

HSRE-EB EAST MEADOW, LLC

and

TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY

SECOND AMENDED AND RESTATED PAYMENT-IN-LIEU-OF-TAX AGREEMENT

Town of Hempstead Industrial Development Agency
(HSRE-EB East Meadow, LLC 2013 Facility)

Dated as of August 1, 1999
Amended and Restated as of September 1, 2006
Amended and Restated February 13, 2013

Town of Hempstead, East Meadow School District #3, Nassau County

Section: 50

Block: 340

Lots: 508

SECOND AMENDED AND RESTATED PAYMENT-IN-LIEU-OF-TAX AGREEMENT

THIS SECOND AMENDED AND RESTATED PAYMENT-IN-LIEU-OF-TAX AGREEMENT, dated as of August 1, 1999, amended and restated as of September 1, 2006, further amended and restated February 13, 2013 (this “**Second Amended and Restated PILOT Agreement**”), is by and between HSRE-EB EAST MEADOW, LLC, a limited liability company duly organized and validly existing under the laws of the State of Delaware and authorized to transact business in the State of New York, having its principal office at c/o Harrison Street Real Estate Capital, 71 S. Wacker Drive, Suite 3575, Chicago, IL 60606 (“**HSRE-EB East Meadow**” and, after the Effective Date, the “**Company**”) and TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY, an industrial development agency and a public benefit corporation of the State of New York having its principal office at 350 Front Street, 2nd Floor, Hempstead, New York 11550-4037 (the “**Agency**”).

W I T N E S S E T H:

WHEREAS, the Agency was created by Chapter 529 of the Laws of 1971 of the State of New York, as amended, pursuant to Title 1 of Article 18-A of the General Municipal Law of the State of New York (collectively, the “**Act**”); and

WHEREAS, the Agency has previously issued its Industrial Development Revenue Bonds, Series 1999 (Engel Burman Senior Housing at East Meadow, LLC Facility) in the aggregate principal amount of \$25,000,000 (the “**Bonds**”), to acquire approximately 3.01 acre parcel of land located at Merrick Avenue south of the intersection of Merrick Avenue and Hempstead Turnpike in the unincorporated area of East Meadow, Town of Hempstead, Nassau County, New York more particularly described on Exhibit A attached hereto, and the construction and equipping thereon of a 5-story, 121-unit, approximately 104,160 square foot building located thereon which is used as an assisted living residential facility for use by elderly citizens in the community (the “**Facility**”); and

WHEREAS, the Agency sold the Facility to Engel Burman Senior Housing at East Meadow, LLC (“**Engel Burman**”) pursuant to the terms and conditions set forth in a certain Installment Sale Agreement, dated as of August 1, 1999 (the “**Original Installment Sale Agreement**”); and

WHEREAS, the Agency and Engel Burman entered into a Payment-in-Lieu-of-Tax Agreement, dated as of August 1, 1999, as amended and restated by the Amended and Restated Payment-in-Lieu-of Tax Agreement, dated as of September 1, 2006 (collectively, the “**Original PILOT Agreement**”), whereby the Agency and Engel Burman set forth the terms and conditions of their agreement regarding Engel Burman’s payments in lieu of real property taxes for a period of ten (10) years; and

WHEREAS, Engel Burman previously requested that the Agency amend the payments of abatements of real property taxes with respect to the Facility to reflect the current assessed value of the Facility subject to the Facility remaining a qualified affordable housing facility; and

WHEREAS, pursuant to Section 874(1) of the Act, the Agency is exempt from the payment of taxes and assessments imposed upon real property owned by it, other than special ad valorem levies, special assessments and service charges against real property located in the Town of Hempstead (including, any existing incorporated village or any village which may be incorporated after the date hereof, within which the Facility is or may be wholly or partially located) which are or may be imposed for special improvements or special district improvements; and

WHEREAS, the Agency and Engel Burman deemed it necessary and proper to enter into an agreement making provision for payments-in-lieu-of-taxes and such assessments by Engel Burman to the Town of Hempstead, any existing incorporated village or any village which may be incorporated after the date hereof, within which the Facility is or may be, wholly or partially located, Nassau County, East Meadow School District #3 and appropriate special districts (hereinafter the “**Taxing Authorities**”) in which any part of the Facility is or is to be located; and

WHEREAS, the Bonds have been defeased and paid in full; and

WHEREAS, the Agency previously consented to Engel Burman’s assignment to CHS East Meadow LP, a limited partnership (“**CSH East Meadow**”), and the assumption by CSH East Meadow of Engel Burman’s rights, title and interests in the Facility; and

WHEREAS, the Original Installment Sale Agreement was assigned to CSH East Meadow by Engel Burman, pursuant to and in accordance with a certain Assignment and Assumption of Installment Sale Agreement, dated as of February 21, 2007 (the “**Assignment and Assumption of Installment Sale Agreement**”), among Engel Burman, CSH East Meadow and the Agency, and CSH East Meadow assumed all of the right, title, interest, liability, duty and obligations of Engel Burman in, to and under the Original Installment Sale Agreement; and

