

## COMMUNITY BENEFITS AGREEMENT

This Community Benefits Agreement (the “Agreement”) dated as of June \_\_\_\_, 2005 is entered into by and among Atlantic Yards Development Co. LLC, a New York limited liability company, having an office at c/o Forest City Ratner Companies, One Metrotech Center North, Brooklyn, New York 11201 (the “Project Developer”); Brooklyn Arena LLC, a New York limited liability company, having an office at c/o Forest City Ratner Companies, One Metrotech Center North, Brooklyn, New York 11201 (the “Arena Developer”; collectively, the Arena Developer and the Project Developer, “Developers”), and the following entities also listed on Schedule 1 attached hereto (collectively, the “Coalition”):

- All-Faith Council of Brooklyn (AFCB);
- Association of Community Organizations for Reform Now (ACORN);
- Brooklyn United for Innovative Local Development (BUILD);
- Downtown Brooklyn Neighborhood Alliance (DBNA);
- Downtown Brooklyn Educational Consortium (DBEC);
- First Atlantic Terminal Housing Committee (FATHC);
- New York State Association of Minority Contractors (NYSAMC); and
- Public Housing Communities (PHC)

### WITNESSETH:

Whereas, the Arena Developer intends to construct a sports arena for the future home of the NBA franchise now known as New Jersey Nets (“Arena”), and the Project Developer intends to construct office, residential and retail buildings (collectively, the “Project”), all on the

property located in Brooklyn, New York as more particularly shown on Exhibit A attached hereto; and

Whereas, the Coalition and the Developers seek to maximize the benefits of the Project to residents of Brooklyn, as well as minority and women construction, professional and operational workers and business owners and thereby to encourage systemic changes in the traditional ways of doing business on large urban development projects; and

Whereas, pursuant to this Agreement the Coalition and the Developers will establish a comprehensive plan of job training programs, hiring initiatives, affordable housing and community facilities at the Project and within the Community for agreed upon mutual benefits; and

Whereas, pursuant to this Agreement the Coalition and the Arena Developer will seek to make the Arena an integral part of the Community by providing Community related activities and facilities.

Now, Therefore, for and in consideration of mutual promises herein contained, the parties agree as follows:

I. **DEFINITIONS.** As used in this Agreement, the following capitalized terms shall have the following meanings, unless otherwise noted. All definitions include both the singular and plural form.

“Affiliate” means: (a) any person that controls, is controlled by or under common control with Forest City Ratner Companies, and (b) any person that owns, constructs or manages any

building in the Project, of which Developer or one of its Affiliates as defined in clause (a) is a general partner or managing member.

“Affordable Housing” means: housing for various tiers of low, moderate and middle-income families as more particularly described in Section VI hereof.

"AMI" means: area median income for the New York primary metropolitan statistical area as determined by the United States Department of Housing and Urban Development from time to time for a household of a given size.

“Contractor” means: a prime contractor, subcontractor, or any other construction business entering into a contract related to the construction of the Arena or the Project.

“Community” means: the borough of Brooklyn, New York City, inclusive of the Neighboring Community and Surrounding Community, as herein defined.

“Development Phases” means: each phase of the Project, including the Arena, to be constructed by the Project Developer and Arena Developer as shown on the Phasing Map attached as Exhibit B hereto, as modified in accordance with Section III, Part H.

“Low-Income Individual” means: an individual earning, together with the other members of such individual’s household, less than 50% of the AMI for such individual’s household size.

“Minority” means: A United States citizen or permanent resident alien who can demonstrate membership in one of the following groups:

- Black persons having origins in any of the Black African or Caribbean racial groups;
- Hispanic persons of Mexican, Puerto Rican, Dominican, Cuban, Central or South American descent of either Indian or Hispanic origin, regardless of race;
- Native American or Alaskan native persons having origins in any of the original peoples of North America;
- Asian and Pacific Islander persons having origins in any of the Far East countries, South East Asia, the Indian subcontinent or the Pacific Islands;
- And such other individuals determined by the Executive Committee to be disadvantaged.

“Minority Owned Business (MBE)” means: a business that is at least 51% Minority owned and controlled.

“Moderate-Income Individual” means: an individual earning, together with the other members of such individual’s household, less than 80% of the AMI for such individual’s household size.

“M/WBE” means: individually or collectively, Minority Owned Business and Women Owned Business.

“Neighboring Community” means: Community Boards 2, 6 and 8 within the borough of Brooklyn, New York City.

“NYCHA Residents” means: an individual who resides in an apartment owned by the New York City Housing Authority (NYCHA) at the date of this Agreement located in the Neighboring Community including, but not limited to, the properties known as Ingersol, Whitman, Farragut, Atlantic Terminal, Wyckoff Gardens, Gowanus or Lafayette Gardens, all located in Brooklyn.

“Person” means: any individual, sole proprietorship, partnership, association, joint venture, coalition, limited liability company, charitable organization, corporation or any business form.

“Public Housing Complexes” shall mean, collectively, the properties owned by the New York City Housing Authority (NYCHA) at the date of this Agreement located in the Neighboring Community including, but not limited to, the properties known as Atlantic Terminal, Wyckoff Gardens, Lafayette Gardens, Ingersol, Whitman, Gowanus and Farragut houses.

“Surrounding Community” means: the two-mile radius of the Project site within Brooklyn.

“Unemployed Person” means: a person of at least 18 years old, who has been unemployed for a minimum period of 26 weeks, is available to work (except for temporary illness) and is not currently awaiting rehire to a job from which he/she has been temporarily laid off.

“Woman” means: a female citizen or permanent resident alien of the United States.

“Woman-owned Business (WBE)” means: a business that is 51% or more Woman-owned and controlled.

II. **TERM.** This Agreement shall commence on the date hereof and continue until either (i) the Developers abandon their efforts to acquire or lease from the Metropolitan Transportation Authority and to obtain a rezoning of the Project site for large-scale development, or (ii) thirty (30) years from commencement of construction of the first residential building to be constructed by Project Developer or its Affiliates at the Project.

III. **GOVERNANCE AND OVERSIGHT.**

A. EXECUTIVE COMMITTEE. To assist with implementation of this Agreement and facilitate an ongoing dialogue between the Coalition and the Developers, the Coalition and the Developers shall establish a working group to be known as the Executive Committee, to be comprised of representatives from the Coalition members and the Developers. This Executive Committee shall be created upon execution of this Agreement and shall meet bi-monthly, unless it is determined by the representatives that less frequent meetings are appropriate. The representatives shall establish rules for governing the Executive Committee. Each Coalition member shall have one vote and the Developers jointly will have one vote. The Developers shall be entitled to have non-voting representatives participate in the meetings of the Executive Committee.

B. DESIGNATION OF IMPLEMENTATION ROLES. Benefits within this Agreement are organized into eight categories: (1) housing; (2) workforce development-including job development and training, placement, retention and advancement initiatives; (3) small business development; (4) community facilities and amenities; (5) environmental

initiatives; (6) public housing initiatives, (7) faith-based referral services and (8) educational and related services. To facilitate the Developer's implementation of its obligations under this Agreement the following Coalition members will govern the specified component and provide the following services:

ACORN- As further described in Section VI, coordination, management, implementation and continuous oversight of the Affordable Housing Component of this Agreement. ACORN will form and facilitate a Housing Council to establish an ongoing mechanism for community input towards a stable, mixed-income set of residential buildings.

BUILD- As further described in Section IV and V: (1) Coordination, management, implementation and continuous oversight of the Workforce Development (job development, training, placement, retention and placement initiatives) component of this Agreement. BUILD will form and facilitate a Workforce Development Council to establish an ongoing mechanism for community input towards strengthening the employability of the existing labor market.

(2) Coordination, management, implementation and continuous oversight of the Small Business Development component of this Agreement, in conjunction with NYSAMC. BUILD and NYSAMC will form and facilitate a Small Business Development Council to establish an ongoing mechanism for community input towards competitive economic growth and maximized consumer choice.

