

NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY,

AND

AR HICKSVILLE LLC

UNIFORM PROJECT AGREEMENT

DATED AS OF November 1, 2023



UNIFORM PROJECT AGREEMENT

THIS UNIFORM PROJECT AGREEMENT (hereinafter, the “Project Agreement”), is made as of the 1st day of November, 2023, by and between the NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State of New York, having an office at One West Street, Mineola, New York 11501 (the “Agency”), and AR HICKSVILLE LLC, a limited liability company organized and existing under the laws of the State of Delaware and authorized to do business in the State of New York, having an office at 257 Park Avenue South, 13th Floor, New York, NY 10010 (the “Company”).

WITNESSETH:

WHEREAS, 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, as in effect as of the Closing Date (as hereinafter defined), 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 industrial, manufacturing, warehousing, commercial, research and recreation 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, the Company, on behalf of itself and entities formed or to be formed on its behalf (together with the Company, the “Applicant”), have presented an application for financial assistance (the “Application”) to the Agency, which Application requests that the Agency consider undertaking a project (the “Project”) consisting of the following: (A)(1) the acquisition of a 2.162 acre parcel of land located at 99 Newbridge Road, 4 Duffy Avenue and 2-10 Jerusalem Avenue, Hicksville, Town of Oyster Bay, Nassau County, New York (Section: 11; Block: G; Lot: 4, 30 and 235) (the “Land”), (2) the construction of an approximately 382,725 square foot building, consisting of 233,517 square feet for occupied space and 149,208 square feet of structured parking (collectively, the “Building”) on the Land, together with related improvements to the Land, (3) the acquisition of certain furniture, fixtures, machinery and equipment (the “Equipment”) necessary for the completion thereof (collectively, the “Project Facility”), all of the foregoing for use by the Applicant as an approximately one-hundred-eighty-nine (189) unit residential rental housing facility, including nineteen (19) affordable residential rental apartments, and approximately 7,660 square feet of retail space, together with surface parking; (B) the granting of certain “financial assistance” (within the meaning of Section 854(14)

of the General Municipal Law) with respect to the foregoing in the form of potential exemptions or partial exemptions from real property taxes, mortgage recording taxes and sales and use taxes (collectively, the “Financial Assistance”); and (C) the lease (with an obligation to purchase), license or sale of the Project Facility to the Applicant or such other entity as may be designated by the Applicant and agreed upon by the Agency; and

WHEREAS, by resolution adopted by the members of the Agency on March 3, 2022 (the “Preliminary Inducement Resolution”), the Agency, following a review of the Application, determined to take preliminary action toward the acquisition and straight leasing of the Project for the Company and made a determination to proceed with the Project; and

WHEREAS, the Administrative Director of the Agency (A) caused notice of a public hearing of the Agency pursuant to Section 859-a of the Act to hear all persons interested in the Project and the Financial Assistance contemplated by the Agency with respect to the Project, to be mailed on June 2, 2023 to the chief executive officer of Nassau County, New York and of each other affected tax jurisdiction within which the Project Facility is or is to be located; (B) caused notice of the Public Hearing to be published on June 3, 2023 in the Nassau edition of Newsday, a newspaper of general circulation available to residents of the County of Nassau, New York; (C) caused the Public Hearing to be conducted on June 20, 2023, at 1:00p.m., local time, at the Oyster Bay Community Center, 59 Church Street, Oyster Bay, Nassau County, New York, in furtherance of the provisions of Section 859-a of the General Municipal Law requiring interested parties be provided a reasonable opportunity, both orally and in writing, to present their views with respect to the Project (the “Public Hearing”), and (D) caused a report of the Public Hearing (the “Report”) to be prepared which fairly summarizes the views presented at the Public Hearing and distributed the Report to the members of the Agency; and

WHEREAS, in accordance with Section 874(4) of the Act, (A) the Administrative Director of the Agency caused notice of a meeting of the Agency (the “IDA Meeting”) with respect to the proposed deviation from the Agency’s uniform tax exemption policy to be mailed on June 2, 2023 to the chief executive officer of each affected tax jurisdiction; and (B) the members of the Agency conducted the IDA Meeting on June 22, 2023 and reviewed any written comments or correspondence received with respect to the proposed deviation from the Agency’s uniform tax exemption policy and approved the proposed deviation; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the “SEQR Act”), and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (the “Regulations,” and collectively with the SEQR Act, “SEQRA”), the appropriate personnel of the Agency reviewed the environmental assessment form and other materials submitted by the Company and made any necessary comments to the members of the Agency, and by resolution of the members of the Agency adopted on June 22, 2023 the Agency decided to conduct an uncoordinated review of the Project and determined that the Project will not have a significant adverse environmental impact and that an environmental impact statement will not be prepared; and

WHEREAS, by resolution adopted by the members of the Agency on June 22, 2023 (the “Authorizing Resolution”), the Agency, following a review of the Report, determined to proceed with the Project, to grant the Financial Assistance and to enter into the “straight lease transaction” (as such quoted term is defined in the Act) contemplated by the Sublease and the other Transaction Documents (as hereinafter defined); and

WHEREAS, by its Resolution, the Agency approved certain financial assistance for the benefit of the Company in connection with the Project as well as certain benefits, exemptions and other financial assistance consisting of: (a) an exemption from all New York State and local sales and use tax for purchases and rentals related to the Project with respect to the qualifying personal property included in or incorporated into the Project Facility or used in the acquisition, construction or equipping of the Project Facility, (b) a partial exemption from mortgage recording tax (by reason of Section 874 of the General Municipal Law; **provided, however, such section does not exempt the additional mortgage recording tax imposed on real property located within a transportation district pursuant to Sections 253(2)(a) of the Tax Law**) with respect to the Lender Mortgage, if any, and of the PILOT Mortgage, and (c) a partial abatement from real property taxes conferred through a certain payment in lieu of tax agreement, between the Agency and the Company (the “PILOT Agreement”) requiring the Company to make payments-in-lieu-of-taxes, as more particularly set forth therein (“PILOT Payments”) for the benefit of each municipality and school district having taxing jurisdiction over the Project (collectively, the sales and use tax exemption benefit, the mortgage recording tax exemption benefit, and the partial abatement from real property taxes benefit, are hereinafter collectively referred to as the “Financial Assistance”); and

WHEREAS, pursuant to and in accordance with Sections 859-a and 874 of the Act, the Agency requires, as a condition and as an inducement for it to provide any Financial Assistance, that the Company enter into this Project Agreement for the purposes of, among other things, to govern administration of and provide assurances with respect to the provision and recapture of said Financial Assistance upon the terms herein set forth; and

WHEREAS, this Project Agreement sets forth the terms and conditions under which Financial Assistance shall be provided to the Company; and

WHEREAS, no agency appointment in favor of the Company or any subagent thereof, nor any amount of Financial Assistance shall be provided to the Company by the Agency prior to the effective date of this Project Agreement; and

WHEREAS, immediately after the execution and delivery of this Project Agreement, the Company will execute and deliver or cause to be executed and delivered to the Agency (A) a certain company lease agreement of even date herewith (the “Company Lease”) between the Company and the Agency, which conveys to the Agency a leasehold interest in and to the Land and the Building, and (B) a bill of sale dated the Closing Date (the “Bill of Sale to Agency”), which conveys to the Agency all right, title and interest of the Company in and to the Equipment; and

WHEREAS, the Agency proposes to appoint the Company as agent of the Agency to undertake the acquisition, construction, renovation, installation and equipping of the Project

Facility, to lease the Project Facility from the Company pursuant to the Company Lease and to sublease the Project Facility to the Company, and the Company desires to act as agent of the Agency to undertake the acquisition, construction, renovation, installation and equipping of the Project Facility, to lease the Project Facility to the Agency and to sublease the Project Facility from the Agency, all pursuant to the terms and conditions set forth herein and in that certain Sublease Agreement of even date herewith (as the same may be amended, modified, supplemented or restated from time to time, the “Sublease Agreement”) between the Agency and the Company; and

WHEREAS, the members of the Agency have determined that (A) the granting of the Financial Assistance by the Agency to the Company is necessary to induce the Company to proceed with the Project, and (B) there is a likelihood that the Project would not be undertaken but for the granting of the Financial Assistance by the Agency to the Company; and

WHEREAS, pursuant to a certain Payment in Lieu of Taxes Agreement of even date herewith, the Company has agreed to make certain payments in lieu of real property taxes with respect to the Premises, and such obligation is secured by a Mortgage and Assignment of Leases and Rents dated as of November 1, 2023 (the “PILOT Mortgage”) from the Company and the Agency, as mortgagor, to the County of Nassau, as mortgagee (the “PILOT Mortgage”), pursuant to which the Agency and the Company grant a first lien mortgage on the Premises to the PILOT Mortgagee;

NOW THEREFORE, in consideration of the covenants herein contained and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, it is mutually agreed as follows:

**ARTICLE I.
DEFINITIONS**

Section 1.1 Definitions of Terms. The words and terms as used in this Project Agreement shall have the same meanings as used in **Schedule A** attached hereto and made a part hereof, unless the context or use indicates another or different meaning or intent.

**ARTICLE II.
REPRESENTATIONS AND COVENANTS**

Section 2.1 Representations and Covenants of the Company. The Company makes the following representations and covenants in order to induce the Agency to proceed with the Project/Facility:

a) The Company is a limited liability company formed in the State of Delaware and authorized to do business in the State of New York, validly existing and in good standing under the laws of the States of Delaware and New York, has the authority to enter into this Project Agreement, and has duly authorized the execution and delivery of this Project Agreement.

b) Neither the execution and delivery of this Project Agreement, the consummation of the transactions contemplated hereby nor the fulfillment of or compliance with the provisions of this Project Agreement will conflict with or result in a breach of any of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Company is a party or by which it is bound, or will constitute a default under any of the foregoing, or result in the creation or imposition of any lien of any nature upon any of the property of the Company under the terms of any such instrument or agreement.

c) The Project Facility and the operation thereof will conform with all applicable zoning, planning, and building laws and regulations of governmental authorities having jurisdiction over the Project Facility, and the Company shall defend, indemnify and hold the Agency harmless from any liability or expenses resulting from any failure by the Company to comply with the provisions of this subsection (c).

d) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body pending or, to the knowledge of the Company, threatened against or affecting the Company, to which the Company is a party, and in which an adverse result would in any way diminish or adversely impact on the Company's ability to fulfill its obligations under this Project Agreement.

e) The Company covenants that the Project Facility will comply in all respects with all environmental laws and regulations, and except in compliance with environmental laws and regulations, (i) that no pollutants, contaminants, solid wastes, or toxic or hazardous substances will be stored, treated, generated, disposed of, or allowed to exist on the Project Facility except in compliance with all material applicable laws, (ii) that the Company will take all reasonable and prudent steps to prevent an unlawful release of hazardous substances onto the Project Facility or onto any other property, (iii) that no asbestos will be incorporated into or disposed of on the Project Facility, (iv) that no underground storage tanks will be located on the Project Facility, and (v) that no investigation, order, agreement, notice, demand or settlement with respect to any of the above is threatened, anticipated, or in existence. The Company upon receiving any information or notice contrary to the representations contained in this Section shall immediately notify the Agency in writing with full details regarding the same. The Company hereby releases the Agency from liability with respect to, and agrees to defend, indemnify, and hold harmless the Agency, its executive director, directors, members, officers, employees, agents (other than the Company), representatives, successors, and assigns from and against any and all claims, demands, damages, costs, orders, liabilities, penalties, and expenses (including reasonable attorneys' fees) related in any way to any violation of the covenants or failure to be accurate of the representations contained in this Section. In the event the Agency in its reasonable discretion deems it necessary to perform due diligence with respect to any of the above, or to have an environmental audit performed with respect to the Project Facility, the Company agrees to pay the expenses of same to the Agency upon written demand.

f) Any personal property acquired by the Company in the name of the Agency shall be located in Nassau County, except for temporary periods during ordinary use.

g) The Company hereby represents to the Agency that facilities and property that are primarily used in making retail sales of goods and services to customers who personally visit

the Project Facility will not constitute more than one-third (1/3) of the total costs of the Project Facility, except in accordance with New York General Municipal Law (the “GML”) Section 862.

h) The Company acknowledges and agrees that, except to the extent of bond proceeds (to the extent bonds are issued by the Agency with respect to the Project), the Agency shall not be liable, either directly or indirectly or contingently, upon any such contract, agreement, invoice, bill or purchase order in any manner and to any extent whatsoever (including payment or performance obligations), and the Company shall be the sole party liable thereunder.

i) The Company covenants and agrees that at all times, it will (i) maintain its existence and not dissolve, (ii) continue to be a limited liability company, subject to service of process in the State and either organized under the laws of the State, or organized under the laws of any other state of the United States and duly qualified to do business in the State, (iii) not liquidate, wind-up or dissolve or otherwise sell, assign, or dispose of all or substantially all of its property, business or assets. This Project Agreement may not be assigned in whole or part without the prior written consent of the Agency.

j) The Company confirms and acknowledges under the penalty of perjury that as of the date hereof, the Company, as owner, occupant, or operator of the Project receiving Financial Assistance from the Agency in connection with the Project, is in substantial compliance with all applicable local, state and federal tax, worker protection and environmental laws, rules and regulations. The Company agrees that it will, throughout the term of this Project Agreement, promptly comply in all material respects with all statutes, codes, laws, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorizations, directions and requirements of all federal, state, county, municipal and other governments, departments, commissions, boards, companies or associations insuring the premises, courts, authorities, officials and officers, foreseen or unforeseen, ordinary or extraordinary, which now or at any time hereafter may be applicable to the Project Facility or any part thereof, or to any use, manner of use or condition of the Project Facility or any part thereof. Notwithstanding the foregoing, the Company may in good faith contest the validity of the applicability of any requirement of the nature referred to in this Section 2.1. In such event, the Company, with the prior written consent of the Agency (which shall not be unreasonably conditioned, delayed or withheld) may fail to comply with the requirement or requirements so contested during the period of such contest and any appeal therefrom unless the Agency shall notify the Company that it must comply with such requirement or requirements.