WHEREAS, CSH East Meadow acquired Engel Burman’s reversionary interest created pursuant to the Original Installment Sale Agreement, as assigned pursuant to the Assignment and Assumption of Installment Sale Agreement, in the Facility and Engel Burman assigned to CSH East Meadow all of Engel Burman’s rights, title, interest, duties, liabilities and obligations in, to and under the Original Installment Sale Agreement and the Original PILOT Agreement, and CSH East Meadow assumed all of Engel Burman’s rights, title, interest, duties, liabilities and obligations in, to and under the Original Installment Sale Agreement and the Original PILOT Agreement; and

WHEREAS, CSH East Meadow and the Agency entered into the Amended and Restated Payment-in-Lieu-of-Tax Agreement, dated as of February 27, 2007 (the “**Amended and Restated PILOT Agreement**”); and

WHEREAS, HSRE-EB East Meadow has applied to the Agency for its assistance and consent to the assignment and assumption of the interest in the Facility from CSH East Meadow to HSRE-EB East Meadow; and

WHEREAS, the Agency has consented to CSH East Meadow's assignment to HSRE-EB East Meadow and the assumption by HSRE-EB East Meadow of CSH East Meadow's rights, title and interests in the Facility; and

WHEREAS in connection therewith, the Agency, CSH East Meadow and HSRE-EB East Meadow have entered into (i) an Assignment and Assumption of Installment Sale Agreement (the "**Assignment and Assumption of Installment Sale Agreement**"), among the Agency, CSH East Meadow and HSRE-EB East Meadow, (ii) an Assignment and Assumption of Amended and Restated Payment-in-Lieu-of-Tax Agreement (the "**Assignment and Assumption of Amended and Restated PILOT Agreement**"), among the Agency, CSH East Meadow and HSRE-EB East Meadow, (iii) a Second Amended and Restated Installment Sale Agreement (the "**Second Amended and Restated Installment Sale Agreement**"), between the Agency and HSRE-EB East Meadow, (iv) this Second Amended and Restated PILOT Agreement, (v) a Recapture Agreement (the "**Recapture Agreement**"), between the Agency and HSRE-EB East Meadow; and (vi) an Environmental Compliance and Indemnification Agreement (the "**Environmental Compliance and Indemnification Agreement**") between the Agency and HSRE-EB East Meadow;

WHEREAS, HSRE-EB East Meadow has also requested the Agency amend the payments of abatements of real property taxes with respect to the Facility to reflect a modification and extension of the benefits of the Facility subject to the Facility remaining a qualified affordable housing facility, for a period of ten years; and

WHEREAS, the Agency has considered such extension and modification consent to an extension of payments-in-lieu-of-taxes benefits presently provided under the Original PILOT Agreement; and

WHEREAS, the Agency proposes to provide financial assistance to the Company in the form of the modification and extension of current abatements of ten (10) years, consistent with the policies of the Agency; and

WHEREAS, the ten (10) year PILOT Agreement shall coincide with the terms of the Installment Sale Agreement, as amended, between the Agency and the Company, and the extension of the benefits under the Second Amended and Restated PILOT Agreement is necessary to allow the Company to expand their operations in the Town of Hempstead and to remain in the Town of Hempstead; and

WHEREAS, in compliance with Section 859-a of the Act, a public hearing was held on July 23, 2012, after public notice thereof was published on July 12, 2012, to hear all persons interested in the proposed financial assistance by the Agency to the Company in connection with the Facility; and

WHEREAS, on July 25, 2012, the Agency duly adopted its Authorizing Resolution, authorizing and approving the assignment and assumption of the interest in the Facility from CSH East Meadow to HSRE-EB East Meadow and the execution and delivery of related documents; and;

WHEREAS, the Agency shall now continue to assist in the operation and maintenance of the Facility; 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 financial assistance with respect to the extension of abatement of real property taxes is either an inducement to the Company to maintain and expand the Facility in the Town of Hempstead, Nassau County or is necessary to maintain the competitive position of the Company in their respective industries; and

NOW, THEREFORE, in consideration of the foregoing and in consideration of the covenants herein contained, it is mutually agreed as follows:

1. (a) As long as the Second Amended and Restated Installment Sale Agreement is in effect, the Company agrees to make payments in lieu of all real estate taxes and assessments (in addition to paying all special ad valorem levies, special assessments and service charges against real property located in the Town of Hempstead (including, any existing incorporated village or any village which may be incorporated after the date hereof, within which the Facility is or may be, wholly or partially located) which are or may be imposed for special improvements or special district improvements) which would be levied upon or with respect to the Facility if the Facility were owned by the Company and not by the Agency (the “**Taxes on the Facility**”). The amounts of such payments and method for calculation are set forth herein.

(b) After the effective date of this Second Amended and Restated PILOT Agreement and until the provisions of paragraph 1(c) become effective, the Company shall pay, as payments-in-lieu-of-taxes and assessments, 100% of the taxes and assessments which would be levied upon the Facility by the respective Taxing Authorities.