DBNA- As further described in Section VII, coordination, management, implementation and continuous oversight of the Community Facilities and Amenities component

of this Agreement. The DBNA will form and facilitate a Community Facilities and Amenities Council to establish an ongoing mechanism for community input to achieve its objectives.

FATHC- As further described in Section VII, coordination, management, implementation and continuous oversight of the Environmental Assurances component of this Agreement. FAHTC will form and facilitate a working group to establish an ongoing mechanism for community input to achieve its objective.

AFCB- AFCB will form and facilitate an All-Faith Council, which shall be representative of the religious diversity within the Community, to establish an ongoing mechanism for community input for referrals to the jobs, housing and other programs created by this Agreement.

NYSAMC- As further described in Section V, coordination, management, implementation and continuous oversight of the Small Business Development component of this Agreement with BUILD.

PHC- As further described in Section IX, coordination, management and continuous oversight of the Public Housing component of this Agreement. PHC will form and facilitate a Public Housing Council to establish an ongoing mechanism for community input to achieve its goals of inclusion of NYCHA Residents throughout all aspects of this Agreement.

DBEC- As further described in Section X, coordination, management and continuous oversight of the educational component of this Agreement.

C. GOVERNING COUNCILS. The Executive Committee shall initially establish eight (8) Councils, as described in Section III, Part B above, to execute the objectives of this Agreement. Each Council will consist solely of Coalition members and representatives appointed

by the Governing Coalition member and shall report to the Executive Committee. Each Council shall be governed by the designated Coalition member described below, who must approve of any Council action. All Coalition organizations are ex officio members of all Councils. The Councils shall advise the Executive Committee on the specific initiatives and areas assigned to them. The Councils and the designated governing Coalition member are as follows:

Housing Council – ACORN

Jobs Development Council – BUILD

Small Business Council – BUILD and NYSAMC

Community Facilities and Amenities Council – DBNA

Environmental Council- FAHTC

Public Housing Council- PHC

All Faith Council- AFCB

Brooklyn Educational Council- DBEC

The management of the Councils will be facilitated by the appropriate Governing Coalition member.

D. INDEPENDENT COMPLIANCE MONITOR. As soon as reasonably practicable after formation of the Executive Committee, the Executive Committee shall publish a Request for Proposals (“RFP”) to qualified, independent persons or entities with experience in

overseeing compliance with similar arrangements or who have other experience deemed by the Executive Committee to be sufficiently relevant. The terms of employment and evaluation shall be determined by the Executive Committee. Such Independent Compliance Monitor (“ICM”) shall be selected and hired by the Executive Committee, at an annual payment of up to \$100,000 to be paid by the Project Developer, and shall be responsible for oversight of the Project Developer’s, Arena Developer’s and Coalition members’ obligations under this Agreement, investigation of any complaints brought against the Developers or a Coalition member regarding implementation of this Agreement and review of the Developers reports required under Article X (the “Developer Reports”). After review of the Developer Reports, the ICM shall provide a report to the Executive Committee and the DBOAC, as defined below, on the status of the implementation of all initiatives. The Developers and the Coalition shall comply with all requests for information and records that the ICM reasonably determines is necessary to fulfill its duties.

E.       ESCROW ACCOUNT.       At the commencement of this Agreement, the Project Developer shall deposit \$100,000 into an interest bearing escrow account to be maintained at Carver Federal Savings Bank. Such funds shall be used solely for the compensation of the ICM, and shall be replenished by the Project Developer, as necessary, to maintain a minimum balance of \$100,000. Upon expiration or termination of this Agreement, the current ICM’s employment will be terminated and all funds in the escrow account shall revert to the Project Developer.

F.       DBAOC.   The Downtown Brooklyn Advisory and Oversight Committee (“DBAOC”) shall be the community liaison for the Arena and the Project and shall provide

periodic status reports to the Community on compliance by the Developers and the Executive Committee with this Agreement.

G. PROJECT IMPLEMENTATION PLAN. (1) Upon signing of this Agreement, the Developers, in consultation with the Coalition members, shall create a manual for the implementation of the programs and goals described in this Agreement (the “Project Implementation Plan”). Developers will prepare the sections of the Project Implementation Plan that relate to programs for which a Coalition member is designated pursuant to Section III, Part B, in close collaboration with such Coalition member, including through regular meetings and exchange of drafts.

(2) Developers shall submit the Project Implementation Plan, as approved by Developers and the designated Coalition members, for comment by the Executive Committee within 120 days from the date hereof. Upon presentation and adoption by the Executive Committee, the Project Implementation Plan will become a part of this Agreement and the ICM shall use the Project Implementation Plan as a tool for judging the Developers’ and Coalitions’ progress in achieving the objectives set forth in this Agreement and the Project Implementation Plan.

H. DEVELOPMENT PHASES. The Developers may change the Development Phases in their sole discretion prior to commencement of the first Development Phase; provided that they shall provide advance notice to the Executive Committee as soon as reasonably practicable.

#### **IV. WORKFORCE DEVELOPMENT- JOBS DEVELOPMENT AND LOCAL EMPLOYMENT INITIATIVE.**

A. PURPOSE. (1) The purpose of this Section is to establish strategies and implement workforce development initiatives that address the problem of long-term disproportionately high unemployment within the Community. Programs under this initiative will establish training, hiring and referral initiatives for pre-construction, construction and permanent jobs for Minority and women, Low Income and Moderate Income Individuals. Programs in this initiative shall feature a continuum of workforce development services for Unemployed Persons including job readiness, skills development, career ladder programs and incumbent worker training.

(2) The Project Implementation Plan, referred to in Section III, Part G of this Agreement, shall include expansion of the launch initiatives for this component into a continuum of workforce development services for employers, job seekers and incumbent workers. The Project Implementation Plan will also include a sustainability strategy for on-going services for tenants, job seekers and incumbent workers.

(3) Priority for all enrollment opportunities in the initiatives established pursuant to Section IV, Part B(1) and (3) and Part C(1) below, will be given in the following order of priority, to the extent permissible by law:

- (a) NYCHA Residents, as defined in this document,
- (b) Low Income Individuals residing in the Neighboring Community,
- (c) Moderate Income Individuals residing in the Neighboring Community,
- (d) Low Income Individuals residing in the Surrounding Community,

- (e) Moderate Income Individuals residing in the Surrounding Community,
- (f) Low Income Individuals residing in the Community generally, and
- (g) Moderate Income Individuals residing in the Community generally.

(4) The Developers, working with BUILD, shall seek and obtain support for the management, implementation and development of the workforce development strategies and initiatives. The following will apply to all of the initiatives contained in this Section IV:

- professional development for staff;
- development, enhancement and maintenance of a technological infrastructure that promotes efficient program operations;
- longitudinal studies and program evaluations to refine strategies and foster continuous improvement of implementation;
- dissemination of information about outcomes and best practices; and
- innovative outreach and marketing practices.

B. CONSTRUCTION. The Developers will use good faith efforts to meet the overall goal during construction of the arena and the Project of employing, or causing to be employed, not less than 35% Minority and 10% women construction workers, of which 35% of each category shall have the status of journey level worker. In order to achieve this goal, the Developers shall work with BUILD to establish the following programs:

1. Pre Apprentice Training.

a. Commencing upon execution of this Agreement, Developers and BUILD shall initiate and coordinate a job training program to train Community residents for construction jobs within the Arena and Project, and as necessary, to assist those residents with obtaining GED certificates. The Developers and BUILD shall make every effort to enroll Community residents according to the priority specified in Section IV, Part A(2) above. Developers shall assist BUILD in finding suitable space within the Community to operate this program. The Developers and BUILD will seek and secure adequate public and/or private funding for this initiative. A general framework for the implementation of this initiative is attached hereto as Exhibit C.

b. If, at completion of construction of each Development Phase, the ICM determines that the relevant Developer has not adequately fulfilled its obligations under this initiative, such Developer shall pay to the Executive Committee, as liquidated damages for such failure, in accordance with Section XIII, Part C below, the sum of \$500,000 to be used by BUILD to fund the Pre-Apprentice Training initiative. Upon making such payment, all of the Developer's obligations under this Section for the Development Phase at issue shall terminate.

