

May 21, 2025

Mount Vernon City Council
1 Roosevelt Square
N. Mt. Vernon, New York 10550

Dear President Browne and Councilmembers,

I represent QWest LLC (“Owner”), the owners of 7-11, 25 and 29 North MacQuesten Parkway (Section 164.68, Block 1073, Lots 21, 24 and 25) in the City of Mount Vernon (“Property”).

I am writing to urgently request a recordable termination of the “reverter” provision in the deed from the City of Mount Vernon to the Owner (“Deed”) and those sections of that Amended and Restated Agreement between the City of Mount Vernon and Qwest LLC date June 15, 2022 (“LADA”) referenced in the Deed and/or that otherwise encumber the Property. The development of the 229 units of transit-oriented development, commercial space and parking that Mount Vernon wants, requires and that the Council approved, and all the planned financial and other public benefits to the City and School, cannot proceed without it. We describe below why there is no risk that construction would not be completed in a timely manner - most importantly, Mr. Simone and Mr. Stagg are personally guaranteeing the \$150 million+ construction financing. They have every incentive to ensure this Project gets built on time as promised.

The Project (defined below) is expected to close next month, but it cannot proceed without the termination requested; the lenders, investors and state agencies providing more than \$150 million in financing will not provide funding without this termination. The bonds for the Project were approved for issuance last week by the New York State Housing Finance Agency and preparation for closing are intensely and hurriedly being made. The funding sources, however, will not fund unless the reversionary terms are terminated. Their very real concern is that the Deed and LADA threaten their security in the Property. All parties agree. A draft termination acceptable to the funders is attached as Exhibit A (“Termination”).

As you likely know, the Property was transferred to the Owner by the City of Mount Vernon for the purposes of constructing a mixed-use project of more than 200,000 square feet, including 229 residential units as well as commercial space and required parking (“Project”). Since taking ownership, the Owner has worked diligently and in good faith to construct the Project, including but not limited to acquiring adjacent properties, abating asbestos in and demolishing the old and



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dilapidated improvements, properly, legally and completely terminating gas, water and electric, grubbing and grading the land and installing construction fencing. Most importantly, the Owner has worked with the City of Mount Vernon Industrial Development Agency, the County of Westchester, the New York State Department of Homes and Community Renewal and the New York Housing Finance Agency in order to secure all of the necessary financing to finance the Project (more than \$150 million).

Financing includes tax exempt bonds from the New York State Housing Finance Agency secured by a letter of credit from the Bank of America, Westchester County New Homes Land Acquisition Funds, Westchester County Housing Flex Funds, Empire State Development Mid-Hudson Momentum Funds, Federal Low-Income Housing Tax Credits and State Low-Income Housing Tax Credits as well as Developer equity (together the “Agencies”). These stakeholders have each reviewed the Project and will provide substantial financial support because they have determined that the Project and development team have met all of the requirements necessary to ensure construction on time (except for the requested Termination). These Agencies will also oversee the construction to ensure that it is completed on time; the Bondholders are buying the bond on this very well-established track record of projects financed with tax-exempt bonds and the bond agency is relying on the track record of the developers. These Agencies will also require construction to be completed timely. Both the lender have agreed to a construction financing period of 36 months (“Construction Financing Period”). The Lender may provide two 6-month extensions if certain milestones and requirements are met ensuring the completion of the Project. Extensions, however, will cost the Owner, Mr. Simone and Mr. Stagg, profit and therefore all are aligned to complete the project as timely as possible. During this construction financing period, the Owner must complete construction, lease-up the property and be operating the property for several months (among other milestones) before the construction financing can be converted to permanent financing. Therefore, construction must be completed substantially before the end of Construction Financing Period. As such, the construction schedule submitted to the Agencies is attached here as Exhibit B. As you will see, both towers will be constructed simultaneously and are (subject to unavoidable delays), are expected to complete in 24 months. Joseph Simone and Mark Stagg will personally guarantee the completion of the Project on this schedule. Closing and start of the Construction Financing Period is expected to begin in mid-to-late June 2025 and therefore the scope of work financed by the Agencies is expected to commence immediately; and no later than July 1, 2025 and be substantially completed by July of 2027.