(c) Commencing, with the 2013/2014 School Tax Year and the 2014 General Tax Year, the Company shall pay, as payments-in-lieu-of-taxes and assessments, the amounts set forth on Exhibit A attached hereto and made a part hereof. Notwithstanding anything to the contrary contained herein, if at any time the Company is not in full compliance with the qualified affordable housing requirements for the Facility as set forth in the Tax Regulatory Agreement, the Company shall pay as payments-in-lieu-of-tax hereunder an amount equal to one hundred percent (100%) of the taxes that would be due and owing on the Facility as if the Company and not the Agency was the owner of the Facility.

(d) The Company shall pay, or cause to be paid, the amounts set forth in paragraphs 1(b) and (c) above, as applicable, after receipt of PILOT Bills or tax bills from the Agency or the Taxing Authorities, as the case may be. Failure to receive a tax bill shall not relieve the Company of its obligation to make all payments provided for hereunder. If, for any reason, the Company does not receive an appropriate tax bill, the Company shall have

the responsibility and obligation to make all reasonable inquiries to the Taxing Authorities and to have such a bill issued, and thereafter to make payment of the same no later than the due dates provided herein. Payments shall be made directly to the Agency or the Town of Hempstead Receiver of Taxes as directed by the PILOT bill or the tax bill. Payments made after the due date(s) as set forth in the applicable tax bills shall accrue interest (and penalties) at the rates applicable to late payments of taxes for the respective Taxing Authorities and as further provided in the General Municipal Law, including Section 874(5) thereof, which provides for a penalty of five percent (5%) of the amount then due and interest, at the rate of one percent (1%) per month on payments more than one month delinquent. Anything contained in this subparagraph (d) to the contrary notwithstanding, the Company shall have the obligation to make all annual payments required by this subparagraph (other than payments of penalties, if any) in two equal semi-annual installments on or prior to January 10 and May 31 of each year of the Sale Term as defined in the Second Amended and Restated Installment Sale Agreement or on such other due dates as may be established from time to time during the Sale Term.

(e) During the term of this Second Amended and Restated PILOT Agreement, the Company shall continue to pay all special ad valorem levies, special assessments, and service charges levied against the Facility for special improvements or special district improvements.

(f) In the event any structural addition shall be made to the building or buildings included in the Facility subsequent to the Completion Date (as such term is defined in the Second Amended and Restated Installment Sale Agreement), or any additional building or improvement shall be constructed on the real property described on Exhibit B hereto (such structural additions, buildings and improvements being referred to hereinafter as "Additional Facilities"), the Company agrees to make additional payments in lieu of taxes to the Agency in amounts equal to the product of the then current ad valorem tax rates which would be levied upon or with respect to the Additional Facilities by the Taxing Authorities as if the Additional Facilities were owned by the Company and not the Agency times the assessment or assessments established for that tax year by the Town of Hempstead. All other provisions of this Second Amended and Restated PILOT Agreement shall apply to this obligation for additional payments.

2. In the event that title to the Facility or any part thereof is transferred from the Agency to the Company at such time in reference to any taxable status date as to make it impossible to place such Facility or part thereof on the tax rolls of Nassau County, the Town of Hempstead, East Meadow School District #3, any existing incorporated village or any village which may be incorporated after the date hereof, within which the Facility is or may be, wholly or partially located, or appropriate special districts, as the case may be, by such taxable status date, the Company hereby agrees to pay at the first time taxes or assessments are due following the taxable status date on which such Facility or part thereof is placed on the tax rolls, an amount equal to the taxes or assessments which would have been levied on such Facility or part thereof had it been on the tax rolls from the time the Company took title until the date of the tax rolls following the taxable status date as of which such Facility or part thereof is placed on the tax rolls. There shall be deducted from such amount any amounts previously paid pursuant to this Second Amended and Restated PILOT Agreement

by the Agency or the Company to the respective Taxing Authorities relating to any period of time after the date of transfer of title to the Company. The provisions of this Paragraph 2 shall survive the termination or expiration of the Second Amended and Restated Installment Sale Agreement. Any rights the Company may have against its designee are separate and apart from the terms of this Paragraph 2 and shall survive any transfer from the Agency to the Company.

3. In the event the Facility or any part thereof is declared to be subject to taxation for taxes or assessments by an amendment to the Act, other legislative change, or by a final judgment of a court of competent jurisdiction, the obligations of the Company hereunder shall, to such extent, be null and void.

4. In the event the Company shall enter into a subsequent PILOT Agreement or Agreements with respect to the Taxes on the Facility directly with any or all Taxing Authorities under whose jurisdiction the Facility is located, the obligations of the Company hereunder, which are inconsistent with such future PILOT Agreement or Agreements, shall be superseded and shall, to such extent, be null and void.

