

Rockville Mill River, L.P. - -Preliminary Inducement and Official Intent Resolution

A regular meeting of the Nassau County Industrial Development Agency (the “Agency”) was convened in public session at the Theodore Roosevelt Executive & Legislative Building, Ceremonial Chambers, 1550 Franklin Avenue, Mineola, Nassau County, New York on May 27, 2021 at 6:30 p.m., local time.

The meeting was called to order by the Chairman, upon roll being called, the following members of the Agency were:

PRESENT:

Richard Kessel	Chairman
Anthony Simon	2nd Vice Chairman
Amy Flores	Treasurer
John Coumatos	Asst. Treasurer
Chris Fusco	Asst. Secretary
Timothy Williams	Secretary

NOT PRESENT:

Lewis M. Warren	Vice Chairman
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THE FOLLOWING ADDITIONAL PERSONS WERE PRESENT:

Harry Coghlan	Chief Executive Officer / Executive Director
Danielle Oglesby	Chief Operating Officer/ Deputy Executive Director
Anne LaMorte	Chief Financial Officer
Catherine Fee	Director of Business Development/Chief Marketing Officer
Colleen Pereira	Administrative Director
Carlene Wynter	Compliance Assistant
Thomas D. Glascock, Esq.	General Counsel
Andrew D. Komaromi, Esq.	Bond/Transactional Counsel

The attached resolution no. 2021-30 was offered by Timothy Williams, seconded by Richard Kessel.

RESOLUTION TAKING PRELIMINARY ACTION TOWARD THE
THE ISSUANCE OF UP TO \$32,000,000 PRINCIPAL AMOUNT OF TAX-EXEMPT AND/OR
TAXABLE BONDS FOR THE PURPOSE OF FINANCING AND/OR REFINANCING A
CERTAIN PROJECT (AS SET FORTH BELOW) FOR THE BENEFIT OF ROCKVILLE MILL
RIVER, L.P.; (2) DESCRIBING THE FORMS OF OTHER FINANCIAL ASSISTANCE
BEING CONTEMPLATED BY THE ISSUER WITH RESPECT TO SUCH PROJECT; AND
(3) AUTHORIZING A PUBLIC HEARING WITH RESPECT TO SUCH FINANCING AND
OTHER FINANCIAL ASSISTANCE AND AUTHORIZING THE EXECUTION AND DELIVERY
OF A PRELIMINARY AGREEMENT WITH THE APPLICANT WITH
RESPECT TO SUCH TRANSACTION

WHEREAS, the Nassau County Industrial Development Agency (the “Agency”) is authorized and empowered by the provisions of Chapter 1030 of the 1969 Laws of New York, constituting Title I of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the “Enabling Act”), and Chapter 674 of the 1975 Laws of New York, as amended, constituting Section 922 of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the “Act”) to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of manufacturing, industrial and commercial facilities, among others, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to acquire, construct, reconstruct and install one or more “projects” (as defined in the Act) or to cause said projects to be acquired, constructed, reconstructed and installed and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, on or about June 17, 2005, MILL RIVER RESIDENCES, L.P., a limited partnership organized and existing under the laws of the State of New York (the “Prior Company”), presented an application (the “Prior Application”) to the Agency, which Prior Application requested that the Agency consider undertaking a project (the “Original Project”) consisting of the following: (A) (1) the acquisition of an interest in (a) a parcel of land located at 40 Maine Avenue, Village of Rockville Centre, Town of Hempstead, County of Nassau, New York (the “Maine Parcel”), and (b) a parcel of land located at 1-20 Meehan Lane, Village of Rockville Centre, Town of Hempstead, County of Nassau, New York (the “Meehan Parcel” and together with the Maine Parcel, collectively, the “Land”), (2) the renovation of the existing apartment building on the Maine Parcel and the existing four (4) garden apartment buildings on the Meehan Parcel (collectively, the “Building”), together with related improvements to the Land, and (3) the acquisition and installation therein and thereon of certain furniture, fixtures, machinery and equipment (the “Original Equipment”), all of the foregoing to constitute a housing complex comprised of approximately 175 affordable housing units, together with associated parking areas (collectively, the “Facility”); (B) the financing of all or a portion of the costs of the foregoing by the issuance of tax-exempt and/or taxable revenue bonds of the

