

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): November 18, 2021

BRT APARTMENTS CORP.

(Exact name of Registrant as specified in charter)

Maryland	001-07172	13-2755856
(State or other jurisdiction of incorporation)	(Commission file No.)	(IRS Employer I.D. No.)

60 Cutter Mill Road, Suite 303, Great Neck, New York 11021
(Address of principal executive offices) (Zip code)

Registrant's telephone number, including area code: 516-466-3100

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock	BRT	NYSE

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405) of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01 Entry into a Material Definitive Agreement**Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.**

On or about November 18, 2021, we entered into an amended and restated credit facility with VNB New York, LLC, an affiliate of Valley National Bank (“VNB”). Pursuant to the credit facility, we are permitted to borrow, subject to compliance with borrowing base requirements and other conditions, up to \$35 million (i) for the acquisition of, and investment in, multi-family properties, (ii) to repay mortgage debt secured by multi-family properties and (iii) for Operating Expenses (*i.e.*, working capital (including dividend payments) and operating expenses); provided, that not more than \$15 million may be used for Operating Expenses. (The facility provides that it may be expanded to provide for up to \$60 million of availability if another lender(s) is willing to provide an additional \$25 million of availability). The credit facility is secured by cash accounts maintained by us at VNB (and we are required to maintain substantially all of our bank accounts at VNB), and the pledge of our interests in the entities that own the unencumbered multi-family properties used in calculating the borrowing base. The credit facility bears an annual interest rate, which resets daily, of 25 basis points over the prime rate, with a floor of 3.50%. There is an annual fee of 0.25% on the total amount committed by VNB and unused by us, and a one-time fee of \$244,000 which was paid when we entered into the facility. The credit facility matures in November 2024. As of the date of this filing, no amounts are outstanding on the credit facility and \$35 million was available to be borrowed thereunder.

The terms of the credit facility include certain restrictions and covenants which, among other things, limit the incurrence of liens, require that we maintain and include in the collateral securing the facility at least two unencumbered properties with an aggregate value (as calculated pursuant to the loan agreement) of at least \$50 million, and require compliance with financial ratios relating to, among other things, the minimum amount of debt service coverage with respect to the properties (and amounts drawn on the credit facility) used in calculating the borrowing base. Net proceeds received from the sale, financing or refinancing of wholly-owned properties are generally required to be used to repay amounts outstanding under the credit facility.

The foregoing summary is qualified in its entirety by reference to the agreements entered into connection with the credit facility, copies of which are filed as exhibits to this Current Report on Form 8-K and are incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.**(d) Exhibits.**

In reviewing the documents included as exhibits to this report, please note they are included to provide information regarding their terms and are not intended to provide any other factual or disclosure information about us or the other parties to such documents. Certain documents contain representations and warranties by one or more of the parties thereto. These representations and warranties have been made solely for the benefit of the other parties to the applicable agreement and:

- should not in all instances be treated as categorical statements of fact, but rather as a way of allocating the risk to one of the parties if those statements prove to be inaccurate;
- have been qualified by disclosures that were made to the other party in connection with the negotiation of the applicable document, which disclosures are not necessarily reflected in the document;
- may apply standards of materiality in a way that is different from what may be viewed as material to you or other investors; and
- were made only as of the date of the applicable document or such other date or dates as may be specified in the document and are subject to more recent developments. Accordingly, these representations and warranties may not describe the actual state of affairs as of the date they were made or at any other time.

Exhibit No.	Description
10.1	Amended and Restated Loan Agreement made as of November 18, 2021, by and among us and VNB New York, LLC.
10.2	Unlimited guaranty given by us in favor of VNB.
10.3	Form of Pledge Agreement.
10.4	Form of Negative Pledge Agreement.
101	Cover Page Interactive Data File - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
104	Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

BRT APARTMENTS CORP.

November 18, 2021

/s/ George Zweier

George Zweier, Vice President
and Chief Financial Officer

AMENDED AND RESTATED LOAN AGREEMENT

among

BRT APARTMENTS CORP.,
as Borrower

and

VNB NEW YORK, LLC,
as Lender

Dated: November 18, 2021

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THIS AMENDED AND RESTATED LOAN AGREEMENT made as of November 18, 2021 by and among BRT APARTMENTS CORP., a Maryland corporation, having its principal executive offices at 60 Cutter Mill Road, Suite 303, Great Neck, New York 11021 (“**Borrower**”) and VNB NEW YORK, LLC, a New York limited liability company having an office at 1 Penn Plaza, Suite 4625, New York, New York 10119 (“**Lender**”).

ARTICLE I

DEFINITIONS AND ACCOUNTING TERMS

SECTION 1.01 **Certain Defined Terms.** As used in this Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

“**100% Unencumbered Property**” or “**100% Unencumbered Properties**” means a 100% Property which is an Unencumbered Property or multiple 100% Properties which are each an Unencumbered Property.

“**100% Property**” means real property improved by residential multi-family building or buildings in which Borrower directly or indirectly through one or more Wholly Owned Subsidiaries owns a 100% fee interest, and which is located in any of the forty-eight (48) contiguous states of the United States.

“**100% Property Refinancing**” means a Property Refinancing with respect to a 100% Property.

“**Accordion Amount**” has the meaning set forth in Section 2.17 of this Agreement.

“**Affiliate**” shall mean, as to any Person: (i) a Person which directly or indirectly controls, or is controlled by, or is under common control with, such Person; (ii) a Person which directly or indirectly beneficially owns or holds ten percent (10%) or more of any class of voting stock of, or ten percent (10%) or more of the equity interest in, such Person, excluding institutional investors that file under section 13(g) of the Securities and Exchange Act of 1934, as amended; or (iii) a Person ten percent (10%) or more of the voting stock of which, or ten percent (10%) or more of the equity interest of which, is directly or indirectly beneficially owned or held by such Person. The term “control” means the possession, directly or indirectly, of the power to direct, or cause the direction of, the management and policies of a Person, whether through the ownership of voting securities, by contract, or otherwise.

“**Agreement**” shall mean this Amended and Restated Loan Agreement, as amended, supplemented or modified from time to time.

“**Aggregate Borrowing Base Calculation Result**” shall mean as of any Borrowing Base Determination Date, an amount equal to the sum of each Borrowing Base Calculation Result, provided however, that each such calculation for a 100% Property that is not a Positive 100% Property shall be disregarded and not included.

“Annualization Multiplier” shall mean, (i) four (4) with respect to a Measurement Period of one (1) Fiscal Quarter, (ii) two (2) with respect to a Measurement Period of two (2) Fiscal Quarters, and (iii) the fraction of four (4) divided by three (3) with respect to a Measurement Period of three (3) Fiscal Quarters.

“Annualized Net Operating Income” shall mean the Net Operating Income of a One to Three Quarter Property computed for the greatest number of one (1), two (2) or three (3) complete consecutive Fiscal Quarters during which such Property qualified as a One to Three Quarter Property hereunder, as applicable (each, a **“Measurement Period”**) multiplied by the applicable Annualization Multiplier to such Measurement Period in order to account for four (4) complete Fiscal Quarters (x) less the annual real property taxes in effect as of the end of the Measurement Period with respect to such One to Three Quarter Property as of the end of the applicable Measurement Period (y) plus the annualized amount of real property taxes deducted from the gross income in computing Net Operating Income during such Measurement Period.

“Anti-Corruption Laws” shall mean the United States Foreign Corrupt Practices Act of 1977, as amended.

“Anti-Terrorism Law” shall mean any U.S. State or Federal law relating to terrorism, money laundering or any related seizure, forfeiture or confiscation of assets, including: (a) Executive Order No. 13224 of September 23, 2001 - Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism (the Executive Order); (b) the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the USA PATRIOT Act), Public Law 107-56; and (c) the Money Laundering Control Act of 1986, Public Law 99-570.

“Applicable Margin” shall mean one-quarter percentage point (0.25%) with respect to the Floating Rate.

“Board of Governors” shall mean the Board of Governors of the Federal Reserve System of the United States of America.

“Borrowing Base Availability” shall mean as of any Borrowing Base Determination Date, an amount equal to the lesser of (a) \$35,000,000 less the outstanding principal amount of the Loan and (b) the Aggregate Borrowing Base Calculation Result less the outstanding principal amount of the Loan.

“Borrowing Base Certificate” shall have the meaning set forth in Section 5.01(b) of the Agreement.

“Borrowing Base Determination Date” shall mean any of the following dates on which the Borrowing Base Calculation Result is required to be measured by Lender: (i) the last day of each Fiscal Quarter occurring during the Credit Period, (ii) the closing of the sale or other disposition of each 100% Property, (iii) the closing of any 100% Property Refinancing, (iv) the acquisition or other event which results in the Borrower owning a 100% Unencumbered Property, for which it has had partial or full ownership for a minimum of one complete Fiscal Quarter, that is intended by Borrower and Lender to become an Enhanced Collateral Property, and (v) upon each borrowing request.

“Borrowing Base Calculation Result” shall mean as of any Borrowing Base Determination Date, the sum of (i) the amount calculated for each and every Four Quarter Property; (ii) the amount calculated for each and every One to Three Quarter Property; (iii) the amount calculated for each Four Quarter Enhanced Collateral Property; and (iv) the amount calculated for each One to Three Quarter Enhanced Collateral Property, as determined in the succeeding subsections (a) (b), (c) and (d), provided however that the sum of the amounts calculated in subsections (a) and (b) in excess of \$15,000,000 shall be disregarded in order to establish a combined sublimit of \$15,000,000 for such categories (“the Borrowing Base Sublimit”) which result for each shall be a **“Borrowing Base Calculation Result”**:

(a) The Borrowing Base Calculation Result for each Four Quarter Property is determined as follows:

For each Four Quarter Property: (i) Net Operating Income for the most recent four (4) consecutive complete Fiscal Quarters, (ii) divided by the Cap Rate, (iii) multiplied by 0.65 (for maximum 65% loan to value), (iv) less the then outstanding principal balance(s) of all mortgage loan(s) that is/are outstanding for such Four Quarter Property; and

(b) The Borrowing Base Calculation Result for each One to Three Quarter Property is determined as follows:

For each One to Three Quarter Property: (i) Annualized Net Operating Income, (ii) divided by the Cap Rate, (iii) multiplied by 0.65 (for maximum 65% loan to value), (iv) less the then outstanding principal balance(s) of all mortgage loan(s) that is/are outstanding for such One to Three Quarter Property.

(c) The Borrowing Base Calculation Result for each Four Quarter Enhanced Collateral Property is determined as follows:

For each Four Quarter Enhanced Collateral Property: (i) Net Operating Income for the most recent four (4) consecutive complete Fiscal Quarters, (ii) divided by the Cap Rate, (iii) multiplied by 0.65 (for a maximum 65% loan to value).

(d) The Borrowing Base Calculation Result for each One to Three Quarter Enhanced Collateral Property is determined as follows:

For each One to Three Quarter Enhanced Collateral Property: (i) Annualized Net Operating Income, (ii) divided by the Cap Rate, (iii) multiplied by 0.65 (for a maximum 65% loan to value).

“Borrowing Base Sublimit” shall have the meaning set forth in Section 1.01 of Definitions and Accounting Terms for Borrowing Base Calculation Result.

“Borrowing Notice” shall have the meaning set forth in SECTION 2.06 hereof.

“Business Day” shall mean a day of the year on which banks are not required or authorized to close in New York City.

“**Capital Lease**” shall mean a lease which has been or should be, in accordance with GAAP, capitalized on the books of the lessee.

“**Cap Rate**” shall mean 6.5% (0.65) as the same may be adjusted annually by Lender in accordance with Section 2.16 hereof but in no event shall the Cap Rate be less than 6.5%.

“**Collateral Accounts**” shall mean all personal property, including all depository accounts (including but not limited to the Designated Deposit Account) of Borrower maintained at Valley National Bank, in which Lender has been granted a security interest pursuant to the Security Agreement.

“**Control**” shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise. Neither of the following alone will be deemed sufficient to constitute Control: (i) the ownership of the majority of the equitable or legal interests in a Person or (ii) the right to vote on “major decisions” for such Person.

“**Commitment**” means Lender’s obligation to make Revolving Credit Loans to the Borrower in an outstanding amount not to exceed THIRTY-FIVE MILLION AND 00/100 Dollars (\$35,000,000.00) pursuant to the terms and subject to the conditions of this Agreement.

“**Compliance Certificate Delivery Date**” shall have the meaning set forth in Section 5.01(b)(xi) hereof.

“**Credit Period**” shall have the meaning set forth in Section 2.01 hereof.

“**Debt**” shall mean, as to any Person: (i) all indebtedness or liability of such Person for borrowed money; (ii) all indebtedness of such Person for the deferred purchase price of property or services (including trade obligations); (iii) all obligations of such Person as a lessee under Capital Leases; (iv) all current liabilities of such Person in respect of unfunded vested benefits under any Plan; (v) all obligations of such Person under letters of credit issued for the account of such Person; (vi) all obligations of such Person arising under acceptance facilities; (vii) all guaranties, endorsements (other than for collection or deposit in the ordinary course of business) and other contingent obligations to purchase, to provide funds for payment, to supply funds to invest in any other Person, or otherwise to assure a creditor against loss; (viii) all obligations secured by any Lien on property owned by such Person whether or not the obligations have been assumed; (ix) liabilities of such Person under interest rate protection and similar agreements; (x) liabilities of such Person under any preferred stock or other preferred equity instrument which, at the option of the holder or upon the occurrence of one or more events, is redeemable by such holder, or which, at the option of such holder is convertible into Debt; (xi) indebtedness of any partnership of which such Person is a general partner; and (xii) all other liabilities recorded as such, or which should be recorded as such, on such Person’s financial statements in accordance with GAAP.

“**Debt Service**” shall mean, (i) for subsection (a) herein, as of the end of any Fiscal Quarter, the sum of the twelve (12) prior monthly payments of principal and interest for all mortgage loans secured by Positive 100% Properties calculated in accordance with the immediately succeeding subsection (a), to be determined and measured by the financial information required to be delivered

to the Lender pursuant to Section 5.01(b) herein plus (ii) the amount specified for the Loan in subsection (b) herein:

(a) with respect to each Positive 100% Property, the greater of (i) the combined regularly scheduled principal and interest payments, consistent with that reported for each Positive 100% Property as a component of Borrower's 10K and 10Q financial reporting (excluding the principal payment portion amount, if any, that is in excess of the regularly scheduled principal payment, whether at maturity of a mortgage loan or in connection with a prepayment made prior thereto) and as measured for each of the prior twelve (12) consecutive months pursuant to any debt secured by a mortgage, deed of trust or other instrument ("**Positive 100% Property Mortgage Debt**") for such Positive 100% Property (for clarity, if such Positive 100% Property is a One to Three Quarter Property, it would have the actual combined regular principal and interest due and payable during the applicable Measurement Period annualized by multiplying such combined amount by the applicable Annualization Multiplier to arrive at a combined regular principal and interest calculation for a consecutive twelve (12) month period); and (ii) the constant monthly combined regular principal and interest payment amount necessary to fully amortize the then outstanding principal balance of such Positive 100% Property Mortgage Debt over a 30 year basis at an interest rate equal to the then current five-year U.S. Treasury rate plus two (2%) percent; plus

(b) the constant combined principal and interest monthly payment amount which would be due on the Loan over a consecutive twelve (12) month period in order to fully amortize the outstanding principal balance of the Loan over a 30 year period at an interest rate equal to the then current five-year U.S. Treasury rate plus two (2%) percent.

"**Default**" shall mean any of the events specified in Section 6.01 hereof, whether or not any requirement for notice or lapse of time or any other condition has been satisfied.

"**Default Rate**" means the lesser of (a) the then applicable interest rate plus four percent (4.0%) per annum and (b) the Maximum Legal Rate.

"**Deposit Account Control Agreement**" shall mean that certain Deposit Account Control Agreement, dated as of the date hereof, concerning all depository accounts of the Borrower maintained at Valley National Bank, as the same may be amended or supplemented from time to time.

"**Designated Deposit Account**" shall mean depository account number 42118360 in the name of the Borrower maintained at Valley National Bank.

"**Designated Deposit Proceeds**" shall mean, collectively, all funds deposited in the Designated Deposit Account, which funds shall include, without limitation, (a) Net Capital Event Proceeds, (b) Excess Cash Flow, (c) Distributed Reserve Funds, (d) Net Public Stock Proceeds and (e) Redeemed Treasuries.

"**Distributed Reserve Funds**" shall mean funds previously held back or reserved with respect to a Property to the extent same are actually distributed, remitted or otherwise paid to (i) the Borrower, (ii) a Wholly Owned Subsidiary and/or (iii) a Subsidiary Controlled by Borrower which is also a direct or indirect parent of such Property fee owner (it being acknowledged that for

any Subsidiary described in clause (iii), for each such distribution, remittance or payment thereto, Distributed Reserve Funds shall only refer to the portion thereof to which Borrower or a Wholly Owned Subsidiary is entitled pursuant to the organizational documents of such Subsidiary), on a monthly, quarterly, semi-annual or annual basis (for purposes other than to be held back or reserved with respect to a Property).

“Dollars” and the sign “\$” mean lawful money of the United States of America.

“Enhanced Collateral Property” or **“Enhanced Collateral Properties”** means a 100% Unencumbered Property in which the Borrower directly or indirectly through one or more Wholly Owned Subsidiaries has (i) owned a fee interest in such Property for not less than one complete Fiscal Quarter, (ii) pledged to the Lender the entire Equity Interest in the fee title owner of such Property pursuant to the Pledge Agreement; (iii) become a Guarantor under the terms hereof; (iv) executed and delivered a Negative Pledge Agreement under the terms hereof and (v) delivered to Lender a mortgage search from a nationally recognized title insurance company licensed to do business in the state in which the Enhanced Collateral Property is located showing that the Enhanced Collateral Property is an Unencumbered Property with such additional searches as Lender may reasonably request.

“Enhanced Collateral Properties Value” means the combined total (expressed in \$) of the following calculations in (a) and (b) hereof:

(a) For each Four Quarter Enhanced Collateral Property: (i) Net Operating Income for the most recent four (4) consecutive complete Fiscal Quarters, (ii) divided by the Cap Rate.

(b) For each One to Three Quarter Enhanced Collateral Property: (i) Annualized Net Operating Income (ii) divided by the Cap Rate.

“Encumbered Property” or **“Encumbered Properties”** shall mean a Property or Properties encumbered by a security interest, mortgage or any other Lien upon or charge against or interest in the Property to secure payment of a debt or performance of an obligation.

“Equity Interests” shall mean all securities, shares, units, options, warrants, interests, participations, membership interests or other equivalents (regardless of how designated) of or in a corporation, partnership, limited liability company, or similar entity, whether voting or nonvoting, certificated or uncertificated, including general partner partnership interests, limited partner partnership interests, common stock, preferred stock, or any other “equity security” (as such term is defined in Rule 3a11-1 of the General Rules and Regulations promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934).

“ERISA” shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time, the regulations promulgated thereunder and the published interpretations thereof as in effect from time to time.

“ERISA Affiliate” shall mean any trade or business (whether or not incorporated) which together with any other Person would be treated, with such Person, as a single employer under Section 4001 of ERISA.

“**Event of Default**” shall mean any of the events specified in Section 6.01 hereof, provided that any requirement for notice or lapse of time or any other condition has been satisfied.

“**Excess Cash Flow**” shall mean the funds that are actually distributed, remitted or otherwise paid from the funds of a Property fee owner to (i) the Borrower, (ii) a Wholly Owned Subsidiary which is a direct or indirect parent of such Property fee owner, and/or (iii) a Subsidiary Controlled by Borrower which is also a direct or indirect parent of such Property fee owner (it being acknowledged that for any Subsidiary described in clause (iii), for each such distribution, remittance or payment thereto, Excess Cash Flow shall only refer to the portion thereof to which Borrower or a Wholly Owned Subsidiary is entitled pursuant to the organizational documents of such Subsidiary), on a monthly, quarterly, semi-annual or annual basis after having deducted therefrom in each such case, amounts set aside as holdbacks or reserves with respect to the Property in question (which holdback or reserve amounts may be held by Borrower or a Wholly Owned Subsidiary in depository accounts separate from the Designated Deposit Account without constituting Excess Cash Flow hereunder) and/or other amounts due or payable in respect of any Debts or liabilities of the Property or Property fee owner in question.

“**Fiscal Quarter**” shall mean the periods ending each March 31, June 30, September 30 and December 31.

“**Fiscal Year**” shall mean the period ending on each December 31st, effective for the fiscal year to end December 31, 2019 and each December 31st thereafter (representing a change from the prior September 30th fiscal year end date).

“**Floating Rate**” shall mean a rate of interest equal to either (i) the Prime Rate plus the Applicable Margin, or (ii) if the Prime Rate is unavailable for any reason, the Lender Prime Rate, as a replacement for the Prime Rate, with no Applicable Margin added. In no event shall the applicable Floating Rate be less than three and one-half percent (3.5%) per annum.

“**Four Quarter Enhanced Collateral Property**” shall mean a Four Quarter Property that satisfies the conditions for being an Enhanced Collateral Property as of the respective Borrowing Base Determination Date.

“**Four Quarter Property**” shall mean a Property that satisfied the conditions for being a 100% Property for the four (4) most recently consecutive complete Fiscal Quarters, and which must also have been a 100% Property as of each Borrowing Base Determination Date applicable to such four (4) consecutive complete Fiscal Quarters.

“**GAAP**” shall mean Generally Accepted Accounting Principles.

“**Generally Accepted Accounting Principles**” shall mean those generally accepted accounting principles and practices which are recognized as such by the American Institute of Certified Public Accountants acting through the Financial Accounting Standards Board (“**FASB**”) or through other appropriate boards or committees thereof and which are consistently applied for all periods so as to properly reflect the financial condition, operations and cash flows of a Person, except that any accounting principle or practice required to be changed by the FASB (or other appropriate board or committee of the FASB) in order to continue as a generally accepted accounting principle or practice may be so changed. Any dispute or disagreement between

Borrower and Lender relating to the determination of Generally Accepted Accounting Principles shall, in the absence of manifest error, be conclusively resolved for all purposes hereof by the written opinion with respect thereto, delivered to Lender, of the independent accountants selected by Borrower and approved by Lender for the purpose of auditing the periodic financial statements of Borrower.

“**Guarantor**” or “**Guarantors**” shall mean each of those Wholly Owned Subsidiaries and any other Person which is required to guarantee the obligations of Borrower in accordance with Section 3.01.

“**Guaranty**” or “**Guaranties**” shall mean a guaranty or guaranties required to be executed and delivered by a Guarantor or Guarantors pursuant to Section 3.01 hereof in the form annexed hereto as Exhibit J.

“**Hazardous Materials**” includes, without limit, any flammable explosives, radioactive materials, hazardous materials, hazardous wastes, hazardous or toxic substances, or related materials defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. Sections 9601, et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C. Section 1801 et seq.), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Sections 6901 et seq.), and in the regulations adopted and publications or interpretations promulgated pursuant thereto, or any other federal, state or local environmental law, ordinance, rule or regulation.

“**Interest Payment Date**” shall mean the first Business Day of each month.

“**Investment**” shall mean any stock, evidence of Debt or other security of any Person, any loan, advance, contribution of capital, extension of credit or commitment therefor, including without limitation the guaranty of loans made to others (except for current trade and customer accounts receivable for services rendered in the ordinary course of business and payable in accordance with customary trade terms in the ordinary course of business and except for limited guaranties executed in connection with non-recourse mortgage financing) and (i) any purchase of any security of another Person or (ii) any business or undertaking of any Person or any commitment or option to make any such purchase, or any other investment.

“**Lender**” shall mean VNB NEW YORK, LLC, a New York limited liability company.

“**Lender Prime Rate**” means the rate of interest stated by Valley National Bank to be its prime rate, reference rate or base rate in effect from time to time; each change in said rate shall be effective as of the date of such change. The Lender Prime Rate shall apply and be a substitute for the Prime Rate if the Prime Rate is unavailable for any reason.