5. As long as this Second Amended and Restated PILOT Agreement is in effect, the Agency and the Company agree that (i) the Company shall be deemed to be the owner of the Facility and of the Additional Facilities for purposes of instituting, and shall have the right to institute, judicial review of an assessment of the real estate with respect to the Facility and of the Additional Facilities pursuant to the provisions of Article 7 of the Real Property Tax Law or any other applicable law, as the same may be amended from time to time, and (ii) the Agency shall request the Assessor of Nassau County, or any other assessor having jurisdiction to assess the Facility, to take into consideration the value of surrounding properties of like character when assessing the Facility. Notwithstanding the foregoing, in the event that the assessment of the real estate with respect to the Facility and the Additional Facilities is reduced as a result of any such judicial review so that such complaining party would be entitled to receive a refund or refunds of taxes paid to the respective Taxing Authorities, if such complaining party were the owner of the Facility and the Additional Facilities, such complaining party shall not be entitled to receive a refund or refunds of the payments in lieu of taxes paid pursuant to this Second Amended and Restated PILOT Agreement. In no event shall the Agency be required to remit to the Company, or any Taxing Authority any moneys otherwise due as a result of a reduction in the assessment of the Facility (or any part thereof) due to a certiorari review. If the Company receives a reduction in assessment in the last year of the Second Amended and Restated Installment Sale Agreement after it has made its final payments in lieu of taxes, the Company acknowledges that it shall look solely to the Taxing Authorities for repayment or for a credit against the first payment(s) of Taxes on the Facility which will be due after the Facility is returned to the tax rolls. The Company hereby agrees that it will notify the Agency if the Company shall have requested a reassessment of the Facility or a reduction in the taxes on the Facility or have instituted any tax certiorari proceedings with respect to the Facility. The Company shall deliver copies of all notices, correspondence, claims, actions and/or proceedings brought by or against the Company in connection with any reassessment of the Facility, reduction of taxes with respect to the Facility, or any tax certiorari proceedings with respect to the Facility.

6. The Company, in recognition of the benefits provided under the terms of this Second Amended and Restated PILOT Agreement including, but not limited to, the formula for in-lieu-of-taxes payments set forth in Exhibit A hereto, and for as long as the Installment Sale Agreement is in effect, expressly waives any rights it may have for any exemption under 485-b of the Real Property Tax Law or any other exemption under any other law or regulation (except, however, for the exemption provided by Article 18-A of the General Municipal Law) with respect to the Facility. The Company, however, reserves any such rights with respect to all special ad valorem levies, special assessments and service charges levied against the Facility referred to in Paragraph 1(e) and the Additional Facilities as referred to in Paragraph 1(f) and with respect to the assessment and/or exemption of the Additional Facilities.

7. Reserved.

8. Except as otherwise provided herein, any notice required to be given by or under this Second Amended and Restated PILOT Agreement shall be deemed to have been duly given when delivered and, if delivered by mail, shall be sent by certified mail, postage prepaid, return receipt requested, addressed to the respective parties hereto at their respective addresses specified below or such other addresses as either party may specify in writing to the other:

The Agency:

Town of Hempstead Industrial Development Agency
350 Front Street, 2nd Floor
Hempstead, New York 11550-4037
Attention: Executive Director

The Company:

HSRE-EB East Meadow LLC
67 Clinton Road
Garden City, New York 11530
Attention: Jan Burman and Steven Krieger

and

HSRE-EB East Meadow LLC
c/o Harrison Street Real Estate
71 South Wacker Drive
Suite 3575
Chicago, Illinois 60606
Attention: General Counsel

With a copy to:

DLA Piper LLP (US)
203 N. LaSalle Street, Suite 1900
Chicago, Illinois 60601
Attention: David Sickle

Notice by mail shall be effective when delivered but if not yet delivered shall be deemed effective at 12:00 p.m. on the third business day after mailing.

9. Failure by the Agency in any instance to insist upon the strict performance of any one or more of the obligations of the Company under this Second Amended and Restated PILOT Agreement, or to exercise any election herein contained, shall in no manner be or be deemed to be a waiver by the Agency of any of the Company's defaults or breaches hereunder or of any of the rights and remedies of the Agency by reason of such defaults or breaches, or a waiver or relinquishment of any and all of the Company's obligations hereunder. No waiver, amendment, release or modification of this Second Amended and Restated PILOT Agreement shall be established by conduct, custom or course of dealing. Further, no payment by the Company or receipt by the Agency of a lesser amount than the correct amount or manner of payment due hereunder shall be deemed to be other than a payment on account, nor shall any endorsement or statement on any check or any letter accompanying any check or payment be deemed to effect or evidence an accord and satisfaction, and the Agency may accept any checks or payments as made without prejudice to the right to recover the balance or pursue any other remedy in this Second Amended and Restated PILOT Agreement or otherwise provided at law or equity.

10. This Second Amended and Restated PILOT Agreement shall become effective as of the first taxable status date of the Town of Hempstead after the date the Agency acquires title to the Facility. All taxes, assessments, special assessments, service charges, special ad valorem levies, or similar tax equivalents due or to become due based upon prior taxable status dates shall be paid by the Company when due. Upon reconveyance of title to the Facility to the Company, this Second Amended and Restated PILOT Agreement shall terminate.

