

Date: February 24, 2022

At a meeting of the Town of Hempstead Industrial Development Agency (the "Agency"), held at Town Hall Pavilion, 1 Washington Street, Hempstead, New York 11550, on the 24th day of February, 2022, at 9:00 a.m., the following members of the Agency were present:

Present: Florestano Girardi, Chairman
Rev. Dr. Eric C. Mallette, Treasurer
Jack Majkut, Secretary
Jerry Kornbluth, Member
Jill Ann Mollitor, Member
Dan Oppenheimer, Village Member
LaMont Johnson, Village Member
Stacey Lucas, Village Member
Joylette Williams, Village Member

Excused: Thomas J. Grech, Vice Chairman
Robert Bedford, Member
Edie Longo, Chief Financial Officer

Lorraine Rhoads, Agency Administrator

Also Present: Frederick E. Parola, Chief Executive Officer
Michael Lodato, Deputy Executive Director
~~Lorraine Rhoads, Agency Administrator~~
Laura Tomeo, Deputy Agency Administrator
Lorraine Rhoads, Agency Administrator
Arlyn Eames, Deputy Financial Officer
John Ryan, Esq., Agency Counsel
Paul V. O'Brien, Esq., Transaction Counsel

After the meeting had been duly called to order, the Chairman announced that among the purposes of the meeting was to consider and take action on certain matters pertaining to the acquisition of a leasehold interest in or title to a certain industrial development facility more particularly described herein (Estella Housing LLC 2022 Facility), and the leasing of such facility to Estella Housing LLC.

The following resolution was duly moved, seconded, discussed and adopted with the following members voting:

Voting Aye

9

Voting Nay

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Abstaining

RESOLUTION OF THE TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY (THE "AGENCY") APPROVING THE APPOINTMENT OF ESTELLA HOUSING LLC, A NEW YORK LIMITED LIABILITY COMPANY, ON BEHALF OF ITSELF AND/OR THE PRINCIPALS OF ESTELLA HOUSING LLC AND/OR AN ENTITY FORMED OR TO BE FORMED ON BEHALF OF ANY OF THE FOREGOING AS AGENT OF THE AGENCY FOR THE PURPOSE OF ACQUIRING, CONSTRUCTING AND EQUIPPING OF AN INDUSTRIAL DEVELOPMENT FACILITY, APPROVING THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF SUCH FACILITY AND MAKING CERTAIN FINDINGS AND DETERMINATIONS WITH RESPECT TO SUCH FACILITY AND APPROVING THE FORM, SUBSTANCE AND EXECUTION OF RELATED DOCUMENTS

WHEREAS, by 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 the same may be amended from time to time (collectively, the "**Act**"), the Town of Hempstead Industrial Development Agency (the "**Agency**") was created with the authority and power among other things, to assist with the acquisition of certain industrial development projects as authorized by the Act; and

WHEREAS, Estella Housing LLC, a New York limited liability company, on behalf of itself and/or the principals of Estella Housing LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the "**Company**"), submitted its application for financial assistance (the "**Application**") to the Agency to enter into a transaction in which the Agency will assist in the acquisition of an interest in an approximately 0.6193 acre parcel of land located at 176 Main Street, Village of Hempstead, Town of Hempstead, Nassau County, New York (the "**Land**"), the construction of one (1) five-story approximately 125,911 square foot building consisting of approximately 96 residential rental units (consisting of approximately 42 studio apartments, 34 one-bedroom apartments, 19 two-bedroom apartments and 1 superintendent's unit), approximately 10,468 square feet of residential amenity and support service space for tenants, 5,538 square feet of community service facility space, and parking spaces for 92 vehicles (the "**Improvements**"), and the acquisition of certain fixtures, equipment and personal property necessary for the completion thereof (the "**Equipment**"; and together with the Land and the Improvements, the "**Facility**"), which Facility is to be subleased by the Agency to the Company and further sub-leased by the Company to future tenants for use as a transit-oriented, affordable, mixed-use multifamily housing and commercial complex (the "**Project**"); and

WHEREAS, the Agency, by resolution duly adopted by the members of the Agency on January 31, 2022 (the "**Inducement Resolution**"), decided to proceed under the provisions of the Act; and

