

On June 13, 2017, the Audit Committee of the Board of Directors approved a waiver of the Company's Code of Legal & Ethical conduct regarding a potential transaction that may pose a conflict of interest between the Company and Bruce C. Ratner, an executive officer of the Company. The waiver pertains to an in-kind exchange of Class A Common Units (exchangeable for the Company's Class A Common Stock, par value \$0.01 per share on a 1:1 basis) held directly and indirectly by Mr. Ratner for 500 Sterling Place, an apartment community currently owned by the Company in Brooklyn, New York, a core market of the Company. The Audit Committee deemed the waiver to be appropriate as such a transaction is consistent with terms of the Master Contribution and Sale Agreement between the Company and Mr. Ratner, as filed with the Securities and Exchange Commission, and the related documents thereto, as amended to the date hereof; the in-kind exchange of Units for 500 Sterling Place will reduce the potential for dilution of the Company's Class A Common Stock that would have resulted from an exchange of the Units for Common Stock; and the Transaction was based on terms no less favorable than terms generally available to an unaffiliated third party for the same property under similar circumstances.