

**AGREEMENT FOR PAYMENT IN LIEU OF TAXES
BY AND AMONG
THE VILLAGE OF NEW PALTZ, HARMONY HALL HOUSING
DEVELOPMENT FUND CORPORATION AND
HARMONY HALL LLC**

THIS AGREEMENT FOR PAYMENT IN LIEU OF TAXES (the “Agreement”), dated _____, 20___, by and among the **VILLAGE OF NEW PALTZ, NEW YORK**, a New York incorporated municipality, having its principal office located at 25 Plattekill Avenue, New Paltz, NY 12561 (the “Village”), and **HARMONY HALL HOUSING DEVELOPMENT FUND CORPORATION**, a New York not-for-profit corporation formed pursuant to Article XI of the New York private housing finance law, having its principal office located at c/o Affordable Housing Conservancy, 15 Steves Ln., Gardiner, New York 12525 (the “DEVELOPER”), which DEVELOPER will hold title to the Property (as hereinafter defined) for the benefit of **HARMONY HALL LLC**, a New York limited liability company, having its principal office located at c/o Affordable Housing Conservancy, 15 Steves Ln., Gardiner, New York 12525 (the “Company”).

WHEREAS, the DEVELOPER is, or will become, the fee simple owner, and the Company is, or will become, the beneficial and equitable owner of certain real property located in the VILLAGE OF NEW PALTZ, County of Ulster, State of New York (currently anticipated to be identified, upon completion, as Section 86.42, Block 7, Lot 14.100), as more particularly described in Exhibit A attached hereto (the “Property”); and

WHEREAS, the DEVELOPER is a corporation established pursuant to Section 402 of the New York Not-For-Profit Corporation Law and Article XI of the New York Private Housing Finance Law (“PHFL”); and

WHEREAS, the DEVELOPER is or will be an affiliate of the Company; and

WHEREAS, the DEVELOPER and the Company have been formed for the purpose of providing residential rental accommodations for senior citizens of low-income; and

WHEREAS, the Company will develop, own, construct, maintain and operate a housing project of up to 51 units (including 1 caretakers’ unit) for senior citizens of low-income at the Property (sometimes referred to herein as the “Project”); and

WHEREAS, the DEVELOPER’s and the Company’s plan for the use of the Property constitutes a “housing project” as that term is defined in the PHFL; and

WHEREAS, the DEVELOPER is a “housing development fund company” as the term is defined in Section 572 of the PHFL; and

WHEREAS, pursuant to PHFL Section 577, the local legislative body of a municipality may exempt the real property of a housing project of a housing development fund company from

local and municipal taxes, including school taxes, other than assessments for local improvements, to the extent of all or a part of the value of the property included in the completed project; and

WHEREAS, the VILLAGE BOARD of the VILLAGE OF NEW PALTZ, New York, by resolution adopted [_____, 20__], approved and authorized the execution of this Agreement,

NOW, THEREFORE, it is agreed as follows:

1. Pursuant to Section 577 of the PHFL, the VILLAGE hereby exempts from local and municipal taxes, other than assessments for local improvements, one hundred percent (100%) of the value of the Property, including both land and improvements. "Local and Municipal Taxes" shall mean any and all real estate taxes levied by Ulster County ("County"), the VILLAGE OF NEW PALTZ ("VILLAGE"), the School District ("School District") or other taxing jurisdiction.

2. This tax exemption will operate for a period of forty (40) years from the DEVELOPER's acquisition of the Property. This Agreement shall not limit or restrict the DEVELOPER's or the Company's right to apply for or obtain any other tax exemption to which it might be entitled upon the expiration of this Agreement.

3. So long as the exemption hereunder continues, commencing thirty (30) days after issuance of a certificate of occupancy for the Property, the Company shall make annual payments in lieu of taxes in the amount of Five Hundred and 00/100 Dollars (\$500.00) per dwelling unit for each such fiscal year, that escalates 1% per year, (pro rated for the year in which said certificate of occupancy is issued), in accordance with the payment schedule attached hereto as Exhibit B. So long as the tax exemption remains in effect, tenant rental charges shall not exceed the maximum established or allowed by law, rule or regulation, or any regulatory agreement recorded against the Property, and the Property shall be operated in conformance with the provisions of Article XI of PHFL. Payment shall be due on [July 1st] of the immediately following fiscal year. Payments shall be mailed via First Class mail through the United States Postal Service or personally delivered to the VILLAGE OF NEW PALTZ, Attention Tax Collector, 25 Plattekill Avenue, New York 12561, or such other address as the VILLAGE may specify in writing.

4. The tax exemption provided by this Agreement will continue for the term described above provided that (a) the Property continues to be used as housing facilities for senior citizens of low-income, and (b) any of the following occur: (i) the DEVELOPER and the Company operate the Property in conformance with Article XI of the PHFL; or (ii) the DEVELOPER assumes sole legal and beneficial ownership of the Property and operates the Property in conformance with Article XI of the PHFL; or (iii) in the event an action is brought to foreclosure a mortgage upon the DEVELOPER, and the legal and beneficial interest in the Project shall be acquired at the foreclosure sale or from the mortgagee, or by a conveyance in lieu of such sale, by a housing development fund corporation organized pursuant to Article XI of the PHFL, or by the Federal government or an instrumentality thereof, or by a corporation which is, or by agreement has become subject to the supervision of the superintendent of banks or the superintendent of insurance, such successor in interest, such successor in interest shall operate the property in conformance with Article XI of the PHFL.

