

**TAX ABATEMENT AGREEMENT
BETWEEN THE CITY OF STAMFORD, 22 CLINTON LLC
AND HOUSING AUTHORITY OF THE CITY OF STAMFORD**

This AGREEMENT made this ___ day of _____, 2014, between THE CITY OF STAMFORD (the "City"), a municipal corporation organized and existing under the laws of the State of Connecticut and located in the County of Fairfield in said State, acting herein by David R. Martin, its Mayor, hereunto authorized, and 22 Clinton LLC (the "LLC"), a limited liability company organized and existing under the laws of the State of Connecticut and located at 40 Clinton Avenue, Suite 101, Stamford, Connecticut, 06901, acting herein by Vincent J. Tufo, President of Clinton Manor Housing Corporation, Managing Member of 22 Clinton LLC (owner of the improvements), and the Housing Authority of the City of Stamford d/b/a Charter Oak Communities ("COC"), (owner of the land) acting herein by Vincent J. Tufo, Executive Director & CEO, together the "Owners".

WITNESSETH

WHEREAS, the Housing Authority of the City of Stamford, d/b/a Charter Oak Communities ("the Authority") has ground leased the land located at 22 Clinton Avenue, Stamford, CT (the "Property"), to the LLC, which shall own improvements during a 30-year affordability period that shall consist of an eighty-eight (88) unit rental housing complex, known as "Clinton Manor" ("CM"), which Property is as more particularly described in Schedule A hereto and made a part hereof. All eighty-eight (88) Units shall be restricted to households of low- and moderate-income (the "Below-Market Units"). For purposes of this Agreement, "Property" shall mean the land described in Schedule "A" and the buildings or improvements now existing or hereafter located thereon. The Authority shall be the sponsor for this project and shall ensure, by various agreements that the Below-Market Units be used for low- and moderate-income residents in accordance with the terms of this agreement;

WHEREAS, the Authority has operated the apartment complex known as Clinton Manor (the "Clinton Manor Project") as a low- and moderate-income housing development in accordance with the regulatory restrictions imposed by the U. S. Department of Housing and Urban Development for the Low-Income Public Housing Program, and more recently in accordance with the regulatory restrictions for the Section 8 Housing Choice Voucher Program in its role as Managing Member of the previous owner and ground lessee, Clinton Manor LLC, and currently through its affiliate, Clinton Manor Housing Corporation, Managing Member of the LLC; and

WHEREAS, the Authority is ground leasing the Property to the LLC to facilitate the continued operation of the Property and ensure its continued availability as an affordable housing resource for current and future low- and moderate-income residents; and

WHEREAS, the LLC shall use the eighty eight (88) Below-Market Units on the Property for the housing of low- and moderate-income persons or families, which are defined for purposes herein as having annual household incomes at or below 60% of the Area Median Income in

conformance with the Low Income Housing Tax Credit program as administered by the Connecticut Housing Finance Authority in accordance with Section 42 of the Internal Revenue Code; and

WHEREAS, the LLC has agreed to operate the Below-Market Units as a low and moderate income rental housing project; and

WHEREAS, under the terms of the first mortgage loan to be made by Bank of New Canaan to the LLC the loan obligation to Bank of New Canaan shall be secured by a first mortgage on the improvements constructed on the Property; and

WHEREAS, the City is empowered to grant a real property tax abatement for rental Units used for low- and moderate-income persons or families under Chapter 220 of the Stamford Charter and Code of Ordinances, in accordance with the powers granted by Sections 8-215 of the Connecticut General Statutes, as amended; and

WHEREAS, the Owners are requesting that the City grant its request for an abatement of one hundred percent (100%) of all real property taxes assessed on the eighty eight Below Market Units at the Property, as such taxes may vary from year to year, for the purpose(s) described herein as such abatement is more particularly described in this agreement provided the LLC satisfies the further terms and conditions set forth herein; and

WHEREAS, the City's Tax Abatement Committee has made a recommendation that such request be granted by the City; and