“**Lien**” shall mean any mortgage, deed of trust, pledge, security interest, hypothecation, assignment, deposit arrangement, encumbrance (other than utility easements, reciprocal easement agreements, party-wall agreements and similar items in the ordinary course of business), lien (statutory or other), or preference, priority, or other security agreement or preferential arrangement, charge, or encumbrance of any kind or nature whatsoever, including, without limitation, any conditional sale or other title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing, and the filing of any financing

statement under the Uniform Commercial Code or comparable law of any jurisdiction to evidence any of the foregoing.

“**Loan**” shall mean the aggregate principal amount of all unpaid Revolving Credit Loans, which for clarity is equal to the total outstanding principal amount of all Revolving Credit Loans.

“**Loan Documents**” shall mean this Agreement, the Note and any other document executed or delivered pursuant to this Agreement.

“**Material Adverse Change**” shall mean, as to Borrower, (i) a material adverse change in the financial condition, business, operations, properties, prospects or results of operations of Borrower and its Subsidiaries, taken as a whole, or (ii) any event or occurrence which would be reasonably likely to have a material adverse effect on the ability of Borrower to perform its obligations under the Loan Documents.

“**Maturity Date**” shall have the meaning assigned to such term in Section 2.07(a) hereof.

“**Maximum Legal Rate**” means the maximum non-usurious interest rate, if any, that at any time or from time to time may be contracted for, taken, reserved, charged or received on the Loan and as provided for in this Loan Agreement or in the other Loan Documents, under the laws of the State of New York.

“**Multiemployer Plan**” shall mean a Plan described in Section 4001(a)(3) of ERISA which covers employees of Borrower or any ERISA Affiliate.

“**Negative Borrowing Base Availability**” shall refer to a calculated Borrowing Base Availability that results in a negative number.

“**Negative Pledge Agreement**” shall mean one or more of the negative pledge agreements to be executed and delivered pursuant to Sections 3.01 and 5.01 hereof as the same may be supplemented, modified, renewed, substituted or restated from time to time, in the form annexed hereto as Exhibit L.

“**Net Capital Event Proceeds**” shall mean (a) net proceeds received by a 100% Property fee owner from the disposition of a 100% Property or from a 100% Property Refinancing, and (b) net proceeds received by a Property fee owner of a Property that is not a 100% Property from the disposition of such Property or from a Property Refinancing with respect to such Property to the extent such net proceeds described in clauses (a) or (b) are then distributed, remitted or otherwise paid to (i) the Borrower, (ii) a Wholly Owned Subsidiary which is a direct or indirect parent of such Property fee owner, and/or (iii) a Subsidiary Controlled by Borrower which is also a direct or indirect parent of such Property fee owner (it being acknowledged that for any Subsidiary described in clause (iii), for each such distribution, remittance or payment thereto, Net Capital Event Proceeds shall only refer to the portion thereof to which Borrower or a Wholly Owned Subsidiary is entitled pursuant to the organizational documents of such Subsidiary), and which for both (a) and (b) in this paragraph constitute proceeds after having deducted therefrom in each such case, (i) mortgage loan payoff(s), (ii) broker fees, (iii) third party costs and expenses (including, without limitation, legal fees and closing costs), (iv) disposition and other fees which may be due to a direct or indirect member, partner or shareholder in the Property fee owner that is not Borrower

or a Wholly Owned Subsidiary, (v) amounts set aside as holdbacks or reserves with respect to the Property in question (which holdback or reserve amounts may be held by Borrower or a Wholly Owned Subsidiary in depository accounts separate from the Designated Deposit Account without constituting Net Capital Event Proceeds hereunder), (vi) amounts which the Property fee owner is prohibited from distributing by reason of restrictions contained in any documents or instruments evidencing or securing a mortgage financing relating to the Property in question or any regulatory agreements entered into with the Secretary of Housing and Urban Development (or similar arrangements) in connection therewith, and (vii) other amounts owed by the Property fee owner on account of its Debts and other liabilities.

“Net Operating Income” shall mean, for all 100% Properties, for each applicable covenant or period being tested, the rental and other income less all expenses of such 100% Properties excluding (i) depreciation, amortization or other non-cash items and (ii) interest or any other sums with respect to any indebtedness, secured by the 100% Properties in question, to be determined by the financial information required to be delivered by the Borrower to the Lender pursuant to Section 5.01(b).

“Net Public Stock Proceeds” shall mean cash and/or other personal property paid or remitted to Borrower from public offerings and/or new issuance of public stock of Borrower, less as applicable, (i) broker fees and (ii) third party costs and expenses (including, without limitation, legal fees and closing costs).

“Note” shall mean the Revolving Credit Note.

“Obligations” as used throughout this instrument shall mean all indebtedness, obligations and liabilities, direct or indirect, absolute or contingent, joint, several, or independent, secured or unsecured, liquidated or unliquidated, contractual or tortious, of Borrower, due or to become due, now existing or hereafter arising or incurred by Borrower, and now or hereafter payable to or held by Lender, in each case in respect of the Loan, whether created directly or acquired by assignment, participation or otherwise, and whether incurred as primary debtor, co-maker, surety, endorser, guarantor or otherwise.

“One to Three Quarter Enhanced Collateral Property” shall mean a One to Three Quarter Property that satisfies the conditions for being an Enhanced Collateral Property as of the respective Borrowing Base Determination Date.

“One to Three Quarter Property” shall mean a Property owned by Borrower and/or a Wholly Owned Subsidiary for the entirety of the most recent one (1), two (2) or three (3) consecutive complete Fiscal Quarters (but not for the most recent four (4) consecutive complete Fiscal Quarters), and which must also have been a 100% Property as of each Borrowing Base Determination Date applicable to such one (1), two (2) or three (3) consecutive complete Fiscal Quarters.

“PBGC” shall mean the Pension Benefit Guaranty Corporation or any entity succeeding to any or all of its functions under ERISA.

“Permitted Investments” shall mean: (i) direct obligations of the United States of America or any governmental agency thereof, or obligations guaranteed by the United States of

America, provided that such obligations mature within one year from the date of acquisition thereof; (ii) time certificates of deposit having a maturity of one year or less issued by any commercial bank organized and existing under the laws of the United States or any state thereof and having aggregate capital and surplus in excess of \$1,000,000,000.00 other than such time certificates of deposit with Lender; (iii) money market mutual funds having assets in excess of \$2,500,000,000; (iv) commercial paper rated not less than P-1 or A-1 or their equivalent by Moody's Investor Services, Inc. or Standard & Poor's Corporation, respectively; (v) tax exempt securities rated Prime 2 or better by Moody's Investor Services, Inc. or A-1 or better by Standard & Poor's Corporation; (vi) the fee or leasehold interest in (or a mortgage/deed of trust encumbering) retail, office, industrial, land, multi-family residential and other commercial real estate located in the 48 contiguous United States; (vii) investments by Borrower in its subsidiaries, (viii) investments in stock of real estate investment trusts listed on a nationally recognized stock exchange in an aggregate amount not exceeding \$10,000,000.00, (ix) [Intentionally Deleted] and (x) time certificates of deposit issued by Lender.

"Person" shall mean an individual, partnership, limited liability company, corporation (including a business trust), joint stock company, trust, unincorporated association, joint venture or other entity, or a federal, state or local government, or a political subdivision thereof, or any agency of such government or subdivision.

"Plan" shall mean any employee benefit plan established, maintained, or to which contributions have been made by, Borrower or any ERISA Affiliate.

"Pledge Agreement" or **"Pledge Agreements"** shall mean one or more of the security agreements to be executed and delivered pursuant to Section 3.01 hereof as the same may be supplemented, modified, renewed, substituted or restated from time to time, in the form annexed hereto as Exhibit K.

"Positive 100% Property" shall mean a 100% Property which (i) is either a Four Quarter Property or a One to Three Quarter Property, and (ii) that has a Positive Borrowing Base Calculation Result.

"Positive Borrowing Base Calculation Result" shall mean a Borrowing Base Calculation Result that is a positive dollar amount.

"Prime Rate" means, as of the date of determination, the prime rate as set forth in the New York City edition of The Wall Street Journal. Changes in the rate resulting from changes in the Prime Rate shall take place immediately without notice or demand of any kind.

"Prohibited Transaction" shall mean any transaction set forth in Section 406 of ERISA or Section 4975 of the Internal Revenue Code of 1986, as amended from time to time.

"Property" or **"Properties"** means real property improved (or intended to be improved) by one or more residential multi-family buildings where Borrower and/or a Subsidiary owns, directly or indirectly, a minimum of one percent (1%) of the ownership interests in the fee owner of such real property. For clarity, the term Property or Properties shall also include all of the Properties that are 100% Properties.

“Property Refinancing” means a transaction in which there is a loan or loan modification (excluding original mortgage financing utilized for the purchase of a Property) secured by a mortgage, deed of trust or other instrument encumbering a Property. For clarity, a Property Refinancing includes the refinancing of an existing mortgage loan on a Property and any additional mortgage loan(s) on a Property.

“Real Estate Acquisition Information” shall mean information relating to any of the Properties for which Borrower is to request a Revolving Credit Loan including but not limited to Property name, location, purchase amount, Borrower or Subsidiary ownership percentage in the contemplated owner thereof, expected Property mortgage amount and any such other information as reasonably requested by Lender to the extent in the possession of Borrower or which is reasonably obtainable by the Borrower.

“Redeemed Treasuries” shall have the meaning set forth in Section 5.04(c) herein.

“Regulation D” shall mean Regulation D of the Board of Governors, as the same may be amended and in effect from time to time.

“Regulation T” shall mean Regulation T of the Board of Governors, as the same may be amended and in effect from time to time.

“Regulation U” shall mean Regulation U of the Board of Governors, as the same may be amended and in effect from time to time.

“Regulation X” shall mean Regulation X of the Board of Governors, as the same may be amended and in effect from time to time.

“Reportable Event” shall mean any of the events set forth in Section 4043 of ERISA.

“Restricted Party” shall mean any Person: listed in the Annex to the Executive Order or is otherwise subject to the provisions of the Executive Order; listed on the “Specially Designated Nationals and Blocked Persons” list maintained by the Office of Foreign Assets Control (“OFAC”) of the United States Department of the Treasury, as updated or amended from time to time, or any similar list issued by OFAC; or (c) whose property has been blocked, or is subject to seizure, forfeiture or confiscation, by any order relating to terrorism or money laundering issued by the President, Attorney General, Secretary of State, Secretary of Defense, Secretary of the Treasury or any other U.S. State or Federal governmental official or entity.

“Revolving Credit Loan” or **“Revolving Credit Loans”** shall be deemed a reference to Lender’s Revolving Credit Loans as defined in Section 2.01 hereof.

“Revolving Credit Note” shall be deemed a reference to Lender’s Revolving Credit Note as defined in Section 2.02 hereof, as the same may be supplemented, modified, renewed, substituted or restated from time to time.

“Sanctioned Country” shall mean, at any time, a country or territory which is the subject or target of any Sanctions.

“Sanctioned Person” shall mean, at any time, (a) any Person that is named as a “specially designated national and blocked person” on the most current list published by OFAC at its official website or any replacement website or other replacement official publication of such list, (b) any Person operating, organized or resident in a Sanctioned Country or (c) any Person controlled by any such Person.

“Sanctions” shall mean comprehensive economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by the U.S. government, including those administered by OFAC or the U.S. Department of State.

“SEC” shall mean The United States Securities and Exchange Commission.

“Security Agreement” shall mean that certain agreement, dated as of the date hereof, by Borrower granting to Lender a security interest in the Collateral Accounts, as the same may be amended or supplemented from time to time.

“Special Cash Account” shall have the meaning set forth in Section 5.04(b) hereof.

“Subsidiary” shall mean, as to Borrower, any corporation, partnership, limited liability company or joint venture whether now existing or hereafter organized or acquired as follows: (i) in the case of a corporation, of which any percentage equal to or in excess of fifty percent (50%) of the securities are at the time owned, directly or indirectly, by the Borrower, (ii) in the case of a partnership, limited liability company or joint venture, any percentage equal to or in excess of fifty percent (50%) of the partnership, membership or other ownership interests are at the time owned, directly or indirectly, by the Borrower, or (iii) any Person that is otherwise under the Control of the Borrower.

“Subsidiary Controlled by Borrower” shall mean a Subsidiary which is under the sole Control of Borrower.

“Unused Facility Fee” shall have the meaning set forth in Section 2.11 hereof.

“Unencumbered Property” or **“Unencumbered Properties”** shall mean a Property or Properties unencumbered by any security interest, mortgage or any other Lien upon or charge against or interest in the Property to secure payment of a debt or performance of an obligation.

“Wholly Owned Subsidiary” shall mean, as to Borrower, any corporation, partnership or limited liability company whether now existing or hereafter organized or acquired as follows: (i) in the case of a corporation, of which one hundred percent (100%) of the securities are at the time owned, directly or indirectly, by the Borrower, or (ii) in the case of a partnership or limited liability company of which one hundred percent (100%) of the membership or other ownership interests are at the time owned, directly or indirectly, by the Borrower.

“Working Capital Loans” shall have the meaning set forth in Section 2.01 hereof.

“Working Capital Sublimit” shall have the meaning set forth in Section 2.01 hereof.

SECTION 1.02 Computation of Time Periods. In this Agreement in the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including” and the words “to” and “until” each means “to and including”.

SECTION 1.03 Accounting Terms. Except as otherwise herein specifically provided, each accounting term used herein shall have the meaning given to it under GAAP.

SECTION 1.04 Construction.

(a) All references in this Agreement to “Sections” or “sub-sections” shall be deemed, unless otherwise noted, to be references to the Sections or sub-sections of this Agreement.

(b) All references in this Agreement to an “Exhibit” or “Exhibits” or to a “Schedule” or “Schedules” shall be deemed, unless otherwise noted, to be references to the Exhibits and Schedules annexed to this Agreement.

(c) All references to a Subsidiary shall be deemed, unless otherwise noted, to be references to a Subsidiary of Borrower.

ARTICLE II

AMOUNT AND TERMS OF THE REVOLVING CREDIT LOANS

SECTION 2.01 Revolving Credit Loans. Lender agrees, on and after the date of this Agreement, on the terms and conditions of this Agreement and in reliance upon the representations and warranties set forth in this Agreement, to lend to Borrower and prior to the Maturity Date (the “**Credit Period**”) such amounts as Borrower may request from time to time (individually, a “**Revolving Credit Loan**” or collectively, the “**Revolving Credit Loans**”), which amounts may be borrowed, repaid and reborrowed, provided, however, that the aggregate amount of such Revolving Credit Loans outstanding at any one time shall not exceed the Borrowing Base Availability. Notwithstanding the foregoing, Borrower shall not request, and Lender shall not make any working capital or operating expense Revolving Credit Loans (“**Working Capital Loans**”) to the extent such Working Capital Loans exceed \$15,000,000 in the aggregate (the “**Working Capital Sublimit**”); provided, in the event the Accordion Amount increases the Commitment to an amount equal to or greater than \$47,500,000, but less than \$60,000,000, the Working Capital Sublimit shall be \$20,000,000 and, in the event the Accordion Amount increases the Commitment to \$60,000,000, the Working Capital Sublimit shall be \$25,000,000.

SECTION 2.02 Revolving Credit Note. The Revolving Credit Loans shall be evidenced by a promissory note of Borrower in substantially the form of Exhibit A hereto (the “**Revolving Credit Note**”) dated the date hereof and completed with appropriate insertions. At the time of the making of each Revolving Credit Loan and at the time of each payment of principal thereon, the Lender is hereby authorized by Borrower to make a notation on the schedule annexed to the Revolving Credit Note of the date and amount of the Revolving Credit Loan or payment, as the case may be. Failure to make a notation with respect to any Revolving Credit Loan shall not limit or otherwise affect the obligation of Borrower hereunder or under the Revolving Credit Note with respect to such Revolving Credit Loan, and any payment of principal on the Revolving Credit Note by Borrower shall not be affected by the failure to make a notation thereof on said schedule.

SECTION 2.03 **Interest.** Except as provided herein, all Revolving Credit Loans shall bear interest at the Floating Rate. The rate of interest on Floating Rate Loans shall increase or decrease by an amount equal to any increase or decrease in the Prime Rate (or, if applicable, the Lender Prime Rate) effective as of the opening of business on the day that any such change in the Prime Rate occurs (or, if applicable, the Lender Prime Rate). Changes in the rate resulting from changes in the Prime Rate (or, if applicable, the Lender Prime Rate) shall take place immediately without notice or demand of any kind. Notwithstanding anything herein to the contrary, in no event shall the Floating Rate be less than three and one-half percent (3.5%) per annum.

SECTION 2.04 **Computation of Interest and Fees.** Unless otherwise specifically set forth in this Agreement, interest and all fees shall be computed on the actual number of days elapsed over a year of 360 days.

SECTION 2.05 **Reimbursement of Expenses.** If, at any time or times regardless of whether or not an Event of Default then exists, Lender incurs reasonable out-of-pocket accounting expenses, reasonable attorneys fees or any other reasonable out-of-pocket costs or expenses in connection with (a) the negotiation and preparation of this Agreement or any of the other Loan Documents, and any amendment, modification, replacement or termination of this Agreement or any of the other Loan Documents that has been requested by Borrower; (b) the administration of this Agreement or any of the other Loan Documents and the transactions contemplated hereby and thereby; (c) any litigation, contest, dispute, suit, proceeding or action (whether instituted by Lender, Borrower or any other Person) in any way relating to Borrower's obligations under this Agreement or any of the other Loan Documents or Borrower's affairs (except to the extent any such cost or expense arises from Lender's gross negligence or willful misconduct); or (d) any attempt to enforce any rights of Lender against Borrower or any other Person which may be obligated to Lender by virtue of this Agreement or any of the other Loan Documents, then all such costs and expenses shall be charged to Borrower. All amounts chargeable to Borrower under this Section shall be payable promptly after written demand by Lender, which demand shall include a reasonably detailed invoice therefore, and shall bear interest from the date that is 10 Business Days after such demand is made until paid in full at the Floating Rate applicable to the Revolving Credit Loans from time to time.

SECTION 2.06 **Revolving Credit Loan Requests.** A request for a Revolving Credit Loan shall be made, or shall be deemed to be made, by Borrower in the following manner: Borrower shall give Lender telephonic notice, to be promptly confirmed in writing on the form attached hereto as Exhibit B, of each borrowing (a "**Borrowing Notice**"), together with a Borrowing Base Certificate. Each Borrowing Notice shall be irrevocable and shall be effective only if received by Lender no later than 12:00 noon New York City time, on the date which is at least three (3) Business Days, prior to the date of such borrowing designated in the Borrowing Notice. Each such Borrowing Notice shall specify (a) the amount to be borrowed; (b) the date of such borrowing (which shall be a Business Day); and (c) the purpose of the Loan.

SECTION 2.07 **Maturity; Maximum Revolving Credit Obligations; Prepayments.**

(a) The Loan shall be due and payable, if not required to be paid earlier pursuant to this Agreement, on November 18, 2024 (the "**Maturity Date**").

(b) At no time shall the aggregate principal amount of the Loan outstanding exceed the Borrowing Base Availability and at no time shall the aggregate principal amount of all Working Capital Loans exceed the Working Capital Sublimit. In the event that for any reason, the aggregate outstanding principal amount of the Loan exceeds such respective amounts, Borrower shall within two (2) Business Days prepay the Loan in an amount sufficient to reduce the sum of the aggregate outstanding principal amount of the Loan to an amount not greater than availability under the respective Borrowing Base Availability or Working Capital Sublimit. Any such prepayment shall be made with interest accrued to the date of prepayment, unless interest will be charged on the regular monthly payment date, at the sole discretion of the Lender.

(c) In the event, upon any required Borrowing Base Determination Date, there is a Negative Borrowing Base Availability, Borrower shall within two (2) Business Days of delivering the required Borrowing Base Certificate and required attachments thereto to the Lender, pursuant to Section 5.01(b)(xii) of this Agreement, pay down the Loan in an amount equal to the amount of the Negative Borrowing Base Availability such that the outstanding principal balance of the Loan shall not exceed the Borrowing Base Availability.

(d) Upon one (1) Business Day's prior written notice specifying the amount of principal prepayment to be made, Borrower shall have the right to prepay the Loan at any time and from time to time in whole or in part without premium or penalty; provided, however, that (x) any such prepayment shall be in an amount not less than such amounts as provided in Section 2.07(e) hereof; and (y) if required by the Lender, any such prepayment of a Loan shall be made with interest accrued on the principal amount being prepaid to the date of prepayment.

(e) Except for borrowings which exhaust the full remaining amount of the Commitment or prepayments which result in 100% prepayment of the Loan, each borrowing and prepayment of the Loan shall be in a minimum amount of \$50,000.00 and in increased integral multiples of \$10,000.00.

SECTION 2.08 Payments.

(a) All payments by Borrower hereunder or under the Revolving Credit Note shall be made in Dollars in immediately available funds by wire transfer or intra-bank credit from accounts of Borrower by 2:00 P.M. Eastern Standard Time on the date on which such payment shall be due. Interest on the Revolving Credit Note shall accrue from and including the date of each Revolving Credit Loan, but interest shall not be charged on the date any interest payment is made.

(b) Except as provided in the following sentence, accrued interest on each Loan shall be payable in arrears on the Interest Payment Date until the maturity of such Loan or the payment or prepayment thereof in full. Interest at the Default Rate shall be payable from time to time on demand of Lender, if applicable, in accordance with the terms hereof.

(c) All items of payment received by Lender by 2:00 P.M. Eastern time, on any Business Day shall be deemed received on that Business Day. All items of payment received after 2:00 P.M. Eastern Standard Time, on any Business Day shall be deemed received on the following Business Day. Until payment in full of all Obligations and termination of this Agreement,

Borrower irrevocably waives (except as otherwise expressly provided for by Lender) the right to direct the application of any and all payments and collections at any time or times hereafter received by Lender from or on behalf of Borrower, and Borrower does hereby irrevocably agree that Lender shall have the continuing exclusive right to apply and reapply any and all such payments and collections received at any time or times hereafter by Lender or its agent against the Obligations, in such manner as Lender may reasonably deem advisable, notwithstanding any entry by Lender upon any of its books and records, subject to the terms of this Agreement.

SECTION 2.09 Mandatory Payments and Deposits.

(a) Deposits and Mandatory Prepayment of Net Capital Event Proceeds.

As soon as practical but in no event later than seven (7) Business Days after the receipt of Net Capital Event Proceeds, Borrower shall, or shall cause its (i) Wholly Owned Subsidiary and/or (ii) Subsidiary Controlled by Borrower (it being acknowledged that for any Subsidiary described in clause (ii), Net Capital Event Proceeds shall only refer to the portion of the funds received by such Subsidiary to which Borrower or a Wholly Owned Subsidiary is entitled pursuant to the organizational documents of such Subsidiary), to deposit the Net Capital Event Proceeds received by Borrower or such Wholly Owned Subsidiary or such Subsidiary Controlled by Borrower into the Designated Deposit Account. Upon the occurrence of a 100% Property Refinancing or the disposition of a 100% Property, Borrower shall make a mandatory prepayment of the Loan in an amount equal to the sum of (i) the amount of the Net Capital Event Proceeds from such event, plus (ii) the amount of Distributed Reserve Funds received in connection with such event.

(b) Mandatory Deposits of Net Public Stock Proceeds. As soon as practical but in no event later than seven (7) Business Days after the receipt of Net Public Stock Proceeds, Borrower shall deposit the Net Public Stock Proceeds received by Borrower into the Designated Deposit Account.

