

HPD has submitted to the Council, a copy of which is attached hereto.

The Council hereby grants an exemption from real property taxes as follows:

1. For the purposes hereof, the following terms shall have the following meanings:
 - (a) "Commercial Property" shall mean those portions of the Exemption Area devoted to business or commercial use.
 - (b) "Effective Date" shall mean July 1, 2009.
 - (c) "Exemption" shall mean the partial exemption from real property taxes provided hereunder with respect to the Exemption Area.
 - (d) "Exemption Area" shall mean the real property located in the Borough of Manhattan, City and State of New York, and identified as Block 344, Lot 173 on the Tax Map of the City of New York.

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- (e) "Expiration Date" shall mean the earlier to occur of (i) a date which is thirty (30) years from the Effective Date, (ii) the date of the expiration or termination of the Regulatory Agreement, or (iii) the date upon which the Exemption Area ceases to be owned by either a housing development fund company or an entity wholly controlled by a housing development fund company.
 - (f) "HDFC" shall mean 72 Clinton Street Housing Development Fund Corporation.
 - (g) "HPD" shall mean the Department of Housing Preservation and Development of the City of New York.
 - (h) "Partial Annual Real Estate Tax Payment" shall mean an annual real estate tax payment (i) in the amount of \$1,000 for the period from July 1, 2009 to June 30, 2010 (ii) for the period commencing on July 1, 2010, in an amount based on an assessed valuation equal to the lesser of (i) an amount equal to the full assessed valuation of the Residential Property, or (iii), an amount calculated by multiplying \$7,693 times the number of residential units included in the Exemption Area and increasing such product by six percent (6%) on July 1, 2011 and on July 1 of each successive year, but not by more than twenty percent (20%) in any five-year period.
 - (j) "Regulatory Agreement" shall mean the regulatory agreement between HPD and Sponsor establishing certain controls upon the operation of the Disposition Area during the term of the Exemption.
 - (j) "Residential Property" shall mean all of the real property, other than the Commercial Property, included in the Exemption Area.
2. All of the value of the Residential Property in the Exemption Area, including both the land and improvements (excluding those portions, if any, devoted to business or commercial use), shall be

exempt from real property taxes, other than assessments for local improvements, for a period commencing upon the Effective Date and terminating upon the Expiration Date.

3. Commencing upon the Effective Date, and during each year thereafter until the Expiration Date, the HDFC shall make real property tax payments in the sum of the Partial Annual Real Estate Tax Payment. Notwithstanding the foregoing, the total annual real property tax payment by the HDFC shall not at any time exceed the amount of real estate taxes that would otherwise be due in the absence of any form of tax exemption or abatement provided by an existing or future local, state, or federal law, rule or regulation.
4. Notwithstanding any provision hereof to the contrary:
 - a. The Exemption shall terminate if HPD determines that (i) the housing project is not being operated in accordance with the requirements of Article XI of the Private Housing Finance Law, (ii) the owner of the Exemption Area has failed to execute the Regulatory Agreement within thirty (30) days after a written request from HPD, (iii) the housing project is not being operated in accordance with the requirements of the Regulatory Agreement, (iv) the Exemption Area is not being operated in accordance with the requirements of any other agreement with, or for the benefit of, the City of New York, or (v) the demolition of any private or multiple dwelling on the Exemption Area has commenced without the prior written consent

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of HPD. HPD shall deliver written notice of any such determination to the HDFC and all mortgagees of record, which notice shall provide for an opportunity to cure of not less than sixty (60) days. If the noncompliance specified in such notice is not cured within the time period specified therein, the Exemption shall prospectively terminate.

- b. The Exemption shall not apply to any building constructed on the Exemption Area which did not have a permanent certificate of occupancy on the Effective Date.
- c. Nothing herein shall entitle the HDFC to a refund of any real property taxes which accrued and were paid by or on behalf of the HDFC or any other owner of the Exemption Area prior to July 1, 2009.

5. In consideration of the Exemption, the owner of the Exemption Area shall (i) execute and record the Regulatory Agreement, and (ii) for so long as the Exemption shall remain in effect, 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 except for an exemption from and/or abatement of real property taxation pursuant to Section 489 of the Real Property Tax Law.

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 June 30, 2009, on file in this office.

City Clerk, Clerk of Council