WHEREAS, the City is willing to grant such an abatement to the Owners in accordance with the terms and conditions set forth in this agreement;

NOW THEREFORE, in consideration of the mutual undertaking herein contained and other valuable consideration, the parties hereby agree as follows:

1. Each fiscal year, commencing on July 1st and terminating on June 30th of each calendar year, the LLC agrees, warrants and represents that it will pay the City ten percent (10%) of the LLC's "Shelter Rent" received for the eighty eight (88) Below Market Rate Units at the Property, in exchange for the City's abatement of one hundred percent (100%) of real property taxes assessed on the eighty eight (88) Below Market Rate Units at the Property provided that the LLC satisfies all of the further terms and conditions set forth in this agreement except however that such payment described herein shall be modified by (a) and (b) below as applicable:
 - (a) In any fiscal year during which the City receives a Pilot Grant for the property and the Pilot is equivalent to or exceeds ten percent (10%) of the LLC's Shelter Rent for the eighty eight (88) Below Market Rate Units at the property, the City shall retain said Pilot in full and grant an abatement of one hundred percent (100%) of all real property taxes assessed on the eighty eight Below Market Units at the Property, as such taxes may vary from year to year, for the purpose(s) described herein.

(b) In any fiscal year during which the City receives a Pilot grant that is less than ten percent (10%) of the LLC's Shelter Rent for the eighty eight (88) Below Market Rate Units at the Property, then provided the LLC pays the City and complies with the further terms and conditions of this agreement, the City shall reimburse the LLC for the amount received which is beyond the combined 10% Shelter Rent and Pilot Grant payment. For purposes of this Agreement, "Shelter Rent" is the total of rents paid by all Below Market Units tenants (excluding all other income of such Project), less the amount paid for utility services by the owner.

2. The term of this agreement shall be for a period of thirty years commencing on the effective date of this agreement and terminating thirty years therefrom. The City may, in its discretion, extend the term of this agreement as provided herein, which discretion shall not be unreasonably withheld provided that the Property is being occupied by low and moderate income housing persons or families.
3. The Owners agree, warrant and represent that monies equal to the amount of such taxes so abated shall be used exclusively for any one or more of the following purposes: to reduce rents below the level which would be achieved in the absence of such abatement, or to improve the quality and design of such housing, or to effect occupancy of such housing by persons and families of varying income levels within limits approved by the City, or to provide necessary related facilities or services in such housing.

Notwithstanding anything herein to the contrary, the LLC further agrees, warrants and represents that it shall open and maintain, throughout the entire term of this agreement, and any extensions thereto, a separate Social Services Reserve Account ("Account"), which account shall be to cover the costs of providing social services and support to tenants who reside in the Below Market Rate Units and for no other tenants whatsoever. In the event of the occurrence of section numbered 1(a) above, any and all monies retained by the LLC that were intended and earmarked for remitting payment to the City equivalent to ten percent (10%) of the Shelter Rent shall be immediately deposited into the Account by the LLC. Any and all funds in said Account shall be used for social services and support to said tenants and for no other purpose whatsoever.

4. The tax abatement described herein shall be effective as of the date of final adoption of this Agreement by the City of Stamford ("effective date") and shall continue thereafter until terminated as provided herein. Further, the annual payments described in paragraph numbered one above shall be paid to the City in the same manner and same timeframes as real property taxes are paid within the City. Any payment that is more than thirty (30) days late shall accrue interest at the same rate and in the same manner as delinquent real property taxes as provided for in Sec. 12-146 of the Connecticut General Statutes, as may be amended from time to time.
5. This agreement shall terminate immediately upon the occurrence:
 - a. At any time when such Below-Market Units are not used as housing rented solely to

low- or moderate-income persons or families.

b. At any time when the LLC fails to use the monies described in Section 2 above for the purposes so described in said section.

c. In the sole discretion of the City, at any time when the LLC is in breach of this agreement and has not cured such breach within 60 days (or 30 days in the event of a payment default) after written notice thereof from the City.

d. Thirty years from the effective date of this agreement. Notwithstanding the foregoing, this agreement may be extended by the City, in its discretion, which shall not be unreasonably withheld, for two (2) additional, successive term(s) of thirty years (30) each, and thereafter one additional eight (8) year period, not to exceed ninety-eight (98) years in total, by notifying the Owners in writing prior to the expiration of each term.

