Transcript Document No. 8

HEMPSTEAD VILLAGE HOUSING ASSOCIATES, L.P.

and

TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY
(TOWN OF HEMPSTEAD, NEW YORK)

PAYMENT-IN-LIEU-OF-TAX AGREEMENT

Dated as of November 1, 2006

$5,590,000
Town of Hempstead Industrial Development Agency
Variable Rate Multifamily Housing Revenue Bonds, Series 2006
(Hempstead Village Housing Associates, L.P. Facility)

Village of Hempstead, Town of Hempstead, Hempstead School District, Nassau County

School District:	001
Section:	36
Block:	469
Lots:	251 & 256

PAYMENT-IN-LIEU-OF-TAX AGREEMENT

THIS AGREEMENT, dated as of November 1, 2006, is between HEMPSTEAD VILLAGE HOUSING ASSOCIATES, L.P., a duly organized and validly existing New York limited partnership, having an office at 570 Taxter Road, Sixth Floor, Elmsford, New York 10523 (the "Company"), and TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY, a public benefit corporation of the State of New York, having its office at 350 Front Street, 2nd Floor, Hempstead, New York 11550 (the "Issuer").

W I T N E S S E T H:

WHEREAS, the Issuer was created by Chapter 529 of the Laws of 1971 of the State of New York, as amended, pursuant to Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended (collectively, the "Act"); and

WHEREAS, the Issuer has agreed to assist in the acquisition of an approximately 2.84 acre parcel of land located at 110 and 130 Jerusalem Avenue, Village of Hempstead, Town of Hempstead, Nassau County, New York (and further identified as Tax Map Nos. 36-469-251; and 36-469-256) (the "Land"), and the acquisition, rehabilitation, renovation and equipping of two, three-story plus partially below-grade lobby level, elevator-serviced apartment buildings containing 129 apartment units (18 of the apartments are studio units, 74 are one-bedroom units and 37 are two-bedroom units) comprising a total of approximately 105,000 square feet, located on the Land, all to be used as an affordable housing facility to be known as Woods Edge Apartments (the "Facility"), more particularly described in the Lease Agreement, dated as of even date herewith (the "Lease Agreement"), between the Issuer and the Company; and

WHEREAS, the Company will lease the Facility to the Issuer pursuant to a certain Company Lease Agreement dated as of even date herewith (the "Company Lease"), between the Company and the Issuer;

WHEREAS, the Issuer has agreed to sublease the Facility back to the Company pursuant to the Lease Agreement such that a leasehold interest will remain in the Issuer throughout the Lease Term (as such term is defined in the Lease Agreement); and

WHEREAS, pursuant to Section 874(1) of the Act and Section 412-a of the Real Property Tax Law, the Issuer is exempt from the payment of taxes and assessments imposed upon real property owned by it, or under its jurisdiction, supervision or control, other than special ad valorem levies, special assessments and service charges against real property located in the Village of Hempstead, Town of Hempstead (including any existing incorporated village or any village which may be incorporated after the date hereof, within which the Facility is or may be wholly or partially located), Nassau County and Hempstead School District which are or may be imposed for special improvements or special district improvements; and

WHEREAS, the Issuer and the Company deem it necessary and proper to enter into an agreement making provision for payments in lieu of taxes and such assessments by the

Company to the Village of Hempstead, Town of Hempstead (including any existing incorporated village or any village which may be incorporated after the date hereof, within which the Facility is or may be wholly or partially located), Nassau County, Hempstead School District and appropriate special districts (hereinafter the "Taxing Authorities") in which any part of the Facility is or is to be located; and

WHEREAS, this Agreement is intended to extend and restate the Agreement, dated July 8, 1985, (the "Village PILOT Agreement"), between the Company and the Village of Hempstead, and the Agreement, dated June 5, 1985 (the "County PILOT Agreement"), between the Company and the County of Nassau.

NOW, THEREFORE, in consideration of the foregoing and in consideration of the covenants herein contained, it is mutually agreed as follows:

1. (a) As long as the Lease Agreement is in effect, the Company agrees to make payments in lieu of all real estate taxes and assessments (in addition to paying all special ad valorem levies, special assessments and service charges against real property located in the Town of Hempstead (including any existing incorporated village or any village which may be incorporated after the date hereof, within which the Facility is or may be wholly or partially located) which are or may be imposed for special improvements or special district improvements which would be levied upon or with respect to the Facility if the Facility were owned by the Company exclusive of the Issuer's leasehold interest therein (the "Taxes on the Facility"). The amounts of such payments and method for calculation are set forth herein.

(b) After the effective date of this Agreement and until the provisions of paragraph 1(c) become effective, the Company shall pay, as payments in lieu of taxes and assessments, all amounts due and owing under the Village PILOT Agreement and the County PILOT Agreement.