2. Project Labor Agreement. Developers intend to negotiate with the NYC Building Trades Council ("Trades Council") to enter into a Project Labor Agreement ("PLA") for the Arena and the Project to provide for uniformity of wages and benefits and to promote employment of Community residents. It is the intention of the Developers that the Trades Council will accept workers from the Pre-Apprentice Training initiative into the Trade Council's apprentice program.

3. Construction Workers Labor Exchange. The Developers will incorporate the Project requirements into the existing Community Labor Exchange initiative (“CLE”) operated by The Darman Group Inc. and will work with community-based organizations and trade associations to compile a list of unemployed union members who are Community residents. Subject to availability of qualified workers within the Community meeting the priority targets set forth in Section IV, Part (B) above, and to the terms of the PLA, Developers shall require all construction contractors and subcontractors working at the Arena and/or the Project to hire a portion of its workforce through the CLE.

C. PERMANENT.

1. Customized Job Training and First Source Hiring Referral Service.

a. Commencing upon execution of this Agreement, the Project Developer will introduce BUILD to tenants located in buildings owned by Affiliates of Project Developer in Brooklyn, including, within a reasonable time, at the Arena and on the Project site, to discuss establishing an initiative to target Community residents, as detailed pursuant to Section IV, Part (A)(3) above for (i) specialized training, and (ii) a first source hiring system for referral of said residents as jobs become available. Prior to hiring, tenants may request that BUILD provide specialized job training for applicants they intend to hire tailored to the tenants’ particular needs. At an appropriate time, the Project Developer will meet and confer with BUILD regarding providing reasonable space for the duration of the initiative, but the Project Developer may decide in its sole and absolute discretion on the terms it would be willing to provide such space. The Project Developer and BUILD will work to seek and secure public and/or private funding for this program. A general framework for the implementation of this

initiative is attached as Exhibit E, and will be further developed in the Project Implementation Plan.

b. If, during its annual review, the ICM determines that the Developers have not adequately fulfilled their obligations under this Section V of this Agreement, BUILD may seek enforcement pursuant to Section XIII of this Agreement.

2. Professional Services Employment. The Developers will require that all professional service firms employed by the Developers have adopted appropriate diversity policies and will work with such firms to foster the hiring and promotion of qualified Minority and women professional employees and, to the extent feasible, to have such employees work on matters related to the Arena and the Project. In awarding this work Developers shall give preference to those professional service firms that have demonstrated a commitment to the goals of hiring and promoting qualified Minority and women professionals.

D. SCHOOL FOR CONSTRUCTION MANAGEMENT AND TRADES. The Developers agree to work with BUILD, trade unions, local universities, local community groups and elected officials towards the creation of a High School for Construction Management and Trades to be located preferably within the Neighboring Community, and if not, then within the Surrounding Community and, if not, then elsewhere within the Community somewhere within Brooklyn. The creation of such a High School will be subject to public and/or private funding.

## V. **SMALL BUSINESS DEVELOPMENT AND CONTRACTING.**

A. PURPOSE. (1) The purpose of this Section is to foster the successful growth and establishment of Minority and women owned businesses (“MWB”) and to create opportunities for the M/WBEs to benefit from the economic activity generated by the Arena and the Project.

(2) The Developers, working with BUILD and NYSAMC, shall seek and secure support to ensure the adequacy of resources for the management, implementation and development of the business development strategies and initiatives. The following will apply across all initiatives contained in this Section V:

- professional development for staff;
- development, enhancement and maintenance of a technological infrastructure that promotes efficient program operations;
- longitudinal studies and program evaluations to refine strategies and foster continuous improvement of implementation;
- dissemination of information about outcomes and best practices; and
- innovative outreach and marketing practices.

B. PRE-CONSTRUCTION SERVICES.

(1) Upon execution of this Agreement, Developers will seek to award not less than five (5%) percent of the total dollar value of pre-construction service contracts for each Development Phase of the Arena and the Project to Minority owned professional service firms and three (3%) percent of the total dollar value of pre-construction service contracts for each Development Phase to Women owned professional service firms. These services shall include architectural, engineering, legal, financial and other consulting services.

(2) Within a reasonable time after execution of this Agreement, Developers, BUILD and NYSAMC, shall work with local high schools, colleges and universities, as well as M/WBEs, to establish internships, specialized classes and mentoring initiatives to train Minorities and women for work in these employment areas and to gain related experience through work on the Arena and the Project.

C. CONSTRUCTION SERVICES. Developers will seek to award not less than twenty (20%) percent of the total construction contract dollars of each Development Phase to qualified Minority owned firms and not less than ten (10%) percent of the total construction contract dollars for each Development Phase to qualified women owned firms. Preference will be given to Community based firms, with special emphasis on Minority and women owned businesses in the pre-bidding, bidding and post-bidding processes. Developers will work with BUILD and NYSAMC, Minority and women owned business associations, especially Brooklyn based associations and the Minority Business Leadership Council and Professional Women in Construction, to identify qualified businesses to meet these goals.

D. POST-CONSTRUCTION SERVICES. The Developers will seek to award not less than twenty (20%) percent of total contract dollars of post-construction purchasing and service contracts (excluding contracts awarded to Affiliates of Developers) to qualified M/WBEs, including contracts for food and beverages and other concession activities at the Arena. BUILD and NYSAMC will sponsor capacity enhancement, loan referral and technical assistance training initiatives to help M/WBEs qualify.

E. ASSOCIATE RELATIONSHIPS. Upon signing of this Agreement, Developers shall begin to consult with BUILD and NYSAMC to identify qualified Minority and women

owned businesses to satisfy the conditions of this Section V. The process for identifying and awarding contracts shall be included in the Project Implementation Plan, to be created pursuant to Section III, Part G hereof. Prior to commencement of the bidding process for each Phase of Development, if after Developers provide reasonable opportunity for adequate input by BUILD and NYSAMC, Developers determine it is not feasible to directly award all of the work specified in this Section V to M/WBEs, the Developers shall seek to establish “associate relationships” between the prime consultants and M/WBEs.

F. LEASING. The Project Developer will seek to initially lease not less than fifteen (15%) percent of the gross retail leasing space available in each Development Phase of the Project, to qualified Community based businesses, with special preference to M/WBEs. The Project Developer will be entitled to consider the history and past success of the proposed tenant and its business, as well as the type of business and its ability to enhance the overall Project. For qualified Community based retail businesses that relocate or open additional stores in the Project, the Project Developer will provide below-market rents during the initial lease years and financial assistance with initial build out expenses. In addition, the Project Developer will provide assistance in identifying and securing financing and sources of public financial guarantees and benefits.

G. MWB PROGRAM. The Developers will identify a group of selected M/WBEs awarded, or expected to be awarded, contracts at the Arena and/or the Project to be part of a program to help the firms expand and become eligible for increasingly more substantial contract awards over the life of the Arena and the Project. The selection of the firms shall be determined by the Developers, at their discretion, but in collaboration with BUILD, NYSAMC, the Minority Business Leadership Council and Professional Women in Construction and others as BUILD,

NYSAMC and the Developers shall mutually agree upon. This initiative will seek to make available to the selected M/WBEs, the following assistance:

- targeted outreach within the Community to Community-based small businesses and relevant business organizations;
- “Meet the General Contractor” meetings for Community-based small businesses;
- unbundling of construction projects into bid sizes that will allow small businesses level competition, without impacting the Project timelines;
- assistance with access to bonding, insurance, procurement and other types of capacity-related assistance where necessary.

(1) Loans. The Developers, in coordination with the New York City Department of Small Business Services, BUILD, NYSAMC and other relevant small business assistance/finance organizations, will attempt to put together a consortium of lenders to provide a low-interest working capital revolving loan pool to assist Community based M/WBEs small businesses seeking to: (a) perform work related to the Arena and/or the Project; and/or (b) operate franchises or provide services in the Arena. The Developers, BUILD and NYSAMC shall also work with M/WBEs to attempt to obtain other sources of available credit or guarantees, including through the NYC Small Business Administration.

