unless such ownership interests are publicly traded on a national stock exchange or over the counter market. Landlord's consent to an assignment, subletting or occupancy shall not relieve Tenant from any liability under this lease or from obtaining Landlord's consent to any further assignment, subletting or occupancy.

Section 11.02 Notwithstanding anything contained to the foregoing, Landlord hereby grants its consent without the need for further consent, confirmation or action from Landlord to (a) a sublease by Tenant of all or a part of the Premises to the Agency in connection with the IDA Transaction, (b) a sub-sublease from the Agency back to Tenant (or an affiliate of Tenant) in connection with the IDA Transaction, and (c) any other subleases required or made in connection with the IDA Transaction. Tenant shall ensure that the sublease and sub-sublease referred to in the foregoing sentence, shall explicitly provide that such sublease and sub-sublease, as the case may be, will terminate if the Contract is terminated prior to closing of title thereunder.

Article XII Default

Section 12.01 Each of the following is a "Default" by Tenant under this lease:

(a) Tenant fails to comply with any term of this lease and the failure continues for thirty (30) days following Landlord's notice. If, however, compliance cannot, with diligence, reasonably be fully accomplished within that thirty (30) day period, Tenant shall have as long as is reasonably necessary to fully comply, provided Tenant commences compliance within that thirty (30) day period and thereafter pursues compliance to completion with diligence.

(b) Tenant or any Guarantor, institutes, or has instituted against it any legal action seeking any relief from its debts under any Law which is not dismissed within 60 days, or a receiver, trustee, custodian or other similar official is appointed for it or for all or a substantial portion of its assets, or commits any other act indicating insolvency.

Section 12.02 If a Default occurs, Landlord may at any time during the continuance of the Default give notice to Tenant that this lease shall terminate on the date specified in that notice, which date shall not be less than five days after Landlord's notice to Tenant. If Landlord gives that notice, the Term shall expire on the date set forth in that notice. No termination of this Lease by Landlord under this Section 12.02 shall affect the validity or enforceability of the Contract or the remedies of the parties thereunder.

Section 12.03 Tenant hereby waives (a) the service of any notice of intention to re-enter or obtain possession of the Premises or to institute any legal action in connection therewith, except as provided in this Lease and (b) on its own behalf and on behalf of all persons claiming under Tenant, including all creditors, any rights Tenant and all such persons might otherwise have under any Law to redeem the Premises, to re-enter or repossess the Premises, or to restore this Lease, after (i) Tenant is dispossessed pursuant to any law or by any governmental authority, (ii) Landlord reenters or obtains possession of the Premises pursuant to any legal proceeding, or (iii) the Expiration Date, whether by operation of law or pursuant to this lease (including the occurrence of the Expiration Date by Landlord terminating this lease pursuant to Section 12.02). The words "re-enter," "re-entry" and "re-entered" as used in this lease shall not be considered to be restricted to their technical legal meanings. Landlord shall have the right to enjoin any Default and the right to invoke any remedy allowed by any Law in addition to any remedies provided in this lease. All remedies provided in this lease are cumulative and Landlord's right to invoke, or invocation of, any remedy shall not preclude Landlord from invoking any other remedy.

Section 12.04 Landlord and Tenant each hereby waive trial by jury in any legal action brought by either party against the other in connection with this lease. If Landlord commences any summary proceeding against Tenant, Tenant shall not interpose any counterclaim in that proceeding (unless the failure to impose the counterclaim would preclude Tenant from asserting in a separate legal action the claim which is the subject of the counterclaim), and shall not seek to consolidate the proceeding with any other legal action.

Section 12.05 If there is then a Default, Landlord may, but is not obligated to, cure the Default or, without notice, cure the failure to comply, for the account of Tenant. All amounts incurred by Landlord in that connection, and any amounts (including reasonable attorneys' fees and disbursements) in instituting, prosecuting or defending any legal action by or against Tenant, or in connection with any dispute under this lease, in which Landlord prevails, with interest thereon at the Default Rate, shall be paid by Tenant to Landlord within thirty (30) days following Tenant's receipt of Landlord's request. Landlord shall promptly reimburse Tenant for any reasonable attorneys' fees and disbursements incurred by Tenant in connection with any legal action or other dispute with Landlord under this lease, in which Tenant prevails.