In addition to the completion guaranty, the lenders and investors require Joseph Simone and Mark Stagg to provide a payment guaranty, environmental indemnity, and a payment and performance guaranty to the tax credit investor. All these guarantees will be made and be



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effective as of the closing date. This means that Mr. Simone and Mr. Stagg are immediately and personally at-risk for more than \$150 million if the Project is not completed as required. Mr. Simone and Mr. Stagg are very committed to this Project, personally invested and personally at risk. They will ensure that this Project is completed on time and in conformance with the Project plans.

In addition to the Project, the City of Mount Vernon is receiving substantial monetary benefits from the Project. Upon acquiring the Property, the Owner paid Nine Hundred Thirty Thousand Dollars (\$930,000.00) as a purchase price and also paid \$350,000 for community benefits and \$290,000 in real estate tax arrears that had accrued on the Property prior to acquisition under the City's ownership. In addition, at construction financing the Owner will pay \$2,000,000 to the City of Mount Vernon School District and at the time construction is completed and construction financing converts to permanent financing the Owner will pay \$500,000 to the City of Mount Vernon Firemen's Fund.

The Owner, Joseph Simone and Mark Stagg ask the Council to agree to this Termination so that the previously-approved Project can proceed to construction, and so all its attendant benefits can be realized by the City and School.

Sincerely,

Jason Labate, Esq.

Partner



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Exhibit A – Termination

RECORD AND RETURN TO:

Goldstein Hall PLLC
80 Broad St #303
New York, NY 10004
Attn: Jason Labate, Esq.

AGREEMENT TERMINATING COVENANTS AND RESTRICTIONS

This Agreement (“Termination Agreement”) is made this ___ day of May 2025, by and between the City of Mount Vernon, with an office address at 1 Roosevelt Square, Mount Vernon, New York 10550 (the “City”), and Qwest LLC, a Delaware limited liability company, authorized to do business in the State of New York, with an office address at 1250 Waters Place, PH1, Bronx, New York 10461 (“QWest”).

WHEREAS, the City and Qwest entered a certain Amended and Restated Agreement, dated June 15, 2022, which governed the sale of certain properties owned by the City to QWest (“Agreement”), which properties are located at 7-11, 25 and 29 North Macquesten Parkway, and designated on the City of Mount Vernon Tax Map as Section 164.68, Block 1073, Lots 21, 24 and 25 (the “Properties”); and

WHEREAS, the City conveyed the Properties to Qwest pursuant to the Agreement by Deed dated October 27, 2022, and recorded in the Westchester County Clerk’s Office, Division of Land Records, on November 2, 2022, in Control Number 622283612 (“Deed”); and

WHEREAS, pursuant to the Deed, certain restrictive covenants were placed on the Properties owned by QWest; and

WHEREAS, QWest, as present owners of the Properties, desires to terminate all Restrictive Covenants contained in the Deed, including the referenced or related portions of the Agreement encumbering the Properties in Section 25 of the Agreement (entitled “Reverter”), and has requested the City to enter this Termination Agreement; and

RECORD AND RETURN TO:

Goldstein Hall PLLC
80 Broad St #303
New York, NY 10004
Attn: Jason Labate, Esq.

WHEREAS, this copy of this Termination Agreement was approved by Resolution of the City Council of the City of Mount Vernon on May __, 2025, and signed by the Mayor of the City of Mount Vernon on May __, 2025, with the intent of it being recorded in the Westchester County Clerk's Office, Division of Land Records.

NOW, THEREFORE, in consideration of the payment of Ten (\$10.00) Dollars and other valuable consideration, the City and Qwest hereby agree, as follows:

1. By signing and recording this Termination Agreement, the Restrictive Covenants in the aforementioned Deed, including the referenced or related portions of the Agreement encumbering the Project in Section 25, are hereby deemed to be null and void and of no further force and effect.
2. This Termination Agreement may be executed in counterparts, and an emailed copy of this Termination Agreement, as executed, and electronic signatures shall have the same force and effect as the original.

IN WITNESS WHEREOF, the parties have signed and delivered this Termination Agreement on the day and the year set forth above.