(c) Commencing with the 2007/2008 School Tax Year, the 2007-2008 Village Tax Year and the 2008 General Tax Year, the Company shall pay, as payments in lieu of taxes and assessments, the amounts set forth on Exhibit A-1 and Exhibit A-2 attached hereto and made a part hereof; provided, however, that notwithstanding the reference to 10% of annual shelter rents on both Exhibit A-1 and Exhibit A-2, the Company's payments to the Issuer, or as otherwise directed in the PILOT invoice, on behalf of the County, the Town, the School District and any special districts (collectively, the "General Tax Jurisdictions") shall equal 7.15% of annual shelter rents and the Company's payments to the Issuer, or as otherwise directed in the PILOT invoice, on behalf of the Village shall equal 2.85% of annual shelter rents (equal to a total of 10% of annual shelter rents). This Agreement shall expire on December 31, 2026 at which time the Facility shall be subject to full taxation notwithstanding the Issuer's retention of a leasehold interest therein;

(d) The Company shall pay, or cause to be paid, the amounts set forth in paragraphs 1(b) and (c) above, as applicable, after receipt of tax bills from the Issuer or the Taxing Authorities, as the case may be. Failure to receive a tax bill shall not relieve the Company of its obligations to make all payments provided for hereunder. If, for any reason,

the Company does not receive an appropriate tax bill, the Company shall have the responsibility and obligation to make all reasonable inquiries to the Taxing Authorities and to have such a bill issued, and thereafter to make payment of the same no later than the due dates provided herein. Payments shall be made directly to the Taxing Authorities. Payments made after the due date(s) as set forth in the applicable tax bills shall accrue interest (and penalties) at the rates applicable to late payments of taxes for the respective Taxing Authorities and as further provided in the General Municipal Law, including Section 874(5) thereof, which currently provides for an initial penalty of five percent (5%) of the amount due and an additional penalty of one percent (1%) per month on payments more than one month delinquent.

(e) During the term of this Agreement, the Company shall continue to pay all special ad valorem levies, special assessments, and service charges levied against the Facility for special improvements or special district improvements.

(f) In the event that any structural addition that increases the footprint or height of the Facility or would increase the assessed value of the Facility shall be made to the building or buildings included in the Facility subsequent to the "Completion Date" (as such term is defined in the Trust Indenture, dated as of even date herewith (the "Indenture"), between the Issuer and Wells Fargo Bank, National Association), or any additional building or improvement shall be constructed on the real property described on Exhibit B hereto (such structural additions, buildings and improvements being referred to hereinafter as "Additional Facilities"), the Company agrees to make additional payments in lieu of taxes to the Taxing Authorities in amounts equal to the product of the then current ad valorem tax rates which would be levied upon or with respect to the Additional Facilities by the Taxing Authorities if the Additional Facilities were owned, exclusive of the Issuer's leasehold interest therein, by the Company times the assessment or assessments established for that tax year by the Town of Hempstead. All other provisions of this Agreement shall apply to this obligation for additional payments.

2. In the event that the Issuer's leasehold interest in the Facility is terminated at such time in reference to any taxable status date as to make it impossible to place such Facility or part thereof on the tax rolls of Nassau County, the Village of Hempstead, Town of Hempstead and Hempstead School District (including any existing incorporated village or any village which may be incorporated after the date hereof, within which the Facility is or may be wholly or partially located), or appropriate special districts, as the case may be, by such taxable status date, the Company hereby agrees to pay, at the first time taxes or assessments are due following the taxable status date on which such Facility or part thereof is placed on the tax rolls, an amount equal to the taxes or assessments which would have been levied on such Facility or part thereof had it been on the tax rolls from the time the Issuer's leasehold interest was terminated until the date of the tax rolls following the taxable status date as of which such Facility or part thereof is placed on the tax rolls. There shall be deducted from such amount any amounts previously paid pursuant to this Agreement by the Issuer or the Company to the respective Taxing Authorities relating to any period of time after the date of the termination of the Issuer's leasehold interest in the Facility. The provisions of this Paragraph 2 shall survive the termination or expiration of the Lease Agreement.

3. In the event the Facility or any part thereof is declared to be subject to taxation for taxes or assessments by an amendment to the Act or other legislative change or by a final judgment of a court of competent jurisdiction, the obligations of the Company hereunder shall, to such extent, be null and void.

4. In the event the Company shall enter into a subsequent Payment-in-Lieu-of-Tax Agreement or Agreements with respect to the Taxes on the Facility directly with any or all Taxing Authorities in the jurisdiction of which the Facility is located, the obligations of the Company hereunder which are inconsistent with such future Agreement or Agreements shall be superseded and shall, to such extent, be null and void.

5. As long as this Agreement is in effect, the Issuer and the Company agree that (i) the Company shall be deemed to be the owner of the Facility and of the Additional Facilities for purposes of instituting, and shall have the right to institute, judicial review of an assessment of the real estate with respect to the Facility and the Additional Facilities pursuant to the provisions of Article 7 of the Real Property Tax Law or any other applicable law, as the same may be amended from time to time, and (ii) the Issuer shall request the Assessor of Nassau County, or any other assessor having jurisdiction to assess the Facility, to take into consideration the value of surrounding properties of like character when assessing the Facility. Notwithstanding the foregoing, in the event that the assessment of the real estate with respect to the Facility and the Additional Facilities is reduced as a result of any such judicial review, the amounts due and payable pursuant to Exhibit A-1 and Exhibit A-2 hereof shall not be reduced and the Company shall not be entitled to any refund of amounts previously paid under this Agreement. The Company hereby agrees that it will notify the Issuer if the Company shall have requested a reassessment of the Facility or a reduction in the taxes on the Facility or shall have instituted any tax certiorari proceedings with respect to the Facility. The Company shall deliver to the Issuer copies of all notices, correspondence, claims, actions and/or proceedings brought by or against the Company in connection with any reassessment of the Facility, reduction of taxes with respect to the Facility or tax certiorari proceedings with respect to the Facility.

