

TAX EXEMPTION AGREEMENT

This TAX EXEMPTION AGREEMENT (this “**Agreement**”), dated as of the 21st day of March, 2023, is made by and among (1) CHRISTOPHER COMMUNITY, INC., a not-for-profit corporation organized and existing under the laws of the State of New York and having an address at 990 James Street, Syracuse, New York 13203 (“**Christopher Community**”), (2) COMMUNITY VIEW HOUSING DEVELOPMENT FUND COMPANY, INC., a not-for-profit corporation organized and existing under Article XI of the Private Housing Finance Law and the Not-for-Profit Corporation Law of the State of New York and having an address at 990 James Street, Syracuse, New York 13203 (the “**HDFC**”), and (3) the TOWN OF EATON, a municipal corporation of the State of New York having a place of business at 35 Cedar Street, Morrisville, New York 13408 (the “**Town**”).

RECITALS:

A. Christopher Community is a charitable organization whose purposes include sponsoring, preserving, developing and otherwise providing housing and related services for low-income people, and is recognized by the Internal Revenue Service as an organization described under Section 501(c)(3) of the Internal Revenue Code.

B. Christopher Community has determined that there is a critical need to develop and operate affordable housing for the benefit of low-income elderly people living in and around the Village of Morrisville (the “**Village**”) and the surrounding Town of Eaton and Madison County, New York.

C. For the purpose of such housing (i) Christopher Community formed the HDFC as a “housing development fund company” as defined under Subsection 9 of Section 572 of Article XI of the Private Housing Finance Law of the State of New York (“**Article XI**”), and (ii) the HDFC acquired, or will acquire, certain real property having an address at 1055 Community Way, Morrisville, New York 13408 and consisting of Village Parcel 123.8-1-2.2 (the “**Village Parcel**”) and part of Town Parcel 123.-2-32.12 (the “**Town Parcel**” and collectively with the Village Parcel, the “**Property**”).

D. Christopher Community is the sole corporate member of the HDFC.

E. The New York State Division of Housing and Community Renewal acting as the Supervising Agency (as such term is defined Subsection 14 of Section 572 of Article XI) duly approved the formation of the HDFC.

F. Christopher Community and the HDFC desire to fully redevelop the Property by constructing an affordable housing project for adults 62 of age and older to be known as “Community View Apartments” and include 61 one-bedroom apartment units in a single three-story building with a central elevator, a community room, 64 parking spaces and other amenities (collectively, the “**Improvements**”).

G. To cover the costs of the HDFC's acquisition of the Property and the development and construction Improvements, Christopher Community has applied on behalf of the HDFC to (among others) New York State Homes and Community Renewal (**HCR**) for (i) certain low-income housing tax credit financing to be allocated through HCR pursuant to §42 of the Internal Revenue Code, (ii) certain funding under the New York State Supportive Housing Opportunity Program, and (iii) certain funding under the New York State Homeless Housing and Assistance Program (collectively, the "**HCR Financing**").

H. Christopher Community intends to cause the HDFC to: (i) utilize all proceeds of the HCR Financing to pay for all costs related to the acquisition the Property and the development and construction of the Improvements; and (ii) hold fee title to the Property and the Improvements (collectively, the "**Project**") for the purpose of the Project operating as a "Qualified Low-Income Housing Project" for persons of low income within the meaning of Section 42(g)(1) of the Internal Revenue Code.

I. As a condition of the HCR Financing, (i) occupancy in the Project will be restricted to low income elderly persons (i.e., generally defined as elderly persons whose incomes do not exceed 60% of the area median income for Madison County, and (ii) the amount of rent charged to each tenant of the Project cannot exceed 30% of the tenant's monthly adjusted income.

J. The Town is authorized under the Real Property Tax Law of the State of New York to act as the assessing authority for itself and for the Village, Madison County (the "**County**"), the Morrisville-Eaton Central School District (the "**School District**") and the State of New York for purposes of taxation of real property located in the Village.