Agency in one or more series; (C) the granting of certain “financial assistance” (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions or partial exemptions from sales and use taxes, mortgage recording taxes and real property taxes (but not including special assessments and ad valorem levies) (together with the Bonds, collectively, the “Original Financial Assistance”); and (D) the lease (with an obligation to purchase) or sale of the Facility to the Company or such other entity as may be designated by the Company and agreed upon by the Agency; and

WHEREAS, in order to finance a portion of the costs of the acquisition, renovation, installation and equipping of the Original Project, and for incidental and related costs and to provide funds to pay certain of the costs and expenses of the issuance of the 2005 Bonds (as hereinafter defined), the Agency issued its Multifamily Housing Revenue Bonds (Mill River Residences Project), Series 2005, in the aggregate principal amount not to exceed \$14,725,000 (collectively, the “2005 Bonds”); and

WHEREAS, the 2005 Bonds were issued under a resolution (“Bond Resolution”) and the provisions of an Indenture of Trust, each dated as of December 1, 2005 (the “Indenture”) by and between the Agency and The Bank of New York, as trustee (the “Trustee”), for the holders of the Bonds and in connection therewith; and

WHEREAS, the Agency has agreed to sell the Facility to the Company under a certain Installment Sale Agreement, dated December 1, 2005, between the Agency and the Company (as amended, modified, supplemented or restated, the “Installment Sale Agreement”), pursuant to which title to the Facility will be conveyed to the Company after all payments under the Installment Sale Agreement have been made, as more fully described in the Installment Sale Agreement and the Agency and the Company entered into a PILOT Agreement dated December 1, 2005 by and between the Company and the Agency (the “Original PILOT”); and

WHEREAS, in 2017, the Company refinanced the Original Project through a mortgage made by KeyBank, and the 2005 Bonds were redeemed. In connection with the redemption of the 2005 Bonds, the Agency and the Company entered into a First Amendment of PILOT Agreement dated April 28, 2017 by and between the Company and the Agency (the Original PILOT, as so amended the “PILOT Agreement”).

WHEREAS, pursuant to a notification and consent request letter from the Company, and the Assignee, dated November 13, 2020 (collectively, the “Consent Request”), the Company and the Assignee (as such term is hereinafter defined) have requested that the Agency consent to (a) the transfer of the Company’s interest in the Original Project Facility by the Company to an entity or entities to be formed and controlled by Rockville Mill River, L.P. (the “Assignee”), (b) the assignment of the Installment Sale Agreement, PILOT Agreement and the other Transaction Documents by the Company to the Assignee (including the assignment, restatement, amendment or replacement of finance mortgages, provided that that no mortgage recording tax exemption has been requested nor may be utilized for the mortgage consented to herein) and (c) to the substitution of a new guarantor(s) and indemnitor(s), or the retention of the existing guarantor(s) and indemnitor(s) as determined and accepted by the Nassau County Industrial Agency at its sole discretion, respectively (“New Guarantor”), under the Guaranty

and Environmental Indemnity in the place of the existing guarantors (collectively, the “Proposed Transfer”); and

WHEREAS, pursuant to the Consent Request, the Company has requested that the Agency consent to the amendment of the Installment Sale Agreement and the other Transaction Documents as such term is defined therein to allow the Company to employ no less than five (5) full-time equivalent employees until the expiration of the Installment Sale Agreement (FTE Adjustment” and together with the Proposed Transfer, the “Proposed 2020 Transaction”); and

WHEREAS, the Agency consented to the Proposed 2020 Transaction and the Facility was transferred to ROCKVILLE MILL RIVER, L.P. (the “Company”) and the Company was assigned and assumed the Installment Sale Agreement, PILOT Agreement and the other Transaction Documents.

WHEREAS, on or about May 20, 2021, the Company, presented an application (the “Application”) to the Agency, which Application requested that the Agency consider undertaking an amendment of the Original Project, (as so amended, hereinafter referred to as the “Project”) consisting of the following: (A) (1) the retention of the Land), (2) the renovation and upgrading of the Building, together with related improvements to the Land, and (3) the acquisition and installation therein and thereon of certain new furniture, fixtures, machinery and equipment (the “Equipment”), all of the foregoing to continue to constitute the Facility; (B) the financing of all or a portion of the costs of the foregoing by the issuance of tax-exempt and/or taxable revenue bonds of the Agency in one or more series (the “Bonds”); (C) the granting of certain additional “financial assistance” (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential additional exemptions or partial exemptions from sales and use taxes, mortgage recording taxes and real property taxes (but not including special assessments and ad valorem levies) (together with the Bonds, collectively, the “Financial Assistance”); and (D) the lease (with an obligation to purchase) or sale of the Facility to the Company or such other entity as may be designated by the Company and agreed upon by the Agency; and