6. The Company, in recognition of the benefits provided under the terms of this Agreement, including, but not limited to, the formula for payments in lieu of taxes set forth in Exhibit A-1 and Exhibit A-2 hereto, and for as long as the Lease Agreement is in effect, expressly waives any rights it may have for any exemption under Section 485-b of the Real Property Tax Law or any other exemption under any other law or regulation (except, however, for the exemption provided by Title 1 of Article 18-A of the General Municipal Law) with respect to the Facility. The Company, however, reserves any such rights with respect to all special ad valorem levies, special assessments and service charges levied against the Facility as referred to in paragraph 1(e) and the Additional Facilities as referred to in paragraph 1(f) and with respect to the assessment and/or exemption of the Additional Facilities.

7. Except as otherwise provided herein, any notice required to be given under this Agreement shall be deemed to have been duly given when delivered personally or by overnight delivery and, if delivered by mail, shall be sent by certified mail, postage prepaid, return receipt requested, addressed to the respective parties hereto at their respective

addresses specified below or such other addresses as either party may specify in writing to the other:

The Issuer:

Town of Hempstead Industrial Development Agency
350 Front Street, 2nd Floor
Hempstead, New York 11550-4037
Attention: Executive Director

With a copy to:

Ryan, Brennan & Donnelly LLP
131 Tulip Avenue
Floral Park, New York 11001
Attention: John E. Ryan, Esq.

The Company:

Hempstead Village Housing Associates, L.P.
570 Taxter Road, Sixth Floor
Elmsford, New York 10523
Attention: Mr. Gary Friedland

With copies to:

Hempstead Village Housing Associates, L.P.
340 Pemberwick Road
Greenwich, CT 06831
Attention: Ms. Kristin Miller

Cuddy & Feder LLP
90 Maple Avenue
White Plains, New York 10601
Attention: Kenneth F. Jurist, Esq.

To the investor partner of the Company:

TRGHT, Inc.
340 Pemberwick Road
Greenwich, CT 06831
Attention: Joanne Flanagan, Esq.

Notice by mail shall be effective when delivered but if not yet delivered shall be deemed effective at 12:00 p.m. on the third business day after mailing.

8. Failure by the Issuer in any instance to insist upon the strict performance of any one or more of the obligations of the Company under this Agreement, or to exercise any election herein contained, shall in no manner be or be deemed to be a waiver by the Issuer of

any of the Company's defaults or breaches hereunder or of any of the rights and remedies of the Issuer by reason of such defaults or breaches, or a waiver or relinquishment of any and all of the Company's obligations hereunder. No waiver, amendment, release or modification of this Agreement shall be established by conduct, custom or course of dealing. Further, no payment by the Company or receipt by the Issuer of a lesser amount than or different manner from the correct amount or manner of payment due hereunder shall be deemed to be other than a payment on account, nor shall any endorsement or statement on any check or any letter accompanying any check or payment be deemed to effect or evidence an accord and satisfaction, and the Issuer may accept any checks or payments as made without prejudice to the right to recover the balance or pursue any other remedy in this Agreement or otherwise provided at law or in equity.

9. This Agreement shall become effective with the commencement of the 2007-2008 School Tax Year, the 2007-2008 Village Tax Year and the 2008 General Tax Year. The terms and provisions of the Village PILOT Agreement and the County PILOT Agreement shall remain in effect until the completion of the 2006-2007 School Tax Year, the 2006-2007 Village Tax Year and the 2007 General Tax Year and the Company's obligations thereunder shall remain in effect until the satisfaction of all outstanding obligations of the Company under the Village PILOT Agreement and the County PILOT Agreement. All taxes, assessments, special assessments, service charges, special ad valorem levies or similar tax equivalents due or to become due based upon prior taxable status dates shall be paid by the Company when due. This Agreement shall terminate on December 31, 2026.

10. Whenever the Company fails to comply with any provision of this Agreement, the Issuer may, but shall not be obligated to, take whatever action at law or in equity may appear necessary or desirable to collect the amount then in default or to enforce the performance and observance of the obligations, agreements and covenants of the Company under this Agreement. The Issuer agrees to notify the Company in writing of any failure by the Company to comply with any provision of this Agreement within thirty (30) business days after the Issuer becomes aware of such failure and shall provide the Company with the opportunity to cure such failure within thirty (30) days after receipt by the Company of such notice.

11. This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York.

12. The Company agrees to hold the Issuer harmless from and against any liability arising from any default by the Company in performing its obligations hereunder or any expense incurred under this Agreement, including any expenses of the Issuer, including without limitation attorneys' fees.

13. This Agreement may be modified only by written instrument duly executed by the parties hereto.

14. This Agreement shall be binding upon and inure to the benefit of the parties, their respective successors, heirs, distributees and assigns.

15. If any provision of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction, such provision so adjudged invalid, illegal or unenforceable shall be deemed separate, distinct and independent and the remainder of this Agreement shall be and remain in full force and effect and shall not be invalidated or rendered illegal or unenforceable or otherwise affected by such holding or adjudication.