(2) Technical Assistance and Education. The Developers, in collaboration with BUILD and NYSAMC, will establish a series of workshops to assist and educate the selected M/WBE in the preparation of loan applications, understanding bank underwriting criteria, and training in basic financial management concepts, including, building equity, maintaining

adequate working capital, managing growth and other issues critical to the growth and financial stability of the businesses.

H. MINORITY/WOMEN AND COMMUNITY-BASED DEVELOPER INITIATIVE. The Developers will work with M/WBEs and Community Based developers representing potential development opportunities in locations throughout the City of New York, with an initial preference given to Brooklyn based development, to help them expand their business through providing technical assistance, access to financing, and providing resources and overall expertise to ensure that the next generation of real estate professionals are reflective of the diversity of the City of New York. BUILD and NYSAMC will collaborate with the Developers to identify candidates and implement strategies to promote the successful participation of firms through this initiative.

I. MBA INTERN INITIATIVE. The Developers, BUILD and NYSAMC will implement an initiative whereby small businesses are paired with an MBA intern from collaborating college and graduate business schools to foster capacity and growth development among small businesses engaged or seeking to be engaged in the Arena and/or the Project. The Developers will work with BUILD to seek and secure public and/or private funding for this program. The general framework for the implementation of this initiative is attached hereto as Exhibit C.

J. NON-PERFORMANCE. If, during the annual review, the ICM determines the Developers have not adequately fulfilled their obligations under this Section V of this Agreement, BUILD and/or NYSAMC may seek enforcement pursuant to Section XIII of this Agreement.

## VI. HOUSING

A. PURPOSE. The Developer and the Coalition will cooperate to include long-term affordable housing in the residential portion of the Project in order to stem the growing trend of displacement through gentrification in Brooklyn.

B. AFFORDABLE HOUSING PROGRAM.

(1) The Project Developer will make 50% of the residential units built at the Project affordable to low- and moderate-income families in accordance with the ACORN/Forest City 50-50 Program described in the Memorandum of Understanding, dated May 17, 2005 (the “MOU”), between ACORN and the Project Developer attached as Exhibit D hereto (the “50-50 Program”). Exhibit D contains three scenarios for the 50-50 Program with different income tiers for the moderate-income units and per unit subsidy assumptions.

(2) As provided in the MOU, Project Developer and ACORN will work together to secure necessary modifications to existing affordable housing programs and policies in order to accomplish the 50-50 Program and ACORN (with the participation of other Coalition members as appropriate) will appear with the Project Developer before government agencies, community organizations and the media as part of a coordinated effort to realize and advance the Project, including the 50-50 Program. In the event that Project Developer and ACORN determine once there is definitive information regarding:

- (a) the costs of acquiring and developing the Project allocated appropriately between the residential portion of the Project and the rest of the Project,

(b) the amount of governmental contributions for site development and affordable housing subsidies for the Project, and

(c) the net proceeds from the sale of condominium units at the Project

that the 50-50 Program cannot be accomplished in accordance with Scenario A-1, Project Developer and ACORN will cooperate to make revisions to Scenario A-1 to permit the 50-50 Program to proceed as closely as possible to Scenario A-1. If following such effort, Project Developer and ACORN agree that the Project cannot be accomplished in accordance with Scenario A-1, Project Developer will implement the 50-50 Program in accordance with Scenario A-2; provided that if Project Developer and ACORN agree that the 50-50 Program cannot be accomplished in accordance with Scenario A-2, Project Developer and ACORN will cooperate to make revisions to Scenario A-2 to permit the 50-50 Program to proceed as closely as possible to Scenario A-2, Project Developer will implement the 50-50 Program in accordance with Scenario A-3.

(3) Project Developer will make the designs and plans (and material modifications thereto) for the housing to be built at the Project available to the Housing Committee (which may be shared with the Executive Committee), and the Housing Committee (or at the Executive Committee's request, the full Executive Committee) will have a reasonable opportunity to review and comment on the designs and plans before they are submitted for required governmental approvals. Project Developer will also make available to the Housing Committee budgets for the construction and operation of the housing at the Project (and material modifications thereto); provided that Project Developer may satisfy this obligation by providing this information to ACORN subject to the confidentiality provisions set forth in the MOU.

Project Developer will not announce or agree to any material modifications to the 50-50 Program without the prior approval of ACORN and in accordance with this Section VI, Part B.

(4) Project Developer (and any successor owner or lessee of any building in the Project) will maintain income and rent restrictions on each unit of rental affordable housing in the Project so that such unit remains affordable for the income tier for which such unit was created in accordance with this Section VI and Exhibit D for a period of thirty years after such unit is first placed in service. The goal of the Project Developer shall be to maintain the affordability of the units for the term and income tiers specified above and, accordingly, rent increases applicable to both continuing tenants and vacancies will be consistent with this goal and maintaining the economic viability of the Project. ACORN and Project Developer will develop together the term and mechanism for long-term affordability restrictions on for sale affordable units consistent with any applicable governmental programs.

C. SENIOR HOUSING. The Project Developer intends to provide for ten (10%) percent of rental units at the Project to be available to senior citizens. The Project Developer may elect to include these units in one or more buildings as it deems appropriate taking into consideration the special needs of such residents.

D. RELOCATED FAMILIES.

(1) The Project Developer will provide all residential tenants currently renting and legally occupying a legal residential dwelling unit as their primary residence within the Project site and (a) who are in good standing under the terms of a valid written lease agreement, which is in full force and effect, at such time as their premises are scheduled to be impacted by construction of the Project and (b) who have resided in such residence for at least one (1) year

prior to the date of this Agreement, with reasonably comparable living space in a new unit within the Project, at their then current rent and a reasonable relocation allowance. For the purposes hereof, a “reasonably comparable living space” shall mean an apartment with approximately the same square footage and number of bedrooms as such tenant’s existing unit which is on a floor that is no lower than the floor of such existing unit. If a reasonably comparable space at the same rent is not available, the Project Developer shall pay the difference in rent for a reasonably comparable living space outside of the Project area, which will to the extent reasonably practicable be in the Neighboring Community (or such other community acceptable to the displaced persons and the Project Developer) until such time as a unit is made available in the Project on then comparable rental terms (giving effect to standard cost of living increases or rent stabilization/control increases, as applicable) and a reasonable relocation allowance for the initial move and subsequent move into the Project.

(2) To the extent permitted by law, priority shall be given to selecting relocated tenants for affordable units in the Project. Notice of availability of affordable units shall be given to such relocated persons.

## **VII. COMMUNITY AMENITIES AND FACILITIES**

A. PURPOSE. The Project Developer, the Arena Developer and DBNA seek to create a vibrant community of all ages and income levels and provide for the enhancement of life for residents of the Project by providing needed community benefits which will include, but not be limited to, in addition to the High School referred to in Section IV, Part D above, a community health center, a senior citizens center, parks and open spaces and Arena related programs. In addition, in recognition of the value that the Project places on children and

children's services, a portion of this community will be reflected as a Children's Zone which will include a child care and youth center.

B. HEALTH CARE CENTER.

(1) The Project Developer and the DBNA will work with an appropriate health care provider that will operate a community health care center to be located within a building at the Project. The center shall provide comprehensive quality primary care at client convenient hours, and will include a health care clinic, health promotion center for providing information and education to patients, a health library, and screening and wellness center.

(2) The Project Developer will consult with DBNA and the health care center program providers and solicit their input into the design of the center, which shall be in accordance with the physical guidelines of the New York City Department of Health and other applicable city agencies. To facilitate meaningful input into the design of the health care center, the Project Developer will make the designs and plans for the center to be built at the Project available to the DBNA for review and comment in accordance with the process more specifically detailed in the Project Implementation Plan referred to in Section III, Part G herein. The Project Implementation Plan shall require that such designs and plans will be submitted to the DBNA by the Project Developer as soon as they are completed to the satisfaction of the Project Developer, and in any event no later than 45 days before they are submitted for governmental approval for a building permit.