WHEREAS, the Agency has given due consideration to the Application and to the representations made by the Applicant therein, in certain supplemental documents and at this meeting, including, without limitation, representations of the Applicant that: (A) the granting by the Agency of the Financial Assistance with respect to the Project Facility will be an inducement to the Applicant to undertake the Project in Nassau County, New York; (B) the completion of the Project and the continued leasing and operation of the Project Facility will not result in the removal of a facility or plant of the Applicant or any tenant, user or occupant of the Project Facility from one area of the State of New York (the “State”) to another area of the State or in the abandonment of one or more plants or facilities of the Applicant or any tenant, user or occupant of the Project Facility located in the State but outside Nassau County, New York; (C) the Project will serve the public purposes of the Act by preserving permanent, private sector jobs and increasing the overall number of permanent, private sector jobs in the State; and (D) the granting of the Financial Assistance by the Agency will promote the job opportunities, health, general prosperity and economic welfare of the inhabitants of Nassau County, New York, and improve their standard of living, and prevent unemployment and economic deterioration, and thereby serve the public purposes of the Act; and

WHEREAS, a portion of the Financial Assistance consisting of an exemption from real property taxes, if granted, may represent a deviation from the Agency's uniform tax exemption policy with respect to the making of payments in lieu of real property taxes; and

WHEREAS, any approval of the Project is contingent upon, among other things, a final determination by the members of the Agency to proceed with the Project following determinations by the Agency that: (A) the public hearing and notice requirements and other procedural requirements contained in the Act relating to the Project and the Financial Assistance have been satisfied; and (B) the undertaking of the Project by the Agency and the granting of the Financial Assistance are and will be in compliance with all other applicable requirements of the Act, Article 8 of the Environmental Conservation Law (the "SEQR Act") and the regulations adopted pursuant thereto (the "Regulations" and together with the SEQR Act, collectively, "SEQRA"), and all other statutes, codes, laws, rules and regulations of any governmental authority having jurisdiction over the Project or the Project Facility (collectively, the "Applicable Laws"); and

WHEREAS, the Agency desires to encourage the Applicant to preserve and advance the job opportunities, health, general prosperity and economic welfare of the people of Nassau County, New York, and to prevent unemployment and economic deterioration, by undertaking the Project in Nassau County, New York; and

WHEREAS, a preliminary agreement (the "Preliminary Agreement") relative to the proposed undertaking of the Project by the Agency has been or will be delivered to the Applicant for execution;

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:

Section 1. The Agency hereby authorizes the Chief Executive Office/Executive Director of the Agency (and hereby ratifies any actions taken to date by the Chief Executive Officer/Executive Director): (A) to establish a time, date and place for a public hearing of the Agency (the "Public Hearing") as required by Article 18-A of the New York State General Municipal Law and Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code") to hear all persons interested in the location and nature of the Project and the proposed Financial Assistance being contemplated by the Agency with respect to the Project, said Public Hearing to be held in the city, town or village within which the Project Facility is or will be located; (B) to cause notice of said Public Hearing to be given to the public by publishing a notice of said Public Hearing in a newspaper of general circulation available to residents of the governmental units where the Project Facility is or is to be located, such notice to comply with the requirements of and to be published in accordance with the requirements of the Act; (C) to cause notice of said Public Hearing, pursuant to the Act, to be given to the chief executive officer of the County of Nassau, New York, and of each city, town, village, school district and other affected tax jurisdiction in which the Project Facility is or is to be located; (D) to establish a time, date and place for a meeting of the Agency (the "IDA Meeting") to consider whether to approve a proposed deviation from the Agency's uniform tax exemption policy in accordance with the Act if the Executive Director determines that the portion of the Financial Assistance consisting of an exemption from real property taxes constitutes a deviation from such policy; (E) to cause notice of any such proposed deviation from the Agency's uniform tax exemption policy and of the IDA Meeting to be given to the chief executive officer of each affected tax jurisdiction

in accordance with the Act; (F) to conduct the Public Hearing or to authorize a hearing officer to conduct the Public Hearing; (G) to cause a report of the Public Hearing fairly summarizing the views presented at said Public Hearing to be promptly prepared and cause copies of said report to be made available to the members of the Agency; (H) to hold the IDA Meeting and to review and respond to any correspondence received from the affected tax jurisdictions regarding the proposed deviation from the Agency's uniform tax exemption policy, if applicable; and (I) to otherwise comply with all other procedural and other requirements imposed on the Agency pursuant to Applicable Laws with respect to the Project and/or the Financial Assistance.