K. In light of the rent restrictions imposed by the HCR financing and the HAP Contract, absent some form of relief, the Project's rents will be insufficient to pay the operating costs of the Project and all real property taxes (and/or future increases in real property taxes) assessed by the Town.

L. In light of the rent restrictions imposed by the HCR financing, and in order for the development and operation of the Project to be economically feasible, Christopher Community has applied to the Town on behalf of the HDFC for real property tax relief for the Project.

M. Section 577 of Article XI of the Private Housing Finance Law authorizes the Town, under certain conditions, to exempt the full value of all 61 low-income units at the Project (the "**Low-Income Units**") from all Town, Village, County, State and School Taxes.

N. Christopher Community acknowledges that as a condition of the aforesaid exemption under Section 577 of Article XI, the Town may require annual payments in lieu of taxes equal 10% of the annual shelter rent (as defined under §§ 33(1)(a) of the Private Housing Finance Law) for all of the Low-Income Units.

O. Christopher Community has determined that it is in the best interests of the parties for the HDFC to make annual payments in lieu of taxes to the Town equal 10% of the annual

shelter rent (as defined under §§ 33(1)(a) of the Private Housing Finance Law) for of the Low-Income Units.

P. The current assessed value of the Village Parcel acquired, or to be acquired, by the HDFC is \$10,300.00.

Q. The Town Parcel is 7.737 acres and the current assessed value of the Town Parcel is \$18,700.00.

R. The HDFC acquired, or will acquire, 3.143 acres of the Town Parcel or 40% of the Town Parcel.

S. The current assessed value of the portion of the Town Parcel acquired, or to be acquired, by the HDFC is consequently \$7,480.00 (i.e., 40% of \$18,700.00).

T. The current assessed value of the Property (i.e., the Village Parcel and 3.143 acres of the Town Parcel) is consequently \$17,780.00 (the "**Current Assessment**").

U. By Town Council Resolution No. 8 dated March 21, 2023, the Town determined that it is in the best interests of the Town to promote the development of adequate, safe and sanitary housing accommodations for low-income elderly persons by fully supporting Christopher Community and the HDFC's efforts and plans respecting the Project.

V. Christopher Community and the HDFC are willing to (i) develop and operate the Project for the purpose of providing housing for low-income elderly persons, and (ii) enter into this Agreement with the Town subject to (a) Article XI of the Private Housing Finance Law, and (b) all applicable requirements of HCR.

W. The Town is willing to enter into this Agreement for the exemption of the Project provided (i) that the Project shall be subject to (a) Article XI of the Private Housing Finance Law, (b) any requirements of HCR acting as the Supervising Agency of the HDFC under said Article XI, and (c) all applicable requirements of HCR, and (ii) that the HDFC shall hereafter make payments in lieu of taxes to the Town with respect to the Project in the amounts hereinafter set forth.

NOW, THEREFORE, in consideration of the foregoing recitals and of the mutual covenants and agreements hereinafter contained, the parties hereto do hereby agree as follows:

Section 1. Definitions. All definitions and/or capitalized terms contained in this Agreement shall have the respective meanings specified in the above preambles and/or the Private Housing Finance Law of the State of New York.

Section 2. Exemption of Low-Income Units from Town, Village, County, State and School Tax. That except for assessments for local improvements, special district assessments and water use taxes as described in Section 9 hereof, the Town for itself and as the assessing authority

on behalf of the Village, the County, the School District and the State of New York, does hereby exempt all 61 of the Low-Income Units of the Project under Section 577 of Article XI of the Private Housing Finance Law from all village, town, county, state and school taxes. Such tax exemption shall become effective as provided for in Section 3 below. The value of the 61 Low-Income Units of Project shall include the value of the land, buildings and other improvements included as part of the Current Assessment and any subsequent an increase over the Current Assessment in the value of the land, buildings and other improvements to be made by the HDFC in connection with the Project.