WHEREAS, a public hearing (the “**Hearing**”) was held on February 15, 2022 and notice of the Hearing was given and such notice (together with proof of publication) together with the minutes of the Hearing are annexed hereto as Exhibits A and B, respectively; and

WHEREAS, the Agency contemplates that it will provide financial assistance to the Company in the form of abatement of real property taxes (as set forth in the Proposed PILOT Schedule annexed as Exhibit C hereof); and

WHEREAS, the Agency required the Company to provide to the Agency a feasibility report together with letters or reports from interested parties and governmental agencies or officials, if any (collectively, the “**Requisite Materials**”), to enable the Agency to make findings and determinations that the Facility qualifies as a “project” under the Act and that the Facility satisfies all other requirements of the Act, and such Requisite Materials are attached as Exhibit C to the Inducement Resolution; and

WHEREAS, the Agency’s Uniform Tax Exemption Policy (“**UTEP**”), a copy of which is attached as Exhibit D to the Inducement Resolution, provides for the granting of financial assistance by the Agency for certain housing projects pursuant to Section 1.A.(II) thereof; and

WHEREAS, the financial assistance to be granted by the Agency to the Company would represent a deviation from the UTEP because the payment in lieu of taxes arrangement with respect to the Facility would be for a term of up to thirty (30) years; and

WHEREAS, by letter dated February 4, 2022 (the “**Deviation Notice**”), a copy of which is annexed hereto as Exhibit D, the Agency provided notice to each affected tax jurisdiction of the proposed deviation from the UTEP and the respective dates of the Public Hearing and of the date of this meeting of the Agency and invited each affected tax jurisdiction to provide their comments either in person or in writing to the Agency at such Public Hearing or this meeting with respect to the location and nature of the Facility, the financial assistance to be granted by the Agency to the Company and the Agency’s deviation from the UTEP; and

WHEREAS, pursuant to Article 8 of the New York 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 (“**NYSDEC**”), being 6 N.Y.C.R.R. Part 617, et. seq., as amended (the “**Regulations**” and collectively with the SEQR Act, “**SEQRA**”), the Agency must satisfy the requirements contained in SEQRA prior to making a final determination whether to undertake the Project; and

WHEREAS, by resolution of the members of the Agency adopted on January 31, 2022 as part of the Inducement Resolution, the Agency: (a) determined that the Project is an Unlisted Action pursuant to SEQRA, (b) determined the Project will not have a significant adverse impact upon the environment, and (c) issued a negative declaration with respect to the Project pursuant to SEQRA; and

WHEREAS, the Agency will acquire a leasehold interest in the Land and the Improvements pursuant to a certain Company Lease Agreement, dated as of March 1, 2022, or such other date as the Chairman, the Chief Executive Officer, the Chief Financial Officer or the Deputy Executive Director of the Agency and counsel to the Agency shall agree (the “**Company Lease**”), by and between the Company and the Agency; and

WHEREAS, the Agency will acquire title to the Equipment pursuant to a certain Bill of Sale, dated the Closing Date (as defined in the hereinafter defined Lease Agreement) (the “**Bill of Sale**”), from the Company to the Agency; and

WHEREAS, the Agency will sublease and lease the Facility to the Company pursuant to a certain Lease and Project Agreement, dated as of March 1, 2022 or such other date as the Chairman, the Chief Executive Officer, the Chief Financial Officer or the Deputy Executive Director of the Agency and counsel to the Agency shall agree (the “**Lease Agreement**”), by and between the Agency and the Company; and

WHEREAS, the Act authorizes and empowers the Agency to promote, develop, encourage and assist projects such as the Facility and to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York; and

WHEREAS, the Agency has given due consideration to the Application of the Company and to representations by the Company that the proposed Facility is either an inducement to the Company to construct and maintain the Facility in the Town of Hempstead or is necessary to maintain the competitive position of the Company in its industry; and

WHEREAS, as security for a loan or loans, the Agency and the Company will execute and deliver to a lender or lenders not yet determined (collectively, the “**Lender**”), one (1) or more mortgages, and such other loan documents satisfactory to the Agency, upon advice of counsel, in both form and substance as may be reasonably required by the Lender, to be dated a date to be determined, in connection with the financing, any refinancing or permanent financing of the acquisition, construction and equipping of the Facility (collectively, the “**Loan Documents**”); and

WHEREAS, the Company has agreed to indemnify the Agency against certain losses, claims, expenses, damages and liabilities that may arise in connection with the transaction contemplated by the leasing and subleasing of the Facility by the Agency to the Company.

