

ROCKVILLE MILL RIVER, L.P. PILOT Deviation 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 September 21, 2021 at 7:30 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
Lewis M. Warren	Vice Chairman - EXCUSED
Anthony Simon	2nd Vice Chairman
Amy Flores	Treasurer
John Coumatos	Asst. Treasurer
Chris Fusco	Asst. Secretary
Timothy Williams	Secretary

THE FOLLOWING ADDITIONAL PERSONS WERE PRESENT:

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

The attached resolution no. 2021-65 was offered by Anthony Simon, seconded by Amy Flores.

RESOLUTION AUTHORIZING A DEVIATION FROM THE UNIFORM
TAX EXEMPTION POLICY OF THE NASSAU COUNTY
INDUSTRIAL DEVELOPMENT AGENCY WITH RESPECT
TO A PROJECT FOR ROCKVILLE MILL RIVER, L.P..

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 1 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 “Original Applicant”), presented an application to the Agency, which 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 “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 (the “Bonds”); (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 Original Applicant or such other entity as may be designated by the Original Applicant 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, 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 the Agency and the Original Applicant entered into a Payment in Lieu of Taxes Agreement dated December 1, 2005 by and between the Original Applicant and the Agency (the “Original PILOT”); and

WHEREAS, in 2017, the Original Applicant refinanced the Project through a mortgage loan made by KeyBank, and the 2005 Bonds were redeemed (the “KeyBank Mortgage Loan”); and

WHEREAS, on or about December 16, 2020, the Original Applicant, with the consent of the Agency, transferred the Original Applicant’s interest in the Project Facility to Rockville Mill River, L.P. (the “Company”), and assigned the Original PILOT and certain other transaction documents related thereto (the “Transaction Documents”) to the Company in connection with the repayment of the KeyBank Mortgage Loan and new acquisition financing made by Merchants Bank of Indiana (the “Merchants Mortgage Loan”); and

WHEREAS, on or about May 20, 2021, the Company has 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 and refinancing the Merchants Mortgage Loan by the issuance of tax-exempt and/or taxable revenue bonds of the Agency in one or more series presently estimated to be in the aggregate principal amount of \$33,225,000 and in no event to exceed \$33,624,185 (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, it is intended that the portion of the Bonds issued as tax-exempt obligations will be issued as exempt facility bonds for a qualified residential rental project, pursuant to Section 142(a)(7) of the Code, the interest on which will be excluded from gross income for federal income tax purposes pursuant to Section 103(a) of the Code; and

WHEREAS, the Company is seeking to extend the term of the Original PILOT and to make additional capital expenditures, with a concomitant extension of the commitment to the Agency to operate the Project Facility, including renovations to the Project Facility that include interior renovations and replacing concrete sidewalks; and

WHEREAS, to secure Bond refinancing to maintain the Project Facility, the Company needs to ensure a stable tax base during the term of the lender mortgage that will finance the capital expenditures; and

WHEREAS, the Application states that the Applicant is seeking an exemption from real property taxes with respect to the Project Facility that constitutes a deviation from the Agency's Uniform Tax Exemption Policy (the "Tax Exemption Policy"); and

WHEREAS, the Application states that the Company is seeking an abatement of real property taxes. However, based upon preliminary negotiations between representatives of the Company and the Agency, the parties contemplate that the Agency may agree to grant additional real property tax exemption with respect to the Project Facility consisting of an additional five (5) years of property tax exemptions to follow the existing approximately 29 year exemption term under the Original PILOT. Accordingly, the amount payable in the calendar year 2034 would be thereafter payable for each of the five (5) subsequent years with annual increases of 3.00% per year (compounded) each fiscal tax year (i.e. years 2035-2039 of the term of the Original PILOT, as so extended.)