6. Any amount payable by the LLC in accordance with this Agreement above shall be adjusted on a pro rata basis for any year during which the tax abatement is in effect for less than the entirety of such year, or the tax abatement hereunder is terminated, such that the amount owed will be equal to the product of (a) the per annum amount otherwise due under this Agreement, and (b) the quotient obtained by dividing the number of days during which the tax abatement was operative, by 365.
7. The Owners agree, warrant and represent that they shall comply with all applicable federal, state and local laws, rules, regulations, ordinances, charters, statutes, codes, orders, policies and procedures relating to the Property.
8. For so long as this Agreement shall remain in full force and effect, the Owners agree (i) to make all financial books and records available to the Tax Abatement Committee and the Board of Representatives of the City or to any person duly, selected, hired or engaged by said Committee and/or Board for the review, inspection, audit and reproduction of any documentation or portion thereof, and (ii) to maintain such books and records in accordance with generally accepted accounting principles. On or before the 30th day of June of every calendar year, the LLC agrees, warrants and represents that, unless otherwise agreed by the City, it shall provide the City with a comprehensive, annual financial statement, inclusive of the standard HUD form, prepared by an independent, certified public accountant, regarding the Property. The audit shall include a reporting on the accounting of expenditures earmarked for PILOT payments and the social services payments made. The LLC further agrees, warrants and represents that it shall provide the City on or before May 25th of each calendar year with a certification prepared by said independent certified public accountant that verifies the total amount of Shelter Rent for the eighty eight (88) below-Market Rate Units. In addition, the LLC will submit to the Tax Abatement Committee, each calendar year, a copy of its Owner's Certification of Continuing Low-Income Housing Tax Credit ("LIHTC") Compliance, which is the form of certification that it has submitted to CHFA for the purpose of attesting that the occupancy of the Below Market Units has been restricted low- and moderate-income

households. The Tax Abatement Committee may, at its discretion, utilize this form of certification in determining that the LLC is in compliance with this Agreement.

9. In the event this agreement is terminated as provided herein, all monies due and owing to the City shall be immediately due and payable to the City upon written demand and the abatement of taxes shall terminate on the date calculated in section 5 above.
10. The Tax Abatement Committee may, by majority vote, extend any of the audit report deadlines set forth in this Agreement, if the Owners reasonably demonstrate the necessity for any such extension(s).
11. Notwithstanding anything contained in this Agreement to the contrary, the rights of the City against the Owners shall be satisfied solely and exclusively out of the assets consisting of (i) the real property of CM, and (ii) any income or proceeds arising from the operation or sale of CM.
12. The Agreement constitutes the entire contract between the parties hereto, and no oral statements or promises and no understanding not embodied in this writing shall be valid or binding. Any modification of this Agreement shall be in writing and executed with the same formality as this Agreement.
13. This agreement shall be governed by the laws of the State of Connecticut. It is agreed by the parties that if any party commences suit, action or any other legal proceeding against the other, the venue shall be the Superior Court for the Judicial District of Stamford/Norwalk at Stamford.
14. Any statutory reference contained herein shall include any and all amendments thereto and replacements thereof.
15. Any notice required under this Agreement shall be given to the respective parties as follows:

To the City of Stamford:

Director of Administration
City of Stamford
888 Washington Boulevard
Stamford, CT 06904-2152

With a copy to:

Director of Legal Affairs and Corporation Counsel
City of Stamford
Office of Legal Affairs

888 Washington Boulevard
Stamford, CT 06904-2152

To the LLC:

22 Clinton LLC
40 Clinton Avenue, Suite 101
Stamford, CT 06901

To COC:

Charter Oak Communities
22 Clinton Avenue
Stamford, CT 06901

[REST OF THE PAGE IS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, we have hereunto set our hands and seals the day and year above written.