Section 12.06 The failure of a party to seek redress for a default or of Landlord or Tenant to insist upon the strict performance of any term of this Lease, shall not prevent such party from redressing a subsequent default or Landlord or Tenant from thereafter insisting on strict

performance. No term of this Lease shall be considered waived by Landlord or Tenant unless the waiver is in a writing signed by the waiving party.

Section 12.07 All legal actions relating to this Lease shall be adjudicated in the state courts of the State of New York, or the federal courts, in either case having jurisdiction in the county in which the Building is located. Tenant irrevocably consents to the personal and subject matter jurisdiction of those courts in any legal action relating to this Lease. This consent to jurisdiction is self-operative and no further instrument or legal action, other than service of process in any manner permitted by Law or this Section, is necessary in order to confer jurisdiction upon the person of Tenant and the subject matter in question in any such court. Landlord and Tenant irrevocably waive and shall not assert, by way of motion, as a defense or otherwise (i) any objection to any such court being the venue of any legal action relating to this Lease, (ii) any claim that any legal action relating to this Lease brought in any such court has been brought in an inconvenient forum or (iii) any claim that Tenant is not personally subject to the jurisdiction of that court.

Article XIII No Broker

Section 13.01 Landlord and Tenant each represents to the other that it has dealt with no broker in connection with this Lease. Landlord and Tenant shall each indemnify, defend and hold harmless the other party from and against any claims for any brokerage commissions or other compensation which are made by any broker alleging to have dealt with the indemnifying party in connection with this Lease, and all costs, expenses, liabilities and damages in connection therewith, including reasonable attorneys' fees.

Article XIV Notices

Section 14.01 Except as may be provided in this lease, all notices and other communications under this lease must be in writing and sent by nationally recognized overnight courier service or registered or certified mail (return receipt requested), addressed to Landlord or Tenant as follows:

(a) If to Landlord:

Blue Island Development LLC
1750 New Highway,
Farmingdale, New York 11735
Attention: Mr. Michael Posillico

With a copy to:

Forchelli Deegan Terrana LLP
333 Earle Ovington Boulevard, Suite 1010
Uniondale, New York 11553
Attention: Joseph P. Asselta, Esq.

(b) If to Tenant:

AVB HARBOR ISLE, LLC, c/o AvalonBay
Communities, Inc.
671 N. Glebe Road, Suite 800
Arlington, Virginia 22203
Attention: Brian R. Lerman, Esq., Vice President –
Associate General Counsel

And

AVB HARBOR ISLE, LLC, c/o AvalonBay
Communities, Inc.
58 South Service Road, Suite 303
Melville, New York 11747
Attention: Christopher Capece, Vice President,
Development

With a copy to:

Ruskin Moscou Faltischek, P.C.
1425 RXR Plaza
Uniondale, New York 11556
Attention: Eric C. Rubenstein, Esq.

Article XV No Representations; Liability of Landlord

Section 15.01 Except as set forth in the Contract, Landlord has not made any warranties, representations, statements or promises with respect to the Premises or any other matter, unless expressly set forth in this Lease.

Section 15.02 No act or omission of Landlord or Tenant, or their respective employees, agents or contractors shall be deemed an acceptance of a surrender of the Premises, and no agreement to accept such surrender shall be valid unless it is in a writing signed by the parties.

Section 15.03 In the event of a transfer or lease of the Premises to Posillico (a) the transferor or lessor shall be and hereby is relieved of all obligations and liabilities of Landlord under this Lease accruing after the effective date of the transfer or lease, and (b) the transferee or lessee shall be deemed to have assumed all of Landlord's obligations and liabilities under this Lease effective from and after the effective date of the transfer or lease.