WHEREAS, pursuant to Section 874(4) of the Act, (A) the Executive Director of the Agency caused a letter dated August 27, 2021, and as amended as to the description of the amended PILOT term, only, September 7, 2021 (the "Pilot Deviation Notice Letter") mailed to the chief executive officer of each affected tax jurisdiction, informing said individuals that the Agency would, at its meeting on September 21, 2021 (the "IDA Meeting"), consider a proposed deviation from the Tax Exemption Policy with respect to the payments in lieu of real property taxes to be made pursuant to a payment in lieu of taxes agreement to be entered into by the Agency with respect to the Project Facility; and (B) the members of the Agency conducted the IDA Meeting on the date hereof and reviewed any comments and correspondence received with respect to the proposed deviation from the Tax Exemption Policy; and

WHEREAS, the Agency desires to provide for compliance with the provisions of Section 874(4) of the Act with respect to the proposed deviation from the Tax Exemption Policy;

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

Section 1. Prior to making the determinations set forth in this resolution, the members of the Agency have considered the following factors set forth in the Tax Exemption Policy: (1) the extent to which the Proposed Project would create or retain permanent jobs; (2) the extent to which the Proposed Project would create construction jobs; (3) the estimated value of tax exemptions to be provided with respect to the Proposed Project; (4) the amount of private sector investment generated or likely to be generated by the Proposed Project; (5) the likelihood of the Proposed Project being accomplished in a timely manner; (6) the extent of new revenue that would be provided to affected tax jurisdictions as a result of the Proposed Project; (7) whether affected tax jurisdictions would be reimbursed by the Applicant if a Proposed Project does not fulfill the purposes for which an exemption was provided, (8) the impact of the Proposed Project on existing and proposed businesses and economic development projects in the vicinity, (9) the demonstrated public support for the Proposed Project, (10) the effect of the Proposed Project on

the environment, (11) the extent to which the Proposed Project would require the provision of additional services, including, but not limited to, additional educational, transportation, police, emergency, medical or fire services, and (12) any other miscellaneous public benefits that might result from the Proposed Project.

Section 2. The Agency hereby determines that the Agency has fully complied with the requirements of Section 874(4) of the Act relating to the proposed deviation from the Tax Exemption Policy.

Section 3. Having reviewed all comments and correspondence received at or prior to the IDA Meeting, the Agency hereby approves the proposed deviation from the Tax Exemption Policy as described in the Pilot Deviation Notice Letter (a copy of which is attached hereto as Exhibit A) because the proposed deviation is necessary to induce the Applicant to undertake the Proposed Project and because the PILOT payments would not be lower than the highest annual PILOT payment under final year of the Original PILOT Agreement.

Section 4. The Chairman, the Vice Chairman, the Chief Executive Officer/Executive Director, Chief Operating Officer and the Administrative Director of the Agency are each hereby authorized and directed, acting individually or jointly, to distribute copies of this Resolution to the Applicant and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution. If the Agency hereafter adopts appropriate final approving resolutions with respect to the proposed straight-lease transaction with the Applicant (the “Transaction”), the Chairman, the Vice Chairman, the Chief Executive Officer/Executive Director, Chief Operating Officer and the Administrative Director of the Agency are each hereby authorized and directed, acting individually or jointly, to cause the Agency to (A) enter into a Payment in Lieu of Taxes Agreement with the Applicant, providing, among other things, that the Applicant shall make payments in lieu of taxes consistent with the formula set forth in the PILOT Deviation Notice Letter, and (B) file an application for real property tax exemption with the appropriate assessor(s) with respect to the Project Facility.

Section 5. This Resolution shall take effect immediately, but is subject to and conditioned upon the closing of the Transaction.

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	VOTING	EXCUSED
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.:

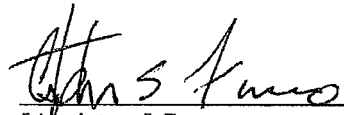
COUNTY OF NASSAU

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 September 21, 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 21st day of September 2021.