CITY OF MOUNT VERNON, NEW YORK

By: _____

Name: Hon. Shawyn Patterson-Howard

Title: Mayor

QWEST LLC

By: _____

Name:

Title:

ACKNOWLEDGMENT

STATE OF NEW YORK
COUNTY OF WESTCHESTER

On the ____ day of May in the year 2025, before me, the undersigned, a Notary Public in and for said state, 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 she executed the same in her capacity, and that by her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

STATE OF NEW YORK SS:
COUNTY OF BRONX

On the ____ day of May in the year 2025, before me, the undersigned, a Notary Public in and for said state, 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 she executed the same in her capacity, and that by her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

Schedule A

7-11 NORTH MACQUESTEN PARKWAY, MT. VERNON, NY 10552 (BLOCK 1073, TAX LOT 21)

ALL that certain plot, piece or parcel of land situate, lying and being in the City of Mount Vernon, County of Westchester and State of New York, being known and designated as Lot No. 169 as shown on a certain map entitled, "Map of West Mount Vernon, lying in the Town of Eastchester, County of Westchester and State of New York", made by Gustavus A. Sacchi dated June 27, 1851 and filed in the Office of the Clerk of the County of Westchester, Division of Land Records on May 1, 1852 as Map No. 151, which said premises are more fully described in Deed dated October 10, 1997 and recorded April 22, 1999 in Liber 12278 page 236, being more particularly bounded and described as follows:

BEGINNING at a point on the easterly side of Macquesten Parkway North, said point being northerly 80.24 feet from the intersection of the easterly side of Macquesten Parkway North and the northerly side of Mount Vernon A venue;

RUNNING THENCE northerly along the easterly side of Macquesten Parkway North 80.24 feet;

RUNNING THENCE easterly 100.00 feet;

RUNNING THENCE southerly 80.24 feet;

RUNNING THENCE westerly 100.00 feet to the point or place of BEGINNING.

25 NORTH MACQUESTEN PARKWAY, MT. VERNON, NY 10552 (BLOCK 1073, TAX LOT 24)

ALL that certain plot, piece or parcel of land situate, lying and being in the City of Mount Vernon, County of Westchester and State of New York, being known and designated as the southwesterly one-half of Lot 172 on a certain map entitled, "Map of West Mount Vernon, lying in the Town of Eastchester, County of Westchester and State of New York", made by Gustavus A. Sacchi dated June 27, 1851 and filed in the Office of the Clerk of the County of Westchester, Division of Land Records on May 1, 1852 as Map No. 151, which said premises are more fully described in deed dated October 28, 1997 and recorded April 22, 1999 in Liber 1227 page 201.

29 NORTH MACQUESTEN PARKWAY, MT. VERNON, NY 10552 (BLOCK 1073, TAX LOT 25)

ALL that certain plot, piece or parcel of land situate, lying and being in the City of Mount Vernon, County of Westchester and State of New York, being known and designated as the northerly half of Lot 172 on a certain map entitled, "Map of West Mount Vernon, lying in the Town of Eastchester, County of Westchester and State of New York", made by Gustavus A. Sacchi dated June 27, 1851 and filed in the Office of the Clerk of the County of Westchester, Division of Land Records, on May 1, 1852 as Map No. 151, which said premises are more fully described in Deed dated October 28, 1997 and recorded April 22, 1999 in Liber 12278 page 216.

Tax Lots 24 and 25 Composite Description:

ALL that certain plot, piece or parcel of land situate, lying and being in the City of Mount Vernon, County of Westchester and State of New York, being known and designated as the southerly half of Lot 172 and the northerly half of Lot 172 on a certain map entitled, "Map of West Mount Vernon, lying in the Town of Eastchester, County of Westchester and State of New York", made by Gustavus A. Sacchi dated June 27, 1851 and filed in the Office of the Clerk of the County of Westchester, Division of Land Records, on May 1, 1852 as Map No. 151, which said premises are more fully described in Deed dated October 28, 1997 and recorded April 22, 1999 in Liber 12278 page 216, being more particularly bounded and described as follows:

BEGINNING at a point on the easterly side of Macquesten Parkway North, said point being northerly 320.96 feet from the intersection of the easterly side of Macquesten Parkway North and the northerly side of Mount Vernon Avenue;

RUNNING THENCE northerly along the easterly side of Macquesten Parkway North 80.24 feet;

RUNNING THENCE easterly 125.88 feet;

RUNNING THENCE southerly 80.24 feet;

RUNNING THENCE westerly 125.88 feet to the point or place of BEGINNING.



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Exhibit B
Construction Schedule

25 North Macquesten Pkwy. Bldg. A

24 Month Timeline

[illegible]