

**NOTICE OF EVENT OF DEFAULT****\$237,635,000****New York City Industrial Development Agency
Civic Facility Revenue Bonds****(Bronx Parking Development Company, LLC Project), Series 2007*****CUSIP: 649438FK9, 649438FL7, 649438FM5, 649438FN3¹****Please forward this notice to beneficial holders.**

U.S. Bank National Association serves as Trustee (“*Trustee*”) for the above referenced Bonds (the “*Bonds*”) pursuant to that certain Indenture of Trust dated as of December 1, 2007 (as may have been amended or supplemented, the “*Indenture*”), by and between U.S. Bank National Association, successor to The Bank of New York Mellon (formerly named The Bank of New York), and the New York City Industrial Development Agency (“*NYCIDA*”) pursuant to which the Bonds were issued. Reference is hereby made to that certain Installment Sale Agreement and Assignment of Lease (as may have been amended or supplemented, the “*Sale Agreement*”), dated as of December 1, 2007, among NYCIDA, Bronx Parking Development Company, LLC (the “*Borrower*”) and Community Initiatives Development Corporation. Capitalized terms used and not defined herein shall have the meanings given such terms in the Indenture and the Sale Agreement.

Reference is hereby made to that certain: (i) Pledge and Security Agreement, dated as of December 1, 2007 (as amended, supplemented and assigned, the “*Security Agreement*”), between the Borrower and the Trustee; (ii) Guaranty Agreement, dated as of December 1, 2007 (as amended, supplemented and assigned, the “*Guaranty*”), from the Borrower in favor of the Trustee; (iii) Mortgage and Security Agreement and Assignment of Leases and Rents (Acquisition Loan), dated as of December 1, 2007 (as amended, supplemented and assigned, the “*Acquisition Loan Mortgage*”), from the Borrower to the Trustee; (iv) Mortgage and Security Agreement and Assignment of Leases and Rents (Building Loan), dated as of December 1, 2007 (as amended, supplemented and assigned, the “*Building Loan Mortgage*”), from the Borrower to the Trustee; and (v) Mortgage and Security Agreement and Assignment of Leases and Rents (Indirect Loan), dated as of December 1, 2007 (as amended, supplemented and assigned, the “*Indirect Loan Mortgage*” and collectively with the Building Loan Mortgage and the Acquisition Loan Mortgage, the “*Mortgages*” and each, a “*Mortgage*”), from the Borrower to the Trustee.

The purpose of this notice is to notify you of the occurrence of one or more Events of Default under the Indenture, the Sale Agreement, and related Security Documents.

¹ U.S. Bank is not responsible for the selection or use of CUSIP. It is included solely as a convenience.

Pursuant to Section 8.11 of the Indenture, the Trustee hereby notifies you of the occurrence of one or more Events of Default under the Indenture based upon the Borrower's failure to satisfy the covenants contained in Sections 4.8 and 6.24 of the Sale Agreement. Specifically, on May 11, 2012, the Borrower approved a budget for 2012 (the "**2012 Budget**") that failed to comply with the requirements of Section 4.8 of the Sale Agreement. The adoption of the 2012 Budget also caused the Borrower to fail to satisfy the coverage ratios set forth in Section 6.24 of the Sale Agreement. The failure by the Borrower to satisfy Section 6.24 of the Sale Agreement constitutes an automatic Event of Default under Section 7.1(b) of the Sale Agreement, which, in turn constitutes an Event of Default under Section 8.01(a)(5) of the Indenture. Additionally, the failure of the Borrower to satisfy Section 4.8 of the Sale Agreement constitutes a Default under Section 7.1(c) of the Sale Agreement, which ripened into an Event of Default under the Sale Agreement 30 days after notice from the Trustee, and thus constitutes an additional Event of Default under Section 8.1(a)(5) of the Indenture.

The Events of Default under the Indenture and Sale Agreement constitute Events of Default under Section 5.1(c) of the Security Agreement, Section 2.4(f) of the Guaranty and Section 22(g) of each Mortgage.

On July 16, 2012, the Borrower posted the notice (the "**Default Notice**") regarding the Events of Default attached hereto as Exhibit A to the Municipal Securities Rulemaking Board (MSRB) website ("**EMMA**"). On July 19, 2012, the Borrower notified the Trustee that it could not provide the certificate required by Section 7.04 of the Indenture, due to the occurrence of the above-described Events of Default.

Expiration of the Limited Waiver

As we have previously informed you, on May 11, 2012, the Trustee, pursuant to direction from Bondholders holding at least 66 2/3% of aggregate principal amount of the Bonds Outstanding (the "**Directing Holders**"), executed a Limited Waiver Agreement (the "**Limited Waiver**"). Among other things, the Limited Waiver required the Borrower's financial advisor, Mr. Edward Moran (the "**Advisor**") to analyze the Borrower's operations and financial condition and to explore possible opportunities to improve the Borrower's operations, revenues, financial condition and debt service capacity. The Limited Waiver is available on EMMA as an attachment to the Trustee's notice dated May 14, 2012. On June 25, 2012, the Advisor reported his findings to the Trustee, which the Trustee then posted to EMMA.