k) The Project will not have a “significant adverse environmental impact” (as such term is used in SEQRA) and the Company hereby covenants to comply with all mitigating measures, requirements and conditions enumerated or referenced in the resolution adopted by the Agency on June 22, 2023 under SEQRA applicable to the acquisition, construction, renovation, installation, equipping and operation of the Project Facility contemplated by Section 4.1 of this Project Agreement and in any other approvals issued by any other Governmental Authority with respect to the Project Facility. No material changes with respect to any aspect of the Project have arisen from the date of the adoption of such resolution which would cause the determinations contained therein to be untrue.

l) The Company is not a Prohibited Person, no Guarantor is a Prohibited Person, no Affiliate of the Company or any Guarantor is a Prohibited Person and no member, manager, director or shareholder of the Company or Guarantor, as applicable, is a Prohibited Person.

m) Neither this Project Agreement nor any other Transaction Document nor any other document, certificate, agreement or instrument furnished to the Agency by or on behalf of the Company or any Guarantor contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein and therein not misleading.

n) No funds of the Agency shall be used in connection with the transactions contemplated by this Project Agreement for the purpose of preventing the establishment of an industrial or manufacturing plant or for the purpose of advertising or promotional materials which depict elected or appointed government officials in either print or electronic media, nor shall any funds of the Agency be given hereunder to any group or organization which is attempting to prevent the establishment of an industrial or manufacturing plant within the State.

o) The Company is, and shall at all times during the term of this Project Agreement, continue to be managed solely by Gideon Z. Friedman, Todd Scheffler and William Rosato (the "Sponsor Principals"), and owned by AR Hicksville Investors, LLC, as a wholly owned subsidiary of AR Newbridge Jerusalem, LLC, which shall be owned by the Sponsor Principals and certain accredited investors, which accredited investors are not Prohibited Persons and who do not and shall not own, individually, more than a 9.99 % beneficial ownership share in the Company (collectively, the "Initial Owner"); provided, however, that the Initial Owner may transfer all or any part of their interests in the Company to members of the respective immediate families (or trusts for the benefit of such immediate family members), and upon the Agency's written consent only, up to 49% ownership interest to unrelated parties, provided that no transfers permitted hereunder shall result in a change in the day-to-day control of the management and operations of the Company.

p) The Company shall maintain the Minimum Employment Requirement pursuant to the Sublease Agreement as set forth in Section 2.2(M) thereof.

q) The Project Facility is located entirely within the boundaries of the Town of Oyster Bay, Nassau County, New York, and is located only within the Hicksville School District.

r) The total cost of the Project is at least \$134,808,995.00.

s) Neither the Company, nor any Guarantor, nor any Affiliate of the Company or Guarantor has employed or retained any appointed or elected governmental official to solicit or secure the Agency's undertaking of the Project or its agreement to enter into this Project Agreement or any other Transaction Document upon an agreement of understanding for a commission or percentage, brokerage or contingent fee.

**ARTICLE III.
GENERAL**

Section 3.1 Purpose of Project. The purpose of the Financial Assistance with respect to the Project is to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of the Project Facility to advance job opportunities, health, general prosperity and economic welfare of the people of Nassau County, New York, and to specifically promote the investment commitment, employment commitment, and other commitments of the Company contained herein and in the Company's Application , and to prevent economic deterioration by eliminating blight at the site of the Facility, which the Project will be remediate, eliminating blight and deleterious conditions from the area, and to provide rental housing and affordable housing to the people of Nassau County.

**ARTICLE IV.
FINANCIAL ASSISTANCE AND RECAPTURE OF BENEFITS**

Section 4.1 In accordance with the Resolution and the Cost-Benefit Analysis (or such other equivalent document or report, as determined by the Agency) (the "CBA"), attached hereto as **Exhibit A**, disclosed by the Agency at its public hearing for the Project (the "Public Hearing"), the Company further: (i) covenants, with respect to the Sales Tax Exemption, that it shall comply with this Project Agreement, specifically, but not limited to, Section 4.3 hereof; (ii) confirms that the Mortgage Recording Tax Exemption (as defined in Section 4.7 hereof) shall not exceed the Maximum Mortgage Principal Amount, as more fully described in Section 4.7 hereof (it being understood and agreed that nothing herein shall prohibit the Company from obtaining a mortgage if it pays the Mortgage Recording Tax applicable); and (iii) confirms that the real property tax abatement to be provided to the Company shall conform to those disclosed within the CBA at the Public Hearing for the Project and as contained within the PILOT Agreement, the form of which PILOT Agreement is attached hereto as **Exhibit A**.

Section 4.2 PILOT Agreement. The parties hereto have executed or will execute the Company Lease, Sublease Agreement and PILOT Agreement. As provided in the PILOT Agreement, the Company agrees to make PILOT Payments (in addition to paying all special ad valorem levies, special assessments or special district taxes and service charges against real property in the jurisdiction where the Project Facility is located).

Section 4.3 Sales Tax Exemption.

a) The Agency agrees to acquire, construct and equip the Project Facility based on Company specifications. The Agency hereby appoints and confirms its appointment of the Company as the true and lawful agent of the Agency to undertake the acquisition, constructing and equipping of the Project. The Company hereby acknowledges and agrees that the foregoing Agency Financial Assistance constitutes "public funds" unless otherwise excluded under Section 224-a(3) of the New York Labor Law, and by executing this Project Agreement, (i) confirms that it has received notice from the Agency pursuant to Section 224-a(8)(d) of the New York Labor

Law and (ii) acknowledges its obligations pursuant to Section 224-a(8)(a) of the New York Labor Law.

b) The Company, as agent for the Agency, will undertake the Project. The Company hereby agrees to limit its activities as agent for the Agency under the authority of the Authorizing Resolution to acts reasonably related to the acquisition, construction, renovation, rehabilitation and equipping of the Project Facility. The right of the Company to act as agent of the Agency shall expire on the earlier of (x) the completion of the Project, or (y) December 31, 2025 (“Termination Date”) as same may be extended by agreement of the Agency; provided, however, that the Agency may extend the Company's agent appointment at its discretion upon the written request of the Company if such activities and improvements are not completed by such time, and further provided that the Agency shall not unreasonably withhold its consent to the extension of such appointment.

c) Agency’s Exempt Status. The Agency constitutes a corporate governmental agency and a public benefit corporation under the laws of the State of New York, and therefore, in the exercise of its governmental functions, is exempt from the imposition of Sales and Use Taxes. As an exempt governmental entity, no exempt organization identification number has been issued to the Agency nor is one required. Notwithstanding the foregoing, the Agency makes no representation to the Company, any Agent or any third party that any Sales Tax Exemption is available under this Project Agreement.

d) Scope of Authorization of Sales Tax Exemption. The Agency hereby authorizes the Company, subject to the terms and conditions of this Project Agreement, to act as its agent in connection with the Project Facility for the purpose of effecting purchases and leases of certain items so that such purchases and leases are exempt from the imposition of Sales and Use Taxes. The Agency’s authorization with respect to such Sales Tax Exemption provided to the Company and its Agents pursuant to this Project Agreement shall be subject to the following limitations:

- (i) The Sales Tax Exemption shall be effective only for a term commencing on the date hereof and expiring upon the earliest of (A) the termination of this Project Agreement, (B) the Termination Date (as same may be extended), (C) failure of the Company to file Form ST-340, as described in Section 4.5(g) below, (D) the termination of the Sales Tax Exemption authorization pursuant to Section 4.6 or (E) the date upon which the Company received the Maximum Sales Tax Exemption.
- (ii) The Sales Tax Exemption authorization set forth herein shall automatically be suspended upon written notice to the Company that the Company is in default under this Project Agreement (or related document) until such default is cured to the satisfaction of the Agency.
- (iii) The Sales Tax Exemption authorization shall be subject to all of the terms, conditions and provisions of this Project Agreement.

- (iv) The Sales Tax Exemption shall only be utilized for items which shall be purchased, incorporated, completed or installed for use only by the Company at the Project Facility or in connection with the Project (and not with any intention to sell, transfer or otherwise dispose of any such item to a Person as shall not constitute the Company), it being the intention of the Agency and the Company that the Sales Tax Exemption shall not be made available with respect to any item unless such item is used solely by the Company at the Project Facility or in connection with the Project.
- (v) The Sales Tax Exemption shall not be used to benefit any person or entity, including any tenant or subtenant located at the Project Facility, other than the Company, without the prior written consent of the Agency.
- (vi) By execution by the Company of this Project Agreement, the Company agrees to accept the terms hereof and represents and warrants to the Agency that the use of the Sales Tax Exemption by the Company or by any Agent is strictly for the purposes stated herein.
- (vii) Upon the Termination Date, the Company and each Agent shall cease being agents of the Agency, and the Company shall immediately notify each Agent in writing of such termination.
- (viii) The Company agrees that the aggregate amount of Sales Tax Exemption realized by the Company and by all Agents of the Company, if any, in connection with the Project Facility shall not exceed in the aggregate the Maximum Sales Tax Exemption.

e) **Quarterly Sales Tax Report.** The Company agrees to furnish to the Agency within fifteen (15) days after the end of each calendar quarter, a sales and use tax exemption report (the “Quarterly Sales Tax Report”), in form and substance satisfactory to the Agency in its reasonable judgment, with respect to the use of the Sales Tax Agency Agreement by the Company and the contractors and subcontractors engaged by the Company and approved by the Agency as its agents and sub agents during the preceding calendar quarter. Each said Quarterly Sales Tax Report shall be certified by an Authorized Representative of the Company and shall: (1) identify the contracts and specific property exempted from sales taxes and/or use taxes during such period; (2) indicate the parties to said contract; (3) indicate the maximum amount payable under said contract, and indicate what portion of said amount would normally be subject to sales and use taxes imposed in the State; (4) indicate the amount of sales tax benefit expected to be received with respect to said contract; and (5) indicate the cumulative sales tax benefit claimed by the Company (and its contractors and subcontractors approved by the Agency as its agents and sub-agents) with respect to the Project for the calendar year.

Section 4.4 Procedures for Appointing Subagents. If the Company desires to seek the appointment of a contractor, a subcontractor or other party to act as the Agency’s agent, including, but not limited, to the individuals and entities described on **Schedule B** attached hereto (a “Subagent”) for the purpose of effecting purchases which are eligible for the Sales Tax Exemption pursuant to authority of this Project Agreement, it must complete the following steps:

a) The Company shall have the right to amend **Schedule B** from time to time and shall solely be responsible for maintaining an accurate list of all parties acting as Subagents for the Agency. The Company's right to appoint Subagents is expressly conditioned upon updating of **Schedule B** hereto, along with, for each Subagent, the Company must complete and submit Form ST-60 to the Agency, attached hereto as **Exhibit B**. An Authorized Representative of the Agency will sign the Form ST-60 and return the same to the Company. Following receipt of the signed Form ST-60, the Company must file such Form ST-60 within thirty (30) days of the date that the Agency appoints a project operator or other person or entity to act as agent of the Agency for purposes of extending a sales or use tax exemption to such person or entity. The Company acknowledges and agrees that it shall be the Company's sole and exclusive responsibility to file a completed Form ST-60 with respect to any Subagent and the failure to timely do so could result in an Event of Default and Recapture Event (as hereinafter defined).

b) The Company shall ensure that each Subagent shall observe and comply with the terms and conditions of this Project Agreement.

c) Form ST-60 Not an Exemption Certificate. The Company acknowledges that the executed Form ST-60 designating the Company or any Subagent as an agent of the Agency shall not serve as a sales or use tax exemption certificate or document. Neither the Company nor any other Agent may tender a copy of the executed Form ST-60 to any person required to collect sales tax as a basis to make such purchases exempt from tax. No such person required to collect sales or use taxes may accept the executed Form ST-60 in lieu of collecting any tax required to be collected. THE CIVIL AND CRIMINAL PENALTIES FOR MISUSE OF A COPY OF FORM ST-60 AS AN EXEMPTION CERTIFICATE OR DOCUMENT OR FOR FAILURE TO PAY OR COLLECT TAX SHALL BE AS PROVIDED IN THE TAX LAW. IN ADDITION, THE USE BY A SUBAGENT, THE COMPANY, OR OTHER PERSON OR ENTITY OF SUCH FORM ST-60 AS AN EXEMPTION CERTIFICATE OR DOCUMENT SHALL BE DEEMED TO BE, UNDER ARTICLES TWENTY EIGHT AND THIRTY SEVEN OF THE TAX LAW, THE ISSUANCE OF A FALSE OR FRAUDULENT EXEMPTION CERTIFICATE OR DOCUMENT WITH THE INTENT TO EVADE TAX.

- (i) **Form ST-123 Requirement.** As an agent of the Agency, the Company agrees that it will, and will cause each Subagent to, present to each seller or vendor a completed and signed Form ST-123, attached hereto as **Exhibit C-1**, for each contract, agreement, invoice, bill or purchase order entered into by the Company or by any Subagent, as agent for the Agency, for the purpose of undertaking the Project. Form ST-123 requires that each seller or vendor accepting Form ST-123 identify the Project Facility on each bill or invoice for purchases and indicate on the bill or invoice that the Agency or Agent or Company, as project operator of the Agency, was the purchaser. For the purposes of indicating who the purchaser is, each bill or invoice should state,

“I, [NAME OF COMPANY OR SUBAGENT], certify that I am a duly appointed agent of the NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY and that I am purchasing the tangible personal property or services for use in the AR HICKSVILLE LLC

2023 Project located at 99 Newbridge Road, 4 Duffy Avenue and 2-10 Jerusalem Avenue, Hicksville, Town of Oyster Bay, Nassau County, New York, IDA Project Number **2803-23-08A**”.