11. Whenever the Company fails to comply with any provision of this Second Amended and Restated PILOT Agreement, the Agency may, but shall not be obligated to, take whatever action at law or in equity as may appear necessary or desirable to collect the amount then in default or to enforce the performance and observance of the obligations, agreements and covenants of the Company under this Second Amended and Restated PILOT Agreement. The Agency agrees to notify the Company in writing of any failure by the Company to comply with any provision of this Second Amended and Restated PILOT Agreement within thirty (30) business days after the Agency becomes aware of such failure and shall provide the Company with the opportunity to cure such failure within thirty (30) days after receipt by the Company of such notice.

12. Reserved.

13. This Second Amended and Restated PILOT Agreement shall be governed by and construed in accordance with the internal laws of the State of New York.

14. The Company agrees to hold the Agency harmless from and against any liability arising from any default by the Company in performing its obligations hereunder or any expense incurred under this Second Amended and Restated PILOT Agreement, including any expenses of the Agency, including without limitation attorneys' fees.

15. This Second Amended and Restated PILOT Agreement may be modified only by written instrument duly executed by the parties hereto.

16. This Second Amended and Restated PILOT Agreement shall be binding upon and inure to the benefit of the parties, their respective successors, heirs, distributees and assigns.

17. If any provision of this Second Amended and Restated PILOT Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction, such provision so adjudged invalid, illegal or unenforceable shall be deemed separate, distinct and independent and the remainder of this Second Amended and Restated PILOT Agreement shall be and remain in full force and effect and shall not be invalidated or rendered illegal or unenforceable or otherwise affected by such holding or adjudication.

18. The Agency and the Company acknowledge and agree that the economic benefits granted hereunder by the Agency to the Company have been granted to induce and enable the Company to acquire, construct and equip the Facility in the Town of Hempstead to provide services that, but for the Facility, would not otherwise be readily available to the residents of the Town of Hempstead. In consideration of receiving such economic benefits granted hereunder, the Company hereby agrees to pass such economic benefits onto the residents of the Facility in the form of lower fees and charges.

19. This Second Amended and Restated PILOT Agreement shall supersede the Original PILOT Agreement.

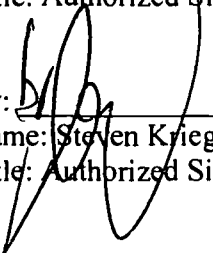
(Remainder of Page Intentionally Left Blank – Signature Page Follows)

IN WITNESS WHEREOF, the parties hereto have executed this Second Amended and Restated PILOT Agreement as of the date first written above.

**HSRE-EB EAST MEADOW, LLC, a
Delaware limited liability company**

**By: HSRE-EB I, LLC, a Delaware limited
liability company, its sole member**

By: 
Name: Stephen M. Gordon
Title: Authorized Signatory

By: 
Name: Steven Krieger
Title: Authorized Signatory

**TOWN OF HEMPSTEAD INDUSTRIAL
DEVELOPMENT AGENCY**

By: _____
Name: Frederick E. Parola
Title: Executive Director and
Chief Executive Officer

IN WITNESS WHEREOF, the parties hereto have executed this Second Amended and Restated PILOT Agreement as of the date first written above.

**HSRE-EB EAST MEADOW, LLC, a
Delaware limited liability company**

**By: HSRE-EB I, LLC, a Delaware limited
liability company, its sole member**

By: _____
Name: Stephen M. Gordon
Title: Authorized Signatory

By: _____
Name: Steven Krieger
Title: Authorized Signatory

**TOWN OF HEMPSTEAD INDUSTRIAL
DEVELOPMENT AGENCY**


By: 
Name: Frederick E. Parola
Title: Executive Director and
Chief Executive Officer

EXHIBIT A

Formula for In-Lieu-of-Taxes Payment: Town of Hempstead, (including any existing incorporated village or any village which may be incorporated after the date hereof, within which the Facility is wholly or partially located), East Meadow School District #3 and Appropriate Special Districts

School Tax Year/General Tax Year	Total PILOT Payment
2013/2014 School/2014 General	\$650,000.00
2014/2015 School/2015 General	\$710,000.00
2015/2016 School/2016 General	\$770,000.00
2016/2017 School/2017 General	\$830,000.00
2017/2018 School/2018 General	\$890,000.00
2018/2019 School/2019 General	\$950,000.00
2019/2020 School/2020 General	\$1,020,000.00
2020/2021 School/2021 General	\$1,090,000.00
2021/2022 School/2022 General	\$1,155,000.00
2022/2023 School/2023 General	\$1,230,000.00

*Note: This Second Amended and Restated PILOT Agreement shall expire on December 31, 2023. All payments for the 2022/2023 School Tax Year and 2023 General Tax Year must be paid in full prior to the expiration of this PILOT Agreement. The above calculation is for the total tax on the Land, existing Improvements and any proposed renovations to the Improvements. Full taxes will go into effect January 1, 2024.