The Limited Waiver provided a 45-day period for the Advisor to conduct his investigation, during which the above described Events of Default would be waived on a limited and contingent basis as set forth in the Limited Waiver. The 45-day period in the Limited Waiver has now expired and thus the above described Events of Default have now occurred and are continuing.

In its Default Notice, the Borrower indicates that it "intends to continue to work with the bondholders on restructuring of the bonds or to renew the waiver based upon the current budget." As you know from our prior notices, the Trustee continues to interface with the Directing Bondholders regarding matters related to the Events of Default and the Bonds. The Trustee

anticipates continued interaction with the Borrower and the Directing Bondholders regarding these matters in the near future. Any Bondholder seeking more information on any matters related to the Events of Default or Bonds should contact the Trustee as indicated below.

General Information

The Trustee may invest funds held under the Indenture in a mutual fund for which either a) the Trustee receives a service fee from the fund or fund service provider, or b) investment or advisory services are provided by the Trustee or an affiliate of the Trustee. As such, the Trustee and its affiliates may receive compensation for the investment advisory, custodial, distribution and other services provided. A prospectus that explains the services and costs, including the rate, formula and method of calculating such compensation, is available by contacting U.S. Bank at (800) 934-6802, option #4, or at www.usbank.com/corp_trust/bondholder_contact.html.

Recent Notices can be found on the Municipal Securities Rulemaking Board (MSRB) website at www.emma.msrb.org. Bondholders with questions about this notice or the information contained herein should direct them, in writing, to: Susan Jacobsen, Vice President, U.S. Bank National Association, Mail Station EP-MN-WS1D, 60 Livingston Avenue, St. Paul, MN 55107-2292 or via email at susan.jacobsen2@usbank.com. Bondholders with other questions may contact U.S. Bank at (800) 934-6802, option #4 or at www.usbank.com/corp_trust/bondholder_contact.html.

The Trustee may conclude that a specific response to particular inquiries from individual holders is not consistent with equal and full dissemination of information to all Bondholders. Bondholders should not rely on the Trustee as their sole source of information. The Trustee makes no recommendations and gives no investment or tax advice herein or as to the Bonds generally.

Prior to any distribution to holders, funds held under the Indenture are to be used first for payment of the fees and costs incurred or to be incurred by the Trustee in performing its duties, as well as for any indemnities owing or to become owing to the Trustee. This includes, but is not limited to, compensation for Trustee time spent, and the fees and costs of counsel and other agents it employs, to pursue remedies or other actions to protect the security or other interests of holders.

U.S. Bank National Association, as Trustee

July 30, 2012

NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY CIVIC FACILITY REVENUE BONDS (BRONX PARKING DEVELOPMENT COMPANY, LLC PROJECT), SERIES 2007

CUSIPS: 649438FK9; 649438FL7; 649438FM5; 649438FN3

Bronx Parking Development Company, LLC (the "Company") makes the following disclosures in connection with the above-referenced bonds (the "Bonds"):

Expiration of Limited Waiver Agreement

On May 11, 2012, Bronx Parking Development Company, LLC ("BPDC") and U.S. Bank National Association, successor to The Bank of New York Mellon (formerly named The Bank of New York), solely in its capacity as Trustee (the "Indenture Trustee"), under that certain Indenture of Trust dated as of December 1, 2007 (as amended, supplemented or modified from time to time in accordance with its terms, the "Indenture"), on behalf of sixty-six and 2/3% of the bondholders (the "Bondholders") entered into a limited waiver agreement (the "Limited Waiver"). The Limited Waiver provided for a 45-day period after the execution of the agreement in which the Trustee would waive certain designated defaults under the Indenture and BPDC was required to cause the delivery of a report, containing, among other things, a restructuring analysis (the "Restructuring Analysis"), prepared by Edward Moran, financial advisor to BPDC during that period.

The Restructuring Analysis was delivered by Mr. Moran on June 25, 2012 and was posted on EMMA on June 26, 2012. The Limited Waiver has expired in accordance with its terms, and accordingly, an Event of Default now exists as a result of BPDC's adoption on May 4, 2012 of the 2012 budget pursuant to Sections 4.8 and 6.24 of that certain Installment Sale Agreement and Assignment of Lease dated as of December 1, 2007 (as amended, supplemented or modified from time to time in accordance with its terms, the "Installment Sale Agreement") with respect to the 2012 Budget Year, which has caused the Obligor to be in violation of Section 7.1 of the Installment Sale Agreement and Section 8.01(a)(5) of the Indenture (together with any Defaults or Events of Default in the Security Documents which have been caused by the foregoing violation).

The Borrower intends to continue to work with the bondholders on restructuring of the bonds or to renew the waiver based upon the current budget.

Dated: July 10, 2012