For convenience purposes, in the instance where the vendor does not print on each invoice the acknowledgment as described in the prior sentence, an “Invoice Rider” (a copy of which is attached hereto as **Exhibit C-3**) can be utilized for record keeping purposes. The Company shall retain copies of all such contracts, agreements, invoices, bills and purchase orders for a period of not less than six (6) years from the date thereof. For each Subagent the Form ST-123 shall be completed as follows: (i) the “Project information” section of Form ST-123, attached hereto as **Exhibit C-2**, should be completed using the name and address of the Project Facility as indicated on the Form ST-60 used to appoint the Subagent; (ii) the date that the Subagent was appointed as indicated on the Form ST-60; and (iii) the “Exempt purchases” section of Form ST-123 should be completed by marking “X” in box “A” only.

All contracts entered into by the Company and all subagents thereof as agent for the Agency shall include the language contained within **Schedule C** attached hereto. **Failure by the Company and/or any subagent thereof to include such language may disqualify the agent status and sales tax exemptions derived by virtue of this Project Agreement. The Company, for itself and on behalf of all duly appointed Subagents, hereby agrees that all contracts entered into by the Company and any Subagents thereof shall be available to the Agency for inspection and confirmation of the foregoing mandatory language.**

Section 4.5 **Form ST-340 Filing Requirement.** The Company shall annually file a statement with the State Department of Taxation and Finance (the “Commissioner”) an “Annual Report of Sales and Use Tax Exemptions” (NYS Form ST-340, a copy of which is attached hereto as **Exhibit D**) regarding the value of Sales Tax Exemption the Company and its Subagents, if any, have claimed pursuant to the agency conferred on the Company with respect to the Project in accordance with General Municipal Law Section 874(8). On or before February 10th of each year, the Company shall provide a copy of same to the Agency. The Company understands and agrees that the failure to file such annual statement will result in the removal of the Company’s authority to act as agent for the Agency and/or Recapture of Agency Benefits as described in Section 4.8 hereof.

Section 4.6 **GML Provisions Relating to State Sales Tax Savings.**

a) The Company covenants and agrees to comply, and to cause each of its contractors, subcontractors, Subagents, persons or entities to comply, with the requirements of GML Sections 875(1) and (3) (the “GML Provisions”), as such provisions may be amended from time to time. In the event of a conflict between the other provisions of this Project Agreement and the GML Provisions, the GML Provisions shall control.

b) The Company acknowledges and agrees that pursuant to GML Section 875(3), the Agency shall have the right to recover, recapture, receive, or otherwise obtain from the Company, State Sales Tax Savings taken or purported to be taken by the Company, any Subagent or any other person or entity acting on behalf of the Company to which the Company is not entitled or which are in excess of the Maximum Sales Tax Exemption or which are for

property or services not authorized or taken in cases where the Company, any Subagent or any other person or entity acting on behalf of the Company failed to comply with a material term or condition to use property or services in the manner required by this Project Agreement. The Company shall, and shall require each Subagent and any other person or entity acting on behalf of the Company, to cooperate with the Agency in its efforts to recover, recapture, receive, or otherwise obtain such State Sales Tax Savings and shall promptly pay over any such amounts to the Subagent that it requests. The failure to pay over such amounts to the Subagent shall be grounds for the Commissioner to assess and determine State Sales and Use Taxes due from the Company under Article 28 of the New York State Tax Law, together with any relevant penalties and interest due on such amounts.

Subject to the provisions of subsection (i) above, in the event that the Company or any Subagent shall utilize the Sales Tax Exemption in violation of the provisions of this Project Agreement, the Company shall promptly deliver notice of same to the Agency, and the Company shall, upon written demand by the Agency, pay to or at the direction of the Agency a return of sales or use tax exemptions in an amount equal to all such unauthorized sales or use tax exemptions together with interest at the rate of twelve percent (12%) per annum compounded daily from the date and with respect to the dollar amount for which each such unauthorized sales or use tax exemption was availed of by the Company or any Subagent (as applicable).

c) Upon request by the Agency with reasonable notice to the Company, the Company shall make available at reasonable times to the Agency and/or the Independent Accountant all such books, records, contracts, agreements, invoices, bills or purchase orders of the Company and any Agent, and require all appropriate officers and employees of the Company to respond to reasonable inquiries by the Agency and/or the Independent Accountant, as shall be necessary (y) to indicate in reasonable detail those costs for which the Company or any Agent shall have utilized the Sales Tax Exemption and the dates and amounts so utilized, and (z) to permit the Agency to determine any amounts owed by the Company under this Section 4.6(c).

Section 4.7 Mortgage Recording Tax Exemption. Section 874 of the Act exempts the Agency from paying certain mortgage recording taxes except for the portion of the mortgage recording tax allocated to transportation districts referenced in Section 253(2)(a) of the Tax Law. The Agency hereby grants to the Company exemption from mortgage recording taxes for one or more Mortgages securing an aggregate principal amount not to exceed the Maximum Mortgage Principal Amount, or such greater amount as approved by the Agency in its sole and absolute discretion, in connection with the financing of the Project and any future financing, refinancing or permanent financing of the costs of the Project (the "Mortgage Recording Tax Exemption"). The Company represents and warrants (1) that the real property secured by the Mortgage is located within a transportation district referenced in Section 253(2)(a) of the Tax Law, and (2) that upon recording the Mortgage, the Company shall pay the mortgage recording tax allocated to transportation districts referenced in Section 253(a)(2) of the Tax Law.

Section 4.8 Recapture of Agency Benefits.

(a) It is understood and agreed by the parties hereto that the Agency is entering into this Project Agreement in order to provide financial assistance to the Company for the Project Facility and to accomplish the public purposes of the Act. In consideration therefor, the

Company hereby agrees that if there shall occur a Recapture Event (as defined below) after the after the date hereof, the Company shall pay to the Agency, or to the State of New York, if so directed by the Agency (except as otherwise specified below) as a return of public benefits conferred by the Agency in an amount as follows (such amount, the “Recapture of Benefits”):

(i) one hundred per cent (100%) of the Benefits (as defined below) if the Recapture Event occurs on or before the tenth (10th) anniversary of the Closing Date;

(ii) eighty per cent (80%) of the Benefits if the Recapture Event occurs after the tenth (10th) anniversary of the Closing Date but on or before the twelfth (12th) anniversary of the Closing Date;

(iii) sixty per cent (60%) of the Benefits if the Recapture Event occurs after the twelfth (12th) anniversary of the Closing Date but on or before the fourteenth (14th) anniversary of the Closing Date;

(iv) forty per cent (40%) of the Benefits if the Recapture Event occurs after the fourteenth (14th) anniversary of the Closing Date but on or before the sixteenth (16th) anniversary of the Closing Date;

(v) twenty per cent (20%) of the Benefits if the Recapture Event occurs after the sixteenth (16th) anniversary of the Closing Date but on or before the eighteenth (18th) anniversary of the Closing Date;

(vi) ten per cent (10%) of the Benefits if the Recapture Event occurs after the eighteenth (18th) anniversary of the Closing Date but on or before the twentieth (20th) anniversary of the Closing Date; or

(vii) zero per cent (0%) of the Benefits thereafter.

(b) The term “Benefits” shall mean the Agency’s calculation of, collectively:

(a) all real estate tax benefits which have accrued to the benefit of the Company during such time as the Agency held an interest in the Project Facility by reason of such interest, such tax benefits to be computed by subtracting the payments in lieu of taxes paid under the PILOT Agreement (through the date that the Project Facility is returned to the tax rolls as taxable property) from those payments which the Company would have been required to pay through such date had the Company been the owner of the Project Facility and the Agency not been involved in the Project and based on the records of the Nassau County Tax Assessor and any applicable village tax assessor, and treating any negative result as \$0;

(b) all miscellaneous benefits derived from the Agency’s participation in the transactions contemplated by this Project Agreement and the Sublease Agreement, including, but not limited to, any exemption from mortgage recording taxes and any exemption from applicable sales and use taxes; provided, however, that the recapture of the value of any exemption from sales and/or use taxes shall be in the full amount of any

exemption taken and shall not be subject to the scheduled percentage reduction set forth in Subsection (A) above.

(c) For the purposes of this Section 4.8 the term “Recapture Event” shall mean the occurrence of any of the following events:

- (i) The Company shall have liquidated its operations and/or assets; or
- (ii) The Company shall have permanently ceased all or substantially all of its operations at the Project Facility (whether by closure or by relocation to another facility or otherwise, or whether to another facility either within or outside of the County); or
- (iii) The transfer of all or substantially all of the employees engaged in the construction, renovation, maintenance or operation of the Project Facility to another location; or
- (iv) The occurrence and continuance of an Event of Default under this Project Agreement, the Sublease Agreement or any other Transaction Document; or
- (v) The occurrence and continuance of a substantial change in the scope and nature of the operations of the Project Facility without the prior written consent of the Agency; or
- (vi) The Company shall have sold, leased, subleased, sub-subleased, assigned, transferred or otherwise disposed of (other than the leasing of residential units in the ordinary course of the Company’s business) all or any part of its interest in the Project Facility in violation of this Project Agreement or the Sublease Agreement; or
- (vii) The Company fails to maintain or fails to cause to be maintained the Minimum Employment Requirement at any time during the term of this Project Agreement; or
- (viii) The Application, or documentation submitted by the Company or Guarantor in support of the Application, contained a knowingly false or knowingly misleading statement as to any fact material to the Application or knowingly omitted any information which, if included, would have rendered any information in the Application or supporting documentation false or misleading in any material respect, and such false or misleading statement or omission was made knowingly and intentionally for the purpose of obtaining the Financial Assistance; or
- (ix) The Company receives Sales Tax Savings in connection with property or services not authorized by the Agency as part of the Project; or

- (x) The Company receives Sales Tax Savings in connection with the Project in excess of the Maximum Sales Tax Exemption; provided, however, that the foregoing shall constitute a Recapture Event with respect to such excess Sales Tax Savings only. It is further provided that failure to repay the Sales Tax Savings within thirty (30) days shall constitute a Recapture Event with respect to all Recapture Benefits; or
- (xi) Failure of the Company to file a copy of the Form ST-340 with the Agency in compliance with Section 4.5 hereof; or

Notwithstanding the foregoing, a Recapture Event shall not be deemed to have occurred if the Recapture Event shall have arisen as a direct, immediate result of (i) a Condemnation by governmental authority of all or substantially all of the Project Facility or any interest therein, or (ii) the inability at law of the Company to rebuild, repair, restore or replace the Project Facility after the occurrence of a casualty to substantially its condition prior to such casualty, which inability shall have arisen in good faith through no fault on the part of the Company; or (iii) events constituting “force majeure” as such term is defined in Section 10.1(B) of the Sublease Agreement.

(d) The Company covenants and agrees to furnish the Agency with written notification upon the occurrence of any Recapture Event, which notification shall set forth the terms of such Recapture Event as follows: In order to certify and verify the foregoing, the Company shall provide annually, to the Agency, a certified statement and documentation: (i) enumerating the full-time equivalent jobs retained and the full-time equivalent jobs created as a result of the financial assistance, by category, including full-time equivalent independent contractors or employees of independent contractors that work at the project location, (ii) indicating that the salary and fringe benefit averages or ranges for categories of jobs retained and jobs created that was provided in the application for Financial Assistance is still accurate and if it is not still accurate, providing a revised list of salary and fringe benefit averages or ranges for categories of jobs retained and jobs created, and (iii) such other information, as so requested from time to time, to enable the Agency to assess the progress of the Project toward achieving the investment, job retention, job creation, or other objectives of the Project indicated in the Application for Financial Assistance.

(e) In the event any payment owing by the Company under this Section shall not be paid on demand by the Agency, such payment shall bear interest from the date of such demand at an interest rate equal to twelve percent (12%) per annum or the maximum lawful prevailing rate permitted by Applicable Law, whichever is less until the Company shall have made such payment in full, together with such accrued interest to the date of payment, to the Agency (except as otherwise specified above).

(f) The Agency shall be entitled to deduct all reasonable out of pocket expenses of the Agency, including without limitation, reasonable legal fees, incurred with the recovery of all amounts due under this Section 4.8, from amounts received by the Agency pursuant to this Section 4.8.

Section 4.9 Grant of Security Interest.

This Project Agreement shall constitute a “security agreement”, as such term is defined in the Uniform Commercial Code adopted in the State, as the same may from time to time be in effect (the “UCC”). The Company hereby grants the Agency a first-priority security interest in all of the right, title and interest of the Company in the Equipment acquired by or on behalf of the Company or any Sub Agent of the Company using the Sales Tax Exemption, and conveyed to the Agency by the Bill of Sale and in all additions and accessions thereto, all replacements and substitutions therefor, all books, records and accounts of the Company pertaining to the Project Facility, and all proceeds and products thereof (collectively, the “Collateral”), as security for payment of the rental payments and all other payments and obligations of the Company hereunder, and the Agency is authorized to file financing statements with respect to such Collateral without the Company executing the same. If an Event of Default shall occur under this Project Agreement or any other Transaction Document, the Agency shall have, in addition to any and all other rights and remedies set forth in this Project Agreement, and may exercise without demand, any and all rights and remedies granted to a secured party under the UCC, including, but not limited to, the right to take possession of the Equipment and any other personal property that constitute part of the Collateral, and the right to advertise and sell the same, or any part thereof, pursuant to and in accordance with the UCC. The Company agrees that any notice of public or private sale with respect to such Collateral, or any part thereof, shall constitute reasonable notice if it is sent to the Company not less than ten (10) days prior to the date of any such sale. The Company hereby irrevocably appoints the Agency as its attorney-in-fact to execute, deliver and/or file any instruments or statements necessary or convenient to perfect and continue the security interest granted herein.