Section 2. The proposed financial assistance being contemplated by the Issuer includes (i) financing a portion of the costs of the Project by the issuance of the Bonds in an amount not to exceed the lesser of the Project Costs or \$32,000,000, (ii) an exemption from all state and local sales and use taxes with respect to the qualifying personal property included within the Project or used in the acquisition, renovation, reconstruction or equipping of the Project; provided, however, that such benefit shall not exceed \$100,000 until such time as the Issuer shall have held a public hearing and passed a subsequent resolution, and (iii) an exemption from all New York State and local mortgage recording taxes with respect to any qualifying mortgage on the Facility (or such interest in the Facility as is conveyed to the Issuer) to secure the Bonds; and (iv) the retention of title to or a leasehold interest in the Facility by the Issuer for a period of time so as to enable the Company to enter amend its existing PILOT Agreement with the Issuer (i, ii, iii, and iv constitute the "Financial Assistance").

Section 3. The Applicant is hereby authorized to conduct such environmental, engineering, economic, feasibility and other studies and preliminary planning and budgetary processes necessary or convenient to enable the Agency to make its determination whether to proceed with the Project and to grant the Financial Assistance; provided, however, that such authorization shall not entitle or permit the Applicant to commence the acquisition, construction, installation or equipping of the Project Facility on behalf of the Agency unless and until the Agency shall determine that all requirements of Applicable Laws have been fulfilled. The officers, agents and employees of the Agency are hereby directed to proceed to do such things or perform such acts as may allow the Agency to proceed to its final consideration of the Project. This Resolution constitutes an authorization to conduct concurrent environmental, engineering, economic, feasibility and other studies and preliminary planning with respect to the Project within the meaning of Section 617.3(c)(2) of the Regulations and a determination of compliance with technical requirements within the meaning of Section 617.3(c)(2) of the Regulations and does not constitute, and shall not be deemed to constitute, either an approval by the Agency of the Project for the purposes of the Act or SEQRA or a commitment by the Agency to approve the Project or to grant the Financial Assistance.

Section 4. Any expenses incurred by the Agency with respect to the Project and/or the financing thereof shall be paid by the Applicant as set forth in the Preliminary Agreement.

Section 5. The findings of the Agency set forth herein are expressly conditioned upon full compliance of the Applicant, the Project and the Project Facility with all Applicable Laws, and the Applicant shall be required to provide evidence of same satisfactory to the Agency prior to the granting of any Financial Assistance. The granting of the Financial Assistance, as contemplated by Paragraph 3 of this Resolution, shall be subject to:

(a) agreement by the Issuer, the Company and the purchaser of the Bonds on mutually acceptable terms for the Bonds and for the sale and delivery thereof and mutually acceptable terms and conditions for the security for the payment thereof; and

(b) approval by the County Executive of Nassau County of the issuance of the Bonds in accordance with the provisions of Section 147(f) of the Code; and

(c) compliance by the Issuer with the volume cap limitation set forth in Section 146 of the Code and with any applicable New York State law, such that interest on the Bonds shall not be included in gross income for purposes of Federal income taxation; and

(d) holding a public hearing as required by Article 18-A of the New York State General Municipal Law and Section 147(f) of the Code.

Section 6. If, following full compliance with all Applicable Laws, the Agency adopts a future resolution (the “Future Resolution”) determining to proceed with the Project and to issue the Bonds, loan the proceeds thereof to the Company and grant the other Financial Assistance, or any portion thereof, with respect to the Project and the Applicant complies with all conditions set forth in the Preliminary Agreement and the Future Resolution, then the Agency will (A) issue the Bonds pursuant to an Indenture or similar agreement, retain an interest in the Project Facility pursuant to a deed, lease agreement, assignment of lease, license, bill of sale and/or other documentation to be negotiated between the Agency and the Applicant (the “Acquisition Agreement”); (B) renovate, install and equip the Building and acquire and install the Equipment; (C) lease (with the obligation to purchase), license or sell the Project Facility to the Applicant pursuant to a lease agreement or an installment sale agreement (the “Project Agreement”) to be negotiated between the Agency and the Applicant; and (D) provide the Financial Assistance with respect to the Project, all as contemplated by the Preliminary Agreement and the Future Resolution.

