

**THIS MEMORANDUM OF UNDERSTANDING ("MOU")**, entered into as of the 1st day of June, 2006, by and between **THE CITY OF NEW YORK**, a municipal corporation formed pursuant to the laws of the State of New York, having its principal office at City Hall, New York, New York 10007 ("City"), acting by and through its **DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT**, having its principal office at 100 Gold Street, New York, New York 10038 ("HPD"), and **M.L. WILSON BOYS' & GIRLS' CLUB OF HARLEM, INC.**, a not-for-profit corporation formed pursuant to the laws of the State of New York, having its principal office at 425 West 144<sup>th</sup> Street, New York, New York 10031 ("Club").

**WHEREAS**, The City conveyed real property located in the Borough of Manhattan, City and State of New York, known as Block 2077, Lot 14 on the Tax Map of the City, by the street address 525 West 145<sup>th</sup> Street, and as the former Public School 186 ("Property") to New York County Local Development Corporation ("LDC") by deed dated January 10, 1986 ("City Deed"); and

**WHEREAS**, LDC conveyed the Property to the Club by deed dated January 13, 1986 ("LDC Deed"); and

**WHEREAS**, the City Deed required LDC or its successor to substantially complete the reconstruction of the Property within three years and to thereafter devote at least eighty-five percent of the usable floor area in the Property to not-for-profit uses ("City Deed Covenants"); and

**WHEREAS**, the LDC Deed required the Club to substantially complete the reconstruction of the Property within three years and to thereafter devote at least eighty-five percent of the usable floor area in the Property to not-for-profit uses ("LDC Deed Covenants"); and

**WHEREAS**, the Property has not been reconstructed and has fallen into disrepair; and

**WHEREAS**, the City and the Club desire to cause the expeditious redevelopment of the Property; and

**WHEREAS**, (a) this MOU is not a legally binding instrument and is only intended to set forth the understandings of the parties without creating any legally enforceable rights or obligations and (b) any breach and/or failure of either party to act or perform under this MOU shall not give rise to any legal or other rights, liabilities, obligations, claims or damages. All dates below are subject to extension due to circumstances beyond the reasonable control of the Club.

**NOW, THEREFORE**, the parties hereto mutually set forth the following understandings:


1. The Club will consult with HPD regarding the proposed use and development of the Property ("Project"), which Project will provide certain public benefits in form of affordable housing, community facility, and/or other not-for-profit uses acceptable to HPD.
2. The Club will consult with HPD regarding the selection of an entity with the resources and expertise to develop the Project ("Developer") but the final decision shall be made by the Club.

3. Once the Club identifies a Project acceptable to the City, the City will facilitate such Project by endeavoring to obtain any necessary approvals to amend the City Deed Covenants and the LDC Deed Covenants to permit the proposed uses.
4. The Club intends to issue a revised request for proposals ("RFP") for the development of the Property on or about April 30, 2006 and to require that all proposals be submitted to the Club on or about June 15, 2006.
5. On or about August 31, 2006, the Club will complete the evaluation of all proposals, including consultation with the City regarding such evaluation and will then continue the process of negotiating and meeting with various developers as it deems helpful and appropriate.
6. On or about October 31, 2006, the Club will select a Developer, after consultation with HPD regarding such selection.
7. During the review and selection process, the Club will consult and meet with the Community Board for Manhattan Community District No. 9 to review and discuss and obtain a letter of support for the proposed Project .
8. On or about January 31, 2007, the Club will seek to obtain, or will cause the Developer to seek to obtain, a commitment letter from an institutional lender for all financing required for the Project.
9. On or about January 31, 2007, the Club will submit to the City, or will cause the Developer to submit to the City, all information, documents, and analyses required by the City for environmental review or any governmental actions regarding the Project, including, but not limited to, review of any amendments to the City Deed Covenants and the LDC Deed Covenants pursuant to the State Environmental Quality Review Act.
10. On or about June 30, 2007, the Club, the Developer, and the City expect to have obtained the necessary approvals to amend the City Deed Covenants and the LDC Deed Covenants to permit the proposed Project to the extent such approvals are needed.
11. On or about August 31, 2007, the Club and the Developer will seek to obtain all necessary permits and approvals, close on all financing for the Project, and commence construction of the Project.
12. On or about August 31, 2009, the Club and the Developer will seek to complete construction of the Project.

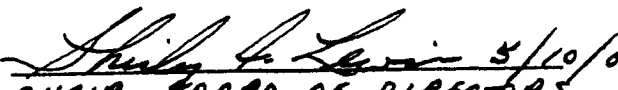
**IN WITNESS WHEREOF**, the parties hereto have executed this MOU as of the date first written above.

**THE CITY OF NEW YORK**

By: Department of Housing Preservation and Development

By:   
First Deputy Commissioner

**M.L. WILSON BOYS' & GIRLS' CLUB OF HARLEM, INC.**

By:  5/10/06  
CHAIR, BOARD OF DIRECTORS