16. The Company hereby agrees to deliver to the Issuer, on or before the first day of April, in each year that this Agreement is in effect, financial statements certified to by an independent public accountant setting forth the Annual Shelter Rent (as defined on Exhibit A-1 and Exhibit A-2 attached hereto) from the preceding calendar year and the cost of providing to the occupants of the Facility, electricity, heat and other utilities.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

HEMPSTEAD VILLAGE HOUSING ASSOCIATES, L.P.
By: Wilder Richman Corporation, general partner

By: _____
Gary E. Friedland, Vice President

TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY

By: _____
Name: Frederick E. Parola
Title: Executive Director and Chief Executive Officer

EXHIBIT A-1

Schedule of In-Lieu-of-Taxes Payment: Town of Hempstead, Hempstead School District, Nassau County and Appropriate Special Districts

Schedule of Payments in Lieu of Taxes

So long as the exemption provided for under this Agreement shall continue in force and effect, the Company shall pay to the Town of Hempstead Industrial Development Agency (the "Issuer"), or as otherwise directed in the PILOT invoice, for the benefit of Nassau County (the "County"), the Town of Hempstead (the "Town"), the Hempstead School District (the "School District"), and any appropriate special districts (the "Special Districts"; and the County, the Town, the School District are collectively referred to as the "General Tax Jurisdictions"), for each calendar year in which the Company shall receive Annual Shelter Rents from the Facility, payments in lieu of taxes, the amounts to be determined and paid in the manner hereinafter provided:

(a) For each calendar year in which the Company shall receive Annual Shelter Rents from the Facility, the Company shall pay to the Issuer, or as otherwise directed in the PILOT invoice, on behalf of the General Tax Jurisdictions, an amount equal to 7.15% of the Annual Shelter Rent which will yield at least $120,138 as of 2005.

(b) For each calendar year, the percentage of Annual Shelter Rents to be paid to the Issuer, or as otherwise directed in the PILOT invoice, on behalf of the General Tax Jurisdictions, shall not be less than the lower of (i) 7.15% of the Annual Shelter Rent of such rehabilitation project, or (ii) $120,138.

(c) Amounts due and payable for a calendar year under subsections (a) and (b) above shall be due and payable in annual payments on or before April 15th of each calendar year. The failure to make payments of taxes under this Agreement when same shall be due and payable, shall be treated for all purposes as a failure to make payment of taxes and shall be governed by the same provisions of law as shall apply to the failure to make payment of taxes.

As used herein, "Annual Shelter Rents" shall mean the total rents received by the Company from or on behalf of the occupants of the Facility less the cost of providing to the occupants electricity, gas, heat and other utilities as certified to the Issuer pursuant to Section 16 above.

All due pursuant to this Exhibit A-1 are to be distributed pro rata to each affected General Tax Jurisdiction in accordance with the provisions of Section 858(15) of the Act.

* Note: This PILOT Agreement shall expire on December 31, 2026. All payments for the 2025/2026 School Tax Year and 2026 General Tax Year must be paid in full prior to the expiration of this PILOT Agreement. The above payments, plus the payments under Exhibit A-2 hereof are the total payments for the total tax on the Facility, including all renovations authorized by the Issuer and made prior to the Completion Date in accordance with the provisions of the Lease Agreement. Full taxes will go into effect on January 1, 2027.

EXHIBIT A-2

Schedule of In-Lieu-of-Taxes Payment: Village of Hempstead and Appropriate Special Districts

Schedule of Payments in Lieu of Taxes

So long as the exemption provided for under this Agreement shall continue in force and effect, the Company shall pay to the Town of Hempstead Industrial Development Agency (the "Issuer"), or as otherwise directed in the PILOT invoice, for the benefit of the Village of Hempstead (the "Village"), for each calendar year in which the Company shall receive Annual Shelter Rents from the Facility, payments in lieu of taxes, the amounts to be determined and paid in the manner hereinafter provided:

(a) For each calendar year in which the Company shall receive Annual Shelter Rents from the Facility, the Company shall pay to the Issuer, or as otherwise directed in the PILOT invoice, on behalf of the Village, an amount equal to 2.85% of the Annual Shelter Rent which will yield at least $47,887.00 as of 2005.

(b) For each calendar year, the percentage of Annual Shelter Rents to be paid to the Issuer, or as otherwise directed in the PILOT invoice, on behalf of the Village, shall not be less than the lower of (i) 2.85% of the Annual Shelter Rent of such rehabilitation project, or (ii) $47,887.00.

(c) Amounts due and payable for a calendar year under subsections (a) and (b) above shall be due and payable in annual payments on or before April 15th of each calendar year. The failure to make payments of taxes under this Agreement when same shall be due and payable, shall be treated for all purposes as a failure to make payment of taxes and shall be governed by the same provisions of law as shall apply to the failure to make payment of taxes.

As used herein, "Annual Shelter Rents" shall mean the total rents received by the Company from or on behalf of the occupants of the Facility less the cost of providing to the occupants electricity, gas, heat and other utilities as certified to the Issuer pursuant to Section 16 above.

* Note: This PILOT Agreement shall expire on December 31, 2026. All payments for the 2025/2026 School Tax Year and 2026 General Tax Year must be paid in full prior to the expiration of this PILOT Agreement. The above payments plus the payments under Exhibit A-1 hereof are the total payments for the total tax on the Facility, including all renovations authorized by the Issuer and made prior to the Completion Date in accordance with the provisions of the Lease Agreement. Full taxes will go into effect on January 1, 2027.