NOW, THEREFORE, BE IT RESOLVED by the Agency (a majority of the members thereof affirmatively concurring) as follows:

Section 1. In connection with the acquisition, construction and equipping of the Facility, the Agency hereby makes the following determinations and findings based upon the Agency’s review of the information provided by the Company with respect to the Facility, including, the Application, the Requisite Materials and other public information:

(a) There is a lack of safe, clean and modern rental housing (including affordable housing) in the Town of Hempstead;

(b) Such lack of rental housing has resulted in residents leaving the Town of Hempstead and therefore adversely affecting businesses, retailers, banks, financial institutions, insurance companies, health and legal services providers and other merchants in the Town of Hempstead and otherwise adversely impacting the economic health and well-being of the residents of the Town of Hempstead and the tax base of the Town of Hempstead;

(c) The Facility, by providing such housing will enable persons to remain in the Town of Hempstead and thereby to support the businesses, retailers, banks, and other financial institutions, insurance companies, health care and legal services providers and other merchants in the Town of Hempstead, which will increase the economic health and well-being of the residents of the Town of Hempstead, help preserve and increase permanent private sector jobs in furtherance of the Agency's public purposes as set forth in the Act, and therefore the Agency finds and determines that the Facility is a commercial project within the meaning of Section 854(4) of the Act;

(d) The Facility will provide services, i.e., rental housing (including affordable housing), which but for the Facility, would not otherwise be reasonably accessible to the residents of the Town of Hempstead.

Section 2. The Agency hereby finds and determines:

(a) By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act; and

(b) The Facility constitutes a "project" and a "commercial facility", as such terms are defined in the Act; and

(c) The acquisition, construction and equipping of the Facility, and the leasing and subleasing of the Facility to the Company will promote and maintain the job opportunities, health, general prosperity and economic welfare of the citizens of the Town of Hempstead and the State of New York, and improve their standard of living and thereby serve the public purposes of the Act; and

(d) The acquisition, construction and equipping of the Facility is reasonably necessary to induce the Company to maintain and expand its business operations in the State of New York; and

(e) Based upon the representations of the Company, the transactions contemplated by the Lease Agreement shall not result in the removal of any facility or plant of any Facility occupant(s) from one area of the State to another area of the State or in the abandonment of one or more facilities or plants of the Facility occupant(s) located within the State; and

(f) The Facility does not and will not constitute a project where facilities or property that are primarily used in making retail sales of goods and/or services to customers who personally visit such facilities constitute more than one-third of the total cost of the Project. For purposes of this finding, retail sales shall mean: (i) sales by a registered vendor

under Article 28 of the New York Tax Law primarily engaged in the retail sale of tangible personal property, as defined in subparagraph (i) of paragraph four of subdivision (b) of section 1101 of the New York Tax Law; or (ii) sales of a service to such customers; and

(g) Based upon representations of the Company and counsel to the Company, the Facility conforms with the local zoning laws and planning regulations of the Village of Hempstead, Town of Hempstead, Nassau County, and all regional and local land use plans for the area in which the Facility is located; and

(h) It is desirable and in the public interest for the Agency to lease and sublease the Facility to the Company; and

(i) The Company Lease will be an effective instrument whereby the Agency leases the Land and the Improvements from the Company; and

(j) The Lease Agreement will be an effective instrument whereby (i) the Agency leases and subleases the Facility to the Company, (ii) the Agency and the Company set forth the terms and conditions of their agreement regarding payments-in-lieu-of-taxes, (iii) the Company agrees to comply with all Environmental Laws (as defined therein) applicable to the Facility, and (iv) the Agency and the Company describe the circumstances in which the Agency may recapture some or all of the benefits granted to the Company; and

(k) The Loan Documents to which the Agency is a party will be effective instruments whereby the Agency and the Company agree to secure the loan(s) made to the Company by the Lender.