EXHIBIT B

Legal Description of Real Property

The Bristol at East Meadow

ALL THAT CERTAIN PLOT, PIECE OR PARCEL OF LAND, SITUATE, LYING, BEING AND SITUATE AT EAST MEADOW, TOWN OF HEMPSTEAD, COUNTY OF NASSAU AND STATE OF NEW YORK, BEING MORE PARTICULARLY BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTHERLY SIDE OF HEMPSTEAD-FARMINGDALE TURNPIKE DISTANT 383.23 FEET WESTERLY FROM THE CORNER FORMED BY A LINE CONNECTING THE SOUTHERLY SIDE OF HEMPSTEAD-FARMINGDALE TURNPIKE AS WIDENED WITH THE WESTERLY SIDE OF MERRICK AVENUE;

RUNNING THENCE FROM SAID POINT OF BEGINNING SOUTHERLY, SOUTH 17° 51' 42" EAST, A DISTANCE OF 193.34 FEET;

RUNNING THENCE WESTERLY, SOUTH 71° 56' 18" WEST, A DISTANCE OF 10.23 FEET;

RUNNING THENCE SOUTHERLY, SOUTH 17° 58' 22" EAST, A DISTANCE OF 193.00 FEET;

RUNNING THENCE EASTERLY, THE FOLLOWING TWO (2) COURSES AND DISTANCES:

1. NORTH 72° 01' 38" EAST, A DISTANCE OF 199.00 FEET, (195 FEET, TAX MAP);
2. SOUTH 62° 58' 22" EAST, A DISTANCE OF 183.71 FEET;

RUNNING THENCE SOUTHERLY, SOUTH 18° 29' 01" EAST, A DISTANCE OF 57.07 FEET (DEED), 60.64 FEET (SURVEY);

RUNNING THENCE WESTERLY THE FOLLOWING TWO (2) COURSES AND DISTANCES:

1. NORTH 62° 58' 22" WEST, A DISTANCE OF 137.68 FEET;
2. SOUTH 72° 01' 38" WEST, A DISTANCE OF 213.05 FEET;

RUNNING THENCE SOUTHERLY, SOUTH 17° 58' 22" EAST, A DISTANCE OF 24.59 FEET;

RUNNING THENCE WESTERLY, SOUTH 72° 01' 38" WEST, A DISTANCE OF 390.00 FEET;

RUNNING THENCE NORTHERLY, NORTH 17° 58' 22" WEST, A DISTANCE OF 88.50 FEET TO THE EASTERLY SIDE OF MEADOWBROOK STATE PARKWAY;

RUNNING THENCE NORTHERLY, ALONG THE EASTERLY SIDE OF MEADOWBROOK STATE PARKWAY, THE FOLLOWING TWO (2) COURSES AND DISTANCES:

1. NORTH 21° 40' 25" EAST, A DISTANCE OF 207.20 FEET, (234.93 FEET, TAX MAP);
2. NORTH 17° 59' 53" WEST, A DISTANCE OF 56.96 FEET;

RUNNING THENCE EASTERLY, NORTH 71° 40' 57" EAST, A DISTANCE OF 200.00 FEET;

RUNNING THENCE NORTHERLY, NORTH 17° 51' 42" WEST, A DISTANCE OF 194.14 FEET TO THE SOUTHERLY SIDE OF HEMPSTEAD-FARMINGDALE TURNPIKE;

RUNNING THENCE EASTERLY, ALONG THE SOUTHERLY SIDE OF HEMPSTEAD-FARMINGDALE TURNPIKE, NORTH 71° 46' 48" EAST, A DISTANCE OF 49.05 FEET TO THE POINT OR PLACE OF BEGINNING.

TOGETHER WITH THE RIGHTS GRANTED IN THAT DECLARATION CREATING EASEMENTS BY MERRICK AVENUE HOLDING, LLC, DATED 08/04/1999, RECORDED 08/26/1999 IN LIBER 11097 CP. 830, AND FURTHER AMENDED BY AMENDMENT TO DECLARATION CREATING EASEMENT BY MERRICK AVENUE HOLDING, LLC, DATED 11/10/1999, RECORDED 03/27/2000 IN LIBER 11185 CP. 712.

NIXON PEABODY_{LLP}

1300 Clinton Square
Rochester, New York 14604

Margaret Hayes Paralegal
Direct Dial: (585) 263-1062
E-Mail: mhayes@nixonpeabody.com

March 7, 2013

CERTIFIED MAIL RETURN
RECEIPT REQUESTED

James Davis, Acting Assessor
Nassau County Department of Assessment
240 Old Country Road
Mineola, New York 11501-8402

RE: Town of Hempstead Industrial Development Agency
(HSRE-EB East Meadow, LLC 2013 Facility)

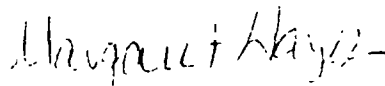
Dear Mr. Davis:

Enclosed please find a completed Form RP 412-a Application for Real Property Tax Exemption, together with a copy of the Second Amended and Restated Payment-in-Lieu-of-Tax Agreement, in connection to the above-referenced transaction which closed as of February 13, 2013.