Section 15.04 Landlord, its partners, members, shareholders, officers, directors and principals, disclosed or undisclosed, have no personal liability under or in connection with this Lease. Tenant shall look only to Landlord's interest in the Premises (and the proceeds therefrom) for the satisfaction of Tenant's remedies or to collect any judgment requiring the payment of money by Landlord under or in connection with this Lease, and no other assets of

Landlord or such persons shall be subject to lien, levy, execution or other enforcement procedure for the satisfaction of Tenant's remedies or the collection of any judgment under or in connection with this Lease.

Section 15.05 This Lease and the obligations of Tenant to perform Tenant's other obligations under this Lease shall not be waived, delayed or otherwise affected in any manner, and Landlord shall have no liability, if Landlord is unable to comply with, or is delayed in complying with, any of Landlord's obligations under this Lease by reason of any strike, labor trouble, accident, law or other cause beyond Landlord's control.

Article XVI Memorandum of Lease

Section 16.01 Tenant shall have the right to record a memorandum of this Lease at Tenant's sole cost and expense in form acceptable to the Agency. Landlord shall, at no cost to Tenant, execute such memorandum of lease and such other transfer tax returns or other documents necessary for the recording thereof.

Article XVII Environmental Indemnity

Section 17.01 The parties hereby acknowledge and agree that the Contract originally contemplated that Landlord and/or Posillico would have completed the Remediation prior to Tenant and the Agency acquiring any real property interest in the Premises. Accordingly, Landlord hereby agrees to indemnify, defend and hold harmless the Landlord Parties and the Agency Parties from and against any and all losses, claims, suits, demands, costs, liabilities, and expenses, including reasonable attorneys' fees, penalties, interest, fines, judgment amounts, fees, and damages, of whatever kind or nature arising out of the Remediation or which are imposed upon Tenant Parties and/or Agency Parties merely as a result of their holding a leasehold interest in the Premises.

Article XVIII Miscellaneous

Section 18.01 Subject to the provisions of this Lease, this Lease shall bind and inure to the benefit of Landlord and Tenant and their respective legal representatives, successors and assigns. This Lease may not be changed or terminated, in whole or in part, except in a writing signed by Landlord and Tenant. Notwithstanding any provision of this Lease, or any law, to the contrary, or the execution of this Lease by Tenant, this Lease shall not bind or benefit Landlord or Tenant, unless and until this lease is signed and delivered by Landlord and Tenant.

Section 18.02 The Exhibits to this lease, if any, are a part of this Lease, but, in the event of an inconsistency between this Lease and the Exhibits, this Lease shall control. The captions in this lease are for reference only and do not define the scope of this Lease or the intent of any term. All Article and Section references in this Lease shall, unless the context otherwise specifically requires, be deemed references to the Articles and Sections of this Lease.

Section 18.03 Each obligation of Tenant under this Lease is a separate and independent covenant of Tenant, not dependent on any other provision of this Lease. If any provision of this Lease, or the application thereof to any person or circumstance, is invalid or

unenforceable, then in each such event the remainder of this Lease or the application of such provision to any other person or any other circumstance (other than those as to which it is invalid or unenforceable) shall not be affected, and each provision hereof shall remain valid and enforceable to the fullest extent permitted by Law.

Section 18.04 There shall be no presumption based upon the party that drafted this Lease or for any other reason.

Section 18.05 If there is then no Default, Tenant may peaceably and quietly enjoy the Premises without hindrance by Landlord or any person lawfully claiming under Landlord, subject however, to the terms of this Lease.

Section 18.06 This Lease may be executed in counterparts and may be executed and delivered by facsimile or email.

In Witness Whereof, Landlord and Tenant have executed this lease on the date of this lease.

Landlord:

BLUE ISLAND DEVELOPMENT LLC

By: _____
Name: Michael J. Posillico
Title: Manager

Tenant:

AVB HARBOR ISLE, LLC,
By: AvalonBay Communities, Inc.

By: _____
Name: Chris Capece
Title: Vice President, Development

MEMORANDUM OF GROUND LEASE

The undersigned BLUE ISLAND DEVELOPMENT, LLC., a New York limited liability company, having an office at 1750 New Highway, Farmingdale, New York 11735 (the "**Landlord**") and the AVB HARBOR ISLE, LLC, a Delaware limited liability company having an office at 58 South Service Road, Melville, New York 11747 (the "**Tenant**"), entered into a Ground Lease as of March 1, 2019 (the "**Ground Lease**"). The Ground Lease covers the premises described in Exhibit A attached hereto and made a part hereof.