EXHIBIT B

Legal Description of Real Property

ALL that certain plot, piece or parcel of land, situate, lying and being in the Incorporated Village of Hempstead, Town of Hempstead, County of Nassau, State of New York, bounded and described as follows:

BEGINNING at a point on the southerly side of Jerusalem Avenue distant 526.32 feet easterly from the corner formed by the intersection of the easterly side of Henry Street and the southerly side of Jerusalem Avenue;

RUNNING THENCE along the southerly side of Jerusalem Avenue, North 75 Degrees 36' East 314.14 feet;

THENCE South 22 Degrees 20' 35" East 15.10 feet;

THENCE South 14 Degrees 24' East 28.946 feet;

THENCE South 22 Degrees 20' 35" East 140.232 feet;

THENCE North 67 Degrees 39' 25" East 4 feet;

THENCE South 22 Degrees 20' 35" East 174.91 feet;

THENCE South 74 Degrees 26' West 374.17 feet;

THENCE North 12 Degrees 46' West 363.23 feet to the southerly side of Jerusalem Avenue, the point or place of BEGINNING.

NIXON PEABODY LLP
ATTORNEYS AT LAW

Clinton Square
Post Office Box 31051
Rochester, New York 14603-1051
(585) 263-1000
Direct Dial: (585) 263-1391
.Direct Fax: (866) 630-4139
E-Mail: ewood@nixonpeabody.com

November 1, 2006

CERTIFIED MAIL RETURN RECEIPT REQUESTED

Harvey Levinson
Chairman, Board of Assessors
Department of Assessment
Nassau County
240 Old Country Road
Mineola, New York 11501-8402

RE: Town of Hempstead Industrial Development Agency
Variable Rate Multifamily Housing Revenue Bonds, Series 2006
(Hempstead Village Housing Associates, L.P. Facility)

Dear Mr. Levinson:

Enclosed please find a completed Form RP 412-a Application for Real Property Tax Exemption with respect to the above-referenced transaction. Also enclosed is a copy of the Payment-in-Lieu-of-Tax Agreement, dated as of November 1, 2006 (the "PILOT Agreement").

The enclosed PILOT Agreement extends and restates the following Agreements: (i) the Agreement, dated July 8, 1985 (the "Village PILOT Agreement"), and (ii) the Agreement, dated June 5, 1985 (the "County PILOT Agreement"). Copies of the Village PILOT Agreement and the County PILOT Agreement are enclosed for your reference.

Please contact us if you should have questions. Thank you.

Very truly yours,

Beth Wood

Elizabeth A. Wood
Paralegal

Enclosures
cc: Attached Distribution List (w/encl.)

10177638.1

Distribution List

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

Honorable Thomas Suozzi
County Executive
County of Nassau
One West Street
Mineola, New York 11501

Honorable Kate Murray
Town Supervisor
Town of Hempstead Town Hall
One Washington Street
Hempstead, New York 11550

Hon. Wayne J. Hall, Jr.
Mayor, Village of Hempstead
99 Nichols Court
Hempstead, New York 11550

Susan Johnson, Superintendent
Hempstead Union Free School District
185 Peninsula Boulevard
Hempstead, New York 11550

Thomas Albanese, Division Head
Department of Assessment
Nassau County
240 Old Country Road
Mineola, New York 11501-8402

Carl Laske, Esq.
Counsel to the Chairman
Nassau County Board of Assessors
Nassau County
240 Old Country Road
Mineola, New York 11501

VIA REGULAR MAIL

Frederick E. Parola
Executive Director and Chief Executive Officer
Town of Hempstead Industrial Development Agency
350 Front Street, 2nd Floor
Hempstead, New York 11550

John E. Ryan, Esq.
Ryan, Brennan & Donnelly LLP
131 Tulip Avenue
Floral Park, New York 11001

NYS BOARD OF REAL PROPERTY SERVICES

RP-412-a (1/95)

INDUSTRIAL DEVELOPMENT AGENCIES
APPLICATION FOR REAL PROPERTY TAX EXEMPTION
(Real Property Tax Law, Section 412-a and General Municipal Law, Section 874)

1. INDUSTRIAL DEVELOPMENT AGENCY (IDA)

Name Town of Hempstead IDA
Street 350 Front Street, 2nd Floor
City Hempstead
Telephone no. Day (516) 812-3122
Evening ( )
Contact Frederick E. Parola
Title Executive Director

2. OCCUPANT (IF OTHER THAN IDA)
(If more than one occupant attach separate listing)

Name Hempstead Village Housing Associates, L.P.
Street 570 Taxter Road, 6th Floor
City Elmsford, NY 10523
Telephone no. Day ( )
Evening ( )
Contact Gary E. Friedland
Title Vice President

3. DESCRIPTION OF PARCEL

a. Assessment roll description (tax map no./roll year)
Section 36 Block 469 Lots 251 and 256

b. Street address 110 and 130 Jerusalem Ave

c. City, Town or Village Hempstead

d. School District Hempstead (001)

e. County Nassau

f. Current assessment

g. Deed to IDA (date recorded; liber and page)
Leasehold interest to IDA 11/1/06 Liber and page unavailable

4. GENERAL DESCRIPTION OF PROPERTY (if necessary, attach plans or specifications)

a. Brief description (include property use)
acquisition, rehabilitation, renovation and equipping of an affordable housing facility to be known as Woods Edge Apartments

b. Type of construction unavailable

c. Square footage app. 105,000 sq ft

d. Total cost app.

e. Date construction commenced unavailable

f. Projected expiration of exemption (i.e. date when property is no longer possessed, controlled, supervised or under the jurisdiction of IDA)
December 31, 2026

5. SUMMARIZE AGREEMENT (IF ANY) AND METHOD TO BE USED FOR PAYMENTS TO BE MADE TO MUNICIPALITY REGARDLESS OF STATUTORY EXEMPTION
(Attach copy of the agreement or extract of the terms relating to the project).

a. Formula for payment see attached "PILOT Agreement" - which PILOT Agreement extends and restates the Agreement, dated July 8, 1985 (the "Village PILOT Agreement") and the Agreement, dated June 5, 1985 (the "County PILOT Agreement") - copies of both are attached hereto.

b. Projected expiration date of agreement December 31, 2026

c. Municipal corporations to which payments will be made

		Yes	No
County	Nassau	✓	☐
Town/City	Hempstead	☐	☐
Village		✓	
School District	Hempstead	✓	

d. Person or entity responsible for payment

Name Hempstead Village Housing Associates, L.P.