**ARTICLE V.
INSURANCE**

Section 5.1 Insurance Required. During the term of this Project Agreement, the Company shall maintain insurance with respect to the Project Facility as required pursuant to Sublease Agreement and particularly as set forth in Sections 6.3, 6.4 and 5.5 of the Sublease Agreement.

**ARTICLE VI.
EVENTS OF DEFAULT AND REMEDIES**

Section 6.1 The following shall each be “Events of Default” under this Project Agreement:

- a) the failure by the Company to observe and perform any covenant contained in Sections 2.1(g), 2.1(i), 4.3, 4.4, 4.5, 4.8, 5.1, 7.1, 7.2, 7.3, 7.6 and 8.1;
- b) the failure by the Company to pay the Recapture Benefits on the date due;
- c) the occurrence and continuation of a Recapture Event;

d) the occurrence of an “Event of Default” under any other Transaction Document, which has not been cured within any applicable grace, notice or cure period; and

e) the dissolution or liquidation of the Company; or the failure by the Company to release, stay, discharge, lift or bond within thirty (30) days any execution, garnishment, judgment or attachment of such consequence as may impair its ability to carry on its operations; or the failure by the Company generally to pay its debts as they become due; or an assignment by the Company for the benefit of creditors; or the commencement by the Company (as the debtor) of a case in bankruptcy or any proceeding under any other insolvency law; or the commencement of a case in bankruptcy or any proceeding under any other insolvency law against the Company (as the debtor), wherein a court having jurisdiction in the premises enters a decree or order for relief against the Company as the debtor, or such case or proceeding is consented to by the Company or remains undismissed for forty (40) days, or the Company consents to or admits the material allegations against it in any such case or proceeding; or a trustee, receiver or agent (however named) is appointed or authorized to take charge of substantially all of the property of the Company for the purpose of enforcing a lien against such Property or for the purpose of general administration of such Property for the benefit of creditors.

Section 6.2 Remedies on Default.

a) Whenever any Event of Default shall have occurred and be continuing, the Agency may take, to the extent permitted by law, any one or more of the following remedial steps:

- (i) declare, by written notice to the Company, to be immediately due and payable, whereupon the same shall become immediately due and payable: (A) all due and owing Recapture Benefits and (B) all other payments due under this Project Agreement; or
- (ii) terminate this Project Agreement and the Sales Tax Exemption authorization; or
- (iii) take any other action at law or in equity which may appear necessary or desirable to collect the payments then due or thereafter to become due hereunder, and to enforce the obligations, agreements and covenants of the Company under this Project Agreement.

b) No action taken pursuant to this Section 6.2 (including termination of the Project Agreement) shall relieve the Company from its obligation to make all payments required by the Sublease Agreement, the PILOT Agreement or Recapture Benefits.

Section 6.3 Remedies Cumulative. No remedy herein conferred upon or reserved to the Agency is intended to be exclusive of any other available remedy, but each and every such remedy shall be cumulative and in addition to every other remedy given under this Project Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right and power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time

and as often as may be deemed expedient. In order to entitle the Agency to exercise any remedy reserved to it in this Article VI it shall not be necessary to give any notice, other than such notice as may be herein expressly required in this Project Agreement.

Section 6.4 Agreement to Pay Attorneys' Fees and Expenses. In the event the Company should default under any of the provisions of this Project Agreement and the Agency should employ attorneys or incur other expenses for the collection of amounts payable hereunder or the enforcement of performance or observance of any obligations or agreements on the part of the Company herein contained, the Company shall, on demand therefor, pay to the Agency the fees of such attorneys and such other expenses so incurred.

ARTICLE VII. Special Covenants

Section 7.1 Employment Opportunities.

a) The Company shall ensure that all employees and applicants for employment with regard to the Project, including, without limitation, the employees of and applicants for employment with the Company, are afforded equal employment opportunities without discrimination.

b) Pursuant to Section 858-b of the Act, except as otherwise provided by collective bargaining contracts or agreements, the Company agrees (1) to list or cause to be listed all new employment opportunities created as a result of the Project with the New York State Department of Labor, Community Services Division (the "NYSDOL") and with the administrative entity (collectively with NYSDOL, the "JTPA Referral Entities") of the service delivery area created by the federal Job Training Partnership Act (P.L. No. 97-300) (including any successor statute thereto, including, without limitation, the Workforce Investment Act of 1998 (P.L. No. 105-270), collectively, the "JTPA") in which the Project Facility is located, and (2) where practicable, to first consider and to cause to be first considered for such new employment opportunities persons eligible to participate in federal JTPA programs who shall be referred by the JTPA Referral Entities.

c) Pursuant to the requirements of subsection one of Section 6 of Chapter 127 of the 1995 Laws of the State, the Company agrees to file with the Agency, prior to the effective date of this Project Agreement, an employment plan, in form and substance satisfactory to the Agency.

d) The Company agrees to file with the Agency on a calendar year basis not later than February 10 of each year during the term of this Project Agreement, measured as of December 31st of the immediately preceding calendar year, reports (i) certifying the full-time equivalent jobs retained and the full time equivalent jobs created as a result of the granting of the Financial Assistance, by category, including full-time equivalent independent contractors and employees of independent contractors that work at the Project Facility, and (ii) certifying that the salary and fringe benefit averages or ranges for categories of jobs retained and jobs created that were set forth in the Application are then still accurate or, if not then still accurate, providing a

revised list of salary and fringe benefit averages or ranges for categories of jobs retained and jobs created. Said annual reports shall be in substantially the form promulgated from time to time by the Agency. The current forms of reports are annexed hereto as Exhibit E. The Company shall provide such annual reports (and supporting documentation) with respect to its employees and shall cause its Affiliates, contractors and agents to provide such reports (and supporting documentation reasonably necessary to verify such reports) with respect to their respective employees, if any, at the Project Facility. The Agency shall have the right, at the Company's expense, to audit, confirm and/or require additional information with regard thereto and the Company agrees to reasonably cooperate with and to cause its Affiliates and such third parties to cooperate with the Agency in connection therewith.

e) The Company shall, at all times during the term of this Project Agreement, maintain or cause to be maintained the Minimum Employment Requirement. The Company agrees to give the Agency written notice of the occurrence of any default under this subsection (E) within five (5) days after the Company becomes aware of the occurrence of such default.

f) Subject to (i) collective bargaining contracts or agreements and other existing contracts or agreements to which the Company is a party or by which the Company is bound and (ii) compliance with Applicable Laws, the Company agrees to list or cause to be listed all new employment opportunities created as a result of the Project on the Nassau County TweetMyJobs website or other website designated by the Agency from time to time, provided that such listing shall be at no cost to the Company.

g) Subject to (i) collective bargaining contracts or agreements and other existing contracts or agreements to which the Company is a party or by which the Company is bound and (ii) compliance with Applicable Laws, the Company agrees that to the greatest extent possible new employment opportunities shall be provided to Nassau County or Suffolk County residents first.

Section 7.2 Company to Terminate Existence or Dispose of Assets.

The Company agrees that, during the term of this Project Agreement (A) it will maintain its existence as in effect on the Closing Date, (B) will not dissolve or otherwise dispose of all or substantially all of its assets, and (C) will not consolidate with or merge into another corporation or other Person, or permit one or more corporation, limited liability companies or other Persons to consolidate with or merge into it, without giving prior written notice to the Agency and obtaining the written consent of the Agency. The Company agrees that it will not change its name or its state of organization without giving prior written notice to the Agency and obtaining the written consent of the Agency, which consent shall not be unreasonably withheld or delayed.

Section 7.3 Agreement to Provide Information.

The Company agrees to promptly provide and certify or cause to be provided and certified such information concerning the Project Facility, the Company, the Guarantors and/or the Company's and/or Guarantor's finances, operations and affairs and other topics as the Agency from time to time reasonably considers necessary or appropriate, including, but not limited to, such information as to enable the Agency to make any reports required by Applicable

Laws or other governmental regulation or to ensure compliance with the provisions of this Project Agreement and the other Transaction Documents.

Section 7.4 Books of Record and Account; Compliance Certificates.

a) The Company agrees to maintain proper accounts, records and books in which full and correct entries shall be made, in accordance with generally accepted applied accounting principles of all business and affairs of the Company.

b) On or before February 10th of each year, the Company shall furnish to the Agency a certificate of an Authorized Representative of the Company stating that no Event of Default hereunder or under any other Transaction Document has occurred or is continuing or, if any Event of Default exists, specifying the nature and period of existence thereof and what action the Company has taken or proposes to take with respect thereto, it being understood and agreed that the Agency's annual employment report attached as Exhibit E may serve as such "No Event of Default" certificate. The Company represents to the Agency that the Company's fiscal year currently ends on December 31st.

Section 7.5 Financial Statements. Within one hundred twenty (120) days after the end of each fiscal year, the Company shall deliver to the Agency the financial statements of the Company prepared and compiled by an independent certified public accountant, certified by the chief financial officer of the Company, including a balance sheet as of the last day of such period and an operating statement through the last day of such period. The Company represents to the Agency that each of the Company's fiscal year ends on December 31st.

Section 7.6 Compliance with Applicable Laws.

a) The Company agrees, for the benefit of the Agency, that it will, during the term of this Project Agreement, promptly comply with all Applicable Laws.

b) Notwithstanding the provisions of subsection (A) of this Section 7.6, the Company may in good faith actively contest the validity or the applicability of any Applicable Law, provided that the Company (1) first shall have notified the Agency in writing of such contest, (2) no Event of Default shall have occurred and be continuing under any of the Transaction Documents beyond any applicable notice or cure period, (3) shall have set aside adequate reserves for any such requirement, (4) demonstrates to the reasonable satisfaction of the Agency that noncompliance with such Applicable Law will not subject the Project Facility or any part thereof to loss or forfeiture, (5) demonstrates to the reasonable satisfaction of the Agency that such contest shall not result in the Company or the Agency being in any danger of any civil or criminal liability for failure to comply therewith, and (6) diligently prosecutes such contest to completion. Otherwise, the Company shall promptly take such action with respect thereto as shall be reasonably satisfactory to the Agency.

c) Notwithstanding the provisions of subsection (b) of this Section 7.6, if the Agency or any of its members, officers, agents (other than the Company), attorneys, servants or employees, past, present or future, may be liable for prosecution for failure to comply therewith,

the Company shall promptly take such action with respect thereto as shall be satisfactory to the Agency.

Section 7.7 Performance of the Company's Obligations.

Should the Company fail to make any payment or to do any act as provided in the Transaction Documents beyond applicable notice and/or cure periods, if any, the Agency may, but shall not be obligated to, without notice to or demand on the Company and without releasing the Company from any obligation herein, make or do the same, including, without limitation, appearing in and defending any action purporting to affect the rights or powers of the Company or the Agency, and paying all fees, costs and expenses, including, without limitation, reasonable attorneys' fees, incurred by the Agency in connection therewith; and the Company shall pay promptly within ten (10) business days of written demand all sums so incurred or expended by the Agency under the authority hereof, together with interest thereon, at the Default Interest Rate, from the date of written demand to the Company.

**ARTICLE VIII.
MISCELLANEOUS**

Section 8.1 Hold Harmless Provision. The Company hereby releases the Agency from, agrees that the Agency shall not be liable for, and agrees to indemnify, defend and hold the Agency and its executive director, directors, members, officers, employees, agents (other than the Company), representatives, successors and assigns harmless from and against, any and all (i) liability for loss or damage to property or injury to or death of any and all persons that may be occasioned by any cause whatsoever pertaining to the Project Facility or arising by reason of or in connection with the occupation or the use thereof or the presence on, in or about the Project Facility or breach by the Company of this Project Agreement or (ii) liability arising from or expense incurred by the Agency's financing, acquiring, constructing, equipping, owning and leasing of the Equipment or of the Project Facility, including without limiting the generality of the foregoing, all causes of action and reasonable attorneys' fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing. The foregoing indemnities shall apply notwithstanding the fault or negligence on the part of the Agency, or any of its respective executive director, directors, members, officers, agents or employees and irrespective of the breach of a statutory obligation or the application of any rule of comparative or apportioned liability, except that such indemnities will not be applicable with respect to willful misconduct or gross negligence on the part of the Agency or any other person or entity to be indemnified.

Section 8.2 This Project Agreement may be executed in any number of counterparts each of which shall be deemed an original but which together shall constitute a single instrument.

Section 8.3 All notices, claims and other communications hereunder shall be in writing and shall be deemed to be duly given if personally delivered or mailed first class, postage prepaid, or by a nationally-recognized overnight courier, addressed as follows:

To the Agency: Nassau County Industrial Development Agency

One West Street
Mineola, NY 11501
Attn: Chief Executive Officer

With a copy to: Harris Beach PLLC
333 Earle Ovington Blvd, Suite 901
Uniondale, NY 11553
Attn: Andrew Komaromi, Esq.