The Ground Lease provides for the rental of the premises by the Tenant for a term commencing on March 1, 2019 and terminating on the date the closing of title occurs on that certain Contract made between Landlord and AvalonBay Communities, Inc. dated as of October 20, 2017 and recorded on November 29, 2017 in Liber 13590, Cp. 559 on the Nassau County Clerk's Office (the "**Ground Lease Term**"), unless sooner terminated pursuant to the provisions of the Ground Lease.

The Ground Lease is available for inspection during normal business hours at the offices of the Agency indicated above.

Property Address:	Sheridan Place and Island Parkway South, Island Park, New York
Mailing Address:	58 South Service Road, Suite 303, Melville, New York 11747
Tax Map Numbers:	Section 43, Block 381, Lots (35-36, 102, 314) 328

Record and return to:

Nixon Peabody LLP
1300 Clinton Square
Rochester, New York 14604
Attention: Jessica L. Paulin, Esq.

IN WITNESS WHEREOF, Landlord and Tenant have caused this Memorandum of Ground Lease to be executed in their respective names as of the 29th day of March, 2019.

BLUE ISLAND DEVELOPMENT, LLC

By: _____
Name: Michael J. Posillico
Title: Manager

STATE OF NEW YORK)
) ss.
COUNTY OF ~~NASSAU~~ Suffolk

On the 28th day of March in the year 2019, before me, the undersigned, personally appeared **Michael J. Posillico**, 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/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person or entity on behalf of which the individual acted, executed the instrument.

_____
Notary Public

PATRICIA KISSANE
Notary Public State of New York
No. 01KI6366207
Qualified in Suffolk County
Commission Expires October 23, 2021

AVB HARBOR ISLE, LLC
By: AvalonBay Communities, Inc.

By:_____
Name: Christopher Capece
Title: Vice President, Development

STATE OF NEW YORK)
: SS.:
COUNTY OF ~~NASSAU~~ Suffolk)

On the 28th day of March in the year 2019, before me, the undersigned, personally appeared **Christopher Capece** 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 on behalf of which the individual acted, executed the instrument.

Terese Cirone
Notary Public

Terése Cirone
NOTARY PUBLIC, STATE OF NEW YORK
Registration No. 01CI6385970
Qualified in Suffolk County
Commission Expires January 14, 2023

EXHIBIT A

LEGAL DESCRIPTION OF REAL PROPERTY

MEMORANDUM OF GROUND LEASE

The undersigned BLUE ISLAND DEVELOPMENT, LLC., a New York limited liability company, having an office at 1750 New Highway, Farmingdale, New York 11735 (the "**Landlord**") and the AVB HARBOR ISLE, LLC, a Delaware limited liability company having an office at 58 South Service Road, Melville, New York 11747 (the "**Tenant**"), entered into a Ground Lease as of March 1, 2019 (the "**Ground Lease**"). The Ground Lease covers the premises described in Exhibit A attached hereto and made a part hereof.

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Tax Map Numbers:	Section 43, Block 381, Lots (35-36, 102, 314) 328

Record and return to:

Nixon Peabody LLP
1300 Clinton Square
Rochester, New York 14604
Attention: Jessica L. Paulin, Esq.

IN WITNESS WHEREOF, Landlord and Tenant have caused this Memorandum of Ground Lease to be executed in their respective names as of the 29th day of March, 2019.

BLUE ISLAND DEVELOPMENT, LLC

By: _____
Name: Michael J. Posillico
Title: Manager

STATE OF NEW YORK)
Suffolk) ss.
COUNTY OF ~~NASSAU~~)

On the 28th day of March in the year 2019, before me, the undersigned, personally appeared **Michael J. Posillico**, 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/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person or entity on behalf of which the individual acted, executed the instrument.