(c) Mandatory Deposits of Excess Cash Flow. Borrower shall use commercially reasonable efforts to cause Excess Cash Flow to be distributed, remitted or otherwise paid by Property fee owners in accordance with the general and historical management practices of their respective Properties, or as otherwise determined to be prudent or desirable by such Property fee owners and the Person(s) Controlling such Property fee owners, for such respective Property(ies). As soon as practical but in no event later than seven (7) Business Days after the receipt of Excess Cash Flow, Borrower shall, or shall cause its (i) Wholly Owned Subsidiary and/or (ii) Subsidiary Controlled by Borrower (it being acknowledged that for any Subsidiary described in clause (ii), Excess Cash Flow shall only refer to the portion of the funds received by such Subsidiary to which Borrower or a Wholly Owned Subsidiary is entitled pursuant to the organizational documents of such Subsidiary), to deposit the Excess Cash Flow received by Borrower or such Wholly Owned Subsidiary or such Subsidiary Controlled by Borrower into the Designated Deposit Account.

(d) Mandatory Deposits of Distributed Reserve Funds. As soon as practical but in no event later than seven (7) Business Days after the receipt of Distributed Reserve Funds, Borrower shall, or shall cause its (i) Wholly Owned Subsidiary and/or (ii) Subsidiary Controlled by Borrower (it being acknowledged that for any Subsidiary described in clause (ii), Distributed Reserve Funds shall only refer to the portion of the funds received by such Subsidiary to which

Borrower or a Wholly Owned Subsidiary is entitled pursuant to the organizational documents of such Subsidiary), to deposit the Distributed Reserve Funds received by Borrower or such Wholly Owned Subsidiary or such Subsidiary Controlled by Borrower into the Designated Deposit Account.

SECTION 2.10 Use of Proceeds. The proceeds of the Revolving Credit Loans shall be used for (i) the acquisition of, investment in, and/or repayment of mortgage debt secured by a Property; (ii) working capital (including dividend payments); and/or (iii) operating expenses. No part of the proceeds of any Revolving Credit Loan may be used for any purpose that directly or indirectly violates or is inconsistent with, the provisions of Regulations T, U or X. Borrower shall not use, and shall take reasonable steps to ensure that none of its Subsidiaries and its or their respective directors, officers, employees and agents shall use, the proceeds of any Revolving Credit Loans (i) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, or (ii) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country.

SECTION 2.11 Unused Facility Fee. Borrower agrees to pay to Lender from the date of this Agreement and for so long as the Commitment remains outstanding, on January 1, 2022 and on the first Business Day of each April 1st, July 1st, October 1st and January 1st thereafter, an unused facility fee equal to one quarter of one percent (0.25%) per annum (computed on the basis of the actual number of days elapsed during the three month period in question (or portion thereof) preceding the payment date (each a “**Quarterly Calculation Period**”), on the basis of a 360 day annual year calculated on the dollar amount of the full amount of the Commitment during such Quarterly Calculation Period minus the average daily principal balance of the Loan outstanding for such Quarterly Calculation Period (the “**Unused Facility Fee**”), such Unused Facility Fee being payable quarterly for the three month period, or part thereof, preceding the payment date. For the avoidance of doubt, that certain Unused Facility Fee due and payable January 1, 2022 shall include such sums due and payable for the Unused Facility Fee under the Prior Loan Agreement (hereinafter defined) accruing from October 1, 2021 through but not including the date hereof.

SECTION 2.12 Authorization to Debit Borrower’s Account. Lender is hereby authorized to debit Borrower’s account number 42118360 maintained at Valley National Bank for (i) all scheduled payments of principal and/or interest under the Revolving Credit Note, and (ii) the Unused Facility Fee, deficiency fee and all other fees and amounts due hereunder; all such debits to be made on the days such payments are due in accordance with the terms hereof.

SECTION 2.13 Late Charges, Default Interest.

(a) If the Borrower shall not make any payment of any principal installment or of interest on the Loan or any other amount becoming due hereunder (in each case other than (x) any prepayment (whether voluntary or mandatory) or (y) any payment at maturity, whether by virtue of an acceleration, or otherwise) within fifteen (15) days of the due date of such payment, then the Borrower shall pay a late payment charge equal to four (4%) percent of such late payment.

(b) Upon the occurrence and during the continuation of an Event of Default, Borrower shall pay interest on all amounts owing under the Revolving Credit Note and this Agreement (after as well as before judgment) at the Default Rate, to be applied retroactive to the date of the first occurrence of the Event of Default, computed on the basis of a 360 day year.

SECTION 2.14 Interest Adjustments. If the provisions of this Agreement or the Revolving Credit Note would at any time require payment by Borrower to the Lender of any amount of interest in excess of the maximum amount then permitted by applicable law, the interest payments shall be reduced to the extent necessary so that the Lender shall not receive interest in excess of such maximum amount. To the extent that, pursuant to the foregoing sentence, the Lender shall receive interest payments hereunder or under the Revolving Credit Note in an amount less than the amount otherwise provided, such deficit (hereinafter called the “**Interest Deficit**”) will cumulate and will be carried forward (without interest) until the date of determination by the Lender; thereafter, interest otherwise payable to the Lender hereunder or under the Revolving Credit Note for any subsequent period shall be increased by such maximum amount of the Interest Deficit that may be so added without causing the Lender to receive interest in excess of the maximum amount then permitted by applicable law.

SECTION 2.15 Participations, Etc. Lender shall have the right (but not the obligation) at any time, with or without notice to the Borrower, to sell, assign, transfer or negotiate all or any part of the Note or the Commitment or grant participations therein to one or more banks (foreign or domestic, including an affiliate of the Lender) having sufficient capital to honor the Commitment, insurance companies or other regulated financial institutions, pension funds or mutual funds so long as the same does not result in any increased costs to Borrower under Section 2.03 hereof. Lender agrees to furnish written notice to Borrower of any such sale, assignment or transfer of all or any part of the Note or Commitment concurrently with the occurrence thereof. The Borrower agrees and consents to Lender providing financial and other information regarding its and their business and operations to prospective purchasers or participants and further agree that to the extent that Lender should sell, assign, transfer or negotiate all or any part of the Note or the Commitment, Lender shall be forever released and discharged from its obligations under the Note, the Commitment and this Agreement but only to the extent same is sold, assigned, transferred or negotiated to any commercial bank, insurance company or other regulated financial institution, pension fund or mutual fund organized and existing under the laws of the United States or any state thereof and having a net worth in excess of \$1,000,000,000.00, and only to the extent that such party assumes in writing all of the Lender’s rights obligations under this Agreement and the other Loan Documents with respect to the obligations so conveyed. Nothing herein shall be read or construed as prohibiting or otherwise limiting the ability or right of Lender to pledge the Note to a Federal Reserve Bank.

SECTION 2.16 Cap Rate Adjustments. Annually on each anniversary date of this Agreement (“Adjustment Date”), and within sixty (60) days thereof, Lender shall analyze the Cap Rate based on the most recently available reports by CoStar™ or REIS® (provided by Moody’s Analytics) or other analytic reports obtained by and acceptable to Lender, for each 100% Property and determine the non-weighted average thereof (as of each Adjustment Date, the “**Average Cap Rate**”). Lender shall furnish copies of all such reports to Borrower promptly following request. In the event that on the first Adjustment Date following the date of this Agreement the Average Cap Rate exceeds 7.15%, the Cap Rate shall be increased to the lesser of (i) such Average Cap Rate or

(ii) 7.5%. Thereafter, on each subsequent Adjustment Date, in the event that the Average Cap Rate as of such Adjustment Date has increased or decreased by at least 10% of the then applicable Cap Rate (a 10% increase or decrease in the Average Cap Rate relative to the then effective Cap Rate shall hereinafter be referred to as the “**Adjustment Threshold**”), the Cap Rate shall then be adjusted and increased or decreased to a new Cap Rate which shall be equal to (subject to the limits hereinafter set forth) the Average Cap Rate, provided however that the Cap Rate, as adjusted in accordance with the foregoing provision, shall never increase or decrease on any Adjustment Date by more than 100 basis points nor shall the Cap Rate ever become less than 6.5%. It is understood and agreed that no adjustment shall be applied to the Cap Rate for any Adjustment Date if the Average Cap Rate then calculated has not equaled or exceeded the then effective Cap Rate by an amount equal to or greater than the Adjustment Threshold. Lender’s analysis and calculation of the Average Cap Rate and any adjustment shall be deemed conclusive absent manifest error proven by Borrower.

SECTION 2.17 Additional Loan Commitments.

(a) Borrower may, from time to time, but not more often than two (2) times prior to the Maturity Date, request that Lender seek an increase to the Commitment by an amount no greater than \$25,000,000 (the “**Accordion Amount**”). Borrower shall make such request by giving notice to Lender no later than nine (9) months prior to the Maturity Date (the “**Syndication Expiration Date**”) which notice shall set forth the requested increased dollar amount, in the minimum amount of \$12,500,000 (the “**Requested Increase**”) and such other details with respect to such increased request as Lender shall reasonably request. If there is a Requested Increase, the Requested Increase shall require one or more “**Accordion Participant Financial Institutions**” (as defined below) to comprise 100% of the Requested Increase and to execute documentation prepared by and satisfactory to the Lender (collectively, the “**New Lenders**”), for its/their portion of the Requested Increase which together with the Commitment shall in no event exceed \$60,000,000 (the “**Conditional Increased Commitment**”). Borrower shall not request any Requested Increase for a period of one hundred twenty (120) days following the closing of a Conditional Increased Commitment. The Lender will use reasonable efforts with the assistance of and at the cost to the Borrower, to arrange one or more financial institutions, which financial institutions must be organized under the laws of and in good standing in the United States of America, have a minimum total asset size of no less than one billion dollars and otherwise be acceptable to the Lender (“**Accordion Participant Financial Institution**” or “**Accordion Participant Financial Institutions**”), to become co-lenders under this Agreement with Lender to become agent for such co-lenders. The Borrower hereby acknowledges that Lender provides no assurance or commitment to the Borrower that Accordion Participant Financial Institutions will issue commitments for any portion of the Requested Increase it being understood and agreed that any such commitment would by such Accordion Participant Financial Institution will require its/their credit approvals and execution of documentation reasonably satisfactory to Lender. Lender shall have no further obligation to seek commitments for a Requested Increase that is made following the Syndication Expiration Date. For clarity, the terms and conditions in this paragraph are in addition to the terms and conditions in section 2.15 of this Agreement.

(b) In connection with an Increased Commitment, Borrower shall execute supplemental promissory notes (the “**Supplemental Notes**”) to each of the New Lenders in proportion to each such New Lender’s ratable portion of the Increased Commitment, as well as

such other modifications to this Agreement as Lender shall reasonably request, including but not limited to customary agency provisions. Borrower agrees to pay all costs and expenses including reasonable attorney's fees of Lender and New Lenders in connection therewith provided however, that the economic terms of the Increased Commitment (i.e., interest rate, term, borrowing base formula) as set forth herein shall not be materially changed.

ARTICLE III

CONDITIONS OF LENDING

SECTION 3.01 **Conditions Precedent to the Making of the Initial Revolving Credit Loan.** The obligation of Lender to make the initial Revolving Credit Loan contemplated by this Agreement is subject to the following conditions precedent, all of which shall be performed or satisfied in a manner in form and substance reasonably satisfactory to Lender and its counsel, and Lender acknowledges that the following conditions precedent have been performed or satisfied:

(a) Lender shall have received a Revolving Credit Note, duly executed by Borrower.

(b) Lender shall have received certified (as of the date of this Agreement) copies of the resolutions of the board of directors of Borrower authorizing the Loan and authorizing and approving this Agreement and the other Loan Documents and the execution, delivery and performance thereof and certified copies of all documents evidencing other necessary corporate action and governmental approvals, if any, with respect to this Agreement and such other Loan Documents.

(c) Lender shall have received a certificate of the Secretary (attested to by another officer) of Borrower certifying: (i) the names and true signatures of the officer or officers of Borrower authorized to sign this Agreement, the Revolving Credit Note and the other Loan Documents to be delivered hereunder on behalf of Borrower; and (ii) a copy of Borrower's by-laws as complete and correct on the date of this Agreement.

(d) Lender shall have received a copy of the certificate of incorporation and all amendments thereto of Borrower, certified by the Secretary and a certificate of existence and good standing with respect to Borrower from the Secretary of State (or equivalent officer) of the state of incorporation of Borrower and from the Secretary of State (or equivalent officer) of any state in which Borrower is authorized to do business.

(e) Lender shall have received the opinion of as to certain matters referred to in Article IV hereof and as to such other matters as the Lender or its counsel may reasonably request.

(f) The following statements shall be true and Lender shall have received a certificate signed by the President, an Executive Vice President, a Senior Vice President, the Treasurer or the Chief Financial Officer of Borrower dated the date hereof, stating that:

(i) The representations and warranties contained in Article IV of this Agreement and in the Loan Documents are true and correct in all material respects on and as of such date;

(ii) No Default or Event of Default has occurred and is continuing, or would result from the making of the initial Revolving Credit Loan;

(g) All schedules, documents, certificates and other information provided to the Lender pursuant to or in connection with this Agreement shall be satisfactory to the Lender and its counsel in all material respects;

(h) Borrower shall have established its primary banking and depository relationship with Lender pursuant to Section 5.04 herein;

(i) Borrower shall have established the Designated Deposit Account maintained at Valley National Bank;

(j) The Lender shall have received Borrower's 10-K financial statement filed with the SEC for the period fiscal year ended December 31, 2020 and Borrower's then most recent 10-Q financial statement filed with the SEC;

(k) The Lender shall have received a (1) Quarterly Properties Information Report pursuant to Section 5.01 (b) (vi), (2) Quarterly 100% Mortgage Information Report pursuant to Section 5.01(b)(vii), (3) Quarterly 100% Property Income Statement Reports pursuant to Section 5.01 (b) (viii), (4) a Borrowing Base Certificate pursuant to Section 5.01(b)(xii) evidencing sufficient Borrowing Base Availability in relation to the accompanying borrowing request by the Borrower, (5) all Enhanced Collateral Property Ownership Verification Reports pursuant to Section 5.01(b)(ix) and (6) an Enhanced Collateral Properties Compliance Certificate pursuant to Section 5.01(b)(x);

(l) Lender shall have received the Pledge Agreement from all Wholly Owned Subsidiaries that own a direct Equity Interest in any entity that owns fee title to any 100% Unencumbered Property intended by Borrower and accepted by Lender to become an Enhanced Collateral Property, which Pledge Agreement shall give to Lender a first priority security interest in such Equity Interests, and Lender shall have received, (i) all outstanding membership and/or stock certificates, as applicable, for all such Wholly Owned Subsidiaries, representing 100% of all Equity Interests in such entities that own fee title and (ii) equity interest and/or stock power forms, each executed in blank, and (iii) the Negative Pledge Agreement prohibiting any such 100% Unencumbered Property from becoming an Encumbered Property.

(m) Lender shall have received the Guaranty from all Wholly Owned Subsidiaries that own an Equity Interest, directly or indirectly, in any entity that owns fee title to any 100% Unencumbered Property intended by Borrower and accepted by Lender to become an Enhanced Collateral Property.

(n) Lender shall have received a Negative Pledge Agreement from Borrower and all Wholly Owned Subsidiaries that own, directly or indirectly, fee title to any 100% Unencumbered Property intended by Borrower and accepted by Lender to become an Enhanced

Collateral Property which Negative Pledge Agreement shall be in the form substantially as set forth as Exhibit L and which shall prohibit, among other things, any such 100% Unencumbered Property from becoming an Encumbered Property.

(o) Borrower shall be in compliance with all Financial Requirements in Section 5.03 of this Agreement.

(p) All legal matters incident to this Agreement and the Loan transactions contemplated hereby shall be reasonably satisfactory to Lender's counsel;

(q) Lender shall have received such other approvals, title reports, searches, opinions or documents as Lender or its counsel may reasonably request, including any mortgage search or similar search evidencing that the Enhanced Collateral Properties are free of any Mortgage Debt;

(r) Lender shall have received payment of the reasonable legal fees and expenses of Lender's counsel; and

(s) Lender shall have received payment of a non-refundable modification-extension fee in the amount of Two Hundred Forty-Three Thousand Seven Hundred Fifty and 00/100 Dollars (\$243,750), which Borrower acknowledges was earned by the Lender in connection with the transactions contemplated hereby.

SECTION 3.02 **Conditions Precedent to All Revolving Credit Loans.** The obligation of the Lender to make each Revolving Credit Loan (including the initial Revolving Credit Loan) shall include that Borrower continues to be in compliance with all conditions in Section 3.01, subject to the further condition precedent that on the date of such Revolving Credit Loan:

(a) The following statements shall be true and each request for a Revolving Credit Loan shall be deemed a certification by Borrower that:

(i) The representations and warranties contained in Article IV of this Agreement and in the other Loan Documents are true and correct in all material respects on and as of such date as though made on and as of such date; and

(ii) No Default or Event of Default has occurred and is continuing or would result from such Revolving Credit Loan.

(b) Lender shall have received a covenant compliance certificate prepared by management of Borrower, indicating that, after giving effect to the requested Loan, Borrower shall remain in compliance with all of the financial requirements set forth in Section 5.03 hereof.

(c) Lender shall have received (i) such other approvals, opinions or documents as Lender may reasonably request, to the extent furnished in connection with the initial Revolving Credit Loan hereunder and (ii) all documents, financial information and other information as required pursuant to this Agreement, including but not limited to that required in Sections 2.06, 3.01 and 5.01 hereof.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

SECTION 4.01 **Representations and Warranties.** On the date hereof and on each date that Borrower requests a Revolving Credit Loan, Borrower represents and warrants to Lender as follows:

(a) **Subsidiaries.** As of the date hereof, Schedule 4.01(a) annexed hereto and a part hereof, sets forth the Subsidiaries of Borrower that own a 100% Property and whether or not such 100% Property is a 100% Unencumbered Property. All of the Equity Interests of any such Subsidiaries owning an Unencumbered Property which are owned directly or indirectly by Borrower are owned free and clear of any mortgage, pledge, lien or encumbrance, except for the transfer and/or lien restrictions contained in the organizational and/or loan documents of such Subsidiaries and/or their subsidiaries. Except as set forth on Schedule 4.01(a), there are not any outstanding warrants, options, contracts or commitments of any kind entitling any Person to purchase or otherwise acquire any securities or other Equity Interests of any Wholly Owned Subsidiary, nor are there outstanding any instruments which are convertible into or exchangeable for any securities or other Equity Interests of any Wholly Owned Subsidiary. The list of Subsidiaries as of the given date is subject to supplementation and modification from time to time as set forth in and as required by Section 5.01(l).

(b) **Organization.** Borrower is a corporation duly organized, validly existing and in good standing under the laws of the state of its incorporation, and Borrower has the power to own its assets and to transact the business in which it is presently engaged. Borrower is duly qualified and is in good standing in all other jurisdictions where the failure to so qualify or be in good standing would result in a Material Adverse Change in Borrower.

(c) **Due Execution, etc.** The execution, delivery and performance by Borrower of this Agreement and the other Loan Documents are within Borrower's corporate power, has been duly authorized by all necessary corporate action and does not and will not (i) require any consent or approval of the stockholders of Borrower; (ii) contravene Borrower's certificate of incorporation or by-laws; (iii) violate any provision of or any law, rule, regulation, contractual restriction, order, writ, judgment, injunction, or decree, determination or award binding on or affecting Borrower; (iv) result in a breach of or constitute a default under any indenture or loan or credit agreement, or any other agreement, lease or instrument to which Borrower is a party or by which it or its properties may be bound or affected; or (v) result in, or require, the creation or imposition of any Lien (other than the Lien of the Loan Documents) upon or with respect to any of the properties now owned or hereafter acquired by Borrower.

(d) **No Authorization, etc.** No authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution, delivery and performance by Borrower of this Agreement or any other Loan Document to which it is a party, except authorizations, approvals, actions, notices or filings which have been obtained, taken or made (or to be made in connection with UCC financing statements executed in connection herewith, if any), as the case may be.

(e) Validity of Loan Documents. The Loan Documents when delivered hereunder will have been duly executed and delivered on behalf of Borrower and will be the legal, valid and binding obligations of Borrower, enforceable against Borrower in accordance with their respective terms, subject to applicable bankruptcy, insolvency and similar laws affecting rights of creditors generally and general principals of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

(f) Financial Statements. The audited consolidated financial statements of Borrower and its Subsidiaries for the fiscal year ended December 31, 2020, copies of each of which have been furnished to Lender, and the consolidated results of operations of Borrower and its Subsidiaries for the periods ended on such dates, all in accordance with GAAP, fairly present in all material respects the consolidated financial condition of Borrower and its Subsidiaries as at such dates. Since such date there has been (i) except as set forth in Schedule 4.01(f) hereto, no material increase in the liabilities of Borrower and its Subsidiaries and (ii) no Material Adverse Change in Borrower.

(g) No Litigation. There is no pending or threatened action, proceeding or investigation against Borrower or any Subsidiary before any court, governmental agency or arbitrator, which either in one case or in the aggregate, is reasonably likely to result in a Material Adverse Change in Borrower.

(h) Tax Returns. Borrower and each Subsidiary Controlled by Borrower has filed all federal, state and local tax returns required to be filed (subject to extensions granted) and has paid all taxes, assessments and governmental charges and levies thereon to be due, including interest and penalties.

(i) Licenses, etc. Borrower and each Subsidiary possesses all licenses, permits, franchises, patents, copyrights, trademarks and trade names, or rights thereto, to conduct its business substantially as now conducted and as presently proposed to be conducted where the failure to possess such licenses, permits, franchises, patents, copyrights, trademarks and trade names, or rights thereto would be reasonably likely to result in a Material Adverse Change in Borrower, and neither Borrower nor any Subsidiary is in violation of any similar rights of others where such violation would be reasonably likely to result in a Material Adverse Change in Borrower.

(j) Anti-Corruption Laws and Sanctions. Borrower represents and warrants that Borrower has implemented and maintains in effect policies and procedures designed to ensure compliance by Borrower and its respective directors, officers and employees and their agents that are controlled by Borrower with Anti-Corruption Laws and applicable Sanctions, and Borrower and its respective officers and employees and to the knowledge of Borrower its directors and agents, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects. None of (a) Borrower or, to the knowledge of Borrower, any Subsidiary or any of their respective directors, officers, employees or agents that will act in any capacity in connection with or benefit from the credit facility established hereby, is a Sanctioned Person. No use of proceeds or other transactions contemplated hereby will violate Anti-Corruption Laws or applicable Sanctions.

(k) Margin Credit. Neither Borrower nor any Subsidiary is engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulations T, U or X), and no proceeds of any Loan will be used to purchase or carry any margin stock or to extend credit to others for the purpose of purchasing or carrying any margin stock or in any other way which will cause Borrower to violate the provisions of Regulations T, U or X.

(l) Compliance with Law. Borrower and each Subsidiary is in all material respects in compliance with all federal and state laws and regulations in all jurisdictions where the failure to comply with such laws or regulations would be reasonably likely to result in a Material Adverse Change in Borrower.

(m) ERISA. Except where the failure would not be reasonably likely to result in a Material Adverse Change in Borrower, Borrower, each Subsidiary and each ERISA Affiliate of Borrower or a Subsidiary are in compliance in all material respects with all applicable provisions of ERISA. Neither a Reportable Event nor a Prohibited Transaction has occurred and is continuing with respect to any Plan of Borrower or a Subsidiary; no notice of intent to terminate a Plan of Borrower or a Subsidiary has been filed nor has any Plan been terminated; no circumstances exist which constitute grounds under Section 4042 of ERISA entitling the PBGC to institute proceedings to terminate, or appoint a trustee to administrate, a Plan of Borrower or a Subsidiary, nor has the PBGC instituted any such proceedings; neither Borrower, any Subsidiary nor any ERISA Affiliate of Borrower or any Subsidiary has completely or partially withdrawn under Sections 4201 or 4204 of ERISA from a Multiemployer Plan; Borrower, each Subsidiary and each ERISA Affiliate of Borrower or any Subsidiary have met their minimum funding requirements under ERISA with respect to all of their Plans and the present fair market value of all Plan assets exceeds the present value of all vested benefits under each Plan, as determined on the most recent valuation date of the Plan in accordance with the provisions of ERISA for calculating the potential liability of Borrower, any Subsidiary or any ERISA Affiliate of Borrower or any Subsidiary to PBGC or the Plan under Title IV of ERISA; and neither Borrower, any Subsidiary nor any ERISA Affiliate of Borrower, or any Subsidiary has incurred any liability to the PBGC under ERISA.