Section 3. Commencement and Terms of Tax Exemptions. The term of the tax exemption set forth in Section 2 above shall begin on the Taxable Status Date immediately following the HDFC's acquisition of title to the Property (the "**Commencement Date**"). Following the Commencement Date, the tax exemption set forth in Section 2 above shall continue for a period of forty (40) years following the delivery of the Completion Certificate set forth in Section 5 below unless sooner terminated as provided in Section 10 below.

Section 4. Improvements. On or before the Commencement Date, the HDFC shall initiate the Improvements at the earliest possible opportunity and shall diligently and continuously pursue the Improvements to an expeditious and satisfactory completion.

Section 5. Completion Certificate. Prior to completion of the Improvements and the Project as a whole, the Village and the Town, and their respective agents, representatives, and designees, may enter the Property during normal business hours upon reasonable notice to Christopher Community to inspect the Project (including any environmental inspections and tests) to ensure completion of the Improvements in compliance with applicable building codes and standards. The HDFC shall notify the Town upon substantial completion of the Improvements and provided that (a) the Town is satisfied that all of the Improvements were completed in conformance with applicable building codes and standards, and (b) all other local governmental requirements to which the HDFC and the Project are subject have been satisfied, the Town shall issue a certificate of occupancy or other like certification to the HDFC (the "**Completion Certificate**"). In the event that the Completion Certificate is temporary or conditional, the HDFC shall address and satisfy all conditions of the Completion Certificate within the timeframe established by the Town. Regardless of date any such conditions are completed by the HDFC and accepted by the Village, the due date of first PILOT payment to the Town under Section 7 of this Agreement shall be calculated from the date that the Completion Certificate was first issued to the HDFC.

Section 6. Reassessment. The assessed value of the Property may be increased by the Town upon substantial completion of the Improvements or immediately following the issuance of the Completion Certificate by the Town to the HDFC (the "**New Assessment**"). Thereafter, the New Assessment shall be subject to adjustment from time-to-time upon any town-wide revaluation or reassessment permitted by law, provided that the New Assessment and any subsequent revaluation, reassessment or adjustment thereof shall be based upon the valuation methodology prescribed in Real Property Tax Law Section 581-a or any replacement or successor provision. In the event Real Property Tax Law Section 581-a is repealed or abolished, any revaluation,

reassessment or adjustment of the New Assessment shall be based upon valuation of the income generated by the Property.

Section 7. Payments in Lieu of Taxes (PILOT). Following the date of the Completion Certificate and for so long as the exemption provided for under Section 2 above shall remain in force and effect, the Project shall make payments in lieu of taxes (the “**PILOT payment**” or the “**PILOT payments**”) to the Town equal to 10% of the Project’s annual shelter rent. For purposes of this agreement, the term “shelter rent” shall mean the total rents received from tenants of the 61 Low-Income Units of Project less the cost of providing to such tenants with gas, heat and other utilities (but not electricity). Annual PILOT payments from the Project to the Town shall be due and payable in equal installments on January 1st and on July 1st of each year and shall accrue interest at the rate of 2% per month if not paid by January 31st and/or July 31st of the month the payment is due. The first PILOT payment shall be due on either January 1st or July 1st immediately the after the date of the Completion Certificate. For example, in the event the Completion Certificate is issued by the Town on June 1, 2024, the first PILOT payment would be due July 1, 2024.

Section 8. Annual Schedule of Shelter Rent. Concurrent with each PILOT payment, the Project shall provide the Village Treasurer and the Town Assessor with a schedule of the shelter rent received by the Project for the preceding 6 months or shorter period. By way of the example set forth above in Section 7 of this Agreement, with its first PILOT payment on July 1, 2024, the Project shall provide a schedule of the shelter rent received by the Project from April 1, 2024, through and including June 30, 2024. The second PILOT payment would be for July 1, 2024 through and including December 31, 2024. The Town may remit a portion of each PILOT payment to the Village, the School District and/or the County pursuant to any applicable agreement among the Town, the Village, the School District and/or the County.