Title Gary Friedland, Vice President

Address 570 Taxter Road, 6th Fl Elmsford, NY 10523

Telephone _____

e. Is the IDA the owner of the property? ✓Yes/No (circle one)
If "No" identify owner and explain IDA rights or interest in an attached statement.

6. Is the property receiving or has the property ever received any other exemption from real property taxation? (check one) Yes ✓ No

If yes, list the statutory exemption reference and assessment roll year on which granted:
exemption _____ assessment roll year _____

7. A copy of this application, including all attachments, has been mailed or delivered on 11/1/2006 (date) to the chief executive official of each municipality within which the project is located as indicated in Item 3.

CERTIFICATION

I, Frederick E. Parola (Name), Executive Director (Title) of Town of Hempstead Industrial Development Agency (Organization) hereby certify that the information on this application and accompanying papers constitutes a true statement of facts.

11/01/2006
Date

Signature

FOR USE BY ASSESSOR

1. Date application filed _____
2. Applicable taxable status date _____

3a. Agreement (or extract) date _____

3b. Projected exemption expiration (year) _____

4. Assessed valuation of parcel in first year of exemption $ _____
5. Special assessments and special as valorem levies for which the parcel is liable:

_____

_____

Date

Assessor's signature

Village

THIS AGREEMENT made the [illegible] day of July, 1985, by and between the INCORPORATED VILLAGE OF HEMPSTEAD, a municipal corporation incorporated within the State of New York, with offices at 99 Nichols Court, Hempstead, New York, 11550; (hereinafter referred to as "VILLAGE"); and HEMPSTEAD VILLAGE HOUSING ASSOCIATES a redevelopment company organized for the purposes of rehabilitation pursuant to Article V of the Private Housing Finance Law of the State of New York, as amended, having its principal office at c/o Wilder Richman Corporation, 654 Madison Avenue, New York, New York, 10021; (hereinafter referred to as "REDEVELOPER").

W I T N E S S E T H :

WHEREAS, the parties hereto have previously on or about the 28th day of January, 1981, entered into a contract which purported to clarify certain aspects of village taxation of the REDEVELOPER, and

WHEREAS, certain misunderstandings have arisen by and between the respective parties since the time of the execution of the original contract and at the present time, and

WHEREAS, the REDEVELOPER has commenced certain litigation, inter alia, to clarify the positions of the respective parties. Said litigation bearing the caption; "SUPREME COURT OF THE STATE OF NEW YORK - COUNTY OF NASSAU - Hempstead Village Housing Associates, Plaintiff vs. County of Nassau, Town of Hempstead, School Board Number One and Village of Hempstead, De-

fendants.", Under Index # _____, and

WHEREAS, the parties are desirous of more clearly setting forth the responsibilities and obligations under the terms of the continuing agreement by and between the parties.

NOW, THEREFORE, IT IS MUTUALLY AGREED BY AND BETWEEN THE PARTIES AS FOLLOWS:

1. The Agreement of January 28, 1981, by and between the parties hereto is hereby annulled, abrogated and cancelled for the purpose of entering into this new agreement.

2. The VILLAGE hereby grants to the REDEVELOPER, or any successor or transferee housing company, an exemption from such VILLAGE taxes, as would otherwise have been required to be paid had this Agreement not been executed; such exemption to operate for so long as the REDEVELOPER's "federally-aided mortgage" (as said term is defined in Section 102 of Article V of the Private Housing Finance Law of the State of New York, as amended,) on the Housing Project is outstanding, but in no event for a period of more than forty (40) years from the date on which the benefits of the exemption herein first became available and effective, which date shall be deemed to be for the purposes of the Agreement when the REDEVELOPER takes title to the subject property.

3. So long as the exemption provided for hereunder shall continue in force and effect, the REDEVELOPER shall pay to the TREASURER OF THE VILLAGE, for the benefit of the VILLAGE, for

each calendar year in which the REDEVELOPER shall receive gross shelter rents from the Housing Project, payments in lieu of taxes, the amounts to be determined and paid in the manner hereinafter provided:

(a) For each calendar year in which the REDEVELOPER shall receive gross shelter rents from the Housing Project, the REDEVELOPER shall pay to the TREASURER OF THE VILLAGE, a percentage of the annual shelter rent which will yield at least $34,930.00 plus increases for inflation based upon the United States Department of Housing and Urban Development "annul adjustment factor" for housing assistance payments under Section 8 of the United States Housing Act of 1937, as amended, with respect to housing projects located in the County of Nassau, State of New York (hereinafter referred to as "ANNUAL ADJUSTMENT FACTOR").

(b) For each calendar year, the percentage of annual shelter rents to be paid to the TREASURER OF THE VILLAGE shall not be less than ten (10%) percent of the annual shelter rent of such rehabilitation project.