_____
Notary Public

PATRICIA KISSANE
Notary Public State of New York
No. 01KI6366207
Qualified in Suffolk County
Commission Expires October 23, 2021

AVB HARBOR ISLE, LLC
By: AvalonBay Communities, Inc.

By:_____
Name: Christopher Capece
Title: Vice President, Development

STATE OF NEW YORK)
: SS.:
COUNTY OF ~~NASSAU~~ Suffolk)

On the 28th day of March in the year 2019, before me, the undersigned, personally appeared **Christopher Capece** 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 on behalf of which the individual acted, executed the instrument.

Terese Cirone
Notary Public

Terese Cirone
NOTARY PUBLIC, STATE OF NEW YORK
Registration No. 01CI6385970
Qualified in Suffolk County
Commission Expires January 14, 2023

EXHIBIT A

LEGAL DESCRIPTION OF REAL PROPERTY

TP-584 (4/13)

New York State Department of Taxation and Finance

Combined Real Estate Transfer Tax Return, Credit Line Mortgage Certificate, and Certification of Exemption from the Payment of Estimated Personal Income Tax

Recording office time stamp

See Form TP-584-I, Instructions for Form TP-584, *before completing this form. Print or type.*

Schedule A — Information relating to conveyance

Grantor/Transferor	Name *(if individual, last, first, middle initial)* (☐ *check if more than one grantor*)			Social security number
☐ Individual	Blue Island Development, LLC			
☐ Corporation	Mailing address			Social security number
☐ Partnership	1750 New Highway			
☐ Estate/Trust	City	State	ZIP code	Federal EIN
☐ Single member LLC	Farmingdale	NY	11735	11-3557697
☒ Other	Single member's name if grantor is a single member LLC *(see instructions)*			Single member EIN or SSN

Grantee/Transferee	Name *(if individual, last, first, middle initial)* (☐ *check if more than one grantee*)			Social security number
☐ Individual	AVB Harbor Isle LLC			
☐ Corporation	Mailing address			Social security number
☐ Partnership				
☐ Estate/Trust	City	State	ZIP code	Federal EIN
☒ Single member LLC				83-4089822
☐ Other	Single member's name if grantee is a single member LLC *(see instructions)*			Single member EIN or SSN
	AvalonBay Communities, Inc.			77-0404318

Location and description of property conveyed

Tax map designation – Section, block & lot *(include dots and dashes)*	SWIS code (six digits)	Street address	City, town, or village	County
Section: 43, Block: 381, Lots: 35,36,102,314 &328	2810	7 Washington Avenue	Island Park	Nassau

Type of property conveyed *(check applicable box)*

1 ☐ One- to three-family house
2 ☐ Residential cooperative
3 ☐ Residential condominium
4 ☒ Vacant land
5 ☐ Commercial/Industrial
6 ☐ Apartment building
7 ☐ Office building
8 ☐ Other _____

Date of conveyance: 03 (month) 28 (day) 2019 (year)

Percentage of real property conveyed which is residential real property 0 % *(see instructions)*

Condition of conveyance *(check all that apply)*

a. ☐ Conveyance of fee interest
b. ☐ Acquisition of a controlling interest (state percentage acquired _____%)
c. ☐ Transfer of a controlling interest (state percentage transferred _____%)
d. ☐ Conveyance to cooperative housing corporation
e. ☐ Conveyance pursuant to or in lieu of foreclosure or enforcement of security interest *(attach Form TP-584.1, Schedule E)*
f. ☐ Conveyance which consists of a mere change of identity or form of ownership or organization *(attach Form TP-584.1, Schedule F)*
g. ☐ Conveyance for which credit for tax previously paid will be claimed *(attach Form TP-584.1, Schedule G)*
h. ☐ Conveyance of cooperative apartment(s)
i. ☐ Syndication
j. ☐ Conveyance of air rights or development rights
k. ☐ Contract assignment
l. ☐ Option assignment or surrender
m. ☐ Leasehold assignment or surrender
n. ☒ Leasehold grant
o. ☐ Conveyance of an easement
p. ☐ Conveyance for which exemption from transfer tax claimed *(complete Schedule B, Part III)*
q. ☐ Conveyance of property partly within and partly outside the state
r. ☐ Conveyance pursuant to divorce or separation
s. ☐ Other *(describe)* _____