Section 9. Assessments for Local Improvements: Special Assessments. It is understood and agreed by and between the parties hereto, that in addition to PILOT payments payable by the Project pursuant to Section 7 above, the Project shall be liable for the payment of any special assessments for local improvements imposed by any taxing authority for water, fire protection, lighting, sewer, garbage or other similar items, provided that special assessments shall be based on the New Assessment or the Current Assessment, whichever is less. In addition to special assessments (if any), prior to the due date of the first PILOT payment, the Project shall pay all Village, Town, County, State and School taxes heretofore assessed and levied against the Project, provided that any such levy shall be based solely on the Current Assessment.

Section 10. Termination of Tax Exemptions. Notwithstanding anything hereinabove or hereinafter contained to the contrary, the tax exemption set forth in Section 2 above shall, upon the election of the Town, terminate and be of no further force or effect upon the occurrence of any one or more of the following specified events:

- (a) the failure of the HDFC to commence work on the Improvements on or before December 31, 2023;

(b) the failure of the HDFC to diligently and consistently undertake and pursue the completion of the Improvements once commenced;

(c) the failure of the Project to make timely payments of the sums due and payable pursuant to Section 7 and/or Section 9 hereof for twelve consecutive months; and/or

(d) the intentional and knowing failure to operate the Project in compliance with all applicable requirements, rules and regulations of Article XI of the Private Housing Finance Law and/or the rules or regulations of HCR, including, without limitation, the regulations pertaining to the amount of rent chargeable to tenants residing in the Project.

The parties hereto acknowledge that the Real Property Tax Law restricts the ability of the Town to remove the Property from the exempt portion of the Assessment Roll and thereby terminate the exemptions granted in this Agreement. In light of such restrictions, if the Town elects to terminate the tax exemptions granted herein due to the occurrence of any of the events or conditions enumerated in this Section, the Town or other duly-authorized government official shall remove the Property from the exempt portion of the Assessment Roll or otherwise rescind and terminate the exemptions set forth herein when next lawfully authorized do so. In such event, the Project shall remain obligated to pay to the Town the PILOT payment otherwise due and payable January 31st or July 31st of the calendar year when the Assessor or other duly-authorized official takes such action.

Section 11. Project Organized for Public Purpose. For purposes of Article XI of the Private Housing Finance Law, the parties hereby agree that the provision of low income rental housing for the elderly constitutes a public purpose.

Section 12. Consistency with Article XI. The parties agree that this Agreement shall be subject to the provisions of Article XI of the Private Housing Finance Law and, without enumerating the applicable provisions of Article XI, that the Project shall be operated in accordance with the provisions of Article XI.

Section 13. HCR Rules and Regulations. The parties further agree that the Property shall be operated in accordance with the applicable requirements, rules and regulations previously promulgated or hereinafter promulgated by HCR, including the approval of the rental rates to be charged to tenants for units in the Project. The parties further agree that the Project shall be operated in accordance with any requirements or rules heretofore adopted by HCR in its role as the Supervising Agency under Article XI.

Section 14. Amendment of Agreement. This Agreement may not be effectively amended, changed, modified, altered or mutually terminated unless such amendment, change, modification, alteration or mutual termination is in writing intended for such purpose and executed and delivered by each of the parties and, in the case of any amendment, change, modification or alteration of this Agreement, unless the HDFC and the Town shall assume in writing the obligations of such amended, change, modified or altered agreement.

