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March 29, 2019

Town of Hempstead Industrial Development Agency
Hempstead, New York

Re: Town of Hempstead Industrial Development Agency
(AVB Harbor Isle, LLC 2019 Facility)

Ladies and Gentlemen:

We have acted as transaction counsel to the Town of Hempstead Industrial Development Agency (Town of Hempstead, New York) (the "**Agency**") in connection with the acquisition, construction, equipping and furnishing of the Facility. All capitalized terms used herein, unless otherwise defined herein, shall have the meanings ascribed herein, shall have the meanings ascribed to such terms in Schedule A to the Lease Agreement (as defined herein). This transaction is undertaken by the Agency pursuant to:

(i) Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 529 of the Laws of 1971 of the State of New York, as amended (the "**Act**"),

(ii) a preliminary resolution duly adopted by the Agency on September 18, 2018 (the "**Preliminary Inducement Resolution**"); and

(iii) an Inducement/Authorizing Resolution of the Agency, dated February 19, 2019 (the "**Authorizing Resolution**"), authorizing the acquisition of an approximately 11.6 acre parcel of land located at Sheridan Place and Island Parkway South in Island Park, Town of Hempstead, Nassau County, New York (excluding the docks and boat slips and any portions of property seaward of the existing or future bulkhead) (the "**Land**"), the construction and equipping of an approximately 266,267 square foot apartment complex containing approximately 172 units (to be a mixture of 1-bedroom, 2-bedroom and 3-bedroom luxury apartments) located thereon (the "**Improvements**" and "**Equipment**"; and, together with the Land, the "**Facility**"), which Facility is to be subleased and leased by the Agency to AVB Harbor Isle, LLC (the "**Company**"), and is to be used by the Company for its primary use a waterfront community ("**Project**").

The Company has agreed to lease the Land and the Improvements to the Agency pursuant to a certain Company Lease Agreement, dated as of March 1, 2019 (the "**Company Lease**"), by and between the Company and the Agency.

The Agency has agreed to sublease the Land and the Improvements and lease the Equipment to the Company pursuant to a certain Lease and Project Agreement, dated as of March 1, 2019 (the "**Lease Agreement**"), by and between the Company and the Agency.

As transaction counsel, we have examined originals or copies, certified or otherwise identified to our satisfaction, of such instruments, certificates and documents (including all documents constituting the Transcript of Proceedings with respect to the transactions described above) (the "**Transaction Documents**") as we have deemed necessary or appropriate for the purpose of rendering the opinions below. In such examination, we have assumed the genuineness of all signatures, the authenticity and due execution of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinion, without having conducted any independent investigation, we have relied upon, and assumed the accuracy and truthfulness of, the aforesaid instruments, certificates and documents.

In addition, in rendering the opinions set forth below, we have relied upon the opinions of counsel to the Agency, Ryan, Brennan & Donnelly LLP, Floral Park, New York, and counsel to the Company, Forchelli Deegan & Terrana LLP, Uniondale, New York, each of even date herewith. Copies of the aforementioned opinions are contained in the Transcript of Proceedings.

Based upon and subject to the foregoing, we are of the opinion that:

1. The Agency is a duly organized and existing corporate governmental agency constituting a public benefit corporation of the State of New York.

2. The Agency is duly authorized to acquire, construct, equip and furnish the Facility.

3. The Authorizing Resolution has been duly adopted by the Agency and is in full force and effect.

4. The Lease Agreement has been duly authorized, executed and delivered by the Agency and is a legal, valid and binding obligation of the Agency, enforceable against the Agency in accordance with its terms.

The foregoing opinions are qualified to the extent that the enforceability of the Lease Agreement may be limited by bankruptcy, insolvency or other laws or enactments now or hereafter enacted by the State of New York or the United States affecting the enforcement of creditors' rights and by restrictions on the availability of equitable remedies and to the extent, if any, that enforceability of the indemnification provisions of the Lease Agreement may be limited under law.

In rendering the foregoing opinions, we are not passing upon and do not assume any responsibility for the accuracy, completeness, sufficiency or fairness of any documents, information or financial data supplied by the Agency or the Company in connection with the Facility, and we make no representation that we have independently verified the accuracy, completeness, sufficiency or fairness of any such documents, information or financial data.

We express no opinion as to the sufficiency of the description of the Land, the Improvements, and/or the Equipment in the Lease Agreement conveying a leasehold interest in the Land and the Improvements to the Company; or in the Bill of Sale, dated of even date herewith, from the Company to the Agency, conveying the equipment to the Agency; or in any of the other Agency Documents (as such term is defined in Schedule A to the Lease Agreement); or as to title to the Land, the Improvements, or the Equipment. We express no opinion with respect to the availability of any specific remedy provided for in any of the Transaction Documents.

We express no opinion with respect to whether the Agency and the Company (i) have complied with the State Environmental Quality Review Act, (ii) have obtained any or all necessary governmental approvals, consents or permits, or (iii) have complied with the New York Labor Law or other applicable laws, rules, regulations or orders or zoning and building codes, all in connection with the acquisition, construction, equipping, furnishing and operation of the Facility, the sublease of the Land and the Improvements and leasing of the Equipment by the Agency to the Company.

Very truly yours,

Nixon Peabody LLP