For recording officer's use	Amount received	Date received	Transaction number
	Schedule B., Part I $ _____		
	Schedule B., Part II $		

Schedule B — Real estate transfer tax return (Tax Law, Article 31)

Part I – Computation of tax due

1	Enter amount of consideration for the conveyance *(if you are claiming a total exemption from tax, check the exemption claimed box, enter consideration and proceed to Part III)* ☐ **Exemption claimed**	1.	0 00
2	Continuing lien deduction *(see instructions if property is taken subject to mortgage or lien)*	2.	0 00
3	Taxable consideration *(subtract line 2 from line 1)*	3.	0 00
4	Tax: $2 for each $500, or fractional part thereof, of consideration on line 3	4.	0 00
5	Amount of credit claimed for tax previously paid *(see instructions and attach Form TP-584.1,* Schedule G)	5.	0 00
6	Total tax due* *(subtract line 5 from line 4)*	6.	0 00

Part II – Computation of additional tax due on the conveyance of residential real property for $1 million or more

1	Enter amount of consideration for conveyance *(from* Part I, *line 1)*	1.	
2	Taxable consideration *(multiply line 1 by the percentage of the premises which is residential real property, as shown in* Schedule A)	2.	
3	Total additional transfer tax due* *(multiply line 2 by 1% (.01))*	3.	

Part III – Explanation of exemption claimed on Part I, line 1 *(check any boxes that apply)*

The conveyance of real property is exempt from the real estate transfer tax for the following reason:

a. Conveyance is to the United Nations, the United States of America, the state of New York, or any of their instrumentalities, agencies, or political subdivisions (or any public corporation, including a public corporation created pursuant to agreement or compact with another state or Canada) ..... a ☐

b. Conveyance is to secure a debt or other obligation ..... b ☐

c. Conveyance is without additional consideration to confirm, correct, modify, or supplement a prior conveyance ..... c ☐

d. Conveyance of real property is without consideration and not in connection with a sale, including conveyances conveying realty as bona fide gifts ..... d ☐

e. Conveyance is given in connection with a tax sale ..... e ☐

f. Conveyance is a mere change of identity or form of ownership or organization where there is no change in beneficial ownership. (This exemption cannot be claimed for a conveyance to a cooperative housing corporation of real property comprising the cooperative dwelling or dwellings.) Attach Form TP-584.1, Schedule F ..... f ☐

g. Conveyance consists of deed of partition ..... g ☐

h. Conveyance is given pursuant to the federal Bankruptcy Act ..... h ☐

i. Conveyance consists of the execution of a contract to sell real property, without the use or occupancy of such property, or the granting of an option to purchase real property, without the use or occupancy of such property ..... i ☐

j. Conveyance of an option or contract to purchase real property with the use or occupancy of such property where the consideration is less than $200,000 and such property was used solely by the grantor as the grantor's personal residence and consists of a one-, two-, or three-family house, an individual residential condominium unit, or the sale of stock in a cooperative housing corporation in connection with the grant or transfer of a proprietary leasehold covering an individual residential cooperative apartment ..... j ☐

k. Conveyance is not a conveyance within the meaning of Tax Law, Article 31, section 1401(e) *(attach documents supporting such claim)* ..... k ☐

*The total tax (from Part I, line 6 and Part II, line 3 above) is due within 15 days from the date conveyance. Please make check(s) payable to the county clerk where the recording is to take place. If the recording is to take place in the New York City boroughs of Manhattan, Bronx, Brooklyn, or Queens, make check(s) payable to the ***NYC Department of Finance.*** If a recording is not required, send this return and your check(s) made payable to the ***NYS Department of Taxation and Finance,*** directly to the NYS Tax Department, RETT Return Processing, PO Box 5045, Albany NY 12205-0045.

Schedule C — Credit Line Mortgage Certificate (Tax Law, Article 11)

Complete the following only if the interest being transferred is a fee simple interest.
I (we) certify that: *(check the appropriate box)*

1. ☒ The real property being sold or transferred is not subject to an outstanding credit line mortgage.