(3) In an attempt to provide the programs under the Community Amenities and Facilities section of this Agreement at costs affordable to low-income families, the Project Developer will provide the space for the community health care center at rent and terms to be agreed upon. The

Project Developer may provide, at its expense, the initial tenant build out, which may be recovered during later lease years from the health care provider upon the provider obtaining sufficient public or private funds, to the extent that such remuneration is not detrimental to the operation of the center.

(4) The Project Developer will schedule meetings with the DBNA, to begin no later than 30 days after the signing of this Agreement, the purpose of which will be to secure a sufficient amount of funding to accomplish the appropriate research, networking and ground work for the community health center. This will require that the Project Developer, working with the DBNA, will seek and secure funding streams, set up meetings with various foundations, health care providers, and elected officials, and/or engage in other related work necessary to ensure that the community health care center initiative becomes a viable and functioning enterprise. While it is understood that the Project Developer will continue to work with and assist DBNA in the implementation of the health care center initiative, except as otherwise provided in this Agreement or the Project Implementation Plan, the Project Developer shall have no obligation to provide on-going operational funding to the health care center.

C. INTERGENERATIONAL COMMUNITY PROGRAM INITIATIVE.

(1) The Project will emphasize the benefits of intergenerational contact by encouraging senior citizens to interact with, and participate in the care of, children and youth living within the Community. To facilitate that contact, the child care center, youth center and senior center, each described below, shall be housed within a free standing building at the Project, provided the Project design guidelines, construction requirements and environmental considerations permit,

or, alternatively, the centers shall occupy a prominent space within a building at the Project connected by an atrium or common space.

(2) The Project Developer and the DBNA will work with an appropriate child care provider, youth care provider and senior center provider, respectively, that will operate the child care, youth and seniors centers. The Project Developer will consult with DBNA and each program provider and solicit their input into the design of the centers, which design shall be in accordance with the physical guidelines of appropriate New York City agencies. The Project Developer will make the designs and plans for the childcare, youth and senior centers to be built at the Project available to the DBNA for review and comment in accordance with the process more specifically detailed in the Project Implementation Plan referred to in Section III, Part G herein. The Project Implementation Plan shall require that such designs and plans will be submitted to the DBNA by the Project Developer as soon as they are completed to the satisfaction of the Project Developer, and in any event no later than 45 days before they are submitted for governmental approval for a building permit.

(3) To ensure that the programs under the child care, youth and senior centers remain affordable to low-income families, the Project Developer will provide the space for the child care, youth and senior centers at reasonable rent and terms to be agreed upon. The Project Developer shall provide, at its sole expense, the initial tenant build out, which will be recovered or upon the providers obtaining sufficient public or private funds for the purpose of repaying build out costs, or during later lease years, to the extent that such remuneration is not detrimental to the operation of the center. Such funds shall not include one time grants to the child care,

youth or senior centers for the purpose of acquiring furniture, fixtures and equipment to operate the centers.

(4) The Project Developer will schedule meetings with the DBNA, to begin no later than 30 days after the signing of this Agreement, the purpose of which shall be to ensure the availability of a sufficient amount of funding to accomplish the appropriate research, networking and ground work for the Intergenerational Community Program initiative. This will require that the Developer, working with the DBNA, to seek and secure funding streams, set up meetings with various foundations and elected officials, and other related work necessary to ensure that the childcare, youth, and senior centers are viable and functioning enterprises. While it is understood that the Project Developer will continue to work and assist DBNA in the implementation of the Intergenerational Community Program initiative, except as otherwise provided in this Agreement or the Project Implementation Plan, the Project Developer shall have no further obligation to provide on-going funding assistance to the childcare, youth and senior center programs.

(5) Upon signing of this Agreement, the Project Developer will work with DBNA to seek funding to secure staff necessary to accomplish the appropriate research, networking and ground work. This may mean seeking additional funding sources, setting up meetings with various foundations and elected officials as well as other related work necessary to ensure that the intergenerational center initiative is a viable and functioning enterprise.

D. PARKS AND OPEN SPACE.

(1) Project Site. The Project Developer shall include in the Project approximately six (6) acres of open space for use by the public free of charge. Open space may include plazas,

walkways, terraces, fountains and lawns, as the Project Developer determines is in the best interest of the Project.

(2) Community Open Space. In order to comply with New York State's Environmental Quality Review Act the appropriate State agency is required to prepare an Environmental Impact Statement (the "EIS") to analyze potentially adverse environmental impacts of the Project. The EIS for the Project shall analyze the existing open spaces, the impact of the Project on such open spaces and shall provide for mitigation measures in the event the Project is determined to have an adverse environmental impact. In addition, the Project Developer shall assist local community groups in obtaining public or private financing for the improvement of local parks and recreation areas throughout the Community. The Project Developer shall work with the DBNA and the New York City Parks Department to identify appropriate parks and recreational facilities within the Community.

E. ARENA RELATED PROGRAMS. The Arena Developer seeks to make the Arena an integral part of the Community by providing the following:

(1) Events. The Arena will be available to Community groups for at least ten (10) events per year, at a reasonable rate, with net proceeds from such events to be used to support non-profit community organizations.

(2) Tickets. The Arena Developer will designate one (1) box and four (4) seats within the lower bowl, and fifty (50) seats in the upper bowl, for community use with priority given to seniors and youths for all events throughout the year. As more fully detailed in the Project Implementation Plan described in Section III, Part G, the Arena Developer, in conjunction with

the DBNA, will establish the terms and conditions of a program governing discounted Senior Citizen Nets general admissions ticket purchases.

(3) Meditation Room. Upon completion of the Project, located inside the Arena will be a meditation room to be used by the Community and patrons. As will be more fully described in the Project Implementation Plan described in Section III, Part G, DBNA will work with the Arena Developer to design this room for structured programs and services under the supervision and guidelines of the DBNA's committee on Arena Related Programs, described below.

(4) DBNA's Arena Related Programs. DBNA and the Arena Developer will create an office of Arena Related Programs ("ARP") to begin operations at the start of the groundbreaking of the Arena. ARP will work cooperatively with Community based organizations to develop and organize activities and events scheduled to take place at the Arena during the days allotted for Community use as described above. In coordination with the programming staff of the Nets and the Arena, ARP will be responsible for all scheduling and monitoring of events. As will be more fully detailed in the Project Implementation Plan described in Section III, Part G, DBNA and the Arena Developer will establish systems and procedures for distributing tickets and other benefits in accordance with this Agreement, to be implemented by ARP. Upon completion of construction, the office for ARP will be located in a building on the Project site.

(5) Additional Programs. To further broaden the scope of how the Arena can be used to effect change in the Community, DBNA, through its ARP office will work with the NYC public schools in Brooklyn that appear on the Department of Education's "SURR" (Schools Under Registration Review) List. This "list" represents schools that have fallen below grade levels in math and reading and schools that have an unacceptable number of graduating seniors.

In light of the fact that currently of the 114 schools that appear on this list 88 of them are located in Brooklyn, DBNA will seek to build celebration programs that target students and teachers in schools on the SURR list located in Brooklyn. DBNA will work with programs including but not limited to the following:

- Hosting of an annual Community Luncheon & Celebration built around presenting a “..... of the Year” award honoring the following categories: students, teachers and principals. Ten (10) schools represented above will receive a block of 10 tickets, to be distributed at their discretion, to the Nets game the night of the annual event. ARP will contract with event planners to organize and orchestrate the annual Community Luncheon & Celebration Event. The Arena Developer will use its influence to solicit funding/sponsors to underwrite this event. The event will be used to foster wholesome relationships between the Arena Developer, the Nets and the Community. The event will be sponsored by DBNA and the Arena Developer.
- The Valedictorian and Salutatorian of each Brooklyn school on the “SURR” List will be invited to the Arena for dinner and to watch a Nets game from the aforementioned community box.
- The Nets team members and arena sponsors will be solicited to participate in these programs and celebration.