To the Company: AR HICKSVILLE LLC
257 Park Avenue South, 13th Floor
New York, NY 10010
Attn: Gideon Z. Friedman

With a copy to: Weber Law Group LLP
290 Broadhollow Road, Suite 200E
Melville, NY 11747
Bram Weber, Esq.

or at such other address as any party may from time to time furnish to the other party by notice given in accordance with the provisions of this Section. All notices shall be deemed given when mailed or personally delivered in the manner provided in this Section.

Section 8.4 This Project Agreement shall be governed by, and all matters in connection herewith shall be construed and enforced in accordance with, the laws of the State of New York applicable to agreements executed and to be wholly performed therein and the parties hereto hereby agree to submit to the personal jurisdiction of the federal or state courts located in Nassau County, New York.

Section 8.5 The warranties, representations, obligations and covenants of the Company under this Project Agreement shall be absolute and unconditional and shall remain in full force and effect during the term of this Project Agreement, shall be deemed to have been relied upon by the Agency, and shall survive the delivery and termination of this Project Agreement to the Agency, regardless of any investigation made by the Agency. This Project Agreement shall survive any termination or expiration of the Sublease Agreement or the PILOT Agreement, as described below.

Section 8.6 By executing this Project Agreement, the Company covenants and agrees to pay all fees, costs and expenses incurred by the Agency for (a) legal services, including but not limited to those provided by the Agency's general counsel or bond/transaction counsel, (b) other consultants retained by the Agency, if any, in connection with the Project; and (c) with respect to Agency's enforcement of any event of default or failure to comply with the terms of this Project Agreement (including reasonable attorney fees). The Company further covenants and agrees that the Company is liable for payment to the Agency of all charges referred to above, as well as all other actual costs and expenses incurred by the Agency in undertaking the Project notwithstanding the occurrence of any of (i) the Company's withdrawal, abandonment, cancellation or failure to pursue the Project; (ii) the inability of the Agency or the Company to

procure the services of one or more financial institutions to provide financing for the Project; or
(iii) the Company's failure, for whatever reason, to undertake and/or successfully complete the Project.

[Remainder of This Page Intentionally Left Blank]

[Signature Page to Uniform Project Agreement]

IN WITNESS WHEREOF, the parties hereto have executed this Project Agreement as of the day and year first above written.

**NASSAU COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

By: _____


Sheldon L. Shrenkel

Chief Executive Officer / Executive Director

**AR HICKSVILLE LLC,
a Delaware limited liability company**

By: AR Hicksville Investors LLC, a Delaware limited liability company, its Manager

By: AR Newbridge Jerusalem LLC, a Delaware limited liability company, its Manager

By: AR Newbridge Jerusalem Manager LLC, a Delaware limited liability company, its Manager

By: Alpine Residential LLC, a New York limited liability company, its Manager

By: Alpine Real Estate Group LLC, a New York limited liability company, its Manager

By: _____

Todd Scheffler, Manager

[Signature Page to Uniform Project Agreement]

IN WITNESS WHEREOF, the parties hereto have executed this Project Agreement as of the day and year first above written.

**NASSAU COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

By: _____
Sheldon L. Shrenkel
Chief Executive Officer / Executive Director

**AR HICKSVILLE LLC,
a Delaware limited liability company**


By: AR Hicksville Investors LLC, a Delaware limited liability company, its Manager

By: AR Newbridge Jerusalem LLC, a Delaware limited liability company, its Manager

By: AR Newbridge Jerusalem Manager LLC, a Delaware limited liability company, its Manager

By: Alpine Residential LLC, a New York limited liability company, its Manager

By: Alpine Real Estate Group LLC, a New York limited liability company, its Manager

By: 

Todd Scheffler, Manager

SCHEDULE A

SCHEDULE OF DEFINITIONS

“Applicable Law or Applicable Laws” shall have the meaning as defined in the Sublease Agreement.

“Authorized Representative” means, in the case of the Agency, the Chief Executive Officer, Executive Director, the Chairman or the Vice Chairman and such additional persons as, at the time, are designated to act on behalf of the Agency; and in the case of the Company, the members and such additional persons as, at the time, are designated to act on behalf of the Company.

“Collateral” shall have the meaning assigned to such term in Section 4.9 of this Project Agreement.

“Company Lease” shall mean that certain Company Lease, dated as of November 1, 2023 by and between the Company and the Agency.

“Guarantor” or “Guarantors” means, individually or collectively, as the context may require, Alpine Residential LLC, AR Hicksville Investors LLC, and AR Newbridge Jerusalem LLC, each a Delaware limited liability company, together with Gideon Z. Friedman, Todd Scheffler and William Rosato, each a natural person.

“Independent Accountant” shall mean an independent certified public accountant or firm of independent certified public accountants selected by the Company and approved by the Agency (such approval not to be unreasonably withheld or delayed).

“Maximum Mortgage Principal Amount” shall mean **\$80,885,334**, with respect to the Lender Mortgage.

“Maximum Mortgage Tax Exemption” shall mean the maximum dollar amount of Mortgage Tax Savings that the Company is permitted to receive under this Project Agreement, which shall equal **\$606,640.00**, or such maximum dollar amount as may be determined by the Agency pursuant to such additional documents as may be required by the Agency for such increase.

“Maximum Sales Tax Exemption” shall mean the aggregate maximum dollar amount of Sales Tax Savings that the Company and all Subagents acting on behalf the Company are permitted to receive under this Project Agreement, which shall equal **\$4,013,071.00**, or such maximum dollar amount as may be determined by the Agency pursuant to such additional documents as may be required by the Agency for such increase.

“Prohibited Person” means (i) any Person (A) that is in default or in breach, beyond any applicable grace or cure period, of its obligations under any written agreement with the Agency or the County, or (B) that directly or indirectly controls, is controlled by or is under common control with a Person that is in default or in breach, beyond any applicable grace or cure period,

of its obligations under any written agreement with the Agency or the County, unless such default or breach has been waived in writing by the Agency or the County, as the case may be, and (ii) any Person (A) that has been convicted in a criminal proceeding for a felony or any crime involving moral turpitude or that is an organized crime figure or is reputed to have substantial business or other affiliations with an organized crime figure, or (B) that directly or indirectly controls, is controlled by or is under common control with a Person that has been convicted in a criminal proceeding for a felony or any crime involving moral turpitude or that is an organized crime figure or is reputed to have substantial business or other affiliations with an organized crime figure.

“Sales Tax Exemption” shall mean an exemption from Sales and Use Taxes resulting from the Agency’s participation in the Project Facility.

“Sales and Use Taxes” shall mean local and State sales and compensating use taxes and fees imposed pursuant to Article 28 of the New York State Tax Law, as the same may be amended from time to time.

“State Sales and Use Taxes” shall mean sales and compensating use taxes and fees imposed by Article 28 of the New York State Tax Law but excluding such taxes imposed in a city by Section 1107 or 1108 of such Article 28, as the same may be amended from time to time.

“State Sales Tax Savings” shall mean all Sales Tax Exemption savings relating to State Sales and Use Taxes realized by or for the benefit of the Company, including any savings realized by any Subagent, pursuant to this Project Agreement.

“Sublease Agreement” shall mean that certain Sublease Agreement, dated as of November 1, 2023 by and between the Company and the Agency.

“Transaction Documents” shall have the meaning as defined in the Sublease Agreement.

SCHEDULE B

LIST OF APPOINTED AGENTS¹

1. **AR HICKSVILLE LLC** _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____
8. _____
9. _____
10. _____

¹ FOR EACH AGENT APPOINTED BY THE COMPANY, A NYS FORM ST-60 MUST BE COMPLETED AND FILED BY THE COMPANY WITH THE NYS DEPARTMENT OF TAXATION AND FINANCE IDA UNIT INDICATING THE APPOINTMENT OF SUCH AGENT OF THE COMPANY.

SCHEDULE C

MANDATORY AGENT AND SUBAGENT CONTRACT LANGUAGE

“This contract is being entered into by **[NAME OF COMPANY OR NAME OF SUBAGENT]** (the “Agent”), as agent for and on behalf of the **NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY** (the “Agency”), in connection with a certain project of the Agency for the benefit of **AR HICKSVILLE LLC**, consisting in part of the acquisition and installation of certain machinery, equipment and building materials, all for incorporation and installation in certain premises located at 99 Newbridge Road, 4 Duffy Avenue and 2-10 Jerusalem Avenue, Hicksville, Town of Oyster Bay, Nassau County, New York (Section: 11; Block: G; Lot: 4, 30 and 235) (the “Premises”). The acquisition of the machinery, equipment and building materials to be incorporated and installed in the Premises and all services and rentals of equipment related to the acquisition, construction and equipping of the Project shall be exempt from all New York State and local sales and use taxes if the acquisition thereof is effected in accordance with the terms and conditions set forth in the attached sales tax exemption information letter of the Agency; and the Agent hereby represents that this contract is in compliance with the terms of the Uniform Project Agreement by and between AR HICKSVILLE LLC and the Agency, dated as of November 1, 2023. This contract is non-recourse to the Agency, and the Agency shall not be directly, indirectly or contingently liable or obligated hereunder in any manner or to any extent whatsoever. By execution or acceptance of this contract, the vendor/contractor hereby acknowledges and agrees to the terms and conditions set forth in this paragraph.”

EXHIBIT A

COST BENEFIT ANALYSIS AND FORM OF PILOT AGREEMENT

[Attached]

COST BENEFIT ANALYSIS
SUBSTANTIATION OF NEED FOR SUFFOLK COUNTY IDA FINANCIAL ASSISTANCE



Renderings of the Proposed Mixed-Use, Mixed-Income, Transit-Oriented Development

PROJECT APPLICANT AND NAME

AR Hicksville, LLC

LOCATION

99 Newbridge Road & 4 Duffy Avenue

Hicksville, NY 11801

PROJECT DESCRIPTION

New Construction of a 189-unit Mixed-Use, Mixed-Income Building

REQUESTED FINANCIAL ASSISTANCE

Property Tax Abatement

Sales Tax Exemption on Building Materials and Equipment

Mortgage Recording Tax Exemption

June 16, 2023



The National Development Council (“NDC”) has a limited engagement with the Nassau County Industrial Development Agency (the “IDA”) to review applications for tax assistance. NDC is a national economic development organization that provides development finance advisory services to municipalities throughout the country. NDC routinely analyzes financial structures of proposed developments and determines the appropriateness of direct financial assistance or incentives. The purpose of this memo is to describe NDC’s project understanding and findings of the above-referenced development.

PROJECT SUMMARY

AR Hicksville, LLC (the “Applicant” and “Developer”) is applying for financial assistance for a proposed mixed-use, mixed-income, transit-oriented development in Hicksville, Nassau County, NY. The application requests a sales tax exemption on building materials and equipment, a mortgage recording tax exemption, and a property tax abatement in the form of a payment in-lieu of taxes (“PILOT”).

The subject parcels total approximately 2.16 acres and contain a variety of commercial buildings. The Developer proposes to demolish the existing buildings and transform the properties into a four-story, elevator-serviced, mixed-use apartment building containing one-hundred and eighty-nine (189) apartment units and 7,660 square feet of ground floor commercial retail space.

- one-hundred and seventy (170) market-rate units,
- ten (10) workforce units priced for individuals and families earning less than 100% area median income (AMI), and
- nine (9) workforce units priced for individuals and families earning less than 80% of AMI.

Amenities will include a pool and sundeck on the second-floor courtyard, a fitness center, work from home space, and a lounge. Additionally, the apartments will feature high quality finishes including stainless steel appliances, washer and dryer in-unit, and HVACs. The development will incorporate three hundred and thirty-eight (338) parking spaces, two-hundred and eighty-three (283) parking spaces for the building’s tenants and fifty-five (55) public parking spaces for support the retail. It is located less than three hundred (300) feet from the Hicksville LIRR station, qualifying it as a transit-oriented development. The residential program is summarized as follows:

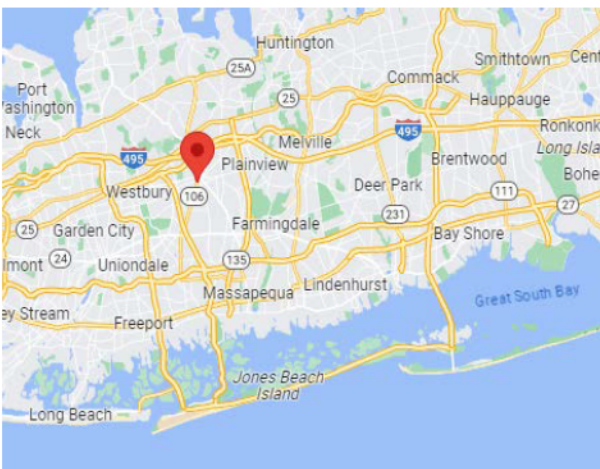
RENT ROLL							
Unit Description	%	Units	NSF	Total NSF	Mo Rent	Rent/SF	Annual Rent
Market							
Studio/One Bathroom	7%	13	590	7,670	\$2,400	\$4.07	\$374,400
One Bedroom/One Bathroom	35%	67	845	56,615	\$3,150	\$3.73	\$2,532,600
Two Bedroom/Two Bathroom	42%	80	1,182	94,560	\$3,900	\$3.30	\$3,744,000
Three Bedroom/Two Bathroom	5%	10	1,427	14,270	\$4,700	\$3.29	\$564,000
Workforce (80% AMI)							
Studio/One Bathroom	1%	1	575	575	\$1,900	\$3.30	\$22,800
One Bedroom/One Bathroom	2%	4	703	2,812	\$2,217	\$3.15	\$106,416
Two Bedroom/Two Bathroom	2%	4	989	3,956	\$2,486	\$2.51	\$119,328
Workforce (100% AMI)							
One Bedroom/One Bathroom	2%	4	703	2,812	\$2,802	\$3.99	\$134,496
Two Bedroom/Two Bathroom	3%	5	989	4,945	\$3,145	\$3.18	\$188,700
Three Bedroom/Two Bathroom	1%	1	1,421	1,421	\$3,485	\$2.45	\$41,820
TOTAL / AVERAGE	100%	189	942	189,636	\$3,019	\$3.30	\$7,828,560

The IDA commissioned a Real Property Assessment Analysis from Standard Valuation Services (“SVS”) to substantiate the development’s projected returns and estimate “as complete” real taxes. NDC used the monthly rents displayed in the SVS report and adjusted the rents based upon the developer’s insights on the market.