5. The failure to make the required payment will be treated as failure to make payment of taxes and will be governed by the same provisions of law as apply to the failure to make payment of taxes, including but not limited to enforcement and collection of taxes to the extent permitted by law. In the event the VILLAGE commences a proceeding to enforce the provisions of this Agreement, then, in addition to the remedies to which the VILLAGE shall be entitled, it shall have the right to award reasonable attorney fees. Notwithstanding the above, the VILLAGE may terminate this Agreement, and the tax exemption shall thereupon terminate, pursuant to Section 6 hereof.

6. This Agreement and the exemption granted hereunder shall terminate pursuant to Section 5 above or in an event of default as follows:

(a) Failure to pay in full any payment due under this Agreement within thirty (30) days of mailing of written notice by the VILLAGE stating that said payment is past due.

(b) Failure to comply with or perform any provision of this Agreement if such failure continues in whole or in part for more than thirty (30) days after mailing of written notice by the VILLAGE of such failure to comply or perform.

In the event of a default hereunder, in addition to the termination of this Agreement and the tax exemption, the VILLAGE may exercise any and all rights or remedies permitted by law.

7. All notices and other communications hereunder shall be in writing and shall be sufficiently given when delivered to the applicable address stated above (or such other address as the party to whom notice is given shall have specified to the party giving notice) by registered or certified mail, return receipt requested or by such other means as shall provide the sender with documentary evidence of such delivery.

8. This Agreement shall inure to the benefit of and shall be binding upon the VILLAGE, the Company, the DEVELOPER and their respective successors and assigns, including the successors in interest of Company and the DEVELOPER. There shall be no assignment of this Agreement except with consent of the other party, which consent shall not be unreasonably withheld.

9. If any provision of this Agreement or its application is held invalid or unenforceable to any extent, the remainder of this Agreement and the application of that provision to other persons or circumstances shall be enforced to the greatest extent permitted by law.

10. This Agreement may be executed in any number of counterparts with the same effect as if all the signing parties had signed the same document. All counterparts shall be construed together and shall constitute the same instrument.

11. This Agreement constitutes the entire agreement of the parties relating to payments in lieu of taxes with respect to the above-described property and supersedes all prior contracts, or agreements, whether oral or written, with respect thereto.

12. Each of the parties individually represents and warrants that the execution, delivery and performance of this Agreement, (i) has been duly authorized and does not require any other consent or approval, (ii) does not violate any article, by-law or organizational document or any law, rule, regulation, order, writ, judgment or decree by which it is bound, and (iii) will not result in or constitute a default under any indenture, credit agreement, or any other agreement or instrument to which any of them is a party. Each party represents that this Agreement shall constitute the legal, valid and binding agreement of the parties enforceable in accordance with its terms.

Remainder of page intentionally left blank.

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed in their respective names by their duly authorized representatives and their respective seals to be hereunder affixed, all as of the date above-written.

DATED: _____, 20__

VILLAGE OF NEW PALTZ, NEW YORK

By: _____

Name:

Title: Mayor

HARMONY HALL HOUSING DEVELOPMENT
FUND CORPORATION

DATED: _____, 20__

By: _____

Name:

Title:

DATED: _____, 20__

HARMONY HALL LLC

By: _____

Name:

Title:

STATE OF NEW YORK)
) SS.:
COUNTY OF)

On the ____ day of _____ in the year 20__, before me 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 his signature on the instrument, the individual, or person upon behalf of which the individual acted, executed the instrument.

NOTARY PUBLIC

STATE OF NEW YORK)
) SS.:
COUNTY OF)

On the ____ day of _____ in the year 20__, before me 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 his signature on the instrument, the individual, or person upon behalf of which the individual acted, executed the instrument.

NOTARY PUBLIC

EXHIBIT A

EXHIBIT B

Payment Schedule

Year	Payment
Year 1	\$ 25,500
Year 2	\$ 25,755
Year 3	\$ 26,013
Year 4	\$ 26,273
Year 5	\$ 26,536
Year 6	\$ 26,801
Year 7	\$ 27,069
Year 8	\$ 27,340
Year 9	\$ 27,613
Year 10	\$ 27,889
Year 11	\$ 28,168
Year 12	\$ 28,450
Year 13	\$ 28,735
Year 14	\$ 29,022
Year 15	\$ 29,312
Year 16	\$ 29,605
Year 17	\$ 29,901
Year 18	\$ 30,200
Year 19	\$ 30,502
Year 20	\$ 30,807
Year 21	\$ 31,115
Year 22	\$ 31,426
Year 23	\$ 31,740
Year 24	\$ 32,057
Year 25	\$ 32,378
Year 26	\$ 32,702
Year 27	\$ 33,029
Year 28	\$ 33,359
Year 29	\$ 33,693
Year 30	\$ 34,030
Year 31	\$ 34,370
Year 32	\$ 34,714
Year 33	\$ 35,061
Year 34	\$ 35,412
Year 35	\$ 35,766
Year 36	\$ 36,124

Year 37	\$	36,485
Year 38	\$	36,850
Year 39	\$	37,219
Year 40	\$	37,591