[Assistant] Secretary

[Vice] Chairman

(SEAL)

STATE OF NEW YORK

) SS.:

COUNTY OF NASSAU

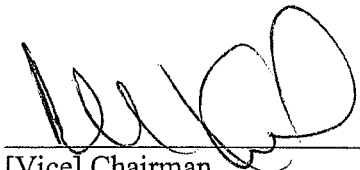
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[Assistant] Secretary



[Vice] Chairman

(SEAL)

PILOT DEVIATION LETTER



1
NASSAU COUNTY
INDUSTRIAL
DEVELOPMENT
AGENCY

September 7, 2021

**CERTIFIED MAIL, RETURN
RECEIPT REQUESTED and
FIRST CLASS MAIL**

County Executive Laura Curran
County of Nassau
1550 Franklin Avenue
Mineola, NY 11501

Town of Hempstead
Supervisor Donald X. Clavin, Jr.
1 Washington Street
Hempstead, NY 11550

Mayor Francis X. Murray
Village of Rockville Centre
P.O. Box 950
Rockville Centre, NY 11571-0950

June Chang, Superintendent
Rockville Centre School District
128 Shepherd Street
Rockville Centre, NY 11570-2298

**AMENDMENT AND RESTATEMENT OF NOTICE
OF PROPOSED DEVIATION FROM
UNIFORM TAX EXEMPTION POLICY**

Ladies and Gentlemen:

You have previously received a notice from the Agency, dated August 27, 2021, regarding the application of Rockville Mill River, L.P.

Said notice is hereby amended and restated in its entirety. Notice is hereby given that at a meeting of the Nassau County Industrial Development Agency (the "Agency") to be held on September 21, 2021 at 6:45 p.m. local time and to be conducted in the Nassau County Ceremonial Chamber, 1550 Franklin Avenue, Mineola, New York 11501, the Agency will consider whether to approve the application of the Company (as defined below), for certain "financial assistance" which, if granted, would deviate from the

CONNECT WITH US

1550 Franklin Avenue
Mineola, NY 11501

Phone: (516) 437-2873
Fax: (516) 437-1376

info@nassaida.org
nassaida.org

Agency's Uniform Tax Exemption Policy (the "Policy") with respect to the payment of real property taxes. The meeting of the Agency will be open to the public.

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 "Original Applicant"), presented an application to the Agency, which 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 "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 (the "Bonds"); (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 Original Applicant or such other entity as may be designated by the Original Applicant and agreed upon by the Agency.

In order to finance a portion of the costs of the acquisition, renovation, installation and equipping of the Original Project, 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 the Agency and the Original Applicant entered into a Payment in Lieu of Taxes Agreement dated December 1, 2005 by and between the Original Applicant and the Agency (the "Original PILOT").

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On or about May 20, 2021, the Company has 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 and refinancing the Merchants Mortgage Loan by the issuance of tax-exempt and/or taxable revenue bonds of the Agency in one or more series presently estimated to be in the aggregate principal amount of \$33,225,000 and in no event to exceed \$33,624,185 (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.

The Application states that the Company is seeking an abatement of real property taxes. However, based upon preliminary negotiations between representatives of the Company and the Agency, the parties contemplate that the Agency may agree to grant additional real property tax exemption with respect to the Project Facility consisting of an additional five (5) years of property tax exemptions to follow the existing approximately 29 year exemption term under the Original PILOT. Accordingly, the amount payable in the calendar year 2034 would be thereafter payable for each of the five (5) subsequent years with annual increases of 3.00% per year (compounded) each fiscal tax year (i.e. years 2035-2039 of the term of the Original PILOT, as so extended.)

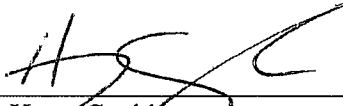
Thereafter, and through the end of the term of the project agreement, lease or installment sale agreement with respect to the Project Facility, the payments would be equal to the real property taxes and assessments that would be payable as if the Project Facility were returned to the tax rolls as taxable property and subject to taxation at its then current, full assessed value, as the same may be reassessed from time to time, and subject to tax rate increases imposed by the affected tax jurisdictions.

The Property Tax Exemption, if approved by the Agency, would constitute a deviation from the Policy.

The reason for the deviation is that the Property Tax Exemption, if approved by the Agency, is necessary to induce the Company to undertake the Project and that the PILOT payments would not be lower than the real property taxes that should otherwise apply with respect to the Land and the existing improvements thereon as of the Closing Date.

Sincerely,

NASSAU COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: 
Harry Coghlan
Chief Executive Officer