(6) Foundation. No later than 30 days after the signing of this Agreement, the Arena Developer shall begin to work to establish or cause to be established a not for profit foundation,

to be funded by the Arena, as well as annual, and other, fund raising events. The purpose of the foundation shall be to fund sports programs in disadvantaged communities as well as to support non-profit community organizations, and to help fund DBNA's programs including special initiatives to work with the prison population, with a percentage set aside for people in crisis. The Arena Developer agrees that no changes that would adversely affect the terms of this Agreement will be made to the foundation without advance notice to DBNA.

(7) Project Gallery. The Developers shall work with DBNA to create an educational and informational gallery, at a location within the Project to be agreed upon, which shall document and celebrate the process of creating this Community Benefits Agreement. The Developers shall work with DBNA to seek and obtain public and/or private funding to support this gallery and on-going exhibits. This gallery shall be separate and distinct from any other gallery or museum located at the Project.

(8) Parking. To the extent feasible, the Arena Developer shall permit local religious groups to use the parking facilities at the Arena on days when the Arena is not in use.

## VIII. ENVIRONMENTAL ASSURANCES

A. PURPOSE. The purpose of this Section is to encourage involvement from the Surrounding Community on potential environmental issues caused by development of this Project and to provide a vehicle to address specific concerns.

B. WORKING GROUP.

(1) Upon execution of this Agreement, the Developers will work with FATHC to establish a Committee on Environmental Assurances to address short and long term

environmental issues that may affect the Surrounding Community as a result of development of the Arena and the Project.

(2) If requested by the Environmental Assurances Committee, the Developers shall work with FATHC to seek and secure public and/or private funding to pay the reasonable expenses of the working group of this committee, in order to provide: an appropriate meeting space within walking distance of the Project, postage and phone communications, webhosting services for a community webpage and message board dedicated to the Project, and the services of an administrative staff to update the community webpage on a regular basis.

(3) The Developers shall be notified of all meetings of the working group. A representative of the Project Developer shall be made available for all meetings of the working group, although the Working Group may meet without the Developers if it so chooses.

C. MITIGATION MEASURES. As will be further described in the Project Implementation Plan, the Developers shall consult with FATHC to determine appropriate mitigation measures that will address the concerns of the Community regarding environmental impacts caused by the development of the Arena and the Project, including, but not limited to: an on-site and off-site rodent abatement program; a staging plan for construction that minimizes the effects of idling trucks; a pedestrian and vehicular traffic plan; and encouragement of all contractors to use low sulfur diesel in trucks operating at the Project. In addition, the Developers shall adopt prudent environmentally sound building practices that will take into consideration the goal of promoting sustainable development in an energy efficient manner. The Developers shall notify the Coalition of their ongoing plans and mitigation measures. It is understood that the Project's environmental impact statement and review process is administered by the State. All

potential environmental mitigation measures, the cost to implement such measures, and the party deemed responsible for their compliance is ultimately determined by the State. Therefore, the Developer shall be in compliance with this Agreement by following the state mandated process.

D. FAILURE TO COMPLY. If, during the annual review, the ICM determines that the Developers have not adequately fulfilled their obligations under Section VIII of this Agreement, FATHC may seek enforcement pursuant to Section XIII hereof.

#### **IX. PUBLIC HOUSING COUNCIL.**

A. PURPOSE. The Developers will work with PHC to ensure that NYCHA Residents are included in all aspects of this Project. Developers and PHC will establish a Public Housing Council that will work with NYCHA Residents to ensure full participation in the programs and benefits of this Agreement.

B. PRIORITY. Residents of the Public Housing Complexes will be given priority stated in Section IV, Part A(2) in all aspects of this Agreement to the extent permissible by law.

C. GOOD NEIGHBOR PROGRAM. The Project Developer will work with PHC to establish a “Good Neighbor Program”, as further described in the forthcoming Project Implementation Plan, to benefit NYCHA and Community residents by performing services, or providing funds, at its discretion, for capital improvement projects and community programs, including, but not limited to, improvements to libraries, gyms (and other athletic facilities) and music or community rooms, as well as camp or school scholarships and mentorship programs. Developers and PHC shall work together to publicize this program and to encourage other

Community-based businesses to join in supporting this program and its goals. Developer and PHC shall work together to seek and/or obtain public and/or private funding for this program.

D. JOB FAIRS. Commencing with the 2005 calendar year, as will be further described in the Project Implementation Plan, Project Developer will sponsor and participate in annual PHC managed job fairs that will serve each of the Public Housing Complexes. The Project Developer and PHC intend to work with the NYC Department of Small Business Services in implementing the job fairs. The Project Developer will provide appropriate notice and shall ensure that they are open to all members of the Community.

E. JOB READINESS AND REFERRAL CENTER. PHC shall conduct an outreach program which shall publicize the training, employment and small business opportunities which are more fully described in Sections IV and V of this Agreement. The program described in this subsection will work with the Customized Job Training and First Source Hiring Referral Center described in Section IV, Part C(1) of this Agreement. This center will be dedicated to servicing all members of the Community including NYCHA Residents, with priority given to such NYCHA Residents.

F. ADMINISTRATIVE PROVISIONS. The Project Developer will work with PHC to seek and secure public and/or private funding to provide PHC with office space and equipment, administrative support and operational costs to operate as a small non-profit organization with three full time employees. PHC and the Project Developer may work together to create a separate non-profit organization. If this non-profit is created, PHC and the Project Developer will be entitled to positions on the board of directors.

G. FAILURE TO COMPLY. If the ICM determines that the Project Developer has not adequately fulfilled its obligations under this Section IX of this Agreement, PHC may seek enforcement pursuant to Section XIII hereof.

X. **EDUCATIONAL INITIATIVES**

A. PURPOSE. The purpose of this Section is to establish a planning and development program for primary education, higher education and related services. It is expressly understood that this is in addition to the work being done by DBNA under Section VII hereof. The DBEC will work with the Project Developer to establish a comprehensive initiative that will support designated programs or DBEC members.

B. SCHOOLS. The Project Developer will work with the DBEC in the creation of educational services, including the development of four (4) schools that will be located in the Surrounding Community, subject to the approval of appropriate governmental authorities. Such schools shall include:

- Cleveland Robinson Academy for Labor Studies, a charter school that will have as its focus construction technology, construction management, and entertainment technology.
- The Jackie Robinson Academy, a charter school that will have as its focus sports, science, and sports management.
- The Lewis Latimer Academy, a new vision school that will have as its focus information technology.
- The Wonder School, a charter school that will focus on music and film, including the study of the business side of the music and film industry.

C. THE HEALTH NET PROJECT. The Project Developer will work with DBEC in the creation of a child health initiative entitled The Health NET Project. The goal of this project will be to build on the DBEC members social capital to create a health and fitness program that ties sports (basketball and martial arts) to the reduction of juvenile obesity, juvenile diabetes and HIV/AIDS prevention. This program will be developed with DBNA and shall be a part of the health care center described in Section VII, Part B of this Agreement.

D. YOUTH ENTERPRISE PROGRAM. The Project Developer will work with DBEC to develop a Youth Enterprise Program towards the development of a retail space or kiosk within the Project to be operated in part by students. A portion of the profits shall go to a pre-established Tuition Trust Fund or individual development accounts established on behalf of participating students.

E. AFTER SCHOOL PROGRAM. The Project Developer will work with DBEC to develop an after school program to serve to unite non-custodial fathers with their children. In keeping with the existing fatherhood programs run by the NBA, this initiative, to be entitled POPS (Parents Organized for Pupil Success) would enable non-custodial fathers to spend constructive time with their children within the context of a safe and nurturing environment. Activities that strengthen family building and parental bonding will be encouraged by “family ties” programs, such as a homework club, family library time and father playtime. Such after school program will be developed with DBNA.

