

**MINUTES
OF THE MEETING OF THE
HOUSING ASSISTANCE CORPORATION**

December 1, 2015

A meeting of the Members of the Housing Assistance Corporation (the "Corporation" or "HAC") was held on Tuesday, December 1, 2015 at the offices of the Corporation, 110 William Street, 10th Floor, New York, New York 10038.

The meeting was called to order at 4:41 p.m. by the Chairperson, Vicki Been, who noted the presence of a quorum. The other Member of the Corporation present was Harry E. Gould, Jr. The position of the second public member was vacant at this time. A list of observers is appended to these minutes.

The Chairperson called for approval of the minutes of the meeting held on February 10, 2004. Upon a motion duly made by Mr. Gould, and seconded by Ms. Been, the Members unanimously:

RESOLVED, to adopt the minutes of such meeting

The Chairperson stated the next item on the agenda would be the Approval to Purchase Subordinate Participation Interest in Loan for Stuyvesant Town-Peter Cooper Village, and called upon Paula Roy Carethers, Executive Vice President for Real Estate for the New York City Housing Development Corporation ("HDC"), to advise the Members regarding this item.

Ms. Carethers referred the Members to the Memorandum before them entitled "Stuyvesant Town-Peter Cooper Village" dated November 24, 2015 (the "Stuyvesant Town-Peter Cooper Village Memorandum"), which is appended to these minutes and made a part hereof.

Ms. Carethers stated that she was pleased to request that the Members authorize the Housing Assistance Corporation ("HAC") to fund a subordinate loan participation in an aggregate principal amount not to exceed \$150 million to finance a portion of the acquisition of Stuyvesant Town-Peter Cooper Village by the Purchaser, as defined in the Stuyvesant Town-Peter Cooper Village Memorandum. She said that as discussed at the HDC Board Meeting, the City was requesting the assistance of HDC and HAC to facilitate the implementation of a new affordable housing regime at Stuyvesant Town-Peter Cooper Village, which would preserve 5,000 units of affordable housing for 20 years, by requesting that HAC fund the HAC Subordinate Participation using corporate funds provided by HDC.

Ms. Carethers stated that to achieve this financing, HDC would originate a subordinate mortgage loan in an amount not to exceed \$150 million. She said that this mortgage would be exempt from the mortgage recording tax. She said that HAC would purchase and fund the subordinate loan, which represents a small portion of the overall lending for the acquisition and is documented as a Subordinate Participation in a larger loan which was discussed in greater detail at the HDC Board meeting. She said that HDC would assign the subordinate mortgage to HAC. She said that HDC would retain the servicing rights for this mortgage, and HAC would be

required to assign the mortgage back to HDC if the Purchaser transfers the Property to any party that was a prohibited transferee under the regulatory agreement. She said that in such a case, the Purchaser would be required to repay the outstanding principal amount of the subordinate mortgage loan.

Ms. Carethers stated that HDC would provide HAC with the monies to fund the subordinate loan in accordance with the New York Private Housing Finance Law, which enables HDC to transfer funds to HAC and gives HAC all of the privileges, immunities and tax exemptions of HDC. She said that the subordinate loan would have a 20-year term and would not bear interest. She said that HAC would forgive the principal amount of the mortgage loan at the rate of 1/20th of the original principal amount per annum over the 20-year term. She said that the subordinate loan would be subject to standstill with respect to any other current or future debt affecting the Property, the Purchaser, or any assignee of the Purchaser.

Ms. Carethers stated that the funding of the HAC Subordinate Participation poses no risk of non-payment to HAC, as the mortgage loan funded by the participation interest was structured to be fully forgiven over its term. She said that HAC would have no enforcement rights to require a repayment of the loan under any circumstances, including any right to foreclose or otherwise take possession of the Property or any circumstances including a transfer or sale of the Property. She said that upon receipt of a 10 basis point fee on the remaining principal balance, the mortgage would be assumable by any purchaser of the Property permitted under the terms of HDC's regulatory agreement.

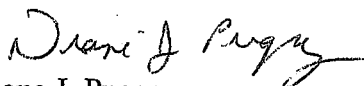
Ms. Carethers stated that to reimburse HDC for the funds used to originate the subordinate loan, the City (acting through its Department of Housing Preservation and Development) would provide grants in an amount equal to the Subordinate Participation to assist with the financing of other affordable projects.

Upon a motion duly made by Mr. Gould, and seconded by Ms. Been, the Members unanimously:

RESOLVED to approve (1) the funding of the HAC Subordinate Loan Participation in an aggregate principal amount not to exceed \$150 million and (2) the execution by an authorized officer of HAC of the Participation Agreement, mortgage-related documents and any other documents necessary to accomplish the financing.

At 4:46 p.m., there being no further business, upon a motion duly made by Mr. Gould, and seconded by Ms. Been, the meeting was adjourned.

Respectfully submitted,



Diane J. Pugacz
Assistant Secretary

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ATTENDANCE LIST

Howard I. Berkman	Hawkins Delafield & Wood LLP
Tara Boirard	OMB
Gary Rodney	New York City Housing Development Corporation
Richard M. Froehlich	“ ”
Paula Roy Carethers	“ ”
Ellen K. Duffy	“ “
Anthony R. Richardson	“ ”
Diane J. Pugacz	“ ”
Susannah Lipsyte	“ ”
Mary Hom	“ ”
Madhavi Kulkarni	“ ”
Cathleen Baumann	“ ”
Horace Greene	“ ”
Will Martin	“ ”