(n) Hazardous Material. Borrower and each Subsidiary is, in all material respects, in compliance with all federal, state or local laws, ordinances, rules, regulations or policies governing Hazardous Materials where the failure to comply with such laws, ordinances, rules, regulations or policies would be reasonably likely to result in a Material Adverse Change in Borrower; and neither Borrower nor any Subsidiary has used Hazardous Materials on, from, or affecting any property now owned or occupied or hereafter owned or occupied by Borrower or any Subsidiary in any manner which violates federal, state or local laws, ordinances, rules, regulations or policies governing the use, storage, treatment, transportation, manufacture, refinement, handling, production or disposal of Hazardous Materials where such violation would be reasonably likely to result in a Material Adverse Change in Borrower; and to the best of Borrower's knowledge, no prior owner of any such property or any tenant, subtenant, prior tenant or prior subtenant of any such property have used Hazardous Materials on, from or affecting such property in any manner which violates federal, state or local laws, ordinances, rules, regulations, or policies governing the use, storage, treatment, transportation, manufacture, refinement, handling, production or disposal of Hazardous Materials except as set forth in Borrower's files which have

been made available to Lender or where such violation would not be reasonably likely to result in a Material Adverse Change in Borrower.

(o) Use of Proceeds. The proceeds of the Revolving Credit Loans shall be used exclusively for the purposes set forth in Section 2.10 hereof.

(p) Title to Assets. Borrower or the applicable Wholly Owned Subsidiary has good and marketable title to all of the 100% Properties. The 100% Properties and assets of Borrower are not subject to any mortgage, judgment or similar monetary Lien other than those described in Schedule 5.02(a) hereof and the mortgages related to the Debt described on Section 5.02(b) hereof.

(q) Casualty. Except as set forth on Schedule 4.01(q), neither the business nor the properties of Borrower or any Subsidiary are affected by any fire, explosion, accident, strike, hail, earthquake, embargo, act of God or of the public enemy, or other casualty (whether or not covered by insurance), which would be reasonably likely to result in a Material Adverse Change in Borrower.

(r) Lien Priority. Except as disclosed on Schedule 4.01(r), the Lien(s) on the Collateral Accounts created by the Security Agreement and those created by the Pledge Agreement constitute valid first priority perfected security interests in favor of Lender.

(s) Credit Agreements. Schedule 4.01(s) is a complete and correct list of all Debt of Borrower (it being acknowledged for the avoidance of doubt that Schedule 4.01(s) does not list any Debts of any subsidiary of Borrower).

(t) OFAC and Patriot Act. Neither Borrower nor, to Borrower's knowledge, any of its Affiliates:

(i) is a Restricted Party, is an affiliate of a Restricted Party or conducts any business with or receives any funds from a Restricted Party;

(ii) has violated any Anti-Terrorism Law;

(iii) has been or is being investigated by any governmental authority for violating any Anti-Terrorism Law or has received notice of any such investigation or any other action under any Anti-Terrorism Law in respect of it or any Affiliate or any of their respective assets; or

(iv) has been assessed any civil or criminal penalty or had any funds or assets frozen, seized or forfeited under any Anti-Terrorism Law; and

(v) has taken reasonable measures to ensure that the source of its funds and property is derived from legal sources and is not subject to seizure, forfeiture or confiscation under any Anti-Terrorism Law.

ARTICLE V

COVENANTS OF BORROWER

SECTION 5.01 **Affirmative Covenants.** So long as any amount shall remain outstanding under the Revolving Credit Note or so long as the Commitment shall remain in effect, Borrower will, and will cause each Subsidiary Controlled by Borrower to, unless Lender shall otherwise consent in writing:

(a) Compliance with Laws, Etc. Comply in all material respects with all applicable laws, rules, regulations and orders, where the failure to so comply would be reasonably likely to result in a Material Adverse Change in Borrower;

(b) Reporting Requirements. Furnish to Lender:

(i) Annual Financial Statements. As soon as available and in any event not later than the earlier of (x) the date required to be filed with the SEC, or (y) ninety (90) days after the end of each Fiscal Year, a copy of the 10-K report of Borrower and its Subsidiaries for each Fiscal Year, including audited consolidated financial statements with balance sheets with related statements of income and retained earnings and statements of cash flows, all in reasonable detail and setting forth in comparative form the figures for the previous Fiscal Year, together with an unqualified opinion, prepared by management of Borrower and certified by independent certified public accountants selected by Borrower and reasonably satisfactory to Lender, all such financial statements to be prepared in accordance with GAAP, consistently applied;

(ii) Quarterly Financial Statements. As soon as available and in any event not later than the earlier of (x) the date required to be filed with the SEC, or (y) sixty (60) days after the end of each of Borrower's first three Fiscal Quarters, a copy of the 10-Q report of Borrower and its Subsidiaries for each Fiscal Quarter, including consolidated financial statements for such quarter and for year to date, including a balance sheet with related statements of income and retained earnings and a statement of cash flows, all in reasonable detail and setting forth in comparative form the figures for the comparable quarter and comparable year to date period for the previous fiscal year, all such financial statements to be prepared by management of Borrower in accordance with GAAP, consistently applied;

(iii) Management Letters. Promptly upon receipt thereof by Borrower or any Subsidiary Controlled by Borrower, copies of any reports submitted to Borrower or any Subsidiary by independent certified public accountants in connection with the examination of the

financial statements of Borrower or any Subsidiary made by such accountants;

(iv) Accountant's Report. Simultaneously with the delivery of the annual financial statements referred to in Section 5.01(b)(i) hereof, a certificate of the independent certified public accountants who audited such statements to the effect that, in making the examination necessary for the audit of such statements, they have obtained no knowledge of any condition or event which constitutes a Default or Event of Default, or if such accountants shall have obtained knowledge of any such condition or event, they shall specify in such certificate each such condition or event of which they have knowledge and the nature and status thereof;

(v) Designated Deposit Proceeds Report. Not later than fifteen (15) days after the end of each month, and in form and substance with Exhibit G, attached hereto: (A) a report of all cash receipts and cash deposits by Borrower during such most recent prior full month, including separate detail for each Property in which the Borrower or a Subsidiary has ownership or an investment in a Property and/or Properties and (B) a report of cash receipts and cash deposits by Borrower from Net Public Stock Proceeds in a form reasonably acceptable to Lender, which report shall indicate any and all Designated Deposit Proceeds and be certified (including certification that all Designated Deposit Proceeds which have been received by the Borrower have been deposited into the Designated Deposit Account maintained at Valley National Bank during such one month period being certified thereto) by any two (2) of the following officers of Borrower: President, an Executive Vice President, a Senior Vice President, the Treasurer, and the Chief Financial Officer;

(vi) Quarterly Properties Information Report. As soon as available and in any event not later than forty (40) days after the end of each Fiscal Quarter, a complete portfolio of Properties of Borrower and its Subsidiaries substantially in the form as attached Exhibit A-1 and separately identifying, to Lender's reasonable satisfaction, each Property name, address and Borrower's direct or indirect ownership percentage in the entity that owns the applicable Property, and separately identifying in bold print each 100% Property and each Enhanced Collateral Property;

(vii) Quarterly 100% Mortgage Information Report. As soon as available and in any event not later than forty (40) days after the end of each Fiscal Quarter, a complete portfolio of Properties outstanding mortgage report for each of the Properties of Borrower and its Subsidiaries substantially in the form and substance attached hereto as Exhibit H and separately identifying in bold print each 100% Property;

(viii) Quarterly 100% Property Income Statement Reports. Not later than forty (40) days after the end of each Fiscal Quarter, a detailed income statement for each 100% Property substantially in the forms attached as Exhibit A-2, which must include the greatest number of most recent complete consecutive Fiscal Quarters income statement information for complete consecutive Fiscal Quarters for each Fiscal Quarter which such Property qualified as a 100% Property, to a maximum of the four (4) most recent complete consecutive Fiscal Quarters income statement information;

(ix) Enhanced Collateral Properties Ownership Verification. Not later than fifteen (15) days after the end of each calendar month, and in the form and substance attached hereto as Exhibit M, a schedule of each Enhanced Collateral Property that details the name and ownership interest of each direct and indirect owner of any Equity Interest in such Enhanced Collateral Property (each a “**Enhanced Collateral Property Ownership Verification Report**”);

(x) Enhanced Collateral Properties Compliance Certificate. Not later than fifteen (15) days after the end of each calendar month, and in the form and substance attached hereto as Exhibit N (the “**Enhanced Collateral Properties Compliance Certificate**”), a completed Enhanced Collateral Properties Compliance Certificate demonstrating compliance with, among other things, the minimum Enhanced Collateral Properties Value of the Enhanced Collateral Properties and setting for the Net Operating Income of each Enhanced Collateral Property;

(xi) Certificate of No Default. (A) No later than forty (40) days following the end of each Fiscal Quarter (with respect to each Fiscal Quarter, a “**Compliance Certificate Delivery Date**”), a certificate of the President, an Executive Vice President, a Senior Vice President, the Treasurer or the Chief Financial Officer of Borrower, (1) certifying that to the best of their knowledge after due inquiry no Default or Event of Default has occurred and is continuing, or if a Default or Event of Default has occurred and is continuing, a statement as to the nature thereof and the action which is proposed to be taken with respect thereto; and (2) with computations demonstrating compliance with the covenants contained in Section 5.03 in form and substance similar to Exhibit E; and (B) simultaneous with the delivery of the financial statements referred to in Section 5.01(b)(i) hereof and (ii), a certificate of the President, an Executive Vice President, a Senior Vice President, the Treasurer or the Chief Financial Officer of Borrower, either (1) certifying that there are no changes to the most recent certificate delivered in accordance with clause (A) of this Section 5.01(b)(xi) or (2) if any changes have occurred, a new certificate (x) setting forth the changes to the most recent certificate

delivered in accordance with clause (A) of this Section 5.01(b)(xi) and (y) certifying that there are no other changes to such prior certificate other than those specified in such new certificate;

(xii) Borrowing Base Certificate. As soon as available, and in any event not later than (i) forty (40) days following the end of each Fiscal Quarter; (ii) within seven (7) Business Days after the occurrence of a 100% Property Refinancing or the sale or disposition of a 100% Property; and (iii) on the same day of any borrowing request made by Borrower, a Borrowing Base Certificate and attachments in the form attached as Exhibit F;

(xiii) Notice of Litigation. Promptly after the commencement thereof, notice of all actions, suits and proceedings before any court or governmental department, commission, board, bureau, agency, or instrumentality, domestic or foreign, whether or not covered by insurance, affecting Borrower or any Subsidiary which, if determined adversely to Borrower or such Subsidiary would be reasonably likely to result in a Material Adverse Change in Borrower;

(xiv) Notice of Defaults and Events of Default. As soon as possible and in any event within five (5) days after the occurrence of each Default or Event of Default, a written notice setting forth the details of such Default or Event of Default and the action which is proposed to be taken by Borrower with respect thereto;

(xv) ERISA Reports. Promptly after the filing or receiving thereof, copies of all reports, including annual reports, and notices which Borrower or any Subsidiary files with or receives under ERISA from the PBGC, the Internal Revenue Service or the U.S. Department of Labor; and as soon as possible after Borrower knows or has reason to know that any Reportable Event or Prohibited Transaction has occurred with respect to any Plan of Borrower or any Subsidiary or that the PBGC or Borrower or any Subsidiary has instituted or will institute proceedings under Title IV of ERISA to terminate any Plan, Borrower will deliver to Lender a certificate of the President, an Executive Vice President, a Senior Vice President, the Treasurer or the Chief Financial Officer of Borrower setting forth details as to such Reportable Event, Prohibited Transaction or Plan termination and the action Borrower proposes to take with respect thereto;

(xvi) Proxy Statements, Etc. Promptly after the sending or filing thereof, copies of all proxy statements, financial statements and reports which Borrower sends to its public stockholders, if any, and copies of all regular, periodic, and special reports, all registration statements which Borrower files with the SEC or any governmental authority which may be substituted therefor, or with any national

securities exchange and any press releases or other notices or information publicly disseminated; it being acknowledged that the publication and continued availability of any of the foregoing on Borrower's website shall be deemed to constitute delivery thereof to Lender;

(xvii) U.S. Treasuries Information. As soon as available and no later than fifteen (15) days after the end of each month, a U.S. Treasuries Purchase(s) and Redemption(s) Report in form and substance attached hereto as Exhibit I;

(xviii) Mortgage Financing. As soon as available and in no event later than fifteen (15) days prior to the closing of any 100% Property Refinancing where new or additional funds will be borrowed, a certificate prepared by management of Borrower (i) advising Lender of the proposed 100% Property Refinancing and anticipated closing date, (ii) detailing the Property or Properties involved, (iii) setting forth the source and material economic terms of such financing, and (iv) providing a copy of the appraisal, if any, to Lender if in the possession or control of Borrower. Borrower shall provide Lender with written notification and details of any payoff of existing mortgage loan(s) on a 100% Property within five (5) business days of such occurrence;

(xix) Real Estate Acquisition Information. As soon as possible, but in no event less than forty-eight (48) hours prior to submitting a Borrowing Notice attached as Exhibit B hereto in connection with a Property acquisition, such Real Estate Acquisition Information as reasonably requested by Lender;

(xx) Real Estate Dispositions. As soon as possible, but in no event later than fifteen (15) days prior to the closing of the sale or other disposition of a 100% Property, a certificate prepared by management of Borrower (i) advising Lender of the proposed disposition and anticipated closing date, (ii) identifying the 100% Property or 100% Properties involved and (iii) setting forth the material economic terms of such disposition.

(xxi) Public Offering Notice. As soon as practical, but in no event later than five (5) Business Days following the end of each calendar month during the Credit Period, notice of the receipt of any Net Public Stock Proceeds by Borrower during the immediately preceding monthly period; and

(xxii) General Information. As soon as practical, but in no event later than twenty-one (21) days upon request by Lender, such other information respecting the condition or operations, financial or

otherwise, of Borrower or any Subsidiary as Lender may from time to time reasonably request.

(c) Taxes. Pay and discharge all taxes, assessments and governmental charges upon Borrower, any Subsidiary, its or their income and its or their properties prior to the dates on which penalties are attached thereto, unless and only to the extent that (i) such taxes shall be contested in good faith and by appropriate proceedings by Borrower or such Subsidiary, (ii) there be adequate reserves therefor in accordance with GAAP entered on the books of Borrower or such Subsidiary and (iii) no enforcement proceedings against Borrower or such Subsidiary have been commenced.

(d) Existence. Preserve and maintain the existence and good standing of Borrower and each Subsidiary Controlled by Borrower in the jurisdiction of its formation and the rights, privileges and franchises of Borrower and each such Subsidiary in each case where failure to so preserve or maintain would be reasonably likely to result in a Material Adverse Change in Borrower.

(e) Maintenance of Properties and Insurance. Except where the failure to do so would not be reasonably likely to result in a Material Adverse Change in Borrower, (i) keep the respective material properties and assets (tangible or intangible) that are useful and necessary in Borrower's and each Subsidiary's business, in good working order and condition, reasonable wear and tear excepted; and (ii) maintain insurance with financially sound and reputable insurance companies or associations in such amounts and covering such risks, including, without limitation, replacement value coverage and liability insurance coverage, as are usually carried by companies engaged in similar businesses and owning properties doing business in the same general areas in which Borrower and each Subsidiary operates. Notwithstanding the foregoing, Positive 100% Properties shall at all times maintain insurance pursuant to subsection (ii), herein. On each annual anniversary of this Agreement, with respect to Enhanced Collateral Properties only, Borrower shall provide to Lender documentary evidence, acceptable to Lender in its sole but reasonable discretion that the required insurance pursuant to subsection (ii) is in place. Additionally, with respect to Enhanced Collateral Properties only, within fifteen (15) days following (a) the previous expiration date of any insurance policy required to be in place pursuant to this paragraph and/or (b) any change in any insurance carrier and/or material change in any such insurance policy (including any replacement insurance policy), Borrower shall provide to Lender documentary evidence, acceptable to Lender in its sole but reasonable discretion that the required insurance pursuant to subsection (ii) is in effect and will continue to be in effect.

(f) Books of Record and Account. Keep adequate records and proper books of record and account in which complete entries will be made in a manner to enable the preparation of financial statements in accordance with GAAP, reflecting all financial transactions of Borrower and each Subsidiary.

(g) Visitation. At any reasonable time, and from time to time, permit Lender or any agents or representatives thereof, to examine and make copies of and abstracts from the books and records of, and, subject to the requirements of all applicable leases, visit the properties of, Borrower and each Subsidiary and to discuss the affairs, finances and accounts of Borrower and each Subsidiary with any of Borrower's officers, directors or independent accountants.

(h) Performance and Compliance with Other Agreements. Perform and comply with each of the provisions of each and every agreement the failure to perform or comply with which would be reasonably likely result in a Material Adverse Change in Borrower;

(i) Continued Perfection of Liens and Security Interest. At Lender's request, record or file or rerecord or refile any of the Loan Documents or a financing statement or any other filing or recording or refiling or rerecording in each and every office where and when necessary to preserve, perfect and continue the security interests of the Loan Documents;

(j) Pension Funding. Comply with the following and cause each ERISA Affiliate of Borrower and each Subsidiary to comply with the following:

(i) engage solely in transactions which would not subject any of such entities to either a civil penalty assessed pursuant to Section 502(i) of ERISA or a tax imposed by Section 4975 of the Internal Revenue Code in either case in an amount in excess of \$25,000.00;

(ii) make full payment when due of all amounts which, under the provisions of any Plan or ERISA, Borrower, each Subsidiary or any ERISA Affiliate of any of same is required to pay as contributions thereto;

(iii) all applicable provisions of the Internal Revenue Code and the regulations promulgated thereunder, including but not limited to Section 412 thereof, and all applicable rules, regulations and interpretations of the Accounting Principles Board and the Financial Accounting Standards Board;

(iv) not fail to make any payments in an aggregate amount greater than \$25,000.00 to any Multiemployer Plan that Borrower, any Subsidiary or any ERISA Affiliate of Borrower may be required to make under any agreement relating to such Multiemployer Plan, or any law pertaining thereto; or

(v) not take any action regarding any Plan which could result in the occurrence of a Prohibited Transaction.

(k) Licenses. Maintain at all times all licenses or permits necessary to the conduct of the business of Borrower and each Subsidiary or as may be required by any governmental agency or instrumentality thereof, where the failure to maintain such licenses or permits would be reasonably likely to result in a Material Adverse Change in Borrower;

(l) Subsidiaries. On the fifth (5th) calendar day of each month, furnish to Lender a complete schedule of all existing Subsidiaries as of the first (1st) day of such month with an asterisk next to any new Subsidiaries formed in the month prior and a double asterisk for each of Borrower's Subsidiaries which own 100% Property(ies);

(m) Delivery of Guaranty. Cause all Wholly Owned Subsidiaries that own (now or after the date hereof), directly or indirectly, fee title to any 100% Unencumbered Property intended by Borrower and accepted by Lender to become an Enhanced Collateral Property, to guaranty all obligations of Borrower to the Lender in order for Borrower to be in compliance with Section 5.03(c) of this Agreement and to cause to be delivered to Lender an executed Guaranty from such Wholly Owned Subsidiaries;

(n) Delivery of Pledge Agreement. Cause all Equity Interests in all Wholly Owned Subsidiaries that own (now or after the date hereof) fee title to any 100% Unencumbered Property intended by Borrower and accepted by Lender to become an Enhanced Collateral Property, to be pledged to Lender in accordance with a Pledge Agreement and in order for Borrower to be in compliance with Section 5.03(c) of this Agreement, and to cause delivery to the Lender of the documents required by Section 3.01(l) hereof;

(o) Delivery of Negative Pledge Agreement. Cause Borrower and all Wholly Owned Subsidiaries that own (now or after the date hereof), directly or indirectly, fee title to any 100% Unencumbered Property intended by Borrower and accepted by Lender to become an Enhanced Collateral Property, to execute and deliver to Lender Negative Pledge Agreements, which Negative Pledge Agreements shall be in the form substantially set forth as Exhibit L and which shall prohibit, among other things, any such 100% Unencumbered Property from becoming an Encumbered Property, in order for Borrower to be in compliance with Section 5.03(c) of this Agreement and to cause delivery to the Lender the documents required by Section 3.01(n) hereof;

(p) Anti-Corruption Laws and Sanctions. Borrower and each Subsidiary Controlled by Borrower shall each maintain in effect and enforce policies and procedures designed to ensure compliance by Borrower and such Subsidiaries and their respective directors, officers and employees and their agents with Anti-Corruption Laws and applicable Sanctions.

(q) Maintenance of Real Estate Investment Trust Status. Borrower shall maintain at all times its existence as a real estate investment trust;

(r) Maintenance of Listing on National Stock Exchange. Borrower shall maintain at all times its listing on the New York Stock Exchange or another nationally recognized stock exchange;

(s) Maintenance of Principal Banking Relationship. The Borrower shall maintain its primary operating account at Valley National Bank, which account is the Designated Deposit Account; and

(t) OFAC and Patriot Act. (i) Immediately notify Lender if it obtains knowledge that it or any of its Affiliates has become or has been listed as a Restricted Party or has been charged with or has engaged in any violation of any Anti-Terrorism Law; (ii) not receive any funds from a Restricted Party and, in any case, exclude any funds derived from any Restricted Party or from any Person involved in the violation of any Anti-Terrorism Law from being used to pay debt service or any other amounts owing under the Loan Documents; (iii) not transfer or consent to the transfer of any legal or beneficial ownership interest of any kind in Borrower or any Affiliate to a Restricted Party or any Person involved in the violation of any Anti-Terrorism

Law; (iv) not acquire, directly or indirectly, ownership interest of any kind in any Restricted Party or any Person involved in the violation of any Anti-Terrorism Law; (v) not form any partnership or joint venture or conduct any business with any Restricted Party or any Person involved in the violation of any Anti-Terrorism Law, and not to act, directly or indirectly, as the agent or representative of any Restricted Party or any Person in the violation of any Anti-Terrorism Law; and (vi) indemnify Lender for any costs incurred by any of them as a result of any violation of an Anti-Terrorism Law by Borrower or any Affiliate of Borrower.

(u) Until all Obligations under this Agreement are fully satisfied, Borrower shall make or shall cause to be made all payments required under Section 2.09 herein in accordance with the terms of such Section, and shall adhere to all terms and conditions of this Agreement.

(v) To the extent Borrower causes the delivery of any Negative Pledge Agreement, Pledge Agreement or Guaranty to Lender, Lender shall also simultaneously receive from Borrower (dated as of the date of such Negative Pledge Agreement, Pledge Agreement and/or Guaranty) a fully-executed certificate of the Secretary of Borrower in the form annexed hereto as Exhibit O, certifying to Lender that such Negative Pledge Agreement, Pledge Agreement and/or Guaranty and the execution, delivery and performance thereof has been duly authorized and approved by the board of directors of Borrower.