F. GRANDPARENT HOUSING. In accordance with Section VI, Part C of this Agreement, ten (10%) percent of rental units at the Project will be made available to senior citizens. DBEC will work with ACORN to insure that within the ten (10%) percent set aside for seniors, there will be housing for grandparents over the age of 65 who have custodial control of their grandchildren, to the extent permissible by law.

G. CHILDREN ZONE LEGISLATION. The Project Developer will work with DBEC to develop a formal relationship with a university research center and a foundation to create a research unit for the evaluation, measurement and analysis of the goals and impacts of the Children Zone Legislation.

H. HARD TO EMPLOY YOUTHS. The Developers will work with BEC and DBNA, BUILD and PHC to target hard to employ young people (including ex-offenders between the ages of 16-21) who face barriers to employment for employment training opportunities at the Project. In keeping with Section IV, Part B(1) and (3) and Part C(1) priority shall be given to NYCHA residents and low income residents seeking employment. The Developers will use good faith efforts to meet the overall goal during construction of the Project by seeking to employ persistently unemployed young people. The DBEC, DBNA and PHC will collaborate with the State University of New York Office of Workforce Development and the ATTAIN Lab towards the development of this program.

I. DBEC IMPLEMENTATION PLAN. The Project Developer will work with DBEC to develop a long term implementation plan for the initiatives provided for in this Section X.

During a twelve (12) month planning phase, the DBEC members will work with consultants to help research and develop the specific requirements of these initiatives. The DBEC will identify the public and/or private funding sources for the development and operation of the initiatives provided for in this Section X.

## XI. **DEVELOPER STANDARD OF CARE AND REPORTING OBLIGATIONS**

A. STANDARD OF CARE. The Developers and Coalition Members shall use their skill, care, judgment and experience to manage, lead, guide, assist, coordinate, oversee and supervise, as appropriate and necessary, all parties, processes and tasks involved in the implementation of this Agreement. At all times, Developers shall adhere to a high professional standard of care and shall dedicate such resources as it deems reasonably necessary to fulfill its obligations hereunder.

B. Intentionally Omitted.

C. QUARTERLY REPORTS. Within thirty (30) days after the end of each calendar quarter, the Developers will prepare and submit to the Coalition and the ICM a status report which shall analyze the then relevant initiatives broken down by Development Phase, and, if relevant, specify actions taken by Developers to fulfill their obligations under this Agreement, and shall include, without limitation, the following, as relevant for such quarter, during the most recent four quarters and overall:

- (1) Number of Community residents presently enrolled in the Pre Apprentice Training initiative; Community Boards in which they reside and percentage of Minority (by category) and women workers; household income; number who

successfully completed such initiative, and number who obtained jobs at the Project Site; successful participants length of current employment at the Project Site; percentage of successful initiative participants as to number of total apprentices at the Project Site;

- (2) Total number of persons placed through the CLE program; organizations and referral sources from which they came and Community Board in which they reside and percentage of Minority (by category) and women workers and household income;
- (3) Total number of construction workers employed, Community Boards in which they reside and percentage of Minority (by category) and women workers, and, to the extent feasible, categorizing construction work according to type, ie., skill level required, pay grade, etc.
- (4) Total number of journey level workers employed, Community Boards in which they reside and percentage of Minority (by category) and women workers;
- (5) Total construction and non-construction contracts awarded by Developers and percentage of such contracts awarded to Community based, Minority and women owned businesses; number and contract amount of associate relationships created between prime consultants and Minority and women owned businesses;
- (6) Total square footage and number of leases and concession agreements entered into by Developers and percentage entered into with Community based, Minority and women owned businesses;

- (7) Total number of Community residents employed in permanent positions through the Customized Job Training and Referral Service, specifying employer and length of employment; and number of positions requested but unfilled;
- (8) Status of MWB Initiative, listing M/WBEs selected; scope of available loan facilities and numbers of loans applied for and received, size of contracts awarded to the M/WBEs;
- (9) Review of minority and women hiring and promotion practices at professional services firms employed by Developers;
- (10) Status of Good Neighbor Program, including status of projects implemented and completed during prior quarter and projects planned for upcoming quarter;
- (11) Status report on job fairs, including the number of employers participating, the number of job applicants participating, and the status of any and all applications filed by job applicants with the Developers and their Affiliates.

D. ASSESSING DEVELOPERS' PROGRESS. When assessing Developers' progress toward benchmark goals, Minority women shall count towards either a Minority goal or a Woman goal, but not both.

E. NOTICE OF UPCOMING BIDS. During the construction period, the Developers will prepare and submit to the Executive Committee and the ICM a monthly updated schedule of the contracts that Developers expect to obtain bids for over the upcoming three month period and the expected scope and value of each contract. Developers shall provide a copy

of this report to BUILD and NYSAMC, and other locally based business organization as the Executive Committee shall direct.

XII. NOTICES.

**All notices, requests, demands, consents and approvals under this Agreement shall be in writing, and shall be hand delivered, sent by registered U.S. Mail, return receipt requested, or sent by overnight courier service, designated for next-day delivery, as follows:**

If to Developers:

Atlantic Yards Development Co. LLC

Brooklyn Arena, LLC

c/o Forest City Ratner Cos.

One MetroTech Center North

Brooklyn, New York 11201

Attn: General Counsel

If to any member of the Coalition:

To the members at the addresses listed on Schedule 1 attached hereto.

Any party hereto may designate a different address to which, or person to whom, notices or demands shall be directed by written notice given in the same manner and directed to each other Member at its address hereinabove set forth. Any notice given hereunder shall be deemed received one (1) Business Day after delivery to an overnight delivery service, designated for next-day delivery; three (3) Business Days after mailing if sent by registered U.S. mail, return receipt requested; or when actually received if sent in any other permissible fashion.

### **XIII. ENFORCEMENT.**

A. DEVELOPER DEFAULT. Failure by the Developers to perform any term or provision of this Agreement, after notice and sixty-day right to cure as provided below, shall constitute a default (“Default”) under this Agreement. Unless otherwise specified in the Agreement, the following procedures will govern:

(1) **Sixty-Day Right to Cure.** If, after review of the ICM report by the Executive Committee, the Coalition members believe that a Developer is in default of this Agreement, the appointed Coalition Representative shall provide written notice to Developer of the alleged default; offer to meet and confer in a good-faith effort to resolve the issue; and provide Developer sixty days to cure the alleged default commencing with the date of the notice (unless additional time is specifically provided for in this Agreement). Any notice given pursuant to this provision shall specify the nature of the alleged default, and, where appropriate, a letter stating the manner in which the alleged default may be satisfactorily cured shall be sent to the Developer.

B. MEDIATION. To the extent that there is any disagreement regarding a Default by a Developer of its obligations under this Agreement, the Coalition members and the Developer will first attempt to resolve the disagreement at a special meeting of the Executive Committee. If the parties are unable to resolve the disagreement(s) at the meeting, either of the parties may request mediation by notice to the ICM, who shall pick an appropriate, independent mediator. Developer shall pay the reasonable costs of a mediator for the dispute resolution, and each party will bear its own fees and other costs, if any. The mediation period shall not exceed the sixty-day cure period referred to above.

C. REMEDIES. In the event that Developer is allegedly in Default under the terms of this Agreement, the Coalition members may elect, in their sole and absolute discretion, to waive the Default or to pursue either binding arbitration, or judicial remedies, each as described in this Section. These remedies may be pursued only after exhaustion of processes described in Section XII, Part A(i) and B above, except where an alleged default may result in irreparable injury, in which case the Executive Committee may immediately pursue the remedies described in this Section X.(C).

(1) The Coalition members may act jointly to enforce this Agreement or the following Coalition members may individually enforce the Article of this Agreement set forth below:

<u>Applicable Article</u>	<u>Enforcing Member</u>
IV (including Exhibit C)	BUILD
V	BUILD and/or NYSAMC

VI (including Exhibit D)	ACORN
Article VII	DBNA
Article VIII	FATHC
Article IX	PHC

Each of the above Articles shall, for purposes of enforcement, include the provisions of Articles I, VIII, IX and X as they apply to such Articles.