- Market Rate Units
 - Studio units increased by \$100.
 - One bedroom / one-bathroom units increased by \$150.
 - Two bedrooms / two-bathroom units increased by \$200.
 - Three bedroom / two-bathroom units increased by \$250.

The Applicant is a subsidiary of Alpine Residential, LLC, which is comprised of Alpine Real Estate Group, LLC and Beachwold Residential, LLC. Todd Scheffler and William Rosato, both managing principals of Alpine Residential, and Gideon Friedman, managing principal of Beachwold Residential, are the Applicant’s owners. Mr. Scheffler and Mr. Rosato have developed over 2,000 residential units, 500,000 SF of retail, 900,000 SF of industrial and office space, significant parks, and open space more than \$2.0 billion over the last thirty (30) years. Beachwold has built, owned, and managed multifamily properties for over forty (40) years, and controls sixty-six (66) properties and 15,000 multi-family units in Connecticut, Texas, Florida, Georgia, Virginia, New Jersey, and Tennessee.

The Applicant requested a property tax abatement in the form of a 20-year PILOT. After a review of the application, a 20-year PILOT is proposed starting at a 100% abatement for Operating Years 1-3, 85% Years 4-5, 75% Years 6-10, 50% Years 11-15, and 25% Years 16-20. The proposed PILOT schedule is detailed in Appendix I of this report.



Project Location



Satellite Image of Site

Construction is expected to commence in Summer of 2023 and take approximately twenty-four (24) months.

I. SOURCES & USES

The Developer intends to finance the 189-unit mixed-income development with a conventional debt (60%) and equity (39%) capital structure, a typical financial stack for a rental multi-family development. It



has also received \$1 million grant from the Town of Oyster Bay as part of its Downtown Revitalization Initiative (DRI) program. The summarized sources and uses are presented below:

PROGRAM	#				
Total Units	189				
Gross Square Feet (GSF)	382,725				
Residential GSF (RGSF)	218,833				
Retail SF	7,660				
Total Parking	338				
USES OF FUNDS	\$	Per Unit	Per Space	Per GSF	%
Acquisition	\$15,830,000	\$83,757	N/A	\$41	12%
Construction Hard Costs	\$66,855,679	\$353,734	N/A	\$175	50%
Structured Parking Costs	\$24,093,068	\$127,477	\$71,281	\$63	18%
Furniture Fixtures and Equipment	\$1,053,990	\$5,577	N/A	\$3	1%
Construction Contingency	\$4,600,137	\$24,339	N/A	\$12	3%
Finance Costs	\$7,829,871	\$41,428	N/A	\$20	6%
Soft Costs and Professional Fees	\$8,805,649	\$46,591	N/A	\$23	7%
Soft Cost Contingency	\$1,164,486	\$6,161	N/A	\$3	1%
Developer Fee	\$4,576,115	\$24,212	N/A	\$12	3%
TOTAL	\$134,808,995	\$713,275		\$352	100%
	<i>Less Parking:</i>	<i>\$585,799</i>	<i>Per RGSF:</i>	<i>\$506</i>	
SOURCES OF FUNDS	\$	Per Unit	Per Space	Per GSF	%
Loan	\$80,855,397	\$427,806	N/A	N/A	60%
Equity	\$52,953,598	\$280,178	N/A	N/A	39%
DRI Grant	\$1,000,000	\$5,291	N/A	N/A	1%
TOTAL	\$134,808,995	\$713,275		\$0	100%

The development budget measured in absolute dollars (\$134.8 million) and on a per unit basis (\$713K) is very high. The primary driver of the high capital budget is the \$24 million structured parking cost (\$127K per residential unit), as the program includes 338 parking spaces to be constructed underground. The subterranean parking is necessitated in order for the building not exceed four stories, per the land use approval requirement of the Town of Oyster Bay. The subterranean parking is a substantial cost premium, as the cost (\$71K per space) to build underground is about double of what it would cost (\$35K per space) to build structured parking above-ground.

When factoring out the structured parking costs, the per unit (\$585K) cost and per residential gross square foot (\$506/SF) cost, are still on the high side, but within reason. The Applicant detailed other that reasons for the high capital budget, such as high land costs (\$84K/unit), multiple design changes, and requirements for water district infrastructure, subterranean power lines, and sound proofing.

SUMMARIZED BENEFITS PACKAGE

Based upon the proposed project, the projected income stream, and the current tax rates, SVS estimated an as-completed annual tax of \$2,233,506, or \$11,817 per residential unit. The “as-is” current taxes on the property is \$280,165. “As is” taxes are high (equivalent to \$1,482 per unit before construction) for a new development site as the site is occupied by a few older, underutilized commercial buildings.



Current site

NDC used the SVS current tax and “as complete” real estate tax estimate in its analysis. The Tax Benefit Summary below includes the PILOT as recommended as part of this analysis, a sales tax exemption on building materials and equipment, and a mortgage recording tax exemption.

IDA TAX BENEFITS				
IDA RELATED PROPERTY TAXES		SALES TAX EXEMPTION		
Current Taxes	\$280,165	\$1,482 per unit	Construction Cost	\$90,948,747
As Complete Full Taxes	\$2,233,506	\$11,817 per unit	Value of Building Materials	50% \$45,474,374
Multiplier	7.97 x		Sales Tax	8.625%
PILOT schedule	20-year phase-in		Value of Exemption	<u>\$3,922,165</u>
PILOT over 20 Years	\$23,572,950		Furniture, Equipment, & Machinery	\$1,053,990
Savings over 20 Years	<u>(\$25,606,628)</u>		Sales Tax	8.625%
Increment over Savings	<u>(\$2,033,677)</u>		Value of Exemption on M&E	\$90,907
			Total Value of Sales Tax Exemption	<u>\$4,013,071</u>
MORTGAGE RECORDING TAX		FINANCIAL ASSISTANCE SUMMARY		
Mortgage	\$80,885,397	Real State Tax Savings Over PILOT Terms	\$25,606,628	
Mortgage Recording Tax	1.05%	Mortgage Recording Tax Savings	\$606,640	
Transit District Exclusion	-0.30%	Sales Tax Exemption	<u>\$3,922,165</u>	
Mortgage Recording Tax Savings	0.75%	IDA Financial incentive Package	<u>\$30,135,433</u>	
Value of Exemption	<u>\$606,640</u>	Total Project Cost	\$134,808,995	
		IDA Financial Package as aa % of Cost	22%	

With the PILOT and the abatement schedule, the tax increment is significant. Over \$23.5 million in real estate tax revenue is realized over the 20-year term. The average annual PILOT (\$1.18 million) paid over the term is a 4.2X multiplier above the \$280K in current real estate taxes. The PILOT paid over the term is



48% of estimated full taxes, meaning that the project realizes a 52% savings during the term. The proposed PILOT schedule, as detailed in **Appendix 1 on page 9**, is considered necessary to create financial viability.

II. SUMMARY OF NDC ANALYSIS

NDC based its analysis on the revenue, expense and costs assumptions provided by both the SVS report and Developer in the IDA application. NDC adjusted the pro forma provided by the Developer with the following assumptions:

- Increasing baseline taxes by a 1.00% annual increase
- Permanent loan assumptions that are in line with the current market for similar projects
 - 30-year amortization
 - Rate of 5.75%
- Adjusting market rents (outlined earlier in the report)
- Adjusting revenue growth to 3.50% annually for market rate units
- Adjusting revenue growth to 2.00% annually for workforce/affordable units
- Adjusting starting operating expenses to \$10,000 in Year 1
- Adjusting expense growth to 3.00% annually
- Projecting terminal value of project using a 5.50% cap rate.

While the market rate rents are high on a gross monthly basis, they are high due to the larger than average size (1,011 SF average size) than the typical residential rental product on Long Island. The rents on a monthly square foot basis (between \$3.27 and \$4.07 per unit per month) are on par with what is typically seen for rental properties that are more typically placed into the market.

Rents are slightly higher than, but still consistent with other developments in the area, but projected expenses (exclusive of real estate taxes), estimated at \$12,000 per unit in Year 3, are on the high side. Efficiencies with operating expenses could potentially help increase marginal returns, as discussed below. The table below illustrates financial performance with the PILOT in the first stabilized year of operations (assumed to be Year 3).

When full taxes (more than \$2.3 million annually) are plugged into the operating proforma in the stabilized year, projected cash flow is negative, and the project falls far short of acceptable ratios required by investors and lenders. Simply put, the development is not financially feasible with full taxes (\$11,817 per unit) commencing immediately. The PILOT is proposed with a 100% exemption on improvements for the first three years of operations so that the development can reach reasonable financial metrics. Without such exemption for the 3-year stabilization period, the necessary metrics are not realized.

There is no instance of undue enrichment as a result of this financial incentive package. With the proposed 20-year PILOT, all developer/investor return metrics (cash on cash, yield to cost, and internal rate of return) are quite marginal. The financial challenge lies in the extremely high development costs, high expenses, and high “as-complete” taxes. While the IDA cannot impact the first, the PILOT partially mitigates the high as-complete taxes by providing an adequate runway to phase into full taxes.

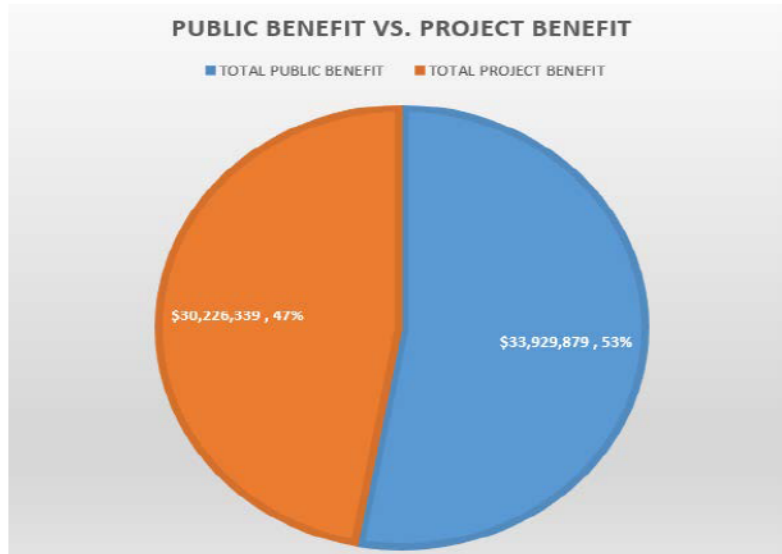


STABILIZED OPERATING PRO FORMA (Assumed to be 3rd year of operations after new construction)						
		(1) WITHOUT PILOT		(2) WITH 3rd YEAR 20-YR PILOT		
		\$	Per Unit	\$	Per Unit	
Market Gross Income	170	\$7,954,538	\$3,899 per month			
Workforce Gross Income	19	\$638,348	\$2,800 per month			
Commercial Income		\$239,084	\$34 per SF			
Parking and Other Income		\$584,913	\$172 per month			
Gross Income		\$9,416,882				
Residential Vacancy		(\$343,715)	4.00% vacancy			
Commercial & Parking Vacancy		(\$82,400)	10.00% vacancy			
Effective Gross Income		\$8,990,767		\$8,990,767		
Operating Expenses Excl Taxes		(\$1,804,591)	\$9,548	(\$1,804,591)	\$9,548	
RE Taxes / PILOT		(\$2,255,841)	\$11,936 3rd year	(\$285,796)	\$1,681 3rd year	
Total Expenses		(\$4,060,432)	\$21,484	(\$2,090,387)	\$11,229	
Net Operating Income		\$4,930,335		\$6,900,380		
Debt Service		(\$5,664,303)		(\$5,664,303)		
Cash Flow		(\$733,968)		\$1,236,077		
METRICS					<i>Typical in Market</i>	
Debt Coverage Ratio		0.87	<i>does not work</i>	1.22	<i>marginal</i>	>1.20
Cash on Cash Return		-1.39%	<i>does not work</i>	2.34%	<i>marginal</i>	>6.0%
Yield to Cost Return		3.66%	<i>does not work</i>	5.12%	<i>marginal</i>	>6.5%
Leveraged Pre-Tax IRR Over Term		4.58%	<i>does not work</i>	7.98%	<i>marginal</i>	>10%

III. BENEFIT SUMMARY

The below analysis shows a net positive public value. The public benefit factors the PILOT increment, value of non-residential parking, building and town fees, IDA fee, and value of the nineteen (19) workforce housing. The project benefit factors savings realized from the PILOT, exemption on the mortgage recording tax, and exemption on the sales tax on building materials.