Section 3. The Agency has assessed all material information included in connection with the Application, including but not limited to, the Application and the Requisite Materials, and such information has provided the Agency a reasonable basis for its decision to provide the financial assistance described herein to the Company.

Section 4. The Agency hereby determines that the Agency has fully complied with the requirements of the Act, SEQRA and all other applicable laws that relate to the Project.

Section 5. In consequence of the foregoing, the Agency hereby determines to: (i) lease the Land and the Improvements from the Company pursuant to the Company Lease, (ii) execute, deliver and perform the Company Lease, (iii) lease and sublease the Facility to the Company pursuant to the Lease Agreement, (iv) execute, deliver and perform the Lease Agreement, (v) grant a mortgage on and security interests in and to the Facility pursuant to the Loan Documents, and (vi) execute, deliver and perform the Loan Documents to which the Agency is a party, and such other related documents or certificates as may be necessary in connection therewith.

Section 6. The Agency is hereby authorized to acquire the real property and personal property described in Exhibit A and Exhibit B, respectively, to the Lease Agreement and to do all things necessary or appropriate for the accomplishment thereof, and all acts

heretofore taken by the Agency with respect to such acquisition are hereby approved, ratified and confirmed.

Section 7. The Agency is hereby authorized to execute and deliver the Loan Documents in connection with the financing of the costs of acquiring, constructing and equipping the Facility and any future Loan Documents in connection with any future refinancing or permanent financing of such costs of acquiring, constructing and equipping of the Facility without the need for any further or future approvals of the Agency; provided, however that no exemption from mortgage recording tax is granted by the Agency with respect thereto.

Section 8. The Agency hereby authorizes and approves the following economic benefits to be granted to the Company in connection with the acquisition, construction and equipping of the Facility: an abatement of real property taxes (as set forth in the Proposed PILOT Schedule annexed as Exhibit C hereof), consistent with the deviation set forth in the Deviation Notice, for the reasons set forth in the Deviation Notice and after consideration of the factors set forth in the UTEP.

Section 9. The form and substance of the Company Lease, the Lease Agreement and the Loan Documents to which the Agency is a party (each in substantially the forms presented to or approved by the Agency and which, prior to the execution and delivery thereof, may be redated and renamed) are hereby approved.

Section 10.

(a) The Chairman, the Chief Executive Officer, the Chief Financial Officer, the Deputy Executive Director or any member of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver the Company Lease, the Lease Agreement and the Loan Documents to which the Agency is a party, all in substantially the forms thereof presented to this meeting with such changes, variations, omissions and insertions as the Chairman, the Chief Executive Officer, the Chief Financial Officer, the Deputy Executive Director or any member of the Agency shall approve, and such other related documents as may be, in the judgment of the Chairman and counsel to the Agency, necessary or appropriate to effect the transactions contemplated by this resolution (hereinafter collectively called the “**Agency Documents**”). The execution thereof by the Chairman, the Chief Executive Officer, the Chief Financial Officer, the Deputy Executive Director or any member of the Agency shall constitute conclusive evidence of such approval.

(b) The Chairman, the Chief Executive Officer, the Chief Financial Officer, the Deputy Executive Director or any member of the Agency are further hereby authorized, on behalf of the Agency, to designate any additional Authorized Representatives (as defined in and pursuant to the Lease Agreement) of the Agency.

Section 11. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required or provided for by the provisions of the Agency Documents, and to execute and deliver all such additional certificates, instruments and documents, pay all such fees,

charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Agency Documents binding upon the Agency.

Section 12. Any expenses incurred by the Agency with respect to the Facility shall be paid by the Company. The Company shall agree to pay such expenses and further agrees to indemnify the Agency, its members, directors, employees and agents and hold the Agency and such persons harmless against claims for losses, damage or injury or any expenses or damages incurred as a result of action taken by or on behalf of the Agency in good faith with respect to the Facility.

Section 13. The provisions of this resolution shall continue to be effective for one year from the date hereof, whereupon the Agency may, at its option, terminate the effectiveness of this resolution (except with respect to the matters contained in Section 12 hereof).

Section 14. This resolution shall take effect immediately.