2. ☐ The real property being sold or transferred is subject to an outstanding credit line mortgage. However, an exemption from the tax is claimed for the following reason:
   - ☐ The transfer of real property is a transfer of a fee simple interest to a person or persons who held a fee simple interest in the real property (whether as a joint tenant, a tenant in common or otherwise) immediately before the transfer.
   - ☐ The transfer of real property is (A) to a person or persons related by blood, marriage or adoption to the original obligor or to one or more of the original obligors or (B) to a person or entity where 50% or more of the beneficial interest in such real property after the transfer is held by the transferor or such related person or persons (as in the case of a transfer to a trustee for the benefit of a minor or the transfer to a trust for the benefit of the transferor).
   - ☐ The transfer of real property is a transfer to a trustee in bankruptcy, a receiver, assignee, or other officer of a court.
   - ☐ The maximum principal amount secured by the credit line mortgage is $3,000,000 or more, and the real property being sold or transferred is **not** principally improved nor will it be improved by a one- to six-family owner-occupied residence or dwelling.

     Please note: for purposes of determining whether the maximum principal amount secured is $3,000,000 or more as described above, the amounts secured by two or more credit line mortgages may be aggregated under certain circumstances. See TSB-M-96(6)-R for more information regarding these aggregation requirements.
   - ☐ Other *(attach detailed explanation)*.

3. ☐ The real property being transferred is presently subject to an outstanding credit line mortgage. However, no tax is due for the following reason:
   - ☐ A certificate of discharge of the credit line mortgage is being offered at the time of recording the deed.
   - ☐ A check has been drawn payable for transmission to the credit line mortgagee or his agent for the balance due, and a satisfaction of such mortgage will be recorded as soon as it is available.

4. ☐ The real property being transferred is subject to an outstanding credit line mortgage recorded in _____ (insert liber and page or reel or other identification of the mortgage). The maximum principal amount of debt or obligation secured by the mortgage is _____. No exemption from tax is claimed and the tax of _____ is being paid herewith. *(Make check payable to county clerk where deed will be recorded or, if the recording is to take place in New York City but not in Richmond County, make check payable to the **NYC Department of Finance.**)*

Signature (both the grantor(s) and grantee(s) must sign)

The undersigned certify that the above information contained in schedules A, B, and C, including any return, certification, schedule, or attachment, is to the best of his/her knowledge, true and complete, and authorize the person(s) submitting such form on their behalf to receive a copy for purposes of recording the deed or other instrument effecting the conveyance.

Blue Island Development, LLC		AVB Harbor Isle, LLC	
By:		By:	
Grantor signature	Title	Grantee signature	Title
Grantor signature	Title	Grantee signature	Title

Reminder: Did you complete all of the required information in Schedules A, B, and C? Are you required to complete Schedule D? If you checked *e*, *f*, or *g* in Schedule A, did you complete Form TP-584.1? Have you attached your check(s) made payable to the county clerk where recording will take place or, if the recording is in the New York City boroughs of Manhattan, Bronx, Brooklyn, or Queens, to the ***NYC Department of Finance***? If no recording is required, send your check(s), made payable to the ***Department of Taxation and Finance,*** directly to the NYS Tax Department, RETT Return Processing, PO Box 5045, Albany NY 12205-0045.

Schedule D - Certification of exemption from the payment of estimated personal income tax (Tax Law, Article 22, section 663)

Complete the following only if a fee simple interest or a cooperative unit is being transferred by an individual or estate or trust.

If the property is being conveyed by a referee pursuant to a foreclosure proceeding, proceed to Part II, and check the second box under *Exemptions for nonresident transferor(s)/seller(s)* and sign at bottom.

Part I - New York State residents

If you are a New York State resident transferor(s)/seller(s) listed in Schedule A of Form TP-584 (or an attachment to Form TP-584), you must sign the certification below. If one or more transferors/sellers of the real property or cooperative unit is a resident of New York State, **each** resident transferor/seller must sign in the space provided. If more space is needed, please photocopy this Schedule D and submit as many schedules as necessary to accommodate all resident transferors/sellers.