(c) Amounts, due and payable for a calendar year under sub-sections "(a)" and "(b)" of this Section "2" shall be due and payable on or before April 1 of the next succeeding calendar year. The failure to make payments of taxes under Section "2" hereof when same shall be due and payable, shall be treated for all purposes as a failure to make payment of taxes and shall be governed by the same provisions of law as shall apply to the

failure to make payment of taxes.

4. As used in the Agreement, the term "gross shelter rents" shall mean the total rents received by the REDEVELOPER from or on behalf of the occupants of the Housing Project less the cost of providing to the occupants electricity, gas, heat and other utilities.

5. The REDEVELOPER, shall deliver to the COMPTROLLER OF THE VILLAGE, on or before the first day of March, in each year that this exemption is in effect, financial statements certified to by an independent public accountant setting forth the annual shelter rent from the proceding calendar year and the cost of providing to the occupants of the Housing Project, electricity, gas and heat. REDEVELOPER shall maintain full and complete books and records of accounts in accordance with accepted accounting practices and such other records as may be prescribed by the COMPTROLLER OF THE VILLAGE. Such books and records shall be retained for a period of three (3) years and shall at all times be available for audit and inspection by the COMPTROLLER OF THE VILLAGE or his duly designated representative.

6. This Agreement embodies the whole agreement of the parties. There are no promises, terms, conditions or obligations other than those contained herein; and this contract shall supersede all previous communications, representations, or agreements either verbal or written, between the parties hereto including the agreement entered into by and between the parties dated

January 28, 1981.

IN WITNESS WHEREOF, HEMPSTEAD VILLAGE HOUSING ASSOCIATES has executed this Agreement the day and year first above written, and the INCORPORATED VILLAGE OF HEMPSTEAD has executed this Agreement the 21st day of May, 1985.

INCORPORATED VILLAGE OF HEMPSTEAD

By: George Milhous

HEMPSTEAD VILLAGE HOUSING ASSOCIATES

By: [illegible]

APPROVED:

[illegible]
VILLAGE ATTORNEY

RIDER

This Rider, made this 21 day of May, 1985 by and between the INCORPORATED VILLAGE OF HEMPSTEAD, a municipal corporation incorporated within the State of New York, with offices at 99 Nichols Court, Hempstead, New York 11550; (the "Village"); and HEMPSTEAD VILLAGE HOUSING ASSOCIATES, having its principal office at c/o Wilder Richman Corporation, 555 Madison Avenue, New York, N.Y. 10022 (the "Redeveloper")

W I T N E S S E T H

WHEREAS, the parties hereto intend to enter into an Agreement (the "Agreement") by which the Village grants to the Redeveloper an exemption from taxes; and

WHEREAS, the Agreement provides for an annual payment in lieu of taxes by the Redeveloper to the Village; and

WHEREAS, the parties wish to amend the Agreement to provide for semi-annual payments;

NOW THEREFORE, it is agreed that:

1. The Redeveloper shall pay the amounts due for each calendar year in two equal installments on or befor April 1, and October 1, respectively, of the next succeeding calendar year in accordance with the terms of the Agreement.

2. This Rider shall be annexed to the Agreement and made a part thereof.

IN WITNESS WHEREOF, the parties have executed this Rider the day and year first above written.

George Nelson
INCORPORATED VILLAGE OF HEMPSTEAD

HEMPSTEAD VILLAGE HOUSING ASSOCIATES

County

THIS AGREEMENT made the 5th day of June, 1985 by and between the County of Nassau, a municipal corporation of the State of New York, (hereinafter called, "COUNTY"), having its principal office at the County Executive Building, Mineola, New York 11501 and HEMPSTEAD VILLAGE HOUSING ASSOCIATES, a redevelopment company organized for the purposes of rehabilitation pursuant to Article V of the Private Housing Finance Law of the State of New York, as amended (hereinafter called "REDEVELOPER"), having its principal office at c/o WILDER RICHMAN CORPORATION, ~~654~~ 555 Madison Avenue, New York, New York 10021.

WITNESSETH

WHEREAS, the Town of Hempstead (hereinafter called "TOWN") desired the redevelopment of housing for families of low or moderate income in the TOWN; and

WHEREAS, the REDEVELOPER acquired certain parcels of real property at 110 and 130 Jerusalem Avenue in the Village of Hempstead, Town of Hempstead, County of Nassau, Zone B Section 36, Block 469-1, Lots 251 and 256, and has rehabilitated such property for the purpose of housing for families of low and moderate income; and

WHEREAS, the Federal Housing Commission had advised the REDEVELOPER that in order for the proposed housing project (hereinafter called "HOUSING PROJECT) to qualify pursuant to the United States Department of Housing and Urban Development (HUD) Act and to fix a sum certain for the REDEVELOPER to pay in lieu of taxes to the municipalities which are parties hereto, subject to modification for special benefit assessments, to said taxing jurisdictions, including the COUNTY, TOWN, the Hempstead School

District #1 (hereinafter called "SCHOOL DISTRICT") said sum may not exceed $87,620 annually subject to adjustment for inflation based upon the United States Department of Housing and Urban Development "annual adjustment factor" for housing assistance payments under Section 8 of the United States Housing Act of 1937, as amended, with respect to housing projects located in the County of Nassau, States of New York (hereinafter called "ANNUAL ADJUSTMENT FACTOR"); and

WHEREAS, in connection with the HOUSING PROJECT, the REDEVELOPER has applied to the Board of Supervisors of the County (hereinafter called "BOARD OF SUPERVISORS") for a one hundred (100%) percent exemption from County, School District and Town taxes pursuant to §125 of Article V of the Private Housing Finance Law of the State of New York, (hereinafter called "PHFL") as amended, upon the terms and conditions provided herein; and

WHEREAS, the COUNTY acts on behalf of the School District and the Town in assessing real property for the purpose of taxation within the meaning of and in accordance with §125.1(c) of Article V of the PHFL, as amended; and

WHEREAS. the parties hereto are desirous of annulling, abrogating and cancelling the agreement entered into between the parties on December 16, 1980 in order to clarify the amount of payments to be made in lieu of taxes; and

NOW, THEREFORE, IT IS MUTUALLY AGREED BY AND BETWEEN THE PARTIES HERETO, AS FOLLOWS:

1. The Agreement of December 16, 1980 by and between the parties hereto is hereby annulled, abrogated and cancelled for the purpose of entering into this new agreement.