ADOPTED: February 24, 2022

STATE OF NEW YORK)
 : SS.:
COUNTY OF NASSAU)


We, the undersigned Chief Executive Officer and Chairman of the Town of Hempstead Industrial Development Agency, DO HEREBY CERTIFY:

That we have compared the annexed extract of the minutes of the meeting of the Town of Hempstead Industrial Development Agency (the “Agency”), including the resolutions contained therein, held on February 24, 2022 and correct copy of the proceedings of the Agency and of such resolutions set forth therein and of the whole of said original insofar as the same related to the subject matters therein referred to.

That the Agency Documents contained in this transcript of proceedings are each in substantially the form presented to the Agency and/or approved by said meeting.

WE FURTHER CERTIFY that public notice of the time and place of said meeting was duly given to the public and the news media in accordance with the New York Open Meetings Law, constituting Chapter 511 of the Laws of 1976 of the State of New York, that all members of said Agency had due notice of said meeting and that the meeting was all respects duly held.

IN WITNESS WHEREOF, we have hereunto set our hands as of the ___ day of February, 2022.

By: 
Frederick E. Parola
Chief Executive Officer

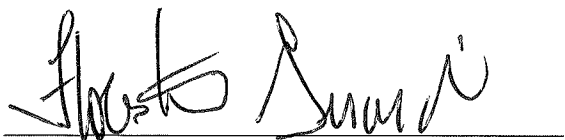
By: 
Florestano Girardi
Chairman

EXHIBIT A

Notice of Public Hearing

EXHIBIT B

Minutes from Public Hearing held on February 15, 2022

EXHIBIT C

Form of proposed PILOT Benefits

Schedule of PILOT Payments **less** any amounts payable by the Company in connection with any special ad valorem levies, special assessments or Special District Taxes and service charges levied against the Facility to the County of Nassau, Town of Hempstead, Village of Hempstead, Hempstead Union Free School District and Appropriate Special Districts:

176 Main Street
Hempstead, NY 11550
Section: 34 Block: 522 Lots: 5 & 327
Parcels: 2
School District: Hempstead - 1

If it were not tax exempt as per NDC Report: \$37,642.00

Estimated Taxes Once Built as per SVS Report: \$347,130

- Based upon Shelter Rent Formula used for Affordable/Workforce Housing Developments
- 10% of Rental Income less Utility Costs

Year	Total
1	\$37,642.00
2	\$37,642.00
3	\$37,642.00
4	\$95,683.00
5	\$97,597.00
6	\$99,549.00
7	\$101,540.00
8	\$103,570.00
9	\$105,642.00
10	\$107,755.00
11	\$109,910.00
12	\$112,108.00
13	\$114,350.00
14	\$116,637.00
15	\$118,970.00
16	\$121,349.00
17	\$123,776.00
18	\$126,252.00
19	\$128,777.00
20	\$131,352.00
21	\$133,979.00

22	\$136,659.00
23	\$139,392.00
24	\$142,180.00
25	\$145,024.00
26	\$147,924.00
27	\$150,882.00
28	\$153,900.00
29	\$156,978.00
30	\$160,118.00

PILOT Payments shall be allocated among the Taxing Authorities in proportion to the amount of real property tax and other taxes which would have been received by each Taxing Authority if the Facility was owned by the Company exclusive of the Agency's leasehold interest.

All annual PILOT Payments as described above shall be payable (i) with respect to the school taxes, in two equal semi-annual installments on or prior to November 10 and May 10 of each year of the Lease Term or on such other due dates as may be established from time to time during the Lease Term, (ii) with respect to the general taxes, in two equal semi-annual installments on or prior to February 10 and August 10 of each year of the Lease Term or on such other due dates as may be established from time to time during the Lease Term, and (iii) with respect to the village taxes, in two equal semi-annual installments on or prior to June 1 and December 1 of each year of the Lease Term or on such other due dates as may be established from time to time during the Lease Term.

**** In accordance with Title 2 of Article 18-A of the General Municipal Law, Section 905(3), beginning after the third year after entering into the PILOT Agreement, and every third year thereafter, the PILOT Payments shall be reviewed by the Agency and adjusted based on changes to the assessed value and tax rate of all other real properties located in the Village of Hempstead.***

EXHIBIT D

PILOT Deviation Notice