Certification of resident transferor(s)/seller(s)

This is to certify that at the time of the sale or transfer of the real property or cooperative unit, the transferor(s)/seller(s) as signed below was a resident of New York State, and therefore is not required to pay estimated personal income tax under Tax Law, section 663(a) upon the sale or transfer of this real property or cooperative unit.

Signature	Print full name	Date
Signature	Print full name	Date
Signature	Print full name	Date
Signature	Print full name	Date

Note: A resident of New York State may still be required to pay estimated tax under Tax Law, section 685(c), but not as a condition of recording a deed.

Part II - Nonresidents of New York State

If you are a nonresident of New York State listed as a transferor/seller in Schedule A of Form TP-584 (or an attachment to Form TP-584) but are not required to pay estimated personal income tax because one of the exemptions below applies under Tax Law, section 663(c), check the box of the appropriate exemption below. If any one of the exemptions below applies to the transferor(s)/seller(s), that transferor(s)/seller(s) is not required to pay estimated personal income tax to New York State under Tax Law, section 663. **Each** nonresident transferor/seller who qualifies under one of the exemptions below must sign in the space provided. If more space is needed, please photocopy this Schedule D and submit as many schedules as necessary to accommodate all nonresident transferors/sellers.

If none of these exemption statements apply, you must complete Form IT-2663, *Nonresident Real Property Estimated Income Tax Payment Form*, or Form IT-2664, *Nonresident Cooperative Unit Estimated Income Tax Payment Form.* For more information, see *Payment of estimated personal income tax,* on page 1 of Form TP-584-I.

Exemption for nonresident transferor(s)/seller(s)

This is to certify that at the time of the sale or transfer of the real property or cooperative unit, the transferor(s)/seller(s) (grantor) of this real property or cooperative unit was a nonresident of New York State, but is not required to pay estimated personal income tax under Tax Law, section 663 due to one of the following exemptions:

☐ The real property or cooperative unit being sold or transferred qualifies in total as the transferor's/seller's principal residence (within the meaning of Internal Revenue Code, section 121) from _____ (Date) to _____ (Date) *(see instructions).*

☐ The transferor/seller is a mortgagor conveying the mortgaged property to a mortgagee in foreclosure, or in lieu of foreclosure with no additional consideration.

☐ The transferor or transferee is an agency or authority of the United States of America, an agency or authority of the state of New York, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Government National Mortgage Association, or a private mortgage insurance company.

Signature	Print full name	Date
Signature	Print full name	Date
Signature	Print full name	Date
Signature	Print full name	Date

Department of Taxation and Finance

Change in Mailing Address for Certain Real Estate Transfer Tax Forms if Using a Private Delivery Service

TP-39
(1/17)

There has been a change to the address that must be used when submitting certain forms through a private delivery service rather than by U.S. Mail.

Send **Form TP-584**, *Combined Real Estate Transfer Tax Return, Credit Line Mortgage Certificate, and Certification of Exemption from the Payment of Estimated Personal Income Tax,* to:

NYS TAX DEPARTMENT
RETT PROCESSING UNIT
90 COHOES AVE
GREEN ISLAND NY 12183-1515

Send **Form TP-588**, *Cooperative Housing Corporation Information Return,* to:

NYS TAX DEPARTMENT
TDAB – TRANSFER TAX
90 COHOES AVE
GREEN ISLAND NY 12183-1515

See Publication 55, *Designated Private Delivery Services,* for information about establishing the date you filed, and for the address to use for other forms.

Department of Taxation and Finance

Important Notice to Home Buyers

TP-41
(6/16)

If you are buying residential property and you plan to make it your primary residence, you may be entitled to school tax relief through the New York State STAR credit. To receive this credit, you must register with the Tax Department after you have taken title to the property. To register or to get more information, visit our website at *www.tax.ny.gov* or call 518-457-2036. Do **not** file an application for the STAR "exemption" with your assessor, since new STAR exemptions will no longer be granted. School tax relief is now provided to new applicants through the STAR credit.