

**AGREEMENT FOR PAYMENT IN LIEU OF TAXES (PILOT)
BY AND AMONG THE CITY OF AUBURN,
MELONE VILLAGE I HOUSING DEVELOPMENT FUND COMPANY, INC.
AND MELONE VILLAGE I LIMITED PARTNERSHIP**

THIS AGREEMENT FOR PAYMENT IN LIEU OF TAXES (“Agreement”), dated _____, 2017, by and among the **CITY OF AUBURN, NEW YORK**, a New York incorporated municipality, having its principal office located at 24 South Street, Auburn, New York 13021 (the “City”), and **MELONE VILLAGE I HOUSING DEVELOPMENT FUND COMPANY, INC.**, an Article XI New York private housing finance law corporation and a New York not-for-profit corporation, having its principal office located at c/o AHA Development Corporation, 20 Thornton Avenue, Auburn, New York 13021 (the “HDFC”), which HDFC will hold title to the Property (as hereinafter defined) for the benefit of **MELONE VILLAGE I LIMITED PARTNERSHIP**, a New York limited partnership, having its principal office located at c/o AHA Development Corporation, 20 Thornton Avenue, Auburn, New York 13021 (the “Partnership”).

WHEREAS, the HDFC is, or will become, the bare legal or record owner, and the Partnership is, or will become, the beneficial and equitable owner, of certain real property located in the City of Auburn, County of Cayuga, State of New York, as more particularly described in Exhibit A attached hereto (the “Property”); and

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

WHEREAS, the HDFC is the general partner of the Partnership; and

WHEREAS, the HDFC and the Partnership have each been formed for the purpose of providing residential rental accommodations for persons of low-income; and

WHEREAS, the Partnership will develop, own, rehabilitate, maintain and operate a housing project for persons of low income at the Property, consisting of sixty-two (62) residential rental units for individuals and families of low income (the “Project”); and

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

WHEREAS, the HDFC 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 Council Members of the City of Auburn, New York, by Agreement Resolution No. _____ adopted _____, 2017, approved and authorized the execution of this Agreement.

NOW, THEREFORE, it is agreed as follows:

1. Pursuant to Section 577 of the PHFL, the City hereby exempts from local and municipal taxes, other than assessments for local improvements (which shall be assessed in accordance with Section 3(b) hereof), 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 Cayuga County ("County"), the City of Auburn ("City"), the School District ("School District") or other taxing jurisdiction (collectively, the "Taxing Jurisdictions").

2. This tax exemption will commence on the date of the HDFC's acquisition of the fee title interest in the Property and shall continue for a period of forty (40) years following the date on which a certificate of occupancy is issued for the Project. This Agreement shall not limit or restrict the HDFC's or Partnership's right to apply for or obtain any other tax exemption to which it might be entitled upon the expiration of this Agreement.

3. (a) So long as the exemption hereunder continues, the Partnership shall make annual payments in lieu of taxes ("PILOT") in the amount set forth in this section, which payments shall cover all Local and Municipal Taxes owed in connection with the Property and the Project, and which payments shall be shared by the Taxing Jurisdictions on the same basis as property taxes would be shared if the Property and the Project were fully taxed. The PILOT shall be in the amount of Three Thousand and 00/100 Dollars (\$3,000.00) per year. 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, and the Property shall be operated in conformance with the provisions of Article XI of PHFL. PILOT payments shall be due on January 31 of each year commencing in the fiscal year following the completion of the rehabilitation. Payments shall be mailed via First Class mail through the United States Postal Service or personally delivered to the City of Auburn, Attention Tax Collector, 24 South Street, Auburn, New York 13021, or such other address as the City may specify in writing.

(b) It is understood and agreed by and between the parties hereto, that in addition to any payment in lieu of taxes due by the Partnership pursuant to Section 3(a) above, the Partnership shall be liable for the payment of any special assessments or assessments for local improvements imposed by any taxing authority, excluding any capital improvement district or business improvement district assessment, for sewer, sewer rent, water, fire protection and fire district assessments and lighting and light district assessments based upon an assessment calculated by multiplying each residential unit by \$10,000 (it is agreed that for determining fair market value, that each residential unit will have a value of \$10,000).

4. The tax exemption provided by this Agreement will continue for the term described above provided that (a) the Property and the Project continue to be used as housing facilities for persons of low income, and (b) any of the following occur (i) the HDFC and the Partnership operate the Property and the Project in conformance with Article XI of the PHFL; or (ii) the HDFC assumes sole legal and beneficial ownership of the Property and the Project and operates the Project in conformance with Article XI of the PHFL; or (iii) in the event an action is brought to foreclose a mortgage upon the HDFC, and the legal and beneficial interest in the Property and 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 Project 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.

6. 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.

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

8. 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.

9. 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.

10. 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.

11. 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 City, the HDFC and the Partnership 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.

CITY OF AUBURN, NEW YORK,
a New York incorporated municipality

DATED: _____, 2017

By: _____
Name: Michael D. Quill
Title: Mayor

MELONE VILLAGE I HOUSING DEVELOPMENT
FUND COMPANY, INC.,
a New York not-for-profit corporation

DATED: _____, 2017

By: _____
Name:
Title:

MELONE VILLAGE I LIMITED PARTNERSHIP,
a New York limited partnership

By: Melone Village I Housing Development
Fund Company, Inc., its General Partner

DATED: _____, 2017

By: _____
Name:
Title:

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

On the ____ day of _____ in the year 2017, before me personally appeared Michael D. Quill, 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)
)
 COUNTY OF) SS.:

On the ____ day of _____ in the year 2017, 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

The Property