Also enclosed are copies of (i) the Second Amended and Restated Installment Sale Agreement (a memorandum of which is currently being recorded in the Nassau County Clerk's office), (ii) the Assignment and Assumption of the Amended and Restated PILOT and (iii) the Assignment and Assumption of Amended and Restated Installment Sale Agreement, also being recorded in the Nassau County Clerk's office.

Please feel free to contact our office should you have any questions. Thank you.

Very truly yours,



Margaret Hayes
Paralegal

Enclosures

cc: Attached Distribution List (w/encl.)

Distribution List

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

Hon. Edward Mangano
County Executive
Nassau County
1 West Street
Mineola, New York 11501

Hon. Kate Murray
Town Supervisor
Town of Hempstead Town Hall
One Washington Street
Hempstead, New York 11550

Mr. Louis R. DeAngelo, Superintendent
East Meadow School District
718 The Plain Rd.
Westbury, New York 11590

Thomas Albanese, Wholly Exempt Division Head
Department of Assessment
Nassau County
240 Old Country Road
Mineola, New York 11501-8402

Daniel Valentino, Esq.
Deputy County Attorney
Department of Assessment
Nassau County
240 Old Country Road
Mineola, New York 11501

VIA REGULAR MAIL

Frederick E. Parola, Executive Director
Town of Hempstead Industrial Development Agency
350 Front Street, 2nd Floor
Hempstead, New York 11550

John E. Ryan, Esq.
Ryan & Brennan LLP
131 Tulip Avenue
Floral Park, New York 11001



NYS BOARD OF REAL PROPERTY SERVICES

RP-412-a (1/95)

INDUSTRIAL DEVELOPMENT AGENCIES
APPLICATION FOR REAL PROPERTY TAX EXEMPTION
(Real Property Tax Law, Section 412-a and General Municipal Law, Section 874)

1. INDUSTRIAL DEVELOPMENT AGENCY (IDA)

Name Town of Hempstead Industrial Development Agency
Street 350 Front Street, 2nd Floor
City Hempstead
Telephone no. Day (516) 812-3122
Evening () _____
Contact Frederick E Parola
Title Executive Director and Chief Executive Officer

2. OCCUPANT (IF OTHER THAN IDA)

(If more than one occupant attach separate listing)

HSRE-EB East Meadow LLC
Name c/o Harrison Street Real Estate Capital,
Street 71 S Wacker Drive, Suite 3575
City Chicago, IL 60606
Telephone no. Day (516) 747-1200 Ext 20
Evening () _____
Contact Jan Burman and Steven Krieger
Title Member

3. DESCRIPTION OF PARCEL

a. Assessment roll description (tax map no./roll year)
Sec 50, Block 340, Lot 508
b. Street address 40 Merrick Avenue
c. City, Town or Village Hempstead

d. School District East Meadow
e. County Nassau
f. Current assessment _____
g. Deed to IDA (date recorded; liber and page)

4. GENERAL DESCRIPTION OF PROPERTY (if necessary, attach plans or specifications)

a. Brief description (include property use)
5-story, 121-unit building which is used as an assisted living residential facility for use by elderly citizens in the community
b. Type of construction unavailable
c. Square footage app.104,160 sq ft
d. Total cost unavailable
e. Date construction commenced unavailable
f. Projected expiration of exemption (i.e. date when property is no longer possessed, controlled, supervised or under the jurisdiction of IDA)
December 31, 2023

5. SUMMARIZE AGREEMENT (IF ANY) AND METHOD TO BE USED FOR PAYMENTS TO BE MADE TO MUNICIPALITY REGARDLESS OF STATUTORY EXEMPTION

(Attach copy of the agreement or extract of the terms relating to the project).

a. Formula for payment see attached "Second Amended and Restated PILOT Agreement"

b. Projected expiration date of agreement December 31, 2023

c. Municipal corporations to which payments will be made

	Yes	No
County <u>Nassau</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Town/City <u>Hempstead</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Village _____	<input checked="" type="checkbox"/>	<input type="checkbox"/>
School District <u>East Meadow #3</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

d. Person or entity responsible for payment

Name Jan Burman and Steven Krieger
 Title HSRE-EB East Meadow LLC

Address 67 Clinton Road
Garden City, New York 11530

e. Is the IDA the owner of the property? ☒ Yes/No (circle one)
 If "No" identify owner and explain IDA rights or interest in an attached statement.

Telephone 516-747-1200 x20

6. Is the property receiving or has the property ever received any other exemption from real property taxation?
 (check one) ☒ Yes ☐ No

If yes, list the statutory exemption reference and assessment roll year on which granted:
 exemption _____ assessment roll year _____

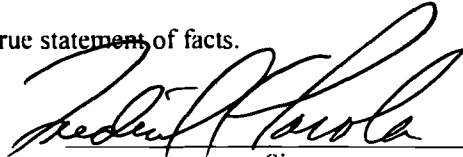
7. A copy of this application, including all attachments, has been mailed or delivered on 02/ /2013 (date) to the chief executive official of each municipality within which the project is located as indicated in Item 3.