SECTION 5.02 **Negative Covenants.** So long as any amount shall remain outstanding under the Revolving Credit Note, or so long as the Commitment shall remain in effect, Borrower will, not without the written consent of Lender:

(a) Liens, Etc. Create, incur, assume or suffer to exist, any Lien, upon or with respect to the Borrower or any of its Subsidiaries, now owned or hereafter acquired, except:

(i) Liens in favor of Lender;

(ii) Liens for taxes or assessments or other government charges or levies if not yet due and payable or if due and payable if they are being contested in good faith by appropriate proceedings and for which appropriate reserves are maintained in accordance with GAAP;

(iii) Liens imposed by law, such as mechanics', materialmen's, landlords', warehousemen's, and carriers' Liens, and other similar Liens, securing obligations incurred in the ordinary course of business which are not past due or which are being contested in good faith by appropriate proceedings and for which appropriate reserves are maintained in accordance with GAAP, provided however, that Borrower shall send notice to Lender of filing of any such Lien in excess of \$250,000 within fifteen (15) days after receiving notice thereof together with Borrower's statement indicating the action it proposes to cause such Lien to be satisfied, dismissed and/or discharged;

(iv) Liens under workers' compensation, unemployment insurance, Social Security, or similar legislation;

(v) Liens, deposits, or pledges to secure the performance of bids, tenders, contracts (other than contracts for the payment of money), leases (permitted under the terms of this Agreement), public or statutory obligations, surety, stay, appeal, indemnity, performance or other similar bonds, or other similar obligations arising in the ordinary course of business;

(vi) Liens described in Schedule 5.02(a) annexed hereto, provided that no such Liens or the Debt secured thereby shall be renewed, extended or refinanced (other than Liens from mortgages on the Properties or pursuant to other Liens or Debt permitted hereunder);

(vii) Judgment and other similar Liens arising in connection with court proceedings (other than those described in Section 6.01(k) hereof), provided that the execution or other enforcement of such judgment or Lien is effectively stayed and the claims secured thereby are being actively contested in good faith and by appropriate proceedings;

(viii) Easements, rights-of-way, restrictions, and other similar encumbrances with respect to real property which, either in one case or in the aggregate, do not materially interfere with Borrower's use and enjoyment of the property or assets encumbered thereby in the normal course of its business or materially impair the value of the property subject thereto;

(ix) Liens on Properties (other than Enhanced Collateral Properties) and/or other real estate assets of Borrower or any of its Subsidiaries;

(x) Liens on equipment and/or other personal property of Subsidiaries;

(xi) Liens not in excess of the aggregate dollar amount of \$500,000; or

(xii) Liens encumbering assets of Subsidiaries which would not be reasonably likely to result in a Material Adverse Change in Borrower.

(b) Debt. Create, incur, assume, or suffer to exist, any Debt, except:

(i) Debt of Borrower under this Agreement or the Debt described on Schedule 5.02(b) annexed hereto;

(ii) Accounts payable to trade creditors for goods or services and current operating liabilities (other than for borrowed money) in each case incurred in the ordinary course of business and paid within the specified time, unless contested in good faith and by appropriate proceedings;

(iii) Debt secured by Liens permitted by Section 5.02(a) hereof; or

(iv) Any other Debt which would not be reasonably likely to result in a Material Adverse Change in Borrower (which shall in no way circumvent or limit the prohibition in 5.02(c) hereof).

(c) Other than in connection with any Debt permitted under Section 5.02(b) or guaranties permitted under Section 5.02(i), enter into any loan and/or credit facilities with any other lender or financial institution other than the Lender (for clarity, that certain currently existing junior subordinated debenture due in 2036 in the current amount of \$37,400,000 is excluded from this prohibition and the prohibitions in Section 5.02(b) and Section 5.02(i), subject to the dollar amount of this junior subordinated debenture not being increased);

(d) Merger. Merge into, or consolidate with or into, or have merged into it, any Person;

(e) Sale of Assets, Etc. Sell, assign, transfer, lease or otherwise dispose of all or substantially all of its assets;

(f) Investments, Etc. Make any Investment other than Permitted Investments (it being acknowledged for the avoidance of doubt that Borrower's subsidiaries shall not be restricted from making Investments by virtue of this Section 5.02(f));

(g) Transactions With Affiliates. Except for the transactions listed on Schedule 5.02(g) hereto, or otherwise in the ordinary course of business and pursuant to the reasonable requirements of Borrower's or its Subsidiary's business and upon fair and reasonable terms no less favorable to Borrower or such Subsidiary than would be obtained in a comparable arm's length transaction with a Person not an Affiliate of Borrower, enter into any transaction, including, without limitation, the purchase, sale, or exchange of property or the rendering of any service, with any Affiliate of Borrower;

(h) Intentionally Omitted;

(i) Guarantees. Guaranty, or in any other way become directly or contingently obligated for any Debt of any other Person (including but not limited to any agreements relating to working capital maintenance, take or pay contracts or similar arrangements) other than (i) the endorsement of negotiable instruments for deposit in the ordinary course of business; or (ii) guaranties existing on the date hereof and set forth in Schedule 5.02(i) annexed hereto; or (iii) hazardous material indemnities; or (iv) customary guaranties and/or indemnities in connection with mortgage loans and relating to non-recourse carve-out items such as bankruptcy filings, breaches of transfer restrictions, fraud or intentional misrepresentation, misappropriation of funds,

waste, abandonment of any property, misapplication of rents and other similar items; (v) Debt owing to Lender under this Agreement; (vi) guaranties and/or indemnities associated with breaches of representations and warranties in purchase and sale agreements; (vii) guaranties and/or indemnities in favor of members or partners of a Subsidiary (or their affiliates) relating to items described in clause (iv) above (whether due to actions or omissions of Borrower or its affiliates, as a method of sharing responsibility for non-recourse carve-out obligations of such members or partners (or their affiliates), or otherwise; (viii) Debt permitted under Section 5.02(b) hereof; or (ix) any Guaranty required or permitted by the terms of this Agreement.

(j) Change of Business. Materially alter the nature of its business;

(k) Fiscal Year. Change the ending date of its fiscal year from December 31;

(l) Accounting Policies. Change any accounting policies, except as permitted by GAAP;

(m) Management. Fail to retain at least five (5) of Jeffrey Gould, Mitchell Gould, Matthew Gould, David Kalish, Isaac Kalish, Israel Rosenzweig, Steven Rosenzweig, Mark Lundy and George Zweier in the management of Borrower;

(n) Ownership. Transfer, sell or assign ownership interests in Borrower so that the current management group of the Borrower together with its executive officers and each of their respective (i) family members and (ii) Affiliated Persons, as of the date hereof, fail to maintain at least an aggregate twenty percent (20%) ownership interest in the Borrower;

(o) Hazardous Material. Cause or permit any property owned or occupied by Borrower or a Subsidiary to be used to generate, manufacture, refine, transport, treat, store, handle, dispose, transfer, produce or process Hazardous Materials, except in compliance with all applicable federal, state and local laws or regulations or where such non-compliance would not be reasonably likely to result in a Material Adverse Change in Borrower; nor cause or permit, as a result of any intentional or unintentional act or omission on the part of Borrower, a Subsidiary or any tenant or subtenant, a release of Hazardous Materials onto any property owned or occupied by Borrower or a Subsidiary or onto any other property, except in compliance with all applicable federal, state and local laws or regulations, except where such release would not be reasonably likely to result in a Material Adverse Change in Borrower; fail to comply with all applicable federal, state and local laws, ordinances, rules and regulations, whenever and by whomever triggered, except where such failure would not be reasonably likely to result in a Material Adverse Change in Borrower; nor fail to obtain and comply with, any and all approvals, registrations or permits required thereunder, except where such failure would not be reasonably likely to result in a Material Adverse Change in Borrower. Borrower shall execute any documentation reasonably required by Lender in connection with the representations, warranties and covenants contained in this sub-section and Section 4.01(n) hereof; and

(p) Dividends, Etc. Upon the occurrence and during the continuance of an Event of Default, in the event any amount is then outstanding under the Revolving Credit Note, Borrower shall not make distributions in excess of the sum necessary to permit Borrower to maintain its status as a real estate investment trust.

SECTION 5.03 **Financial Requirements.** So long as any amount shall remain outstanding under the Revolving Credit Note or so long as the Commitment shall remain in effect, without the written consent of Lender:

(a) **Debt Service Coverage Ratio.** Borrower will not permit the ratio of the sum of (i) the Net Operating Income for the most recent four fiscal quarters for each Four Quarter Property which is a Positive 100% Property and (ii) the Annualized Net Operating Income for each One To Three Quarter Property which is a Positive 100% property, calculated on a combined aggregated basis to Debt Service, to become less than 1.25 to 1.00, such ratio to be tested at each Fiscal Quarter based on financial reports proved by Borrower under Section 5.01(b).

(b) **Number of 100% Properties.** Borrower shall own, directly or indirectly, not less than five (5) 100% Properties, of which a minimum of four (4) must be Positive 100% Properties, of which a minimum of three (3) must be a Four Quarter Property.

(c) **Number and Value of Enhanced Collateral Properties.** Borrower shall own, directly or indirectly, not less than two (2) Enhanced Collateral Properties having a minimum aggregate Enhanced Collateral Properties Value of \$50,000,000.

SECTION 5.04 **Accounts.**

(a) Borrower shall maintain all depository accounts with Valley National Bank; provided, however, (i) amounts set aside as holdbacks or reserves with respect to a Property may be held by Borrower in accounts maintained at other financial institutions without same resulting in a breach or violation of this Section 5.04(a), (ii) Net Capital Event Proceeds, Excess Cash Flow, Distributed Reserve Funds and Net Public Stock Proceeds may be held in accounts maintained at other financial institutions pending the deposit thereof in the Designated Deposit Account in accordance with the time frames set forth in Section 2.09 of this Agreement without same resulting in a breach or violation of this Section 5.04(a), and (iii) other deposits in the combined aggregate amount not to exceed \$350,000 for the twelve (12) months immediately following the date of this Agreement, and thereafter the combined aggregate amount not to exceed \$250,000, may be maintained at other financial institutions without same resulting in a breach or violation of this Section 5.04(a).

(b) Borrower shall maintain account no. 41464141 with Valley National Bank (the “**Special Cash Account**”), consisting of certain capital improvement reserves and/or other holdback reserves for certain Properties. The Special Cash Account shall not be deemed a Collateral Account and is not subject to the Security Agreement or Deposit Account Control Agreement.

(c) In the event Borrower purchases U.S. Treasuries (the “**Treasuries**”) in conformity with its standard business practices, Borrower shall first pursue the purchase of the Treasuries in the Borrower’s name through the Valley National Bank (in a manner consistent with the customary procedures of the Valley National Bank Trust Department or other designated Valley National Bank department). If for any reason Valley National Bank is unable to effectuate Borrower’s request for the purchase of Treasuries in Borrower’s name, Borrower may then pursue such requested purchase of Treasuries through a different financial institution). When the

Borrower redeems the Treasuries, any and all proceeds/funds from Treasuries in Borrower's name, whether purchased or maintained at Valley National Bank, an Affiliate of Valley National Bank or a third-party financial institution, shall be deposited into the Designated Deposit Account no later than seven (7) days upon receipt (such proceeds referred to as the "**Redeemed Treasuries**").

ARTICLE VI

EVENTS OF DEFAULT

SECTION 6.01 Events of Default. If any of the following events (each, an "**Event of Default**") shall occur and be continuing:

(a) Borrower shall fail to pay any installment of principal of, or interest on, the Revolving Credit Note when due, or Borrower shall fail to pay any fees or other amounts owed in connection with this Agreement when due;

(b) Any representation or warranty made by Borrower in this Agreement or in any other Loan Document or which is contained in any certificate, document, opinion, or financial or other statement furnished at any time under or in connection with this Agreement or any other Loan Document shall prove to have been incorrect in any material respect when made; or

(c) Borrower shall fail to perform any covenant contained in Section 5.01(b), Section 5.01(c), Section 5.01(d), Section 5.01(q), Section 5.01(r) and Section 5.01(s) hereof on its part to be performed or observed; provided however, Borrower shall have seven (7) days following such failure to cure any default under Sections 5.01(b)(v), (vi), (vii), (viii), (ix), (x), (xi), (xii), (xiii), (xiv), (xv), (xviii), (xx) or Section 5.01(d), and Borrower shall have thirty (30) days following the initial receipt of notice by Borrower, a Wholly Owned Subsidiary or a Subsidiary Controlled by Borrower of the failure to pay taxes due to cure any default under Section 5.01(c);

(d) Borrower shall fail to perform any term, covenant or agreement contained in Section 5.02(o) hereof; provided, however, that upon Borrower's failure to perform under Section 5.02(o) hereof, Borrower shall be granted such longer period as shall be reasonably necessary to cause compliance with said Section, provided that Borrower or a Subsidiary shall deliver to Lender within ninety (90) days thereafter, a written proposal regarding the curative process, certified by an environmental company acceptable to Lender, and such plan must be approved by Lender's environmental consultants;

(e) Borrower shall fail to perform any term, covenant or agreement contained in Section 5.03 hereof except that

(1) with respect to Section 5.03(a) Borrower shall have thirty (30) days to cure such failure from the earlier to occur of the date Borrower delivers any required compliance report to Lender or the Compliance Certificate Delivery Date (the "**Cure Period**"), provided, (i) that there be zero dollars outstanding under the Revolving Credit Note, no later than by 3PM U.S. Eastern Time, on the commencement date of the Cure Period; (ii) that there shall be no advances under the Revolving Credit Note unless and until such failure(s) are cured on or before the expiration of the Cure Period; and (iii)

the Borrower meets all of the requirements of this Agreement including those contained in Section 3.02 hereof;

(2) with respect to Section 5.03(b) Borrower shall have thirty (30) days to cure such failure from the occurrence date of the event causing such failure (the “**5.03(b) Cure Period**”), provided, (i) that there be zero dollars outstanding under the Revolving Credit Note, no later than by 3PM U.S. Eastern Time, on the commencement date of the 5.03(b) Cure Period; (ii) that there shall be no advances under the Revolving Credit Note unless and until such failure(s) are cured on or before the expiration of the 5.03(b) Cure Period; and (iii) the Borrower meets all of the requirements of this Agreement including those contained in Section 3.02 hereof.

The determination as to whether a cure has been effected hereunder shall be made by Lender in its sole and commercially reasonable discretion based on new compliance certificate(s) together with such supporting information and documentation reasonably requested by Lender to be delivered to Lender on or before each of the above respective Cure Period expiration dates in Sections 6.01(e)(1) and 6.01(e)(2) above.;

(f) the making or filing of any lien, levy, or execution on, or seizure, attachment or garnishment of, any of the “Collateral” as such term is defined in the Security Agreement or Pledge Agreement;

(g) the termination or purported termination of the Deposit Account Control Agreement (or any other control agreement that has been entered into with respect to the Collateral Account), without Lender’s written consent;

(h) Borrower or any Wholly Owned Subsidiary shall fail to perform or observe any other term, covenant or agreement contained in this Agreement or in any other Loan Document (other than the Revolving Credit Note) on its part to be performed or observed following notice and an opportunity to cure within the time frames otherwise set forth in this Agreement, or if a cure timeframe is not indicated in this Agreement, an opportunity to cure within thirty (30) days following notice thereof from Lender; provided that the foregoing clause shall not be deemed to add a notice and cure period to breaches set forth in this Section 6.01 (other than this subsection (h)) which do not have a specified notice and cure period;

(i) Borrower shall fail to pay any Debt or Debts of Borrower, in the singular or aggregate principal amount of \$500,000.00 or more (excluding Debt evidenced by the Revolving Credit Note and excluding Debt of any subsidiary of Borrower), or any installment, interest or premium thereon, when due (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) and such failure shall continue after the applicable grace period, if any, specified in the agreements or instruments relating to such Debt or Debts; or any other default under any agreements or instruments relating to any such Debt or Debts, or any other event shall occur and shall continue after the applicable grace period, if any, specified in such agreements or instruments, if the effect of such default or event, in any of the foregoing instances is to accelerate the maturity of such Debt or Debts; or any such Debt or Debts shall be declared to be due and

payable, or required to be prepaid (other than by a regularly scheduled required prepayment), prior to the stated maturity thereof and is not then so paid within thirty (30) Business Days of the date same shall have been declared due and payable;

(j) Borrower shall generally not pay its Debts as such Debts become due, or shall admit in writing its inability to pay its Debts generally, or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against Borrower seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its Debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, or other similar official for it or for any substantial part of its property and if instituted against Borrower shall remain undismissed for a period of 60 days; or Borrower shall take any action to authorize any of the actions set forth above in this subsection (j);

(k) Any judgment or order or combination of judgments or orders for the payment of money, in the amount of \$500,000.00 or more, singularly or in the aggregate, which sum shall not be subject to full, complete and effective insurance coverage, shall be rendered against Borrower and either (i) enforcement proceedings shall have been commenced by any creditor upon such judgment or order or (ii) there shall be any period of 30 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect;

(l) Any of the following events occur or exist with respect to Borrower, any Subsidiary or any ERISA Affiliate of Borrower : (i) any Prohibited Transaction involving any Plan; (ii) any Reportable Event with respect to any Plan; (iii) the filing under Section 4041 of ERISA of a notice of intent to terminate any Plan or the termination of any Plan; (iv) any event or circumstance that might constitute grounds entitling the PBGC to institute proceedings under Section 4042 of ERISA for the termination of, or for the appointment of a trustee to administer, any Plan, or the institution of the PBGC of any such proceedings; (v) complete or partial withdrawal under Section 4201 or 4204 of ERISA from a Multiemployer Plan or the reorganization insolvency, or termination of any Multiemployer Plan; and in each case above, such event or condition, together with all other events or conditions, if any, could in the opinion of Lender subject Borrower, any Subsidiary or any such ERISA Affiliate to any tax, penalty, or other liability to a Plan, a Multiemployer Plan, the PBGC, or otherwise (or any combination thereof) which is either singularly or in the aggregate \$50,000.00 or more; or

(m) This Agreement or any other Loan Document, at any time after its execution and delivery and for any reason, ceases to be in full force and effect or shall be declared to be null and void, or the validity or enforceability of any document or instrument delivered pursuant to this Agreement shall be contested by Borrower or any other party to such document or instrument or Borrower or any other party to such document or instrument shall deny that it has any or further liability or obligation under any such document or instrument.

SECTION 6.02 Remedies on Default. Upon the occurrence and continuance of an Event of Default Lender may, upon five (5) Business Days notice to Borrower, (i) terminate the Commitment, (ii) declare the Revolving Credit Note, all interest thereon and all other amounts

payable under this Agreement to be due and payable, whereupon the Commitment shall be terminated, the Revolving Credit Note, all such interest and all such amounts shall become and be due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by Borrower, (iii) proceed to enforce its rights whether by suit in equity or by action at law, whether for specific performance of any covenant or agreement contained in this Agreement or any other Loan Document, or in aid of the exercise of any power granted in either this Agreement or any other Loan Document, or (iv) proceed to obtain judgment or any other relief whatsoever appropriate to the enforcement of its rights, or proceed to enforce any other legal or equitable right which Lender may have by reason of the occurrence of any Event of Default hereunder or under any other Loan Document, provided, however, upon the occurrence of an Event of Default referred to in Section 6.01(j) hereof, the Commitment shall be immediately terminated, the Revolving Credit Note, all interest thereon and all other amounts payable under this Agreement shall be immediately due and payable without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by Borrower. Any amounts collected pursuant to action taken under this Section 6.02 shall be applied to the payment of any costs incurred by Lender in taking such action, including, but without limitation, reasonable attorney fees and expenses, to payment of the accrued interest on the Revolving Credit Note, and to payment of the unpaid principal of the Revolving Credit Note, in such order as is determined by Lender.

SECTION 6.03 **Remedies Cumulative.** No remedy conferred upon or reserved to Lender hereunder or in any other Loan Document is intended to be exclusive of any other available remedy, but each and every such remedy shall be cumulative and in addition to every other remedy given under this Agreement or any other Loan Document or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle Lender to exercise any remedy reserved to it in this Article VI, it shall not be necessary to give any notice, other than such notice as may be herein expressly required in this Agreement or in any other Loan Document.

ARTICLE VII

MISCELLANEOUS

SECTION 7.01 **Amendments, Etc.** No amendment, modification, termination or waiver of any provision of any Loan Document to which Borrower is a party, nor consent to any departure by Borrower from any provision of any Loan Document to which it is a party, shall in any event be effective unless the same shall be in writing and signed by Lender and Borrower, and then such amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

SECTION 7.02 **Notices, Etc.** All notices and other communications provided for in this Agreement shall be in writing (including telegraphic communication) and mailed, sent by nationally recognized overnight mail delivery service, or delivered, if to Borrower at the address of Borrower set forth at the beginning of this Agreement to the attention of David Kalish (with a copy to Steven Rosenzweig, Esq.) and if to Lender, at the address of Lender as set forth at the

beginning of this Agreement or, as to each party, at such other address as shall be designated by such party in a written notice to the other parties complying as to delivery with the terms of this Section 7.02. All such notices and communications shall be effective as to Borrower (i) three (3) Business Days after being mailed by registered or certified mail, postage prepaid, (ii) upon delivery if by personal messenger or hand delivery service or (iii) the next Business Day after depositing with an agent or reputable overnight carrier service. All such notices and communications shall be effective as to Lender when actually received by Lender.

SECTION 7.03 **No Waiver, Remedies.** No failure on the part of Lender to exercise, and no delay in exercising, any right, power or remedy under any Loan Document, shall operate as a waiver thereof; nor shall any single or partial exercise of any right under any Loan Document preclude any other or further exercise thereof or the exercise of any other right. The remedies provided in the Loan Documents are cumulative and not exclusive of any remedies provided by law.

SECTION 7.04 **Costs, Expenses and Taxes.** Borrower agrees to pay on demand all out-of-pocket costs and expenses of Lender, including reasonable attorneys fees, in connection with the preparation, execution, delivery and administration of this Agreement, the Revolving Credit Note and any other Loan Documents, including without limitation, the reasonable fees and expenses of counsel for Lender with respect thereto, and all costs and expenses, if any (including reasonable counsel fees and expenses), in connection with the enforcement of this Agreement, the Revolving Credit Note and any other Loan Documents. Other than for the willful misconduct or gross negligence of Lender, or the default of Lender hereunder, Borrower shall at all times protect, indemnify, defend and save harmless Lender from and against any and all claims, actions, suits and other legal proceedings, and liabilities, obligations, losses, damages, penalties, judgments, costs, expenses or disbursements which Lender may, at any time, sustain or incur by reason of or in consequence of or arising out of the execution and delivery of this Agreement and the other Loan Documents and the consummation of the transactions contemplated hereby. Borrower acknowledges that it is the intention of the parties hereto that this Agreement shall be construed and applied to protect and indemnify Lender against any and all risks involved in the execution and delivery of this Agreement and the other Loan Documents and the consummation of the transactions contemplated hereby, all of which risks are hereby assumed by Borrower, including, without limitation, any and all risks of the acts or omissions, whether rightful or wrongful, of any present or future de jure or de facto government or governmental authority, provided that Borrower shall not be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from Lender's gross negligence or willful misconduct. The provisions of this Section 7.04 shall survive the payment of the Revolving Credit Note and the termination of this Agreement.

SECTION 7.05 **Right of Set-off.** Upon the occurrence and during the continuance of any Event of Default, Lender is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits at Valley National Bank (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by Lenders or any affiliate, parent or subsidiary of the Lender to or for the credit or the account of Borrower against any and all of the obligations of Borrower now or hereafter existing under this Agreement, the Revolving Credit Note and the other Loan Documents, irrespective of whether or not Lender shall have made any demand under this Agreement, the

Revolving Credit Note or such other Loan Documents and although such obligations may be unmatured. The rights of Lender under this Section 7.05 are in addition to all other rights and remedies (including, without limitation, other rights of set-off) which Lender may have. For avoidance of doubt, Borrower has granted Lender and its parent, Valley National Bank, a right of set-off and security interest in any accounts of Borrower held at Valley National Bank, all which rights are subject to the terms of this Agreement and any other Loan Documents. Notwithstanding anything to the contrary set forth herein, or in any other Loan Document, or in any other instrument or agreement relating to the Special Cash Account, neither Lender, nor its parent, Valley National Bank, nor any of their respective affiliates, parents or subsidiaries, shall have a Lien on, or right of offset or set-off against, the Special Cash Account or any funds therein.

SECTION 7.06 **Binding Effect.** This Agreement shall become effective when it shall have been executed by Borrower and Lender and thereafter it shall be binding upon and inure to the benefit of Borrower and Lender and their respective successors and assigns, except that Borrower shall not have any right to assign its or their rights hereunder or any interest herein without the prior written consent of Lender.