Section 7. The form, terms and substance of the Preliminary Agreement (in substantially the form presented at this meeting and attached hereto) are in all respects approved, and the Chairman, Vice Chairman, Chief Executive Office/Executive Director, Chief Operating Officer/Deputy Executive Director or Administrative Director of the Agency are each hereby authorized, empowered and directed, acting individually or jointly, to execute and deliver said Preliminary Agreement in the name and on behalf of the Agency, with such changes therein as shall be approved by the officer executing same on behalf of the Agency, the execution thereof by such officer to constitute conclusive evidence of such officer's approval of any and all changes or revisions therein from the form now before this meeting.

Section 8. From and after the execution and delivery of the Preliminary Agreement, the officers, agents and employees of the Agency are hereby authorized, empowered and directed, acting individually or jointly, to proceed with the undertakings provided for therein on the part of the Agency, and are further authorized to do all such acts and things and to execute all such documents as may be necessary or convenient to carry out and comply with the terms and provisions of the Preliminary Agreement as and when executed.

Section 9. The law firm of Harris Beach PLLC, Uniondale, New York, is hereby appointed Special Counsel to the Agency with respect to all matters in connection with the Project.

Special Counsel for the Agency is hereby authorized, at the expense of the Applicants, to work with counsel to the Agency, the Applicants, counsel to the Applicants, and others to prepare, for submission to the Agency, all documents necessary to effect the transactions contemplated by this Resolution.

Section 10. This Resolution shall constitute the adoption of “official intent” (within the meaning of the United States Treasury Regulations Section 1.150-2(d) with respect to issuance of the Bonds and the original expenditures which are reasonably expected to be reimbursed from the proceeds of the Bonds.

Section 11. The Chairman, Vice Chairman, Chief Executive Office/Executive Director, Chief Operating Officer/Deputy Executive Director and Administrative Director of the Agency are each hereby authorized and directed to distribute copies of this Resolution to the Applicants and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution.

The question of the adoption of the foregoing Resolution was duly put to a vote on roll call, which resulted as follows:

Richard Kessel	VOTING	Aye
Lewis M. Warren	ABSENT	ABSENT
Anthony Simon	VOTING	Aye
Timothy Williams	VOTING	Aye
Chris Fusco	VOTING	Aye
Amy Flores	VOTING	Aye
John Coumatos	VOTING	Aye

The foregoing Resolution was thereupon declared duly adopted.

STATE OF NEW YORK

) SS.:

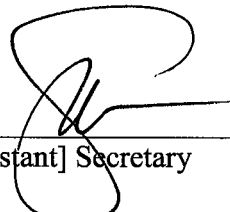
COUNTY OF NASSAU

We, the undersigned [Vice] Chairman and [Assistant] Secretary of the Nassau County Industrial Development Agency (the "Agency"), do hereby certify that we have compared the foregoing extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on May 27, 2021 with the original thereof on file in our office, and that the same is a true and correct copy of said original and of such Resolution set forth therein and of the whole of said original so far as the same relates to the subject matters therein referred to.

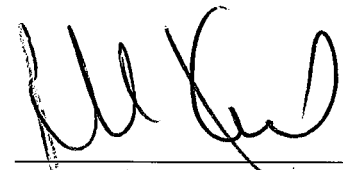
WE FURTHER CERTIFY that (A) all members of the Agency had due notice of said meeting; (B) said meeting was in all respects duly held; (C) pursuant to Article 7 of the Public Officers Law (the "Open Meetings Law"), said meeting was open to the general public, and due notice of the time and place of said meeting was duly given in accordance with such Open Meetings Law; and (D) there was a quorum of the members of the Agency present throughout said meeting.

WE FURTHER CERTIFY that, as of the date hereof, the attached Resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, we have hereunto set our respective hands and affixed the seal of the Agency this 27th day of May 2021.



[Assistant] Secretary



[Vice] Chairman

(SEAL)