PUBLIC AND PROJECT BENEFIT SUMMARY	
Full IDA Taxes (PILOT) over 20 Years	\$23,572,950
Value of Affordable Housing	\$3,856,447
Value of Contributed Non Residential Parking	\$4,116,864
Building Fee and Other Town Fees	\$2,034,000
IDA Fee	\$349,618
TOTAL PUBLIC BENEFIT	\$33,929,879
Real Estate Tax Savings Over 20-Year Term	\$25,606,628
Mortgage Recording Tax Exemption	\$606,640
Total Value of Sales Tax Exemption	\$4,013,071
TOTAL PROJECT BENEFIT	\$30,226,339
NET PUBLIC BENEFIT	\$3,703,540



Not captured in the above graph are the new jobs to be created and intangible benefits of the proposed project. The Applicant expects 370 temporary construction jobs and seven (7) full-time equivalent permanent jobs for the development. This project eliminates a blighted property, replaces it with much needed market rate and affordable rental units, and maximizes the site's land use with an improved mixed-income and mixed-use transit-oriented development (TOD). Nineteen (19) new units of workforce housing will be placed into service and one-hundred and seventy (170) new market rate units will be made available in the market. In addition, the development will add considerable disposable income from the residents as a means of strengthening local retail trade.

[\\$130M project lifts Hicksville's downtown revitalization efforts | Long Island Business News \(libn.com\)](#)





APPENDIX 1: PILOT SCHEDULE

PILOT SCHEDULE

AR Hicksville

Current Taxes	\$280,165
Improvement Taxes	\$1,953,341
"As Improved" (Full) Taxes	\$2,233,506
Proposed Units	189
Estimated Taxes/Unit	\$11,817
Annual Escalator	1.00%

PILOT Year	Operation Year	Base Taxes	Improvement Taxes	"As Improved" Full Taxes	Abatement	Savings	PILOT	Increment
1	Construction	\$280,165	\$0	\$280,165	0	\$0	\$280,165	
2	Construction	\$280,165	\$0	\$280,165	0	\$0	\$280,165	
3	1	\$280,165	\$1,953,341	\$2,233,506	100%	(\$1,953,341)	\$280,165	\$0
4	2	\$282,967	\$1,972,874	\$2,255,841	100%	(\$1,972,874)	\$282,967	\$0
5	3	\$285,796	\$1,992,603	\$2,278,399	100%	(\$1,992,603)	\$285,796	\$0
6	4	\$288,654	\$2,012,529	\$2,301,183	85%	(\$1,710,650)	\$590,534	\$301,879
7	5	\$291,541	\$2,032,654	\$2,324,195	85%	(\$1,727,756)	\$596,439	\$304,898
8	6	\$294,456	\$2,052,981	\$2,347,437	75%	(\$1,539,736)	\$807,701	\$513,245
9	7	\$297,401	\$2,073,511	\$2,370,912	75%	(\$1,555,133)	\$815,779	\$518,378
10	8	\$300,375	\$2,094,246	\$2,394,621	75%	(\$1,570,684)	\$823,936	\$523,561
11	9	\$303,379	\$2,115,188	\$2,418,567	75%	(\$1,586,391)	\$832,176	\$528,797
12	10	\$306,412	\$2,136,340	\$2,442,753	75%	(\$1,602,255)	\$840,497	\$534,085
13	11	\$309,476	\$2,157,704	\$2,467,180	50%	(\$1,078,852)	\$1,388,328	\$1,078,852
14	12	\$312,571	\$2,179,281	\$2,491,852	50%	(\$1,089,640)	\$1,402,212	\$1,089,640
15	13	\$315,697	\$2,201,074	\$2,516,770	50%	(\$1,100,537)	\$1,416,234	\$1,100,537
16	14	\$318,854	\$2,223,084	\$2,541,938	50%	(\$1,111,542)	\$1,430,396	\$1,111,542
17	15	\$322,042	\$2,245,315	\$2,567,358	50%	(\$1,122,658)	\$1,444,700	\$1,122,658
18	16	\$325,263	\$2,267,768	\$2,593,031	25%	(\$566,942)	\$2,026,089	\$1,700,826
19	17	\$328,515	\$2,290,446	\$2,618,961	25%	(\$572,611)	\$2,046,350	\$1,717,834
20	18	\$331,801	\$2,313,350	\$2,645,151	25%	(\$578,338)	\$2,066,813	\$1,735,013
21	19	\$335,119	\$2,336,484	\$2,671,603	25%	(\$584,121)	\$2,087,482	\$1,752,363
22	20	\$338,470	\$2,359,849	\$2,698,319	25%	(\$589,962)	\$2,108,356	\$1,769,887

TOTAL (Operating Years)		\$6,168,954	\$43,010,623	\$49,179,578		(\$25,606,628)	\$23,572,950	\$17,403,996
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52% of full taxes

48% of full taxes

\$1,178,648 annual avg.

\$6,236 ann avg unit

4.21 multiplier



APPENDIX 2: 20-Year Pro Forma

AR Hicksville																					
20-YEAR PRO FORMA																					
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	
Vacancy	25%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	
Market Gross Income	3.50%	7,215,000	7,575,750	7,954,538	8,352,264	8,769,878	9,076,823	9,394,512	9,723,320	10,063,636	10,415,864	10,780,419	11,157,733	11,548,254	11,952,443	12,370,778	12,803,756	13,251,887	13,715,703	14,195,753	14,692,604
Workforce Gross Income	2.00%	613,560	625,831	638,348	651,115	664,137	677,420	690,968	704,788	718,883	733,261	747,926	762,885	778,142	793,705	809,579	825,771	842,286	859,132	876,315	893,841
Retail	2.00%	229,800	234,396	239,084	243,866	248,743	253,718	258,792	263,968	269,247	274,632	280,125	285,727	291,442	297,271	303,216	309,281	315,466	321,775	328,211	334,775
Parking and Other Income	2.00%	562,200	573,444	584,913	596,611	608,543	620,714	633,129	645,791	658,707	671,881	685,319	699,025	713,006	727,266	741,811	756,647	771,780	787,216	802,960	819,019
Gross Income		8,620,560	9,009,421	9,416,882	9,843,856	10,291,301	10,628,675	10,977,401	11,337,867	11,710,474	12,095,638	12,493,789	12,905,371	13,330,844	13,770,685	14,225,385	14,695,454	15,181,420	15,683,827	16,203,239	16,740,240
Vacancy (residential)		(1,957,140)	(328,063)	(343,715)	(360,135)	(377,361)	(390,170)	(403,419)	(417,124)	(431,301)	(445,965)	(461,134)	(476,825)	(493,056)	(509,846)	(527,214)	(545,181)	(563,767)	(582,993)	(602,883)	(623,458)
Vacancy (commercial & parking)	10.00%	(79,200)	(80,784)	(82,400)	(84,048)	(85,729)	(87,443)	(89,192)	(90,976)	(92,795)	(94,651)	(96,544)	(98,475)	(100,445)	(102,454)	(104,503)	(106,593)	(108,725)	(110,899)	(113,117)	(115,379)
Effective Gross Income		6,584,220	8,600,574	8,990,767	9,399,673	9,828,212	10,151,062	10,484,790	10,829,766	11,186,378	11,555,022	11,936,110	12,330,071	12,737,343	13,158,385	13,593,668	14,043,681	14,508,928	14,989,934	15,487,239	16,001,402
Operating Expenses Excl Taxes	3.00%	(1,701,000)	(1,752,030)	(1,804,591)	(1,858,729)	(1,914,490)	(1,971,925)	(2,031,083)	(2,092,015)	(2,154,776)	(2,219,419)	(2,286,002)	(2,354,582)	(2,425,219)	(2,497,976)	(2,572,915)	(2,650,103)	(2,729,606)	(2,811,494)	(2,895,839)	(2,982,714)
PILOT		(280,165)	(282,967)	(285,796)	(590,534)	(596,439)	(807,701)	(815,779)	(823,936)	(832,176)	(840,497)	(1,388,328)	(1,402,212)	(1,416,234)	(1,430,396)	(1,444,700)	(2,026,089)	(2,046,350)	(2,066,813)	(2,087,482)	(2,108,356)
Total Expenses		(1,981,165)	(2,034,997)	(2,090,387)	(2,449,262)	(2,510,929)	(2,779,627)	(2,846,861)	(2,915,952)	(3,059,917)	(3,674,330)	(3,756,793)	(3,841,453)	(3,928,372)	(4,017,615)	(4,676,192)	(4,775,956)	(4,878,307)	(4,983,320)	(5,091,070)	
Net Operating Income		4,603,055	6,565,577	6,900,380	6,950,411	7,317,282	7,371,436	7,637,928	7,913,815	8,199,426	8,495,105	8,261,780	8,573,277	8,895,890	9,230,013	9,576,053	9,367,489	9,732,973	10,111,627	10,503,919	10,910,332
Debt Service		(4,650,910)	(4,650,910)	(5,664,303)	(5,664,303)	(5,664,303)	(5,664,303)	(5,664,303)	(5,664,303)	(5,664,303)	(5,664,303)	(5,664,303)	(5,664,303)	(5,664,303)	(5,664,303)	(5,664,303)	(5,664,303)	(5,664,303)	(5,664,303)	(5,664,303)	(5,664,303)
Cash Flow		(47,855)	1,914,667	1,236,077	1,286,108	1,652,980	1,707,133	1,973,626	2,249,512	2,535,123	2,830,802	2,597,478	2,908,975	3,231,588	3,565,711	3,911,750	3,703,186	4,068,670	4,447,324	4,839,616	5,246,030
Debt Coverage Ratio		0.99	1.41	1.22	1.23	1.29	1.30	1.35	1.40	1.45	1.50	1.46	1.51	1.57	1.63	1.69	1.65	1.72	1.79	1.85	1.93
Cash on Cash Rate of Return		-0.09%	3.62%	2.34%	2.43%	3.12%	3.23%	3.73%	4.25%	4.79%	5.35%	4.91%	5.50%	6.11%	6.74%	7.39%	7.00%	7.69%	8.40%	9.14%	9.91%
Yield to Cost		3.41%	4.87%	5.12%	5.16%	5.43%	5.47%	5.67%	5.87%	6.08%	6.30%	6.13%	6.36%	6.60%	6.85%	7.10%	6.95%	7.22%	7.50%	7.79%	8.09%
Valuation Cap Rate	5.50% cap rate																				198,369,677
Outstanding Loan Balance																					(55,397,848)
Net Sale Proceeds																					142,971,829
Equity																					
Benefit Stream	(\$52,923,598)	(47,855)	1,914,667	1,236,077	1,286,108	1,652,980	1,707,133	1,973,626	2,249,512	2,535,123	2,830,802	2,597,478	2,908,975	3,231,588	3,565,711	3,911,750	3,703,186	4,068,670	4,447,324	4,839,616	148,217,858
Pre-Tax Levered IRR	8%																				



STANDARD DISCLOSURE

Standard disclaimer regarding NDC's compliance with Section 975 of the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank") and amended Section 15B of the Securities and Exchange Act of 1934 ("Exchange Act"):

The National Development Council is not a Registered Municipal Advisor as defined in Dodd-Frank and the Exchange Act and therefore cannot provide advice to a municipal entity or obligated person with respect to municipal financial products or the issuance of municipal securities, including structure, timing, terms, or other similar matters concerning such financial products or issues.

The general information contained in this document is factual in nature and consistent with current market conditions and does not contain or express subjective assumptions, opinions, or views, or constitute a recommendation, either express or implied, upon which a municipal entity or obligated person may rely with respect to municipal products or the issuance of municipal securities.

In connection with these matters, it is expressly understood by all parties that NDC is not acting as your agent, advisor, municipal advisor, or fiduciary. NDC may have financial and other interests that differ from yours. You should discuss the information contained herein with your own municipal, financial, legal, accounting, tax, and/or other advisors, as applicable, to the extent that you deem appropriate.

EXHIBIT B

**FORM OF NYS FORM ST-60 TO BE COMPLETED BY COMPANY AND FILED WITH
THE NYS TAX DEPARTMENT IDA UNIT FOR EACH OF ITS SUBAGENTS WITHIN
THIRTY (30) DAYS OF APPOINTMENT**

[See Attached Page]



IDA Appointment of Project Operator or Agent For Sales Tax Purposes

The industrial development agency or authority (IDA) must submit this form within 30 days of the appointment of a project operator or agent, whether appointed directly by the IDA or indirectly by the operator or another agent.

For IDA use only

IDA information

Name of IDA Nassau County Industrial Development Agency			IDA project number (use OSC numbering system for projects after 1998) 2803-23-08A
Street address One West Street			Telephone number (516) 571-1945
City Mineola	State NY	ZIP code 11501	Email address (optional) N/A

Project operator or agent information

Name of IDA project operator or agent AR Hicksville LLC		Mark an X in the box if directly appointed by the IDA: <input checked="" type="checkbox"/>	Employer identification or Social Security number 87-1889892
Street address 257 Park Avenue South, 13th Floor		Telephone number (646) 836-9308	Primary operator or agent? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
City New York	State NY	ZIP code 11010	Email address (optional) N/A

Project information

Name of project AR Hicksville LLC 2023 Project			
Street address of project site 99 Newbridge Rd, 4 Duffy Av & 2-10 Jerusalem Av **and any lands located in Nassau County and occupied by license or easement during construction or improved by third parties for the benefit of the Project			
City Hicksville	State NY	ZIP code 11801	Email address (optional) N/A
Purpose of project The acquisition of an approximately 2.162 acre parcel of land located at 99 Newbridge Road, 4 Duffy Avenue and 2-10 Jerusalem Avenue, Hicksville, Town of Oyster Bay, Nassau County, New York (Section: 11; Block: G; Lot: 4, 30 and 235), the demolition of existing buildings and structures and construction of approximately 382,725 square foot building, consisting of 233,517 square feet for occupied space and 149,208 square feet of structured parking, the acquisition of certain furniture, fixtures, machinery and equipment necessary for the completion thereof, all for a multifamily, rental residential building.			