(2) Binding Arbitration. Any Coalition member, as provided in Section XII, Part (C) 1 above, may seek binding arbitration to enforce any term of this Agreement that has allegedly been breached by Developer. Arbitration shall be conducted in Brooklyn, New York, conducted by a single arbitrator selected by the Brooklyn Bar Association under the rules of the American Arbitration Association. Developer shall pay the costs of the arbitrator. Each Party shall bear its own fees and other costs. The Coalition members may seek arbitration relief ordering, and the arbitrator shall have the power to order, affirmative equitable and/or affirmative injunctive relief, temporary or permanent, requiring Developer to comply with this Agreement or monetary damages.

(3) Court Action. Any Coalition members as provided in Section XII, Part (C) 1 above, may, alternatively, file a claim in a court of competent jurisdiction in Kings County, New York to enforce any term of this Agreement that has allegedly been breached by Developer and Developer consents to the jurisdiction of such court. The Coalition members may seek judicial relief ordering, and the court shall have the power to order, affirmative equitable and/or affirmative injunctive relief, temporary or permanent, requiring Developer to comply with this Agreement or monetary damages; it being acknowledged that monetary damages may not be an

adequate remedy for defaults under this Agreement by Developer. Each Party shall bear its own fees and costs of court enforcement.

D. COALITION MEMBER DEFAULT. Failure by a Coalition Member to perform any term or provision of this Agreement for which such member is responsible, as determined by the Executive Committee after a review of the ICM report, shall constitute a Default after notice and sixty-day right to cure as provided below. During the sixty-day cure period, the Coalition member shall be entitled to the notice and mediation provisions of this Section XIII, Parts A (1) and B above. At the end of such period, if the parties have not agreed upon a course of action to remedy the default, Developers obligations pursuant to the section(s) of this Agreement that are the responsibility of such defaulting Coalition member and which are affected by the Default, shall be suspended until such time as either (i) the Coalition member cures the default, or (ii) the Executive Committee elects to replace the defaulting Coalition member with a substitute not-for-profit entity.

#### XIV. MISCELLANEOUS PROVISIONS.

A. GOVERNING LAW. This Agreement has been entered into in the State of New York, this Agreement and all rights of the parties hereunder shall be governed by and construed in accordance with the internal laws of the State of New York without regard to principles of conflicts of law.

B. ENTIRE AGREEMENT. Subject to Clause K below, this Agreement embodies and constitutes the entire understanding among the parties with respect to the matters herein contained, and all prior or contemporaneous agreements, understandings, representations and statements, oral or written, are merged into this Agreement. No waiver or modification of any

provision of this Agreement shall be valid unless in writing and signed by the party to be charged, and then only to the extent herein set forth.

C. CAPTIONS. The captions in this Agreement are intended only for convenience of reference, do not constitute a part of this Agreement and shall not be construed to define, interpret, describe or limit the scope or intent of any provision of this Agreement.

D. COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

E. BENEFITS AND OBLIGATIONS. Except as otherwise provided in this Agreement, this Agreement shall be binding upon and shall inure to the benefit of the Developers and its Affiliates (but only to the extent of such Affiliates interest as owner, lessee, contractor or developer of the Project, or any portion thereof), each Coalition member and their respective successors and permitted assigns. The Developers shall have the right to assign their interest in this Agreement to any Affiliated entity; provided, however, the obligations of the Developer shall be personal to the Developer and its Affiliates and shall not bind any non-affiliated entity that acquires an interest in the Project. In the event a non-affiliated entity acquires a majority interest in the Project, the Developer shall arrange and attend a meeting between the Coalition members and the prospective acquiring entity at least thirty (30) days before the sale. At such a meeting, the Coalition members and the Developer will discuss with the prospective acquiring entity the economic benefits and community stabilizing effects of this Agreement in order to encourage the prospective acquiring entity to undertake the terms of this Agreement. If the Coalition members and the Developer are unsuccessful, then the Developer shall support the

Jobs Development and Local Employment Initiatives in the form of liquidated damages provided in Section IV of this Agreement; and shall have no further obligations.

F. NO WAIVER. No assent, express or implied, by either party to any breach of or default in any term, covenant or condition herein contained on the part of the other to be performed or observed shall constitute a waiver of or assent to any succeeding breach of or default in the same or any other term, covenant or condition hereof and either party shall have all remedies provided herein and by applicable law with respect to any subsequent act which would have originally constituted a breach of or default under this Agreement.

G. INVALIDITY OF PROVISIONS AND SEVERANCES. In the event that any one or more of the phrases, sentences, clauses or paragraphs contained in this Agreement shall be declared invalid by the final and non-appealable order, decree or judgment of any court, this Agreement shall be construed as if it did not contain such phrases, sentences, clauses or paragraphs. If any term, provision, covenant, or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions shall continue in full force and effect.

H. RIGHTS OF OTHERS. Nothing in this Agreement, express or implied, is intended to confer upon any person other than the parties hereto, and their permitted successors and assigns, any rights or remedies under or by reason of this Agreement.

I. AMENDMENTS. This Agreement may not be changed, modified or amended except by an agreement in writing signed by all the parties hereto.

J. EXCULPATION. No member, shareholder, officer, director or employee of the parties hereto shall have any personal liability under this Agreement.

K. SUPPLEMENTAL DOCUMENTS. Recognizing that the implementation of the provisions hereof with respect to various actions of the parties hereto may require the execution of supplemental documents the precise nature of which cannot now be anticipated, each of the parties agrees to assent to, execute and deliver such other and further documents as may be reasonably required by other parties hereto so long as such other and further documents are consistent with the terms and provisions hereof, shall not impose additional obligations on any parties, shall not deprive any party of the privileges herein granted to it and shall be in furtherance of the intent and purposes of this Agreement. As of the date hereof, the following documents are supplemental and incorporated: Exhibit A: Description of the Project, Exhibit B: Development Phases, Exhibit C: BUILD/Initiative Guidelines, Exhibit D: ACORN/MOU, Exhibit E: First Source Hiring Guidelines. Upon approval in accordance with Section III, Part G hereof, the Project Implementation Plan will be supplemental and incorporated into this Agreement.

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**IN WITNESS WHEREOF, the parties hereto have hereby  
duly executed and delivered this Agreement as of the date  
first above written.**

ARENA DEVELOPER:

**BROOKLYN ARENA, LLC**

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

Name:

Title:

PROJECT DEVELOPER:

**ATLANTIC YARDS DEVELOPMENT  
COMPANY, LLC**

By: FCR Land, LLC

By: BR Land, LLC

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

Name:

Title:

COALITION MEMBERS:

**ALL-FAITH COUNCIL OF BROOKLYN**

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

Name: Rev. Walter J. Morris

Title: Co-Chairperson

**ASSOCIATION OF COMMUNITY**

**ORGANIZATIONS FOR REFORM NOW**

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

Name: Bertha Lewis

Title: Executive Director

**BROOKLYN UNITED FOR INNOVATIVE**

**LOCAL DEVELOPMENT**

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

Name: James E. Caldwell

Title: President

**DOWNTOWN BROOKLYN EDUCATIONAL  
CONSORTIUM**

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

Name: Freddie Hamilton

Title: Chairperson

**DOWNTOWN BROOKLYN  
NEIGHBORHOOD ALLIANCE**

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

Name: Rev. Dr. Herbert D. Daughtry Sr.

Title: Chairperson

**FIRST ATLANTIC TERMINAL  
HOUSING COMMITTEE**

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

Name: Delia M. Hunley-Adossa

Title: Chairperson

**NEW YORK STATE ASSOCIATION  
OF MINORITY CONTRACTORS**

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

Name: Rudy Richardson

Title: Chairperson

**PUBLIC HOUSING COMMUNITIES**

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

Name: Charlene Nimmons

Title: Executive Director