

WHEREAS, the Project is to be developed on land that is now an eligible area as defined in Section 692 of the General Municipal Law, consists solely of the rehabilitation or conservation of existing private or multiple dwellings or the construction of one- to four-unit dwellings, and does not require any change in land use permitted under the New York City Zoning Resolution;

WHEREAS, the project description that HPD provided to the Council states that the purchaser in connection with the Sale (the "Sponsor") is a duly organized housing development fund company under Article XI of the Private Housing Finance Law;

WHEREAS, upon due notice, the Council held a public hearing on the Project on May 2, 2006;

WHEREAS, the Council has considered the land use and financial implications and other policy issues relating to the Project;

RESOLVED:

The Council finds that the present status of the Disposition Area tends to impair or arrest the sound growth and development of the City of New York and that a designation of the Project as an urban development action area project is consistent with the policy and purposes stated in Section 691 of the General Municipal Law.

The Council waives the area designation requirement of the Disposition Area as an urban development action area under Section 693 of the General Municipal Law pursuant to said Section.

The Council waives the requirements of Sections 197-c and 197-d of the New York City Charter pursuant to Section 694 of the General Municipal Law.

The Council approves the Project as an Urban Development Action Area Project pursuant to Section 694 of the General Municipal Law.

The Project shall be disposed of and developed upon the terms and conditions set forth in the Project Summary that HPD has submitted to the Council, a copy of which is attached hereto.

The Council approves the Tax Exemption as follows:

- a. All of the value of the property in the Disposition Area, including both the land and any improvements, shall be exempt from real property taxes, other than assessments for local improvements, for a period commencing upon the date of conveyance of the Disposition Area to Sponsor ("Commencement Date") and terminating upon the earlier to occur of (i) the fortieth anniversary of the Commencement Date, (ii) the date of reconveyance of the Disposition Area to an owner which is not a housing development fund company, or (iii) the date upon which the owner of the Disposition Area voluntarily surrenders and revokes such exemption by written notice to the Department of Finance ("Expiration Date"), provided, however, that such tax exemption shall terminate if the Department of Housing Preservation and Development determines that (i) Sponsor is not organized as a housing development fund corporation, (ii) Sponsor is not operating the housing project in accordance with the requirements of Article XI of the Private Housing Finance Law, or (iii) such real property has not been, or is not being, developed, used, and/or operated in compliance with the requirements of all applicable agreements made by Sponsor with, or for the benefit of, the City of New York.
- b. Those portions of the property included in the housing project which are devoted to business or commercial use (collectively, "Commercial Property"), if any shall not be eligible for real property tax exemption hereunder. The Commercial Property shall be subject to full real property taxation; provided, however, that nothing herein shall prohibit Sponsor from utilizing any abatement, exemption, or other tax benefit for which the Commercial Property would otherwise be eligible.
- c. In consideration of the tax exemption pursuant to Section 577 of the Private Housing Finance Law provided hereunder ("Exemption"), the Sponsor or its successors and assigns shall waive the benefits, if any, of additional or concurrent real property tax abatement and/or tax exemption which may be authorized under any existing or future local, state, or federal law, rule, or regulation ("Alternative Tax Benefit"), for so long as the Exemption shall remain in effect; provided, however, that the Sponsor and its successors and assigns may (i) voluntarily surrender and revoke the Exemption at any time by written notice to the Department of Finance, and (ii) following the effective date of the surrender and revocation

stated in such written notice, utilize any Alternative Tax Benefit for the Disposition Area.

Adopted.

Office of the City Clerk, }
The City of New York, } ss.:

I hereby certify that the foregoing is a true copy of a Resolution passed by The Council of The City of New York on May 10, 2006, on file in this office.

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City Clerk, Clerk of The Council