CERTIFICATION

I, Frederick E Parola Executive Director and Chief Executive Officer of _____ of _____
 Name Title
Town of Hempstead Industrial Development Agency hereby certify that the information
 Organization
 on this application and accompanying papers constitutes a true statement of facts.

February 13, 2013

Date


 Signature

FOR USE BY ASSESSOR

- 1 Date application filed _____
- 2 Applicable taxable status date _____
- 3a. Agreement (or extract) date _____
- 3b. Projected exemption expiration (year) _____
4. Assessed valuation of parcel in first year of exemption \$ _____
5. Special assessments and special as valorem levies for which the parcel is liable:

 Date

 Assessor's signature

7010 1670 0000 0999 4436

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$ 5.23
Certified Fee	3.10
Return Receipt Fee (Endorsement Required)	2.55
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$10.88

Postmark
Here

Sent To
 James Davis, Acting Assessor
 Nassau County Department of Assessment
 240 Old Country Road
 Mineola, New York 11501-8402

PS Form 3800, August 2006

See Reverse for Instructions

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Here

Sent To
 Daniel Valentino, Esq
 Deputy County Attorney
 Department of Assessment
 Nassau County
 240 Old Country Road
 Mineola, New York 11501

PS Form 3800, August 2006

See Reverse for Instructions

7010 1670 0000 0999 4405

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Sent To
 Mr. Louis R. DeAngelo, Superintendent
 East Meadow School District
 718 The Plain Rd
 Westbury, New York 11590

PS Form 3800, August 2006

See Reverse for Instructions

7010 1670 0000 0999 4412

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Total Postage & Fees	\$10.88

Postmark
Here

Sent To
 Hon. Kate Murray
 Town Supervisor
 Town of Hempstead Town Hall
 One Washington Street
 Hempstead, New York 11550

PS Form 3800, August 2006

See Reverse for Instructions

7010 1670 0000 0999 4429

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Postmark
Here

Sent To
 Hon. Edward Mangano
 County Executive
 Nassau County
 1 West Street
 Mineola, New York 11501

PS Form 3800, August 2006

See Reverse for Instructions

7010 1670 0000 0999 4399

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$ 5.23
Certified Fee	3.10
Return Receipt Fee (Endorsement Required)	2.55
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$10.88

Postmark
Here

Sent To
 Mr. Thomas Albanese, Wholly Exempt
 Division Head
 Department of Assessment
 Nassau County
 240 Old Country Road
 Mineola, New York 11501-8402

PS Form 3800, August 2006

See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Daniel Valentino, Esq.
Deputy County Attorney
Department of Assessment
Nassau County
240 Old Country Road
Mineola, New York 11501

2. Article Number
(Transfer from service)

7010 1670 0000 0999 4382

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent
☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
 If YES, enter delivery address below: ☐ No

MAR 11 2013

3. Service Type

☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Hon. Kate Murray
Town Supervisor
Town of Hempstead Town Hall
One Washington Street
Hempstead, New York 11550

2. Article Number
(Transfer from service)

7010 1670 0000 0999 4412

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent
☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
 If YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

SENDER: COMPLETE THIS SECTION

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Nassau County Department of Assessment
240 Old Country Road
Mineola, New York 11501-8402

2. Article Number
(Transfer from service)

7010 1670 0000 0999 4436

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent
☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
 If YES, enter delivery address below: ☐ No

MAR 11 2013

3. Service Type

☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

SENDER: COMPLETE THIS SECTION

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1. Article Addressed to:

Mr. Louis R. DeAngelo, Superintendent
East Meadow School District
718 The Plain Rd.
Westbury, New York 11590

2. Article Number
(Transfer from service)

7010 1670 0000 0999 4405

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent
☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
 If YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> ■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. ■ Print your name and address on the reverse so that we can return the card to you. ■ Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <input type="checkbox"/> Agent <input type="checkbox"/> Addressee X</p> <p>B. Received by (Printed Name) C. Date of Delivery</p> <hr/> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> <div style="text-align: center; border: 1px solid black; padding: 10px; margin: 10px 0;"> <p style="font-size: 24px; margin: 0;">RECEIVED</p> <p style="font-size: 24px; margin: 0;">MAR 11 2013</p> </div> <p>3. Service Type COUNTY OF ASSESSMENT <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>1. Article Addressed to:</p> <p style="margin-left: 40px;">Mr. Thomas Albanese, Wholly Exempt Division Head Department of Assessment Nassau County 240 Old Country Road Mineola, New York 11501-8402</p>	
<p>2. Article Number 7010 1670 0000 0999 4399 (Transfer from service label)</p>	
<p>PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540</p>	

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