SECTION 7.07 **Further Assurances.** Borrower agrees at any time and from time to time at its expense, upon request of Lender or its counsel, to promptly execute, deliver, or obtain or cause to be executed, delivered or obtained any and all further instruments and documents and to take or cause to be taken all such other action Lender may reasonably deem appropriate in obtaining the full benefits of, this Agreement or any other Loan Document.

SECTION 7.08 **Section Headings, Severability, Entire Agreement.** Section and subsection headings have been inserted herein for convenience only and shall not be construed as part of this Agreement. Every provision of this Agreement and each other Loan Document is intended to be severable; if any term or provision of this Agreement, any other Loan Document, or any other document delivered in connection herewith shall be invalid, illegal or unenforceable for any reason whatsoever, the validity, legality and enforceability of the remaining provisions hereof or thereof shall not in any way be affected or impaired thereby. All exhibits and schedules annexed to this Agreement shall be deemed to be part of this Agreement. This Agreement, the other Loan Documents and the exhibits and schedules annexed hereto and thereto embody the entire agreement and understanding among Borrower and Lender with respect to the transactions contemplated hereby and supersede all prior agreements and understandings relating to the subject matter hereof. That certain Loan Agreement executed by Borrower and Lender dated April 18, 2019 (the "**Prior Loan Agreement**"), as amended or otherwise modified from time to time prior to the date hereof, as well as all of the instruments and documents entered into in connection therewith, are each hereby amended, restated, replaced and superseded in their entirety.

SECTION 7.09 **Governing Law.** This Agreement, the Revolving Credit Note and all other Loan Documents shall be governed by, and construed in accordance with, the laws of the State of New York.

SECTION 7.10 **Waiver of Jury Trial.**

(a) Borrower and Lender waive all rights to trial by jury in any action or proceeding involving, directly or indirectly any matter (whether sounding in tort, contract or

otherwise) in any way, arising out of, relating to, or connected with this Agreement, any other Loan Document or the transactions contemplated hereby.

(b) In an action commenced in the Commercial Division, New York State Supreme Court, the parties hereby agree, subject to the requirements for a case to be heard in the Commercial Division, to apply the Court's accelerated adjudication procedures set forth in Rule 9 of the Rules of Practice for the Commercial Division, in connection with any dispute, claim or controversy arising out of or relating to this Agreement, or the breach, termination, enforcement or validity thereof.

SECTION 7.11 **Execution in Counterparts.** This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

Borrower:

BRT APARTMENTS CORP.

By: _____

Print Name:

Print Title:

Lender:

VNB NEW YORK, LLC

By: _____

Name: Andrew Baron

Title: First Vice President

COUNTY OF _____,
STATE OF NEW YORK.

On the _____ day of November in the year 2021 before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

COUNTY OF _____,
STATE OF NEW YORK.

On the _____ day of November in the year 2021 before me, the undersigned, a Notary Public in and for said State, personally appeared Andrew Baron, 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 signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

UNLIMITED GUARANTY

THIS UNLIMITED GUARANTY dated as of November 18, 2021 (this “**Guaranty**”) is given by the undersigned (collectively, “**Guarantor**”) in consideration of credit and/or other financial accommodations, which have been or which may from time to time be extended to BRT Apartments Corp., a Maryland corporation (together with its successors and assigns, the “**Borrower**”) by Lender (as defined in the hereinafter defined Loan Agreement) pursuant to that certain Amended and Restated Loan Agreement (as the same may be further modified, amended, supplemented, restated or replaced from time to time, the “**Loan Agreement**”) dated as of the date hereof by and between Borrower and VNB New York, LLC (“**Lender**”).

RECITALS

WHEREAS:

A. Borrower has requested that Lender make Revolving Credit Loans (as defined in the Loan Agreement) to Borrower (the “**Loan**”); and

B. The Loan Agreement requires that the Guarantors (as defined in the Loan Agreement) of Borrower execute this Guaranty pursuant to Sections 3.01 and 5.01 of the Loan Agreement.

NOW, THEREFORE, in order to induce Lender to make the Loan to Borrower, and in consideration thereof, Guarantor agrees as follows:

1. All capitalized terms used, but not otherwise defined, in this Guaranty shall have the meanings assigned to them in the Loan Agreement.

2. Guarantor absolutely and unconditionally guarantees to Lender the payment when due, whether at stated maturity, by acceleration or otherwise, of any and all Obligations of Borrower to Lender (notwithstanding the fact that from time to time there may be no Obligations outstanding), together with all interest thereon and all attorney’s fees, disbursements and expenses and all other costs and expenses of collection incurred by Lender in connection with any of such Obligations. This Guaranty is a continuing one and all Obligations to which it applies or may apply under the terms hereof shall be conclusively presumed to have been created, contracted or incurred in reliance hereon.

3. Guarantor hereby waives any and all of the following: notice of acceptance of this Guaranty; notice of the creation, extension, renewal, modification, accrual, increase or decrease of any of the Obligations of Borrower to which this Guaranty applies; presentment, demand for payment, protest, notice of dishonor or nonpayment of any of such Obligations; the right to require suit against Borrower, any other guarantor, or any other party liable on the Obligations before enforcing this Guaranty; any right of subrogation to Lender rights against Borrower; any right to have security or collateral applied to the Obligations of Borrower before enforcing this Guaranty; any and all rights and remedies accorded by applicable law to guarantors; any and all defenses accorded by applicable law to guarantors; and any and all other notices to any party liable on or guaranteeing the Obligations, including Guarantor.

4. Lender may at any time and from time to time (whether or not after revocation or termination of this Guaranty) without the consent of, or notice to, Guarantor, without incurring responsibility to Guarantor, without impairing or releasing the liabilities of Guarantor hereunder, upon or without any terms or conditions and in whole or in part: (1) renew, extend, modify, change, substitute, restructure, amend, replace, or alter any of the Obligations of Borrower to Lender, including, without limitation, increase or decrease any installment payment; (2) extend or change the time of payment of any

Obligations of Borrower to Lender; (3) increase or decrease the amount of the interest rate(s) charged to Borrower; (4) change or modify the place, manner, or terms of payment of any Obligations; (5) change or modify any of the terms or conditions of the Obligations or any of the documents executed in connection with the Obligations; (6) apply any amounts or sums by whomsoever paid or however realized, or for the account of Borrower to any of the Obligations of Borrower to Lender, regardless of which of the Obligations such sums or amounts were intended to be applied or regardless of what Obligations of Borrower to Lender remain unpaid; (7) release any one or more of Guarantor or any other guarantor or other party liable upon or for the Obligations hereby guaranteed, and such release(s) shall not affect the liability hereunder of any of Guarantor or any other guarantor or party not so released; (8) release, partially release, exchange, surrender, liquidate, forfeit, realize upon, or otherwise deal with in any manner and in any order any property, collateral, security, or assets at any time pledged to secure or securing the Obligations of Borrower to Lender or any liabilities incurred directly or indirectly hereunder or any setoffs against any of such Obligation(s) or liabilities, including subordinating the security interest(s) of Lender in any of the collateral or security; (9) settle or compromise any Obligation hereby guaranteed or liability hereby incurred; (10) add or release the primary or secondary liability of guarantors or other parties or any of them; (11) subordinate the payment of all or any part of any of the Obligations of Borrower to Lender to the payment of any other liabilities which may be due Lender or others; (12) exercise or refrain from exercising any rights or remedies against Borrower or others, including Guarantor or any security, or otherwise act or refrain from acting.

5. No failure by Lender to file, record or otherwise perfect any lien or security interest, nor any improper filing or recording, nor any failure by Lender to insure or protect any security nor any other impairment of, or any other dealing (or failure to deal) with, any security by Lender, shall impair or release the liabilities of Guarantor hereunder.

6. No invalidity, irregularity or unenforceability of this Guaranty, of all or any part of the Obligations hereby guaranteed (or any agreement or instrument relating thereto) or of any security therefor, nor any circumstances which might constitute a defense available to a guarantor in respect of a guaranty, shall affect, impair or be a defense to this Guaranty, and this Guaranty is an absolute and unconditional primary obligation of Guarantor. Guarantor hereby waives all errors and omissions in connection with Lender's administration of the Obligations of Borrower and any other act or omission of the Lender (except acts or omissions in bad faith) that changes the scope of Guarantor's risk.

7. This Guaranty of payment is absolute and unconditional, and shall remain fully enforceable irrespective of any defense, offset, claim, abatement or counterclaim that Guarantor or Borrower may assert against Lender or the Lenders with respect to the Obligations hereby guaranteed or otherwise, including, but not limited to, failure of consideration, fraudulent inducement, breach of warranty, payment, statute of frauds, statute of limitations, accord and satisfaction, and usury, and irrespective of the validity, legality, binding effect or enforceability of the terms of any agreement or instrument relating to the Obligations of Borrower.

8. Lender shall not be required to enforce any remedies against Borrower or any other party liable to Lender on account of the guaranteed Obligations as a condition of payment or performance of this Guaranty by Guarantor, nor is Lender required to seek to enforce or resort to any remedies with respect to any security pledged to Lender by Borrower or any other party.

9. Guarantor may, by written notice of revocation given to, received and duly acknowledged by an officer of Lender, withdraw only from liability for additional Obligations of Borrower accepted by or incurred to Lender after the time Lender receives such notice. For purposes hereof "duly acknowledged" shall mean that Guarantor has received a written acknowledgement specifically recognizing said revocation from an officer of Lender. The liabilities of Guarantor to Lender shall not be

affected by any revocation and shall continue in full force and effect until such time as all Obligations existing or incurred as of the time of Lender's receipt and acknowledgement of such notice, and any and all renewals or extensions thereof, are fully paid. After any such revocation by Guarantor, Lender may exercise any rights granted herein without releasing Guarantor from any of its liabilities whatsoever.

10. Guarantor does hereby grant to Lender a continuing lien upon and security interest in all property of Guarantor as collateral security for the liabilities of Guarantor under this Guaranty. The term "property of Guarantor" shall include all property of every description, now or hereafter in the possession, custody or control of or in transit to Lender for any purpose, including safekeeping, collection or pledge, for account of Guarantor, or as to which Guarantor may have any right or power. The balance of every account of Guarantor with, and each claim of Guarantor against, Lender existing from time to time, shall be subject to a lien and subject to be set off against any and all liabilities of Guarantor, and Lender and Lenders may at any time, or from time to time, at their option and without notice, appropriate and apply toward the payment of any of the liabilities of Guarantor the balance of each such account of Guarantor with, and each such claim of Guarantor against, Lender. The term "property of Guarantor" shall also include any and all book-entry or uncertificated U.S. Treasury bills and other book-entry or uncertificated securities purchased on behalf of Guarantor and maintained in an account at and Lender or otherwise under the control of any Lender. Guarantor authorizes Lender to serve as its bailee and agent with respect to the aforementioned book-entry U.S. Treasury bills and other book-entry securities and to take such action and to execute and deliver such documents on behalf of Guarantor as the Lender deems necessary or desirable in order to perfect the Lender's security interest therein. Guarantor hereby gives notice to Lender, in Lender's capacity as bailee and agent, of Lender's security interest in the aforementioned book-entry U.S. Treasury bills and other book-entry securities. Lender may at any time and from time to time, without notice, transfer into its own name or that of its nominee any of the property of Guarantor.

11. Upon the happening of any of the following events, and at any time thereafter, Lender may, without notice to Borrower or Guarantor, make the Obligations of Borrower to Lender, whether or not then due, immediately due and payable hereunder as to Guarantor, and Lender shall be entitled to enforce the liabilities of Guarantor hereunder: (i) if any representation or warranty of Guarantor in this Guaranty or in any other writing or statement furnished to Lender at any time shall prove to be false, incorrect or misleading; (ii) if Guarantor shall default in the performance or observance of any agreement or covenant in this Guaranty or any other agreement or instrument entered into or made with Lender; (iii) upon the death, or insolvency of Borrower or Guarantor; (iv) upon the failure of Guarantor to deposit such collateral as may be demanded by Lender in accordance with the terms hereof; (v) upon the suspension of the business of Borrower or Guarantor; (vi) upon the issuance of any order or warrant of attachment against any of the property of Borrower or Guarantor; (vii) the entry of any judgment against Borrower or Guarantor; (viii) if Borrower or Guarantor shall make an assignment for the benefit of creditors; (ix) if a trustee or receiver shall be appointed for Borrower or Guarantor or for any property of either of them; (x) if any proceeding shall be commenced by or against Borrower or Guarantor under any bankruptcy, reorganization, arrangement of debt, insolvency, readjustment of debt, moratorium, receivership, liquidation or dissolution, law or statute; (xi) if Borrower or any of Borrower's officers, directors or employees or Guarantor shall be indicted for or become a defendant in any criminal proceeding relating to racketeering activity, or any other offense a potential penalty for which is forfeiture of any or all of the assets of Borrower or of Guarantor to any Federal or state government or any agency or instrumentality thereof; (xii) upon the failure of Borrower or Guarantor to furnish Lender with any financial information requested by Lender; (xiii) Guarantor or any other guarantor of the Obligations shall revoke its guaranty to Lender; or (xiv) the condition or affairs (financial, business or otherwise) of Borrower or Guarantor shall, in the sole opinion of Lender, so change as shall impair Lender's security or increase Lender's risk with respect to the Obligations of Borrower or with respect to the liabilities of Guarantor hereunder.

12. Upon nonpayment when due of any of the liabilities of Guarantor hereunder, the Lender may, without notice to Guarantor, make all other liabilities of Guarantor and Obligations of Borrower to Lender, howsoever arising and whether or not then due, immediately due and payable.

13. Upon nonpayment when due of any of the Obligations of Borrower or of any of the liabilities of Guarantor to Lender, Lender may immediately or at any time or times thereafter without demand or notice to Borrower or Guarantor and without advertisement, all of which are hereby expressly waived, sell, resell, assign and deliver all or part of the property of Guarantor at any Brokers' Board or Exchange, or at public or private sale, for cash, upon credit or for future delivery, and in connection therewith may grant options. Upon each such sale Lender may purchase the whole or any part of such property, free from any right of redemption, which is hereby waived and released.

14. Guarantor agrees to pay any and all expenses of every kind incurred in enforcing any of Lender's rights under this Guaranty, including but not limited to costs of collection, storage, sale or delivery, including reasonable attorneys' fees, and after deducting such costs and expenses from the proceeds of sale or collection, Lender may apply any residue to pay any liabilities of Guarantor, who shall continue to be liable for any deficiency, with interest.

15. If any payment received by Lender in respect of the Obligations of Borrower is subsequently recovered from or repaid by Lender as the result of any bankruptcy, dissolution, reorganization, arrangement or liquidation proceeding or proceedings similar thereto, or because such payment is or may be avoided, invalidated, declared fraudulent, set aside or determined to be void or voidable as a preferential transfer, fraudulent conveyance, impermissible setoff or a diversion of trust funds, or for any other reason, by reason of any judgment decree or order of any court or administrative body having jurisdiction over Lender or any of their respective property, then and in such event this Guaranty shall continue to be effective and Guarantor shall be and remain liable to Lender hereunder for the amount so repaid or recovered to the same extent as if such payment had not been received by the Lender. The provisions of this paragraph shall survive the termination of this Guaranty and any satisfaction and discharge of Borrower by virtue of any payment or court order or any state or federal law.

16. No delay on the part of Lender in exercising any of its options, powers or rights, or partial or single exercise thereof, shall constitute a waiver thereof. No waiver of any of its rights hereunder, and no modification or amendment of this Guaranty, shall be deemed to be made or accepted by Lender unless the same shall be in writing, duly signed on behalf of Lender, and each such waiver, if any, shall apply only with respect to the specific instance involved, and shall in no way impair the rights of Lender or the liabilities of Guarantor to Lender in any other respect at any other time.

17. This Guaranty may be enforced by and the benefits shall inure to Lender, its successors, and assigns, and also by any person or party to whom all or any portion of the Obligations may be transferred or sold, provided however, that in the event of any such sale or transfer of any portion of the Obligations, Lender shall have the right and power to enforce this Guaranty as to the remainder of the Obligations retained and owned by it.

18. Guarantor consents to the assignment of all or any portion of the rights of Lender hereunder in connection with any assignment of the rights of Lender under any loan documents evidencing or securing the Obligations without notice to Guarantor.

19. Guarantor warrants to Lender that he has adequate means to obtain from Borrower on a continuing basis (or waives his rights to receive) information concerning the financial condition of Borrower and that he is not relying on Lender or Lenders to provide such information either now or in the future.

20. Guarantor hereby confirm that a copy of this Guaranty has been received and reviewed and Guarantor has had an opportunity to ask Lender any questions with respect hereto.

21. This writing is intended by the parties as a final expression of this Guaranty and is also intended as a complete and exclusive statement of the terms of this Guaranty. No oral representation or agreement by Lender or any course of dealing, course of performance, or trade usage, and no parole evidence of any nature, shall be used to supplement or modify any terms hereof, nor are there any conditions to the full effectiveness of this Guaranty. The terms of this Guaranty may only be waived or modified by a writing signed by all of Guarantor and Lender.

22. Guarantor, if more than one, shall be jointly and severally liable hereunder, and the term “undersigned” wherever used herein shall mean Guarantor or any one or more of them. Any one signing this Guaranty shall be bound hereby, whether or not any one else signs this Guaranty at any time.

23. This Guaranty shall not terminate, supersede, cancel, diminish or modify any prior guaranty or guaranties given by Guarantor to Lender with respect to Obligations of Borrower, unless expressly provided herein. All Obligations guaranteed by Guarantor and all rights of Lender herein and under such prior guaranty or guaranties, are cumulative and Lender may exercise its rights singly or concurrently.

24. Guarantor hereby authorizes Lender and agrees that Lender may from time to time (i) request and share credit information concerning Guarantor, and (ii) obtain consumer (credit) reports on Guarantor. Upon the request of Guarantor, Lender will inform Guarantor if such a report has been obtained and will give Guarantor the name and address of the agency furnishing the report.

25. If, and only if a proceeding is commenced by or against Guarantor pursuant to which Guarantor seeks to obtain the reorganization or liquidation benefits of any Insolvency Law (as defined hereinbelow), the liability of Guarantor under this Guaranty as of any date shall be limited to a maximum aggregate amount (the “Maximum Guaranteed Amount”) equal to the greatest amount that would not render Guarantor’s obligations under this Guaranty subject to avoidance, discharge or reduction as of such date as a fraudulent transfer or conveyance under applicable federal and state laws pertaining to bankruptcy, reorganization, arrangement, moratorium, readjustment of debts, dissolution, liquidation or other debtor relief, specifically including, without limitation, the Bankruptcy Code and any fraudulent transfer and fraudulent conveyance laws (collectively, “Insolvency Laws”), in each instance after giving effect to all other liabilities of such undersigned, contingent or otherwise, that are relevant under applicable Insolvency Laws (specifically excluding, however, any liabilities of such undersigned in respect of intercompany indebtedness to Borrower or any of its affiliates to the extent that such indebtedness would be discharged in an amount equal to the amount paid by such undersigned hereunder, and after giving effect as assets to the value (as determined under applicable Insolvency Laws) of any rights to subrogation, contribution, reimbursement, indemnity or similar rights of such undersigned pursuant to (y) applicable law or (z) any agreement providing for an equitable allocation among such undersigned and other affiliates of Borrower of obligations arising under guaranties by such parties). This Guaranty is a guaranty of payment as a primary obligor, and not a guaranty of collection. Guarantor hereby acknowledges and agrees that the Obligations, at any time and from time to time, may exceed the Maximum Guaranteed Amount of Guarantor, and upon the occurrence of such an event shall not be deemed to discharge, limit or otherwise affect the obligations of Guarantor hereunder or the rights, powers and remedies of Lender hereunder or under any other loan document executed in connection herewith.

26. With respect to the definition of “Guarantor”, except where the context otherwise provides, (i) any representations contained herein of Guarantor shall be applicable to all Guarantors, but

each Guarantor shall only represent as to itself, (ii) the occurrence of any Event of Default with respect to any Guarantor shall be deemed to be an Event of Default hereunder and (iii) unless expressly stated to the contrary in any Loan Document, the obligations of all Guarantors to Lender shall be joint and several and shall be deemed to be the obligations of all Guarantors, or any obligations of any one of them.

27. THIS GUARANTY AND THE RIGHTS AND OBLIGATIONS OF LENDER AND OF GUARANTOR HEREUNDER SHALL BE GOVERNED AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO PRINCIPLES OF CONFLICT OF LAWS. This Guaranty is binding upon Guarantor, his, hers, their and/or its heirs, executors, administrators, legal representatives, successors and assigns, and shall inure to the benefit of Lender, its successors and assigns. Guarantor hereby irrevocably submits to the jurisdiction and venue of any New York State or Federal Court located in New York City over any action or proceeding arising out of any dispute between Guarantor and Lender, and Guarantor further irrevocably consents to the service of any process in any such action or proceeding by the mailing by first-class of a copy of such process to Guarantor at the address set forth below or to the last known address of Guarantor in the records of Lender.

28. IN ORDER TO INDUCE LENDER TO ACCEPT THIS GUARANTY, GUARANTOR HEREBY UNCONDITIONALLY, IRREVOCABLY AND EXPRESSLY WAIVES ANY AND ALL RIGHTS OF SUBROGATION, REIMBURSEMENT, INDEMNITY, EXONERATION, CONTRIBUTION OR ANY OTHER CLAIMS (INCLUDING WITHOUT LIMITATION, ANY AND ALL CLAIMS AS DEFINED IN SECTION 101(4) OF TITLE 11, UNITED STATES CODE) WHICH GUARANTOR MAY NOW OR HEREAFTER HAVE AGAINST BORROWER OR AGAINST OR WITH RESPECT TO BORROWER'S PROPERTY (INCLUDING, WITHOUT LIMITATION, ANY PROPERTY COLLATERALIZING THE OBLIGATIONS OF BORROWER OR ANY RIGHT OF OFFSET HELD BY LENDER FOR THE PAYMENT OF THE OBLIGATIONS OF BORROWER), ARISING FROM THE EXISTENCE OR PERFORMANCE OF THIS GUARANTY, OR OTHERWISE, AND GUARANTOR SHALL NOT SEEK ANY REIMBURSEMENT FROM BORROWER IN RESPECT OF PAYMENTS MADE BY GUARANTOR HEREUNDER (WHETHER PURSUANT TO RIGHTS OF SUBROGATION OR OTHERWISE). GUARANTOR HEREBY FURTHER UNCONDITIONALLY, IRREVOCABLY AND EXPRESSLY WAIVES ANY AND ALL RIGHTS OF SUBROGATION, REIMBURSEMENT, INDEMNITY, EXONERATION, CONTRIBUTION OR ANY OTHER CLAIMS WHICH GUARANTOR MAY NOW OR HEREAFTER HAVE AGAINST ANY OTHER PERSON OR ENTITY DIRECTLY OR CONTINGENTLY LIABLE FOR THE OBLIGATIONS OF BORROWER UNTIL SUCH TIME AS ALL OBLIGATIONS OF BORROWER HAVE BEEN PAID AND PERFORMED IN FULL.

29. GUARANTOR HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHT TO A TRIAL BY JURY AND ANY RIGHT TO OBJECT TO INCONVENIENT FORUM OR IMPROPER VENUE IN NEW YORK CITY IN RESPECT OF ANY LITIGATION ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS GUARANTY, OR THE TRANSACTIONS CONTEMPLATED HEREIN. GUARANTOR HEREBY CERTIFIES THAT NO REPRESENTATIVE OR AGENT OF LENDER NOR LENDER'S COUNSEL HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT LENDER WOULD NOT, IN THE EVENT OF SUCH LITIGATION, SEEK TO ENFORCE THIS WAIVER OF RIGHT TO JURY TRIAL. GUARANTOR ALSO ACKNOWLEDGES THAT LENDER HAS BEEN INDUCED TO ACCEPT THIS GUARANTY BY, AMONG OTHER THINGS, THE FOREGOING WAIVER OF TRIAL BY JURY. GUARANTOR WAIVES THE RIGHT TO INTERPOSE ANY COUNTERCLAIM OR OFFSET OF ANY NATURE IN ANY SUCH LITIGATION.