Section 15. Assignment. The provisions of this Agreement are intended to be for the benefit of the Town as the assessing authority for and on behalf of the Village, the County, the School District and the State. Notwithstanding anything to the contrary contained in herein, this Agreement may not be assigned by the HDFC except (a) upon the express written consent of the Town, or (b) to HCR or a party designated by HCR in the event HCR acquires title to the Property to be transferred following any default under the HCR Financing. Provided, however, that nothing contained in this Section 15 or in any other provision of this Agreement shall preclude the HDFC from conveying its beneficial and equitable interests in, to and with respect to the Project to Community View Associates, L.P., for the purpose of the Project qualifying and operating as a "Qualified Low-Income Housing Project" for persons of low income within the meaning of Section 42(g)(1) of the Internal Revenue Code. Accordingly, Community View Associates, L.P. and its investor, Key Community Development Corporation and any successor party, shall be deemed to be a third-party beneficiary of this Agreement.

Section 16. Notices. All notices, certificates and other communications hereunder shall be in writing and shall be deemed sufficiently given when sent to the applicable address stated below by registered or certified mail, return receipt requested, or by such other method as shall provide the sender with documentary evidence of such delivery. The addresses to which notices, certificates or other communications hereunder shall be delivered are as follows:

To the HDFC: Community View Housing Development Fund Company, Inc.
 c/o Christopher Community, Inc.
 (Attention: Executive Director)
 990 James Street
 Syracuse, New York 13203

With a copy to: Key Community Development Corporation
 Mailcode OH-01-27-0761
 127 Public Square, 7th Floor
 Cleveland, Ohio 44114
 Attention: Asset Manager

To the Town: Town of Eaton
 (Attention: Supervisor)
 Town of Eaton
 35 Cedar Street
 P.O. Box 66
 Morrisville, New York 13408

To the Village: Village of Morrisville
 (Attention: Mayor)
 23 Cedar Street
 P.O. Box 955
 Morrisville, New York 13408

Any person entitled to notice may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates and other communications shall be sent.

Section 17. Severability. If any article, section, subdivision, paragraph, sentence, clause, phrase, provision or portion of this Agreement shall for any reason be held or adjudged invalid, illegal or unenforceable by any court of competent jurisdiction, such article, section, subdivision, paragraph, sentence, clause, phrase, provision or portion 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.

Section 18. Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 19. Venue. Any litigation relating hereto shall take place in the Supreme Court of the State of New York in and for the County of Madison.

Section 20. Governing Law. This Agreement shall be construed in accordance with the laws of the State of New York.

Section 21. Entire Agreement. This Agreement constitutes the entire agreement of the parties and supersedes any previous agreements or understandings, whether oral or in writing, pertaining to the subject matter hereof.


Section 22. Effective Date. Notwithstanding anything contained in this Agreement to the contrary, this Agreement shall not become effective until the conveyance of title to the Property to the HDFC.

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[Signatures appear on following pages]

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the day and year first above written.

CHRISTOPHER COMMUNITY, INC.,
a New York not-for-profit corporation

By: 
Justin Rudgick, President and CEO

COMMUNITY VIEW HOUSING
DEVELOPMENT FUND COMPANY, INC.,
a New York not-for-profit corporation

By: 
Justin Rudgick, President

[SIGNATURE AND ACKNOWLEDGMENT OF THE TOWN
OF EATON IS ATTACHED HERETO AS PAGE 11]

STATE OF NEW YORK) SS:
COUNTY OF ONONDAGA)

On the 21st day of March, in the year 2023, before me, the undersigned, a Notary Public in and for said State, personally appeared Justin Rudgick, 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 the person upon behalf of which the individual acted, executed the instrument.




Notary Public

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the day and year first above written.

TOWN OF EATON

By: _____

Joseph Wicks, Supervisor

STATE OF NEW YORK) SS:
COUNTY OF MADISON)

On the 4 day of March, in the year 2023, before me, the undersigned, a Notary Public in and for said State, personally appeared Joseph Wicks, 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 the person upon behalf of which the individual acted, executed the instrument.

Notary Public

JOHN R. BRENNAN
NOTARY PUBLIC-STATE OF NEW YORK
No. 02BR4883409
Qualified in Onondaga County
Commission Expires December 29, 2026