Signed, Sealed and Delivered
In the Presence of:

CITY OF STAMFORD

By: _____
David R. Martin
Its Mayor, Duly Authorized

22 CLINTON LLC

By: _____
Vincent J. Tufo
President, Clinton Manor Housing Corporation,
Managing Member of 22 Clinton LLC

HOUSING AUTHORITY OF THE CITY OF STAMFORD

By: _____
Vincent J. Tufo
Executive Director & CEO

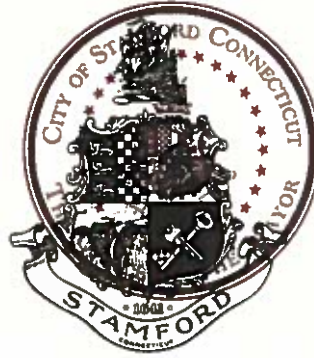
Approved as to Form:



Burt Rosenberg
Assistant Corporation Counsel

LR29.018-19

DAVID R. MARTIN
MAYOR
CITY OF STAMFORD, CONNECTICUT



TEL: 203 977 4150
FAX: 203 977 5845
E-MAIL: DMARTIN@STAMFORDCT.GOV

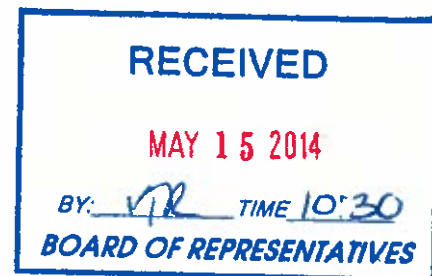
INTEROFFICE MEMORANDUM

TO: Board of Representatives
FROM: David R. Martin, Mayor *DRM*
DATE: May 14, 2014
RE: Tax Abatement Agreements
LR29.018 1) 22 Clinton LLC and Housing Authority of the City of Stamford
LR29.012 2) 18 Quintard LLC and Housing Authority of the City of Stamford

The attached copy of the two above-described Agreements is being submitted for your review and approval.

Kindly place these items on the agenda for your next scheduled meeting.

Thank you.



MAYOR
DAVID R. MARTIN



CITY OF STAMFORD
OFFICE OF LEGAL AFFAIRS
888 WASHINGTON BOULEVARD
P.O. BOX 10152
STAMFORD, CT 06904 - 2152
Tel: (203) 977-4081
Fax: (203) 977-5560

DIRECTOR OF LEGAL AFFAIRS
AND CORPORATION COUNSEL
KATHRYN EMMETT

DEPUTY CORPORATION COUNSEL
VIKKI COOPER

ASSISTANT CORPORATION COUNSEL
BARBARA L. COUGHLAN
CHRIS DELLASELVA
DANA B. LEE
AMY LIVOLSI
BURT ROSENBERG
MICHAEL S. TOMA

RECEIVED

MAY 12 2014

MAYOR'S OFFICE

May 12, 2014

To: Mayor David R. Martin

From: Burt Rosenberg, Asst. Corporation Counsel *BR*

Re: Tax Abatement Agreements
(1) 22 Clinton LLC and Housing Authority of the City of Stamford
(2) 18 Quinfard LLC and Housing Authority of the City of Stamford

Attached are two copies of each of the above described Agreements, which I have approved as to form.

These Tax Abatement Agreements are authorized by Sections 220-1 to 220-4 of the City Code. Pursuant to Section 220-3, the Tax Abatement Committee approved both Agreements at its May 8, 2014 meeting. The Agreements require the approval of the Board of Representatives pursuant to Section 220-3. Therefore, please forward both Agreements to the Board of Representatives for its approval.

Thank you for your consideration.

Encl.

C: Kathryn Emmett, Director of Legal Affairs
Michael Handler, Director of Administration
Karen Cammarota, Grants Officer