30. In an action commenced in the Commercial Division, New York State Supreme Court, the parties hereby agree, subject to the requirements for a case to be heard in the Commercial Division, to apply, at Lender's election, the Court's accelerated adjudication procedures set forth in Rule 9 of the Rules of Practice for the Commercial Division, in connection with any dispute, claim or controversy arising out of or relating to this Assignment, or the breach, termination, enforcement or validity thereof.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Guaranty and it is effective as of the date set forth above.

GUARANTOR

AVONDALE 212, LLC, a Delaware limited liability company

By: TRB Avondale LLC, a Delaware limited liability company, its sole member

By: TRB Holdings LLC, a Delaware limited liability company, its sole member

By: BRT Apartments Corp., a Maryland Corporation, its sole member

By: _____

Print Name:

Print Title:

WOODLANDS 236 LLC, a Delaware limited liability company

By: TRB Woodlands LLC, a Delaware limited liability company, its sole member

By: TRB Holdings LLC, a Delaware limited liability company, its sole member

By: BRT Apartments Corp., a Maryland Corporation, its sole member

By: _____

Print Name:

Print Title:

TRB AVONDALE LLC, a Delaware limited liability company

By: TRB Holdings LLC, a Delaware limited liability company, its sole member

By: BRT Apartments Corp., a Maryland Corporation, its sole member

By: _____

Print Name:

Print Title:

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

TRB WOODLANDS LLC, a Delaware limited liability company

By: TRB Holdings LLC, a Delaware limited liability company, its sole member

By: BRT Apartments Corp., a Maryland Corporation, its sole member

By: _____
Print Name:
Print Title:

TRB HOLDINGS LLC, a Delaware limited liability company

By: BRT Apartments Corp., a Maryland Corporation, its sole member

By: _____
Print Name:
Print Title:

COUNTY OF NEW YORK,

STATE OF NEW YORK.

On the ____ day of _____ in the year 20__ before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

PLEDGE AGREEMENT

THIS PLEDGE AGREEMENT (as the same may be modified, amended, restated, supplemented or replaced from time to time, the “**Agreement**”), dated as of November 18, 2021 is made by TRB Avondale LLC and TRB Woodlands LLC, each a Delaware limited liability company having its principal place of business at 60 Cutter Mill Road, Suite 303, Great Neck, New York 11021 (collectively, “**Pledgor**”), in favor of VNB New York, LLC, a New York limited liability company having an office at 1 Penn Plaza, Suite 4625, New York, New York 10119 (“**Lender**”).

WITNESSETH:

WHEREAS, BRT Apartments Corp. (“**Borrower**”) has entered into that certain Loan Agreement (as the same may be modified, amended, supplemented or replaced from time to time, the “**Loan Agreement**”) dated November 18, 2021, with Lender in which Lender has agreed to make Revolving Credit Loans (as defined in the Loan Agreement) to Borrower (“**Loans**”);

WHEREAS, The Loan Agreement requires that Pledgor shall have executed and delivered this Agreement to Lender pursuant to Section 3.01 and 5.01 of the Loan Agreement.

WHEREAS, Each Pledgor is the legal and beneficial owner of (a) the shares of Pledged Stock (as hereinafter defined) issued by certain corporations as specified on Schedule I attached hereto and incorporated herein by reference (collectively, the “**Issuers**”) and (b) the Pledged Partnership/LLC Interests (as hereinafter defined) in the partnerships and limited liability companies listed on Schedule I hereto (collectively, the “**Partnerships/LLCs**”).

NOW, THEREFORE, in consideration of the foregoing premises and in order to induce the Lender to enter into the Loan Agreement and to make the Loans and for other good and valuable consideration, the receipt of which is hereby acknowledged, each Pledgor hereby agrees with Lender as follows:

1. **Defined Terms**. Unless otherwise defined herein, terms which are defined in the Loan Agreement and used herein are so used as so defined, and the following terms shall have the following meanings:

“**Code**” means the Uniform Commercial Code as in effect in the State of New York; provided that if by reason of mandatory provisions of law, the perfection or the effect of perfection or non-perfection of the security interests in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than New York, “Code” means the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such perfection or effect of perfection or non-perfection.

“**Collateral**” means the Stock Collateral and the Partnership/LLC Collateral.

“Partnership/LLC Collateral” means all of the Pledged Partnership/LLC Interests and all Proceeds therefrom.

“Pledged Partnership/LLC Interests” means the entire partnership or membership interest in each Partnership/LLC listed on Schedule I hereto, together with any future partnership or membership interests that Pledgor agrees to pledge to Lender in Section 3.01 and 5.01 of the Loan Agreement, including, without limitation, the Partnership/LLCs’ capital accounts, their interest as a partner or member in the net cash flow, net profit and net loss, and items of income, gain, loss, deduction and credit of the Partnerships/LLCs, their interest in all distributions made or to be made by the Partnerships/LLCs to Pledgor and all of the other economic rights, titles and interests of Pledgor as a partner or member of the Partnerships/LLCs, whether set forth in the partnership agreement or membership agreement of the Partnerships/LLCs, by separate agreement or otherwise.

“Pledged Stock” means the shares of capital stock of each Issuer listed on Schedule I hereto, together with any future shares of capital stock that Pledgor agrees to pledge to Lender in Section 3.01 and 5.01 of the Loan Agreement, together with all stock certificates, options or rights of any nature whatsoever that may be issued or granted by such Issuer to Pledgor while this Agreement is in effect.

“Proceeds” means all “proceeds” as such term is defined in Section 9-102(a)(64) of the Code on the date hereof and, in any event, shall include, without limitation, all dividends or other income from the Pledged Stock and the Pledged Partnership/LLC Interests, collections thereon, proceeds of sale thereof or distributions with respect thereto.

“Stock Collateral” means the Pledged Stock and all Proceeds therefrom.

2. Pledge and Grant of Security Interest. Each Pledgor, as applicable, hereby delivers to Lender, all certificates representing one or more shares of the Pledged Stock and Pledged Partnership/LLC Interests and hereby grants to Lender, a first priority security interest in the Pledged Stock and Pledged Partnership/LLC Interests along with the Proceeds of such Pledged Stock and Pledged Partnership/LLC Interests, as collateral security for the Obligations due and owing to Lender under the Loan Documents.

3. Equity Powers. Concurrently with the delivery to Lender of each certificate representing one or more shares of Pledged Stock and any certificate representing any Pledged Partnership/LLC Interests, each Pledgor, as applicable, shall deliver an undated equity power covering such certificate, duly executed in blank by the Issuers and Partnership/LLCs with, if Lender so requests, signature guaranteed.

4. Representations and Warranties. To induce the Lender to accept the security contemplated hereby, each Pledgor hereby represents and warrants that:

(a) Pledgor has the corporate power, authority and legal right to execute and deliver, to perform its obligations under, and to grant a security interest in the Collateral pursuant to, this Agreement and has taken all necessary action to authorize its execution, delivery and performance of, and grant of the security interest in the Collateral pursuant to, this Agreement;

(b) this Agreement constitutes a legal, valid and binding obligation of Pledgor enforceable against Pledgor in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by the availability of equitable remedies;

(c) the execution, delivery and performance of this Agreement will not violate any provision of any applicable law or contractual obligation of Pledgor, will not result in the creation or imposition of any Lien on any of the properties or the revenues of Pledgor pursuant to any applicable law or contractual obligation, except as contemplated hereby and by the Loan Agreement or conflict with the charter, bylaws or comparable organizational document of Pledgor;

(d) no consent or authorization of, filing with, or other act by or in respect of, any arbitrator or governmental authority and no consent of any other Person (including, without limitation, any stockholder or creditor of Pledgor or any Issuer or any partner or member of any Partnership/LLC), is required in connection with the execution, delivery, performance, validity or enforceability against Pledgor of this Agreement, except (i) as may be required in connection with the disposition of the Pledged Stock and the Pledged Partnership/LLC Interests by laws affecting the offering and sale of securities generally, and (ii) filings under the Uniform Commercial Code;

(e) no litigation, investigation or proceeding of or before any arbitrator or governmental authority is pending or, to the knowledge of Pledgor, threatened by or against Pledgor or against any of its properties or revenues with respect to this Agreement or any of the transactions contemplated hereby;

(f) except as otherwise indicated on Schedule I, the shares of Pledged Stock listed on Schedule I constitute a percentage of the issued and outstanding shares of all classes of the capital stock of each Issuer, as applicable, Schedule I accurately reflects Pledgor's Pledged Partnership/LLC Interest in each of the Partnerships/LLCs and the Pledged Partnership/LLC Interests pledged by Pledgor constitute a percentage of the outstanding ownership interests in which Pledgor has any right, title or interest in each Partnership/LLC;

(g) all the shares of the Pledged Stock have been duly and validly issued and are fully paid and nonassessable and all of the Pledged Partnership/LLC Interests have been duly and validly issued;

(h) Pledgor is the record and beneficial owner of, and has good and marketable title to, the Pledged Stock and Pledged Partnership/LLC Interests listed on Schedule I, free of any and all Liens or options in favor of, or claims of, any other Person,

except the Lien created by this Agreement or otherwise permitted by the Loan Agreement;

(i) the jurisdiction in which Pledgor is located for purposes of Sections 9-307, 9-301 and Section 9-501(a)(2) of the Code is Delaware;

(j) upon delivery to Lender of the stock certificates evidencing the Pledged Stock, together with undated equity powers and Partnership/LLC certificates and the filing of Form UCC-1 Financing Statements in the State of Delaware, the security interest granted pursuant to this Agreement will constitute a valid, perfected first priority security interest in the Collateral, enforceable as such against all creditors of Pledgor and any Persons purporting to purchase any of the Collateral from Pledgor;

(k) Pledgor has delivered to the Lenders true and complete copies of the partnership agreements and operating agreements, as applicable, for each of the Partnerships/LLCs, which partnership agreements and operating agreements are currently in full force and effect and have not been amended or modified except as disclosed to the Lender in writing.

5. Certain Covenants. Each Pledgor covenants and agrees with Lenders that, from and after the date of this Agreement until the Obligations are paid in full and the Commitment is terminated:

(a) Pledgor agrees that as a partner or member in the Partnerships/LLCs, as the case may be, it will abide by, perform and discharge each and every obligation, covenant and agreement to be abided by, performed or discharged by Pledgor under the terms of the partnership agreements and operating agreements, as applicable, of the Partnerships/LLCs, at no cost or expense to the Lender.

(b) Pledgor shall, as a result of its ownership of the Collateral, become entitled to receive or shall receive any stock or other equity certificate (including, without limitation, any certificate representing a stock dividend or a distribution in connection with any reclassification, increase or reduction of capital or any certificate issued in connection with any reorganization), option or rights, whether in addition to, in substitution of, as a conversion of, or in exchange for any of the Collateral, or otherwise in respect thereof, Pledgor shall accept the same as the agent of Lender, hold the same in trust for Lender, for the benefit of Lender and deliver the same forthwith to Lender in the exact form received, duly indorsed by Pledgor to Lender if required, together with an undated equity power covering such certificate duly executed in blank by Pledgor and with, if Lender so requests, signature guaranteed, to be held by Lender, subject to the terms hereof, as additional collateral security for the Obligations. In addition, any sums paid upon or in respect of the Collateral upon the liquidation or dissolution of any Issuer or Partnership/LLC shall be held by Lender as additional collateral security for the Obligations.

(c) Without the prior written consent of Lender, Pledgor will not (i) vote to enable, or take any other action to permit, any Issuer or Partnership/LLC to issue any stock, partnership interests, limited liability company interests or other equity securities

of any nature or to issue any other securities convertible into or granting the right to purchase or exchange for any stock, partnership interests, limited liability company interests or other equity securities of any nature of such Issuer or Partnership/LLC, (ii) accept a surrender of any partnership agreement or operating agreement of any of the Partnerships/LLCs or waive any breach of or default under any partnership agreement or operating agreement of any of the Partnerships/LLCs by any other party thereto, (iii) sell, assign, transfer, exchange, or otherwise dispose of, or grant any option with respect to, the Collateral, or (iv) create, incur or permit to exist any Lien or option in favor of, or any claim of any Person with respect to, any of the Collateral, or any interest therein, except for the Lien provided for by this Agreement or otherwise permitted by the Loan Agreement. Pledgor will defend the right, title and interest of Lender in and to the Collateral against the claims and demands of all Persons whomsoever.

(d) At any time and from time to time, upon the written request of Lender, and at the sole expense of Pledgor, Pledgor will promptly and duly execute and deliver such further instruments and documents and take such further actions as Lender may reasonably request for the purposes of obtaining or preserving the full benefits of this Agreement and of the rights and powers herein granted. If any amount payable under or in connection with any of the Collateral shall be or become evidenced by any promissory note, other instrument or chattel paper, such note, instrument or chattel paper shall be immediately delivered to Lender, duly endorsed in a manner satisfactory to Lender, to be held as Collateral pursuant to this Agreement.

(e) Pledgor agrees to pay, and to save Lender harmless from, any and all liabilities with respect to, or resulting from any delay in paying, any and all stamp, excise, sales or other similar taxes which may be payable or determined to be payable with respect to any of the Collateral or in connection with any of the transactions contemplated by this Agreement.

6. Cash Dividends and Distributions; Voting Rights. Unless an Event of Default shall have occurred and be continuing, and except as set forth herein, Pledgor shall be permitted to receive all cash dividends and shareholder, partnership and membership distributions paid in respect of the Collateral and to exercise all voting and corporate, partnership or membership rights, as applicable, with respect to the Collateral; provided, that no vote shall be cast or corporate, partnership or membership right exercised or other action taken which, in Lender's reasonable judgment, would impair the Collateral or which would result in any violation of any provision of the Loan Agreement or this Agreement.

7. Events of Default. The occurrence of an Event of Default under the Loan Agreement shall be an Event of Default hereunder (an "**Event of Default**").

8. Rights of Lender.

(a) If an Event of Default shall occur and be continuing, (i) Lender shall have the right to receive any and all cash dividends paid in respect of the Pledged Stock and partnership and membership distributions in respect of the Pledged Partnership/LLC Interests and (ii) upon ten (10) days notice to Pledgor, all shares of the Pledged Stock and the Pledged Partnership/LLC Interests may be registered in the name of Lender or its nominee, and Lender or its nominee may

thereafter exercise (A) all voting, corporate, partnership, membership and other rights pertaining to such shares of the Pledged Stock or Pledged Partnership/LLC Interests at any meeting of shareholders, partners or members of the applicable Issuer or Partnership/LLC or otherwise and (B) any and all rights of conversion, exchange, subscription and any other rights, privileges or options pertaining to such shares of the Pledged Stock or Pledged Partnership/LLC Interests as if it were the absolute owner thereof (including, without limitation, the right to exchange at its discretion any and all of the Pledged Stock or Pledged Partnership/LLC Interests upon the merger, consolidation, reorganization, recapitalization or other fundamental change in the structure of the applicable Issuer or Partnership/LLC, or upon the exercise by Pledgor or Lender of any right, privilege or option pertaining to such shares of the Pledged Stock or the Pledged Partnership/LLC Interests, and in connection therewith, the right to deposit and deliver any and all of the Pledged Stock or the Pledged Partnership/LLC Interests with any committee, depository, transfer agent, registrar or other designated agency upon such terms and conditions as it may determine), all without liability except to account for property actually received by it, but Lender shall have no duty to Pledgor to exercise any such right, privilege or option and shall not be responsible for any failure to do so or delay in so doing.

(b) The rights of Lender hereunder shall not be conditioned or contingent upon the pursuit by Lender of any right or remedy against Pledgor or against any other Person which may be or become liable in respect of all or any part of the Debt or against any collateral security therefor, guarantee thereof or right of offset with respect thereto. Lender shall not be liable for any failure to demand, collect or realize upon all or any part of the Collateral or for any delay in doing so, nor shall Lender be under any obligation to sell or otherwise dispose of any Collateral upon the request of Pledgor or any other Person or to take any other action whatsoever with regard to the Collateral or any part thereof.

9. Remedies.

(a) If an Event of Default shall occur and be continuing, Lender shall exercise all rights and remedies granted in this Agreement and in any other instrument or agreement securing, evidencing or relating to the Debt, and in addition thereto, all rights and remedies of a “secured party” under the Code. Lender, without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except the notice specified below of time and place of public or private sale) to or upon Pledgor, any Issuer, any Partnership/LLC or any other Person (all and each of which demands, defenses, advertisements and notices are hereby waived), may in such circumstances forthwith collect, receive, appropriate and realize upon the Collateral, or any part thereof, and/or may forthwith sell, assign, give option or options to purchase or otherwise dispose of and deliver the Collateral or any part thereof (or contract to do any of the foregoing), in one or more parcels at public or private sale or sales, in the over-the-counter market, at any exchange, broker’s board or office of Lender or elsewhere upon such terms and conditions as it may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk. Lender shall have the right upon any such public sale or sales, and, to the extent permitted by applicable law, upon any such private sale or sales, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in Pledgor, which right or equity is hereby waived and released. Lender shall apply any Proceeds from time to time held by it and the net proceeds of any such collection, recovery, receipt, appropriation, realization or sale, after deducting all reasonable costs and expenses of every kind incurred in respect thereof or incidental to the care or safekeeping of any

of the Collateral or in any way relating to the Collateral or the rights of Lender hereunder, including, without limitation, reasonable attorneys' fees and disbursements of counsel thereto, to the payment in whole or in part of the Debt in accordance with the terms of the Loan Agreement and only after such application and after the payment by Lender of any other amount required by any provision of applicable law, need Lender account for the surplus, if any, to Pledgor. Pledgor waives all claims, damages and demands it may acquire against Lender arising out of the exercise by them of any rights hereunder. In the event of a proposed public or private sale or other disposition of Collateral, Lender shall give Pledgor at least ten (10) days notice before such sale or other disposition.

(b) To the extent that applicable law imposes duties on Lender to exercise remedies in a commercially reasonable manner, Pledgor acknowledges and agrees that it is not commercially unreasonable for Lender (i) to fail to incur expenses deemed significant by Lender to prepare Collateral for disposition or otherwise to complete raw material or work in process into finished goods or other finished products for disposition, (ii) to fail to obtain third party consents for access to Collateral to be disposed of, or to obtain or, if not required by law, to fail to obtain governmental or third party consents for the collection or disposition of Collateral to be collected or disposed of, (iii) to advertise dispositions of Collateral through publications or media of general circulation, whether or not the Collateral is of a specialized nature, (iv) to contact other persons, whether or not in the same business as Pledgor, for expressions of interest in acquiring all or any portion of the Collateral, (v) to dispose of Collateral by utilizing internet sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capability of doing so, or that match buyers and sellers assets, (vi) to purchase insurance or credit enhancements to insure Lender against risks of loss collection or disposition of Collateral or to provide to Lender a guaranteed return from the collection or disposition of Collateral, or (vii) to provide credit terms to potential purchasers to facilitate the sale of the Collateral. Pledgor acknowledges that the purpose of this Paragraph is to provide non-exhaustive indications of what actions or omissions by Pledgor would not be commercially unreasonable in Lender's exercise of remedies against the Collateral and that other actions or omissions by Lender shall not be deemed commercially unreasonable solely on account of not being indicated in this section. Without limitation upon the foregoing, nothing contained in this Section 9 shall be construed to grant any rights to Pledgor to impose any duties on Lender that would not have been granted or imposed by this Agreement or by applicable law in the absence of this Section 9.

10. Registration Rights; Private Sales.

(a) If Lender shall determine to exercise its right to sell any or all of the Pledged Stock pursuant to Section 9 hereof, and if in the opinion of Lender it is necessary or advisable to have the Pledged Stock or Pledged Partnership/LLC Interests, or that portion thereof to be sold, registered under the provisions of the Securities Act of 1933, as amended (the "Securities Act"), Pledgor will cause the applicable Issuer to (i) execute and deliver, and cause the directors and officers, partners or members, as applicable of the applicable Issuer, partnership or limited liability company to execute and deliver, all such instruments and documents, and do or cause to be done all such other acts as may be, in the reasonable opinion of Lender, necessary or advisable to register the Pledged Stock or Partnership/LLC interest as applicable, or that portion thereof to be sold, under the provisions of the Securities Act, (ii) to use its best efforts to cause the registration statement relating thereto to become effective and to remain effective for a period

of one year from the date of the first public offering of the Pledged Stock or Partnership/LLC interest, or that portion thereof to be sold, and (iii) to make all amendments thereto and/or to the related prospectus which, in the opinion of Lender, are necessary or advisable, all in conformity with the requirements of the Securities Act and the rules and regulations of the Securities and Exchange Commission applicable thereto. Pledgor agrees to cause the applicable Issuer, partnership or limited liability company to comply with the provisions of the securities or “Blue Sky” laws of any and all jurisdictions which Lender shall designate and to make available to its security holders, as soon as practicable, an earnings statement (which need not be audited) which will satisfy the provisions of Section 11(a) of the Securities Act.

(b) Pledgor recognizes that Lender may be unable to effect a public sale of any or all the Pledged Stock or Partnership/LLC interests, by reason of certain prohibitions contained in the Securities Act and applicable state securities laws or otherwise, and may be compelled to resort to one or more private sales thereof to a restricted group of purchasers which will be obliged to agree, among other things, to acquire such securities for their own account for investment and not with a view to the distribution or resale thereof. Pledgor acknowledges and agrees that any such private sale may result in prices and other terms less favorable than if such sale were a public sale and, notwithstanding such circumstances, agrees that any such private sale shall be deemed to have been made in a commercially reasonable manner. Lender shall be under no obligation to delay a sale of any of the Pledged Stock or Partnership/LLC interest for the period of time necessary to permit the applicable Issuer, partnership or limited liability company to register such securities for public sale under the Securities Act, or under applicable state securities laws, even if the applicable Issuer, partnership or limited liability company would agree to do so.

(c) Pledgor further agrees to use its best efforts to do or cause to be done all such other acts as may be necessary to make such sale or sales of all or any portion of the Collateral pursuant to this Section 10 valid and binding and in compliance with any and all other applicable laws. Pledgor further agrees that a breach of any of the covenants contained in this Section 10 will cause irreparable injury to Lender that are not compensable in damages, that Lender will have no adequate remedy at law in respect of such breach and, as a consequence, that each and every covenant contained in this Section 10 shall be specifically enforceable against Pledgor, and Pledgor hereby waives and agrees not to assert any defenses against an action for specific performance of such covenants except for a defense that no Event of Default has occurred under the Loan Agreement.

11. Amendments, etc. With Respect to the Debt. Pledgor shall remain obligated hereunder, and the Collateral shall remain subject to the Lien granted hereby, notwithstanding that, without any reservation of rights against Pledgor, and without notice to or further assent by Pledgor, any demand for payment of any of the Debt made by Lender may be rescinded by Lender, and any of the Debt continued, and the Debt, or the liability of Pledgor or any other Person upon or for any part thereof, or any collateral security or guarantee therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, extended, amended, modified, accelerated, compromised, waived, surrendered, or released by Lender, and the Loan Agreement and any other documents executed and delivered in connection therewith may be amended, modified, supplemented or terminated, in whole or part, as Lender may deem advisable from time to time, and any guarantee, right of offset or other collateral security at any time held by Lender for the payment of the Debt may be sold, exchanged, waived,

surrendered or released. Lender shall not have any obligation to protect, secure, perfect or insure any other Lien at any time held by it as security for the Debt or any property subject thereto. Pledgor waives any and all notice of the creation, renewal, extension or accrual of any of the Debt and notice of or proof of reliance by Lender upon this Agreement; the Debt, and any of them, shall conclusively be deemed to have been created, contracted or incurred in reliance upon this Agreement; and all dealings between Pledgor, on the one hand, and Lender, on the other, shall likewise be conclusively presumed to have been had or consummated in reliance upon this Agreement. Pledgor waives diligence, presentment, protest, demand for payment and notice of default or nonpayment to or upon Pledgor with respect to the Debt.