2. The COUNTY hereby grants to the REDEVELOPER or any successor or transferee housing company, which has been approved by the COUNTY an exemption from all County, Town and School District taxes, other than assessments for local improvements, to the extent of one hundred (100%) percent of the value of said property and improvements erected thereon , for calendar year 1986, and each calendar year thereafter, for as long as the REDEVELOPER'S "federally-aided mortgage" (as said term is defined in §102 of Article V of the State of New York, as amended) on the Housing Project is outstanding and a lien upon said premises, but in no event for a period of more than forty (40) years from the date on which the benefits of the exemption herein first became available and effective, which date shall be deemed to have begun for the purposes of this agreement when the REDEVELOPER took title to the subject property.

3. So long as the exemption provided for hereunder shall continue in force and effect, the REDEVELOPER shall pay to the TREASURER OF THE COUNTY, for the benefit of the COUNTY, THE TOWN and the SCHOOL DISTRICT, for each calendar year in which the REDEVELOPER shall receive annual shelter rents from the Housing Project, payments in lieu of taxes, the amounts to be determined and paid in the manner hereinafter provided:

(a) For each calendar year in which the REDEVELOPER shall receive annual shelter rents from the Housing Project, the REDEVELOPER shall pay to the TREASURER OF THE COUNTY, a percentage of the annual shelter rent which will yield at least $87,620 plus increases for inflation based upon the United States Department of Housing and Urban Development "annual adjustment factor" for

122 550 Total
87 620 County 7.15%
34 930 Village 2.85%

housing assistance payments under §8 of the United Stated Housing Act of 1937, as amended, with respect to housing projects located in the County of Nassau, State of New York (hereinafter called "ANNUAL ADJUSTMENT FACTOR").

(b) For each calendar year, the percentage of annual shelter rents to be paid to the TREASURER OF THE COUNTY shall notbe less than 10% of the annual shelter rent of such rehabilitation project.

(c) Amounts, due and payable for a calendar year under subsections (a) and (b) of this section 2 shall be due and payable in semi-annual payments on or before January 1st and July 1st of each calendar year. The failure to make payments of taxes under Section 2 hereof when same shall be due and payable, shall be treated for all purposes as a failure to make payment of taxes and shall be governed by the same provisions of law as shall apply to the failure to make payment of taxes.

(d) Subsection 3(c) shall not apply in the event that the COUNTY bills the REDEVELOPER for an amount in excess of the payments required under §3(a).

4. All sums due pursuant to this Agreement are to be allocated and distributed as follows:

(a) To the TREASURER OF THE COUNTY, an amount equal to 20.42% of the total amount of the payment to be made to be applied for the benefit of the County.

(b) To the TREASURER OF THE COUNTY, an amount equal to 2.66% of the total amount of the payment to be made to be applied for the benefit of the TOWN.

(c) To the TREASURER OF THE COUNTY, an amount equal to 76.92% of the total amount of the payment to be made to be applied for the benefit of the SCHOOL DISTRICT.

5. As used in the Agreement, the term "annual shelter rents" shall mean the total rents received by the REDEVELOPER from or on behalf of the occupants of the Housing Project less the cost of providing to the occupants electricity, gas and heat.

6. The REDEVELOPER, shall deliver to the COMPTROLLER OF THE COUNTY, on or before the first day of March , in each year that this exemption is in effect, financial statements certified to by an independent public accountant setting forth the annual shelter rent from the preceding calendar year and the cost of providing to the occupants of the Housing Project, electricity, gas and heat. REDEVELOPER shall maintain full and complete books and records of accounts in accordance with accepted accounting practices and such other records as may be prescribed by the Comptroller of COUNTY. Such books and records shall be retained for a period of three (3) years and shall at all times be available for audit and inspection by the Comptroller of the COUNTY or his duly designated representative.

7. This Agreement embodies the whole agreement of the parties. There are no promises, terms, conditions, or obligations other than those contained herein; and this contract shall supersede all previous communications, representations, or agreements, either verbal or written, between the parties hereto including the agreement entered into by and between the parties dated December 16, 1980.

IN WITNESS WHEREOF, HEMPSTEAD VILLAGE HOUSING ASSOCIATES has executed this Agreement the day and year first writtern above, and the County of Nassau has executed this Agreement the 6 day of August, 1985.

COUNTY OF NASSAU

County Executive

HEMPSTEAD VILLAGE HOUSING ASSOCIATES

Richard P. Richma

Chairman of the General Partner

COMPTROLLER OF NASSAU COUNTY

6/24/85 PETER T. KING

APPROVED:

COUNTY ATTORNEY

FORM APPROVED:

C. Bruce Pearsall, Bureau Chief