Description of goods and services intended to be exempted from New York State and local sales and use taxes Goods and services, inclusive of fuel and utilities, whether the goods and services are purchased or rented, and notwithstanding that they continue to constitute personal property or the item is used after the completion of the Project, or the item is geographically located outside the legal boundaries of the Project Facility; provided there is a reasonable basis to acquire the item to benefit the Project.			
Date project operator or agent appointed (mmddyy)	Date project operator or agent status ends (mmddyy)	123125	Mark an X in the box if this is an extension to an original project: <input type="checkbox"/>
Estimated value of goods and services that will be exempt from New York State and local sales and use tax: 46,528,359.42		Estimated value of New York State and local sales and use tax exemption provided: 4,013,071.00	

Certification: I certify that the above statements are true, complete, and correct, and that no material information has been omitted. I make these statements with the knowledge that willfully providing false or fraudulent information with this document may constitute a felony or other crime under New York State Law, punishable by a substantial fine and possible jail sentence. I also understand that the Tax Department is authorized to investigate the validity of any information entered on this document.

Print name of officer or employee signing on behalf of the IDA Sheldon L. Shrenkel		Print title Chief Executive Officer/Executive Director	
Signature		Date	Telephone number (516) 571-1945

EXHIBIT C-1

**NYS FORM ST-123
FOR
COMPANY**

[See Attached Page]



IDA Agent or Project Operator Exempt Purchase Certificate

Effective for projects beginning on or after June 1, 2014

This certificate is not valid unless all entries have been completed.

Note: To be completed by the purchaser and given to the seller. Do not use this form to purchase motor fuel or diesel motor fuel exempt from tax. See Form FT-123, IDA Agent or Project Operator Exempt Purchase Certificate for Fuel.

Table with seller and agent information including name, address, city, state, and ZIP code.

Mark an X in one: [] Single-purchase certificate [X] Blanket-purchase certificate (valid only for the project listed below)

To the seller:

You must identify the project on each bill and invoice for such purchases and indicate on the bill or invoice that the IDA or agent or project operator of the IDA was the purchaser.

Project information

I certify that I am a duly appointed agent or project operator of the named IDA and that I am purchasing the tangible personal property or services for use in the following IDA project and that such purchases qualify as exempt from sales and use taxes under my agreement with the IDA.

Table with project details including IDA name, project name, address, city, state, ZIP code, and dates.

Exempt purchases

(Mark an X in boxes that apply)

- A. Tangible personal property or services (other than utility services and motor vehicles or tangible personal property installed in a qualifying motor vehicle) used to complete the project, but not to operate the completed project
B. Certain utility services (gas, propane in containers of 100 pounds or more, electricity, refrigeration, or steam) used to complete the project, but not to operate the completed project
C. Motor vehicle or tangible personal property installed in a qualifying motor vehicle

Certification: I certify that the above statements are true, complete, and correct, and that no material information has been omitted. I make these statements and issue this exemption certificate with the knowledge that this document provides evidence that state and local sales or use taxes do not apply to a transaction or transactions for which I tendered this document and that willfully issuing this document with the intent to evade any such tax may constitute a felony or other crime under New York State Law, punishable by a substantial fine and a possible jail sentence.

Signature of purchaser or purchaser's representative (include title and relationship) and Date field.

EXHIBIT C-2

**NYS FORM ST-123
FOR
SUBAGENTS OF COMPANY**

[See Attached Page]



IDA Agent or Project Operator Exempt Purchase Certificate

Effective for projects beginning on or after June 1, 2014

This certificate is not valid unless all entries have been completed.

Note: To be completed by the purchaser and given to the seller. Do not use this form to purchase motor fuel or diesel motor fuel exempt from tax. See Form FT-123, IDA Agent or Project Operator Exempt Purchase Certificate for Fuel.

Form with fields for Name of seller, Name of agent or project operator, Street address, City, town, or village, State, ZIP code, and Agent or project operator sales tax ID number.

Mark an X in one: [] Single-purchase certificate [X] Blanket-purchase certificate (valid only for the project listed below)

To the seller:

You must identify the project on each bill and invoice for such purchases and indicate on the bill or invoice that the IDA or agent or project operator of the IDA was the purchaser.

Project information

I certify that I am a duly appointed agent or project operator of the named IDA and that I am purchasing the tangible personal property or services for use in the following IDA project and that such purchases qualify as exempt from sales and use taxes under my agreement with the IDA.

Form with fields for Name of IDA (Nassau County Industrial Development Agency), Name of project (AR Hicksville LLC 2023 Project), IDA project number (2803-23-08A), Street address of project site (99 Newbridge Rd, 4 Duffy Av & 2-10 Jerusalem Av), City, town, or village (Hicksville), State (NY), ZIP code (11801), and dates of appointment and status ends.

Exempt purchases

(Mark an X in boxes that apply)

- [X] A. Tangible personal property or services (other than utility services and motor vehicles or tangible personal property installed in a qualifying motor vehicle) used to complete the project, but not to operate the completed project
[] B. Certain utility services (gas, propane in containers of 100 pounds or more, electricity, refrigeration, or steam) used to complete the project, but not to operate the completed project
[] C. Motor vehicle or tangible personal property installed in a qualifying motor vehicle

Certification: I certify that the above statements are true, complete, and correct, and that no material information has been omitted. I make these statements and issue this exemption certificate with the knowledge that this document provides evidence that state and local sales or use taxes do not apply to a transaction or transactions for which I tendered this document and that willfully issuing this document with the intent to evade any such tax may constitute a felony or other crime under New York State Law, punishable by a substantial fine and a possible jail sentence. I understand that this document is required to be filed with, and delivered to, the vendor as agent for the Tax Department for the purposes of Tax Law section 1838 and is deemed a document required to be filed with the Tax Department for the purpose of prosecution of offenses. I also understand that the Tax Department is authorized to investigate the validity of tax exclusions or exemptions claimed and the accuracy of any information entered on this document.

Form with fields for Signature of purchaser or purchaser's representative (include title and relationship) and Date.

EXHIBIT C-3

INVOICE RIDER FORM

I, _____, the
_____ of _____ certify that I am
a duly appointed agent of the NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY
(the “Agency”) and that I am purchasing the tangible personal property or services for use in the
following Agency Project and that such purchases qualify as exempt from sales and use taxes
under the Uniform Project Agreement, dated as of November 1, 2023, by and between the
Agency and AR HICKSVILLE LLC.

Name of the Project: AR HICKSVILLE LLC 2023 Project

Street address of the Project Site: 99 Newbridge Road, 4 Duffy Avenue and 2-10
Jerusalem Avenue, Hicksville, Town of Oyster Bay,
Nassau County, New York

Tax Map #: (Section: 11; Block: G; Lot: 4, 30 and 235)

IDA OSC project number: **2803-23-08A**

EXHIBIT D

**NYS FORM ST-340 TO BE COMPLETED BY THE COMPANY AND FILED
ANNUALLY WITH THE NYS TAX DEPARTMENT IDA UNIT NO LATER THAN
FEBRUARY 10TH OF EACH YEAR**

[See Attached Page]



Annual Report of Sales and Use Tax Exemptions Claimed by Agent/Project Operator of Industrial Development Agency/Authority (IDA)

For period ending December 31, _____ (enter year)

Project information

Form with fields for Name of IDA agent/project operator (AR Hicksville LLC), Street address (257 Park Avenue South, 13th Floor), City (New York), State (NY), ZIP code (10010), Name of IDA (Nassau County Industrial Development Agency), Name of project (AR Hicksville LLC 2023 Project), IDA project number (2803-23-08A), Street address of project site (99 Newbridge Rd, 4 Duffy Av & 2-10 Jerusalem Av), City (Hicksville), State (NY), ZIP code (11801), Date project began, Completion date of project (123125), and Total sales and use tax exemptions.

Representative information (not required)

Form with fields for Authorized representative, if any, Title, Street address, Telephone number, City, State, and ZIP code.

Certification

Certification text: I certify that the above statements are true, complete, and correct, and that no material information has been omitted. I make these statements with the knowledge that willfully providing false or fraudulent information with this document may constitute a felony or other crime under New York State Law, punishable by a substantial fine and possible jail sentence. I also understand that the Tax Department is authorized to investigate the validity of any information entered on this document. Fields for Print name of officer, employee, or authorized representative, Title of person signing, Signature, and Date.

If you do not annually file a complete report, we may remove your authority to act as an IDA agent/project operator.

Mail completed report to:

NYS TAX DEPARTMENT
IDA UNIT
W A HARRIMAN CAMPUS
ALBANY NY 12227-0866

If not using U.S. Mail, see Publication 55, Designated Private Delivery Services.

EXHIBIT E

FORMS OF ANNUAL
EMPLOYMENT REPORT

NASSAU IDA JOB CONFIRMATION FORM 2023

1. Sales Tax Abatement Information

Did your company receive Sales Tax Abatement on your Project during 2023?

Yes__ No__

If so, please provide the amount of sales and use tax exemptions. This would be Actual tax savings; NOT total purchases.

\$ _____

(A copy of the ST-340 sales tax report submitted to New York State for the 2023 reporting period is required to be attached with this report)

2. Mortgage Recording Tax Information

a) Did your company receive Mortgage Tax Abatement on your Project during 2023?

Yes__ No__

(Note: this would only be applicable to the year that a mortgage was placed upon the Project, so if you did not close in 2023, the answer should be NO)

b) Amount of the mortgage recording tax that was abated during 2023:

\$ _____

3. Job Information

(NOTE: All job information required herein shall include the employees, independent contractors and employees of independent contractors of all owners, occupants and operators of the Project Facility. Such information of owners, occupants and operators other than the Applicant shall also be separately provided in a certified statement with supporting documentation from each such owner, occupant and operator.)

a) Total number (as of December 31st 2023) of full time equivalent ("FTE") jobs (including both retained and newly created jobs) at the Project Facility by job category, the average salary or range of salaries, and average fringe benefits or range of fringe benefits for each:

Category	FTE	Average Salary or Range of Salary	Avg. Fringe Benefits or Range of Benefits
Management	_____	_____	_____
Professional	_____	_____	_____
Administrative	_____	_____	_____
Production	_____	_____	_____
Supervisor	_____	_____	_____
Laborer	_____	_____	_____
Independent Contractor ²	_____	_____	_____
Other	_____	_____	_____
TOTAL	<input type="text"/>		

b) Number of the foregoing jobs that were (as of 12/31/23) filled by residents of the Local Market Area (i.e., Nassau and Suffolk Counties): _____

c) Please attach (1) the 2023 fourth quarter form NYS-45 ATT, along with the NYS 45 summary report filed with New York State Employment Taxation Department indicating number of employees, and (2) the Undersigned's annual payroll report for year ending 12/31/23.

d) Number of FTE construction jobs during 2023: _____

e) Average Salary of construction jobs during 2023: _____

f) Number of FTE jobs created at the Project Facility during the fiscal year by job category the average salary or range of salaries, and average fringe benefits or range of fringe benefits for each:

Category	FTE	Average Salary or Range of Salary	Avg. Fringe Benefits or Range of Benefits
Management	_____	_____	_____
Professional	_____	_____	_____
Administrative	_____	_____	_____
Production	_____	_____	_____
Supervisor	_____	_____	_____
Laborer	_____	_____	_____
Independent Contractor ³	_____	_____	_____
Other	_____	_____	_____
Total	<input type="text"/>		

² As used in this form, this category includes employees of independent contractors.

³ As used in this form, this category includes employees of independent contractors.

- g) Are the foregoing salary and fringe benefits figures consistent with the figures provided by the company in its application for financial assistance? Yes ___ No ___
- h) Number of the foregoing jobs that were (as of 12/31/23) filled by residents of the Local Market Area (i.e., Nassau and Suffolk Counties): _____
- i) Number of the foregoing jobs that were as of 12/31/23 filled by Community Services Division applicants: _____
- j) Number of the foregoing jobs that were as of 12/31/23 filled by Job Training Partnership Act eligible persons: _____
- k) Total Annual Payroll for 2023: \$ _____

4. WBME Covenant:

- a) Did you make best effort to use W/MBE vendors or construction workers? _____
- b) Indicate any qualified women-owned and/or minority-owned business enterprises that were used for contracts in 2023 _____

5. Project Investment Information

- a). Project Investment for 2023: \$ _____
(attach evidence such as receipts, contracts, invoices etc.)

The undersigned acknowledges that the average salaries or range of salaries and the average benefits or range of benefits for both retained and created jobs set forth in the Application are still accurate.

The undersigned acknowledges that the submission of any knowingly false or knowingly misleading information herein may lead to the immediate termination of the financial assistance and/or the recapture of an amount equal to all or part of any tax exemption claimed by reason of the Agency's involvement in the project.

The undersigned hereby confirms that (i) no default under the Transaction Documents has occurred and is continuing, and (ii) no leases, subleases or other arrangements permitting the use or occupancy of the Project Facility are in effect, except those expressly authorized in writing by the Agency.

The undersigned hereby represents and warrants that, to the best of his/her knowledge, the information contained herein is true, accurate and complete.

Signed: _____ Company Name: _____

Name: _____ Address: _____

Title: _____ Phone: _____

Date: _____ Fax: _____

Email: _____

Acknowledgment to be completed by a Notary Public:

State of _____

County of _____

On the ___ day of ___ in the year _____ before me the undersigned, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she they executed the same in his/her/their, capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

NOTARY PUBLIC (Please sign and affix stamp)

RETURN TO:

NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY

1 WEST STREET- 4TH FLOOR

MINEOLA, NY 11501

ATTN: ADMINISTRATIVE DIRECTOR

NO LATER THAN FEBRUARY 10, 2024