12. Limitation on Duties Regarding Collateral. Lender's sole duty with respect to the custody, safekeeping and physical preservation of the Collateral in its possession, shall be to deal with it in the same manner as Lender deals with similar securities and property for its own account. Neither Lender, nor any of its respective directors, officers, employees or agents shall be liable for failure to demand, collect or realize upon any of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of Pledgor. Neither Lender nor any of its officers, directors, shareholders, employees or attorneys shall be liable for any action taken, or omitted to be taken, in good faith by it or any of them under or in connection with this Agreement or the Loan Agreement, or be responsible for any oversight or error of judgment, except that Lender may be liable for losses due to its gross negligence or willful misconduct.

13. Severability. If for any reason any provision or provisions in this Agreement are determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or effect those portions of this Agreement which are valid.

14. Paragraph Headings. The paragraph headings used in this Agreement are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

15. No Waiver; Cumulative Remedies. Lender shall not, by any act be deemed to have waived any right or remedy hereunder or to have acquiesced in any Default or Event of Default or in any breach of any of the terms and conditions hereof. No failure to exercise, nor any delay in exercising, on the part of Lender, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by Lender of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which Lender would otherwise have on any future occasion. The rights and remedies herein provided are cumulative, may be exercised singly or concurrently and are not exclusive of any other rights or remedies provided by law.

16. Waivers and Amendments; Successors and Assigns; Governing Law. None of the terms or provisions of this Agreement may be amended, supplemented or otherwise modified except by a written instrument executed by Pledgor, the Lenders and Lender. This Agreement shall be binding upon the successors and assigns of Pledgor and shall inure to the

benefit of Lender and its respective successors and assigns. This Agreement shall be governed by, and construed and interpreted in accordance with, the laws of the State of New York.

17. Notices. All notices and communications hereunder shall be given to the addresses and otherwise in accordance with the Loan Agreement.

18. Lender Appointed Attorney-In-Fact. Pledgor irrevocably appoints Lender as Pledgor's attorney-in-fact, with full authority in the place of Pledgor and in the name of Pledgor or otherwise, from time to time in Lender's discretion to take any action and to execute any instrument which Lender may deem necessary or advisable to accomplish the purposes of this Agreement. The power of attorney granted pursuant to this Section 19 is a power coupled with an interest and shall be irrevocable until the Debt is indefeasibly paid in full. Without limiting the generality of the foregoing Pledgor hereby gives Lender the power and right, on behalf of Pledgor, without notice to or assent by Pledgor to file any financing statements or amendments thereto in any jurisdiction Lender deems appropriate with respect to any of the Collateral to the extent Lender may lawfully do so, and to execute and deliver in the name of Pledgor and without Pledgor's signature, to the extent it may lawfully do so, any chattel mortgage, or comparable security instrument, as Lender deems necessary or desirable for the purpose of exercising and perfecting any and all rights available to Lender at law and in equity; and Pledgor agrees to reimburse Lender for the reasonable expense of any such filing, including reasonable attorneys fees.

19. Pledgor Remains Liable. Anything herein to the contrary notwithstanding, (a) Pledgor shall remain liable to perform all of its duties and obligations as a partner or member of the Partnerships/LLCs to the same extent as if this Agreement had not been executed, (b) the exercise by Lender of any of its rights hereunder shall not release Pledgor from any of its duties or obligations as a partner or member of the Partnerships/LLCs, and (c) Lender shall have no obligation or liability as a partner or member of the Partnerships/LLCs by reason of this Agreement.

20. Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE INTERNAL LAWS (AS OPPOSED TO CONFLICTS OF LAW PROVISIONS) OF THE STATE OF NEW YORK.

21. Waiver of Jury Trial, Submission to Jurisdiction.

(a) ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY DOCUMENT RELATED HERETO MAY BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK OR OF THE UNITED STATES OF AMERICA FOR THE SOUTHERN DISTRICT OF NEW YORK, AND, BY EXECUTION AND DELIVERY OF THIS AGREEMENT, PLEDGOR HEREBY ACCEPTS FOR ITSELF AND IN RESPECT OF ITS PROPERTY, GENERALLY AND UNCONDITIONALLY, THE NON-EXCLUSIVE JURISDICTION OF THE AFORESAID COURTS. PLEDGOR HEREBY IRREVOCABLY WAIVES ANY OBJECTION, INCLUDING, WITHOUT LIMITATION, ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM NON CONVENIENS, WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY SUCH ACTION OR PROCEEDING IN SUCH RESPECTIVE JURISDICTIONS. PLEDGOR HEREBY AGREES TO WAIVE ANY RIGHT IT MAY HAVE TO A JURY TRIAL IN

CONNECTION WITH ANY ACTION, SUIT OR PROCEEDING ARISING OUT OF OR RELATED IN ANY WAY TO THIS AGREEMENT. IN ADDITION, PLEDGOR WAIVES THE RIGHT TO INTERPOSE ANY DEFENSE BASED UPON ANY STATUTE OF LIMITATIONS OR ANY CLAIM OF LACHES AND ANY SET-OFF OR COUNTER CLAIM OF ANY NATURE OR DESCRIPTION. PLEDGOR ACKNOWLEDGES THAT THE FOREGOING WAIVERS ARE FREELY MADE.

(b) In an action commenced in the Commercial Division, New York State Supreme Court, the parties hereby agree, subject to the requirements for a case to be heard in the Commercial Division, to apply, at Administrative Agent's election, the Court's accelerated adjudication procedures set forth in Rule 9 of the Rules of Practice for the Commercial Division, in connection with any dispute, claim or controversy arising out of or relating to this Agreement, or the breach, termination, enforcement or validity thereof.

22. Entire Agreement; Term of Agreement. This Agreement, together with the Loan Agreement, constitutes the entire agreement with respect to the subject matter hereof and supersedes all prior agreements with respect to the subject matter hereof. This Agreement shall remain in effect from the date hereof through and including the date upon which all Debt shall have been indefeasibly and irrevocably paid and satisfied in full and the Commitment terminated.

[Signature Page to Follow]

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed and delivered as of the date first above written.

PLEDGOR

TRB AVONDALE LLC, a Delaware limited liability company, as Pledgor

By: TRB Holdings LLC, a Delaware limited liability company, its sole member

By: BRT Apartments Corp., a Maryland Corporation, its sole member

By: _____

Print Name:

Print Title:

TRB WOODLANDS LLC, a Delaware limited liability company, as Pledgor

By: TRB Holdings LLC, a Delaware limited liability company, its sole member

By: BRT Apartments Corp., a Maryland Corporation, its sole member

By: _____

Print Name:

Print Title:

COUNTY OF NEW YORK,
STATE OF NEW YORK.

On the ____ day of _____ in the year 20__ before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

SCHEDULE I
to Pledge
Agreement

I. DESCRIPTION OF PLEDGED STOCK AND PARTNERSHIP/LLC INTEREST

<u>Issuer/Partnership, LLC</u>	<u>Owners</u>	<u>Certificate No.</u> (if applicable)	<u>No. of</u> <u>Shares/Units</u>	<u>Percentage of all</u> <u>Outstanding Issued</u> <u>Capital Stock or</u> <u>Partnership</u>
Avondale 212, LLC	TRB Avondale LLC	N/A	N/A	100%
Woodlands 236 LLC	TRB Woodlands LLC	N/A	N/A	100%

NEGATIVE PLEDGE AGREEMENT

THIS NEGATIVE PLEDGE AGREEMENT (this “**Agreement**”) is made and entered into as of this 18th day of November, 2021, by **BRT Apartments Corp.**, a corporation organized under the laws of the State of Maryland, **TRB Holdings LLC**, **TRB Avondale LLC**, **Avondale 212, LLC**, **TRB Woodlands LLC** and **Woodlands 236 LLC**, each a limited liability company organized under the laws of the State of Delaware, each with their respective principal place of business at 60 Cutter Mill Road, Suite 303, Great Neck, New York 11021 (collectively, the “**Covenantee Party**”), and delivered to **VNB New York, LLC** (“**Lender**”), with an address at **One Penn Plaza, New York, NY** in consideration of Lender agreeing to make revolving credit loans to BRT Apartments Corp. (“**Borrower**”) pursuant to a Loan Agreement dated November 18, 2021 (as the same may be amended, supplemented or otherwise modified, the “**Loan Agreement**”) and which requires, inter alia that Covenantee Party shall have executed and delivered this Agreement to Lender pursuant to Section 3.01 and 5.01 of the Loan Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged. All capitalized terms not otherwise defined in this Agreement shall have the meanings ascribed to such terms in the Loan Agreement.

1. **Negative Pledge.** So long as the Obligations shall remain outstanding, or so long as the Commitment shall remain in effect, Covenantee Party shall not, without the prior written consent of Lender:

- (a) directly or indirectly, create, incur, assume or permit or suffer to exist, any Lien on any of the Property, other than Liens permitted by the Loan Agreement; or
- (b) sell, convey or transfer, or permit the sale, conveyance or transfer, of any of the Property, except as may be permitted by the Loan Agreement.

2. **Definitions.** The following terms as used herein shall have the following meanings:

“**Lien**” shall mean any interest in property securing an obligation whether such interest is based on the common law, statute or contract, and including but not limited to a security interest arising from a security agreement, an encumbrance, pledge, conditional pledge or mortgage, or a lease, consignment or bailment for security purposes.

“**Personal Property**” shall mean all personal property and assets of Covenantee Party located at or on, or otherwise related to, the Real Property, whether now owned or hereafter acquired, including, without limitation, all now owned or hereafter acquired Equipment, Inventory, Documents, Accounts, Chattel Paper, Investment Property, Instruments, General Intangibles, Deposit Accounts and Letter of Credit Rights, all such items which are or become Fixtures. Capitalized terms used in this definition shall have the meanings given to such terms in Article 9 of the Uniform Commercial Code of the State of New York.

“**Property**” shall mean all Personal Property and the Real Property.

“**Real Property**” shall mean all of Covenantee Party’s interests, whether direct or indirect, whether now owned or hereafter acquired, and wherever located, in and to the real property located at 2793 E. College Avenue, Decatur, Georgia, County of DeKalb and 140 North Davis Road, LaGrange, Georgia, County of Troup.

3. Representations and Warranties; Covenants. Covenanting Party hereby represents and warrants to Lender that: (a) this Agreement and all other documents or agreements at any time hereafter delivered by Covenanting Party to Lender in connection herewith have been duly authorized, and upon their execution and delivery to Lender will constitute legal, valid and binding agreements and obligations of Covenanting Party, enforceable in accordance with their respective terms; (b) the fulfillment of the terms hereof will not (i) conflict with, result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time or both) a default under Covenanting Party's organizational documents or any contractual obligation of Covenanting Party; (ii) result in the creation or imposition of any Lien upon any of Covenanting Party's properties pursuant to the terms of any such contractual obligation or (iii) violate any law, rule or regulation applicable to Covenanting Party; and (c) this Agreement is executed at Borrower's request in order to induce Lender to extend or maintain the Commitment.

4. Interpretation. In this Agreement, unless Lender and Covenanting Party otherwise agree in writing, (a) the singular includes the plural and the plural the singular; (b) references to statutes are to be construed as including all statutory provisions consolidating, amending or replacing the statute referred to; (c) the word "or" shall be deemed to include "and/or", the words "including", "includes" and "include" shall be deemed to be followed by the words "without limitation"; (d) references to sections or exhibits are to those of this Agreement; (e) terms defined in Article 9 of the Uniform Commercial Code of the State of New York and not otherwise defined in this Agreement are used as defined in such Article; (f) references to any amount as on deposit or outstanding on any particular date means such amount at the close of business on such day; (g) the words "hereof," "herein" and "hereunder" and words of similar import refer to such agreement (or the certificate or other document in which they are used) as a whole and not to any particular provision of such agreement (or such certificate or document); (h) references to any Section, Schedule or Exhibit are references to Sections, Schedules and Exhibits in or to such agreement (or the certificate or other document in which the reference is made), and references to any paragraph, subsection, clause or other subdivision within any Section or definition refer to such paragraph, subsection, clause or other subdivision of such Section or definition; (i) references to any agreement refer to that agreement as from time to time amended, restated, supplemented, extended, renewed, replaced or otherwise modified or as the terms of such agreement are waived or modified in accordance with its terms; (j) references to any person or entity include that person's or entity's successors and assigns; and (k) terms in one gender include the parallel terms in the neuter and opposite gender. Section headings in this Agreement are included for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

5. Notices. All notices, requests and demands which any party is required or may desire to give to any other party under any provision of this Agreement must be in writing delivered to each such other party at his, her or its address first set forth above, or to such other address as any party may designate by written notice to all other parties. Each such notice, request and demand shall be deemed given or made in the manner set forth in the Loan Agreement.

6. Costs and Expenses. Covenanting Party shall reimburse Lender immediately upon demand the full amount of all payments, advances, charges, costs and expenses, whether or not collection is instituted hereon, including reasonable attorneys' fees (to include outside counsel fees and all allocated costs of Lender's in-house counsel), expended or incurred by Lender in connection with (a) the enforcement of Lender's rights and/or the collection of any amounts which become due to Lender under this Agreement, and (b) the prosecution or defense of any action in any way related to this Agreement, including without limitation, any action for declaratory relief, whether incurred at the trial or appellate level, in any civil action, lawsuit, arbitration proceeding or otherwise, and including any of the foregoing incurred in connection with any Bankruptcy proceeding (including without limitation, any adversary

proceeding, contested matter or motion brought by Lender or any other person) relating to Covenanting Party or any other person or entity.

7. **Limitation of Liability.** To the fullest extent permitted by applicable law, Covenanting Party shall not assert, and hereby waives any claim against Lender, on any theory of liability, for special, indirect, consequential or punitive damages arising out of, in connection with or as a result of, this Agreement, the transactions contemplated hereby or thereby or any loan advance or letter of credit or the use of the proceeds thereof.

8. **Amendments, Modifications, Etc.** No amendment, modification or waiver of any provision of this Agreement nor consent to any departure by Covenanting Party therefrom shall be effective unless the same shall be in writing and signed by Lender or other party to be charged, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. Notwithstanding the foregoing, Lender may modify this Agreement for the purposes of completing missing content or correcting erroneous content, without the need for a written amendment, provided that Lender shall send a copy of any such modification to Covenanting Party (which may be sent by electronic mail).

9. **No Waiver; Remedies.** No failure on the part of Lender to exercise, and no delay in exercising any right hereunder shall operate as a waiver thereof nor shall any single or partial exercise by Lender of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by any other instrument or document or under applicable law.

10. **Successors and Assigns.** This Agreement and the terms hereof shall be binding upon and inure to the benefit of Lender and its successors and assigns, including subsequent holders hereof, and Covenanting Party and its legal representatives, successors and assigns; provided, however that Covenanting Party may not assign or transfer its interests or rights hereunder (whether by operation of law or otherwise) without Lender's prior written consent, which Lender may withhold in its sole and absolute discretion.

11. **Counterparts; Electronic Transmission.** This Agreement may be executed in any number of counterparts, each of which, when so executed, shall be deemed to be an original and all of which, taken together, shall constitute one and the same Agreement. Delivery of any executed counterpart of this Agreement by electronic transmission shall be effective as delivery of a manually executed counterpart hereof. Covenanting Party acknowledges that information and documents relating to this Agreement and the credit accommodations referred to herein may be transmitted through electronic means.

12. **Indemnity.** Covenanting Party agrees to indemnify each of Lender, each legal entity, if any, who controls, is controlled by or is under common control with Lender, and each of their respective directors, officers and employees (the "**Indemnified Parties**"), and to defend and hold each Indemnified Party harmless from and against any and all claims, damages, losses, liabilities and expenses (including all fees and charges of internal or external counsel with whom any Indemnified Party may consult and all expenses of litigation and preparation therefor) which any Indemnified Party may incur or which may be asserted against any Indemnified Party by any person, entity or governmental authority (including any person or entity claiming derivatively on behalf of Covenanting Party), whether in connection with or arising out of or relating to (a) the matters referred to in this Agreement or the use of any advance with respect hereto, (b) any breach of a representation, warranty or covenant by Covenanting Party, or (c) any suit, action, claim, proceeding or governmental investigation, pending or threatened, relating to the Loan or the Property, whether based on statute, regulation or order, or tort, or contract or otherwise, before any

court or governmental authority; provided, however, that the foregoing indemnity agreement shall not apply to any claims, damages, losses, liabilities and expenses solely attributable to an Indemnified Party's gross negligence or willful misconduct, as determined by a final and non-appealable decision of a court of competent jurisdiction. The indemnity agreement contained in this Section shall survive the termination or revocation of this Agreement, payment of any advance hereunder and the assignment of any rights hereunder, or entry of judgment hereon. Covenanting Party may participate at its expense in the defense of any such action or claim.

13. GOVERNING LAW. THIS AGREEMENT WAS ACCEPTED BY LENDER IN THE STATE OF NEW YORK, AND THE PROCEEDS OF ANY CREDIT ACCOMMODATION HEREUNDER WERE DISBURSED FROM THE STATE OF NEW YORK, WHICH STATE THE PARTIES AGREE HAS A SUBSTANTIAL RELATIONSHIP TO THE PARTIES AND TO THE UNDERLYING TRANSACTION EMBODIED HEREBY, IN ALL RESPECTS, INCLUDING, WITHOUT LIMITATION, MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, THIS AGREEMENT AND THE OBLIGATIONS ARISING HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND PERFORMED IN SUCH STATE (WITHOUT REGARD TO ANY PRINCIPLES OF CONFLICT OF LAWS WHICH WOULD OR MIGHT MAKE THE LAWS OF ANY OTHER JURISDICTION APPLICABLE) AND ANY APPLICABLE LAW OF THE UNITED STATES OF AMERICA. TO THE FULLEST EXTENT PERMITTED BY LAW, COVENANTING PARTY HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVES ANY CLAIM TO ASSERT THAT THE LAW OF ANY OTHER JURISDICTION GOVERNS THIS AGREEMENT.

14. VENUE; JURISDICTION. ANY LEGAL SUIT, ACTION OR PROCEEDING AGAINST LENDER OR COVENANTING PARTY ARISING OUT OF OR RELATING TO THIS AGREEMENT MAY AT LENDER'S OPTION BE INSTITUTED IN ANY FEDERAL OR STATE COURT IN THE STATE OF NEW YORK, AND COVENANTING PARTY AGREES SUCH COURT SHALL HAVE JURISDICTION IN ANY SUIT, ACTION, OR PROCEEDING BETWEEN COVENANTING PARTY AND LENDER. COVENANTING PARTY FURTHER WAIVES ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE BASED ON VENUE AND/OR FORUM NON CONVENIENS OF ANY SUCH SUIT, ACTION OR PROCEEDING, BETWEEN COVENANTING PARTY AND LENDER, AND HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF ANY SUCH COURT. COVENANTING PARTY DOES HEREBY AGREE THAT SERVICE OF PROCESS UPON COVENANTING PARTY AT ITS NOTICE ADDRESS AS SET FORTH IN SECTION 5 HEREOF BY REGISTERED MAIL, RETURN RECEIPT REQUESTED, SHALL BE DEEMED IN EVERY RESPECT EFFECTIVE SERVICE OF PROCESS UPON COVENANTING PARTY IN ANY SUCH SUIT, ACTION OR PROCEEDING AT THE TIME RECEIVED OR REFUSED BY COVENANTING PARTY AND SHALL CONSTITUTE "PERSONAL DELIVERY" THEREOF. NOTHING CONTAINED HEREIN SHALL AFFECT THE RIGHT OF LENDER TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO COMMENCE LEGAL PROCEEDINGS OR OTHERWISE PROCEED AGAINST COVENANTING PARTY IN ANY OTHER JURISDICTIONS.

15. WAIVER OF JURY TRIAL. COVENANTING PARTY (a) KNOWINGLY, VOLUNTARILY, INTENTIONALLY AND IRREVOCABLY WAIVES EACH RIGHT COVENANTING PARTY MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO, AND IN, ANY ACTION OR OTHER LEGAL PROCEEDING OF ANY NATURE, RELATING TO (i) THIS AGREEMENT, ANY CREDIT ACCOMMODATION PROVIDED WITH RESPECT HERETO, (ii) ANY TRANSACTION CONTEMPLATED IN ANY SUCH LOAN DOCUMENTS

OR (iii) ANY NEGOTIATION, ADMINISTRATION, PERFORMANCE OR ENFORCEMENT OF THIS AGREEMENT, ANY OF THE OBLIGATIONS, ANY COLLATERAL OR ANY OTHER LOAN DOCUMENT AND (b) CERTIFIES THAT (i) NEITHER LENDER, ANY AFFILIATE OF LENDER NOR ANY REPRESENTATIVE OF LENDER OR ANY SUCH AFFILIATE HAS REPRESENTED TO COVENANTING PARTY THAT LENDER OR ANY SUCH AFFILIATE WILL NOT SEEK TO ENFORCE THE WAIVER MADE BY COVENANTING PARTY IN THIS PARAGRAPH, AND (ii) HE, SHE OR IT HAS BEEN REPRESENTED (OR HAS HAD THE OPPORTUNITY TO BE REPRESENTED) IN THE SIGNING OF THIS AGREEMENT AS NECESSARY AND APPROPRIATE BY INDEPENDENT LEGAL COUNSEL.

[NO FURTHER TEXT ON THIS PAGE; SIGNATURES FOLLOW]

IN WITNESS WHEREOF, Covenanting Party has executed this Negative Pledge Agreement as of the date first written above.

COVENANTING PARTY:

AVONDALE 212, LLC, a Delaware limited liability company

By: TRB Avondale LLC, a Delaware limited liability company, its sole member

By: TRB Holdings LLC, a Delaware limited liability company, its sole member

By: BRT Apartments Corp., a Maryland Corporation, its sole member

By: _____

Print Name:

Print Title:

WOODLANDS 236 LLC, a Delaware limited liability company

By: TRB Woodlands LLC, a Delaware limited liability company, its sole member

By: TRB Holdings LLC, a Delaware limited liability company, its sole member

By: BRT Apartments Corp., a Maryland Corporation, its sole member

By: _____

Print Name:

Print Title:

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

TRB AVONDALE LLC, a Delaware limited liability company

By: TRB Holdings LLC, a Delaware limited liability company, its sole member

By: BRT Apartments Corp., a Maryland Corporation, its sole member

By: _____
Print Name:
Print Title:

TRB WOODLANDS LLC, a Delaware limited liability company

By: TRB Holdings LLC, a Delaware limited liability company, its sole member

By: BRT Apartments Corp., a Maryland Corporation, its sole member

By: _____
Print Name:
Print Title:

TRB HOLDINGS LLC, a Delaware limited liability company

By: BRT Apartments Corp., a Maryland Corporation, its sole member

By: _____
Print Name:
Print Title:

BRT APARTMENTS CORP., a Maryland Corporation

By: _____
Print Name:
Print Title:

COUNTY OF NEW YORK,

STATE OF NEW YORK.

On the ___ day of _____ in the year 20__ before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

In consideration of and as an inducement to **VNB New York, LLC** agreeing to make revolving credit loans to **BRT Apartments Corp.** pursuant to the Loan Agreement, the undersigned hereby acknowledges and agrees to the terms and conditions of the Negative Pledge Agreement and the other Loan Documents to which any Covenanting Party is a party, and joins in the agreements of the Covenanting Party under the Negative Pledge Agreement and the other Loan Documents to which any Covenanting Party is a party and agrees that all obligations of any Covenanting Party under the Negative Pledge Agreement and the other Loan Documents to which any Covenanting Party is a party shall be the obligations, jointly and severally, of the undersigned with the same force and effect as if the undersigned was a signatory to the Negative Pledge Agreement and the other Loan Documents to which any Covenanting Party is a party. All Capitalized terms shall have the meanings ascribed to them in the Negative Pledge Agreement to which this joinder is annexed.

BRT Apartments Corp., a Maryland corporation

By: _____

Name:

Title: