

VILLAGE LOFTS LLC

and

TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY

PAYMENT-IN-LIEU-OF-TAX AGREEMENT

Town of Hempstead Industrial Development Agency
(Village Lofts LLC 2012 Facility)

Dated as of November 1, 2012

Town of Hempstead, Village of Hempstead
Hempstead School District, Nassau County

Section: 34

Block: 404

Lots: 22, 27, 28, & 45

PAYMENT-IN-LIEU-OF-TAX AGREEMENT

THIS PAYMENT-IN-LIEU-OF-TAX AGREEMENT, dated as of November 1, 2012 (this “**PILOT Agreement**”), is by and between VILLAGE LOFTS LLC, a limited liability company organized and authorized under the laws of the State of New York, having an office at 237 West 35th Street, 4th Floor, New York, New York 10001 (the “**Company**”), and TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY, a public benefit corporation of the State of New York, having its office at 350 Front Street, 2nd Floor, Hempstead, New York 11550 (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, as amended (collectively, the “**Act**”); and

WHEREAS, the Agency has agreed to acquire a fee title interest to a certain industrial development facility consisting of the acquisition of an approximately 0.89 acre parcel of land located at 479 Front Street and 16, 18 and 22 Attorney Street, Hempstead, New York (the “**Land**”), and the construction and equipping thereon of an approximately 31,272 square foot 4-story multi-family apartment building containing approximately 29 one and two bedroom rental units, including several duplex layouts (the “**Improvements**” and “**Equipment**”), all to be leased by the Agency to, and used by the Company for the leasing thereof as a market rate residential apartment complex (the Land, Improvements and Equipment are collectively, the “**Facility**”); and

WHEREAS, the Agency has agreed to lease the Facility to the Company pursuant to that certain Lease Agreement, dated as of November 1, 2012 (the “**Lease Agreement**”), between the Agency, as lessor, and the Company, as lessee, such that title will remain in the Agency throughout the Lease Term (as such term is defined in the Lease Agreement); and

WHEREAS, the Agency and the Company have entered into a Recapture Agreement, dated as of November 1, 2012 (the “**Recapture Agreement**”), pursuant to which the Agency has the right to recapture certain economic benefits and assistance granted to the Company upon the terms and conditions set forth in the Recapture Agreement; 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 or Special District Taxes and service charges against real property located in the Village and the Town of Hempstead, New York (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 the Company deem it necessary and proper to enter into an agreement making provision for payments in lieu of taxes and such assessments by the Company to the Village and 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, Hempstead School District, Nassau County and appropriate special districts (hereinafter the “**Taxing Authorities**”) in which any part of the Facility is or is to be located.

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 Lease 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 or Special District Taxes 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 PILOT Agreement and until the provisions of paragraph 1(c) become effective, the Company shall pay, as payments in lieu of taxes and assessments, one hundred percent (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, the 2013/2014 Village 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 as if stated more fully at length herein, 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.**

(d) The Company shall pay, or cause to be paid, the amounts set forth in paragraphs 1(a), (b) and (c) above, as applicable, after receipt of 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 obligations 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 Taxing Authorities. 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 currently provides for an initial penalty of five percent (5%) of the amount due and an additional penalty of one percent (1%) per month on payments more than one month delinquent.

(e) [Reserved].

(f) In the event that 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 Lease 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 Taxing Authorities 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 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 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 the Town of Hempstead, Hempstead School District, Nassau County, 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 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 Lease Agreement. Any rights the Company may have against its respective designees are separate and apart from the terms of this paragraph 2, and this paragraph 2 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 or 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 Payment-in-Lieu-of-Tax Agreement or Agreements with respect to the Taxes on the Facility directly with any or all Taxing Authorities in the jurisdiction of which the Facility is located, the obligations of the Company hereunder, which are inconsistent with such future Agreement or Agreements, shall be superseded and shall, to such extent, be null and void.

5. As long as this 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 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 and assessments paid pursuant to this Agreement or a reduction in the amount of PILOT Payments due under paragraphs 1(a), (b) or (c) hereof or Exhibit A hereof. 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 Lease 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 shall have instituted any tax certiorari proceedings with respect to the Facility. The Company shall deliver to the Agency 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 tax certiorari proceedings with respect to the Facility.

6. The Company, in recognition of the benefits provided under the terms of this Agreement, including, but not limited to, the formula for payments in lieu of taxes set forth in Exhibit A hereto, and for as long as the Lease Agreement is in effect, expressly waives any rights it may have for any exemption under Section 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 Title 1 of 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, or Special District Taxes and service charges levied against the Facility as 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. The Company recognizes and agrees that if at any time the Company substantially changes, modifies or amends its proposed method of operations so as to effect a Recapture Event in accordance with the provisions of the Recapture Agreement, then the Company shall (i) pay to the Agency an amount equal to 100% of the Recaptured Benefits, as defined in the Recapture Agreement, due and owing under the Recapture Agreement, or (ii) pay an increased PILOT payment in accordance with Section 1(c)(7) of the Recapture Agreement. The Agency shall notify the Company in writing of the occurrence and continuation of a Recapture Event under the Recapture Agreement and all amounts that are due and owing under the Recapture Agreement. The Company shall remit such additional sums due to the Agency upon demand thereof.

8. Except as otherwise provided herein, any notice required to be given under this 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, or by Federal Express, 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 and Chief Executive Officer

With a copy to:

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

The Company:

Village Lofts LLC
237 West 35th Street, 4th Floor
New York, New York 10001
Attention: Justine Linnehan, Director of Development

With a copy to:

Goldstein Hall PLLC
44 Wall Street, 12th Floor
New York, New York 10005
Attention: David Goldstein, Esq.

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 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 or all of the Company's obligations hereunder. No waiver, amendment, release or modification of this 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 or different manner from 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 PILOT Agreement or otherwise provided at law or in equity.

10. This PILOT Agreement shall become effective immediately. 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 termination of the Lease Agreement and reconveyance of title to the Facility to the Company, this Agreement shall terminate.

11. Whenever the Company fails to comply with any provision of this PILOT Agreement, the Agency may, but shall not be obligated to, take whatever action at law or in equity 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 Agreement. The Agency agrees to notify the Company in writing of any failure by the Company to comply with any provision of this 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. This PILOT Agreement shall be governed by and construed in accordance with the internal laws of the State of New York.

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

14. This PILOT Agreement may be modified only by written instrument duly executed by the parties hereto.

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

16. If any provision of this 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 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.

17. 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, Nassau County, New York to provide services that, but for the Facility, would not otherwise be readily available to the residents of the Town of Hempstead, Nassau County, New York. 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.

18. The failure or breach by the Company to pay amounts due and owing under this PILOT Agreement on the date when due or to promptly and fully perform any of its obligations hereunder shall constitute an Event of Default under this PILOT Agreement. Upon the occurrence and continuation of any Event of Default hereunder, this PILOT Agreement shall terminate and the Agency shall reconvey the Facility to the Company pursuant to Section 10.2(a)(iv) of the Lease Agreement and subject to the provisions of the Recapture Agreement.

19. The Company and the Agency hereby agree that the obligations and liabilities of the Company hereunder are the absolute and unconditional obligations and liabilities of the Company and not the obligations and liabilities of any officer, director, shareholder or employee of the Company, and that no officer, director, shareholder or employee of the Company shall have any obligation or liability hereunder, except arising in connection with the gross negligence, recklessness, willful, misconduct or criminal activity of such officer, director or employee of the Company.

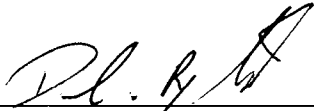
20. This PILOT Agreement shall cover the real property located on Exhibit B attached hereto.

21. Whenever consent is required hereunder, such consent shall not be unreasonably withheld, delayed or conditioned.

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

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


VILLAGE LOFTS LLC

By: 

Name: Daniel Bythewood, Jr.

Title: Manager

**TOWN OF HEMPSTEAD INDUSTRIAL
DEVELOPMENT AGENCY**

By: 

Name: Frederick E. Parola

Title: Executive Director and Chief
Executive Officer

EXHIBIT A

Schedule of In-Lieu-of-Taxes Payment **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 Town of Hempstead, Hempstead School District and Appropriate Special Districts:

General Tax Year/Village Tax Year/School Tax Year	Total PILOT Payments
2014 General/2013-2014 Village/2013-2014 School	\$57,000.00
2015 General/2014-2015 Village/2014-2015 School	57,000.00
2016 General/2015-2016 Village/2015-2016 School	57,000.00
2017 General/2016-2017 Village/2016-2017 School	58,000.00
2018 General/2017-2018 Village/2017-2018 School	59,500.00
2019 General/2018-2019 Village/2018-2019 School	61,000.00
2020 General/2019-2020 Village/2019-2020 School	62,200.00
2021 General/2020-2021 Village/2020-2021 School	63,500.00
2022 General/2021-2022 Village/2021-2022 School	65,000.00
2023 General/2022-2023 Village/2022-2023 School	66,750.00
2024 General/2023-2024 Village/2023-2024 School	68,250.00
2025 General/2024-2025 Village/2024-2025 School	70,000.00
2026 General/2025-2026 Village/2025-2026 School	72,250.00
2027 General/2026-2027 Village/2026-2027 School	74,500.00
2028 General/2027-2028 Village/2027-2028 School	77,000.00
2029 General/2028-2029 Village/2028-2029 School	80,500.00
2030 General/2029-2030 Village/2029-2030 School	83,000.00
2031 General/2030-2031 Village/2030-2031 School	86,000.00
2032 General/2031-2032 Village/2031-2032 School	89,500.00
2033 General/2032-2033 Village/2032-2033 School	94,000.00

NOTE: This PILOT Agreement shall expire on December 31, 2033. All payments for the 2032-2033 School Tax Year, the 2030-2031 Village Tax Year and the 2033 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 in 2034.

Notwithstanding anything to the contrary in the above-referenced PILOT Agreement, if a Court of Competent Jurisdiction, Administrative Agency or governmental official, issues a judgment or enters into a settlement lowering the assessment and/or amount of taxes due, this Exhibit A to the PILOT Agreement shall be amended accordingly and prospectively (*emphasis intended*).

EXHIBIT B

Legal Description of Real Property

AS TO LOT 22

ALL THAT CERTAIN PLOT, PIECE OR PARCEL OF LAND, SITUATE, LYING AND BEING IN THE TOWN OF HEMPSTEAD, VILLAGE OF HEMPSTEAD, COUNTY OF NASSAU AND STATE OF NEW YORK, BEING BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE EASTERLY SIDE OF ATTORNEY STREET DISTANT 149.42 FEET NORTHERLY FROM THE CORNER FORMED BY THE INTERSECTION OF THE NORTHERLY SIDE OF FRONT STREET (OLD LINE) WITH THE EASTERLY SIDE OF ATTORNEY STREET, DISTANT 128.20 FEET NORTHERLY FROM THE INTERSECTION OF THE NORTHERLY SIDE OF FRONT STREET (NEW LINE) WITH SAID EASTERLY SIDE OF ATTORNEY STREET;

RUNNING THENCE NORTH 16° 28' WEST A DISTANCE OF 60 FEET;
THENCE NORTH 71° 30' EAST A DISTANCE OF 125 FEET;
THENCE SOUTH 16° 28' EAST A DISTANCE OF 60 FEET;
THENCE SOUTH 71° 30' WEST A DISTANCE OF 125 FEET TO THE EASTERLY SIDE OF ATTORNEY STREET AT THE POINT OR PLACE OF BEGINNING.

AS TO LOT 28

ALL THAT CERTAIN PLOT, PIECE OR PARCEL OF LAND, WITH THE BUILDING AND IMPROVEMENTS THEREON ERECTED, SITUATE, LYING AND BEING IN THE VILLAGE OF HEMPSTEAD, TOWN OF HEMPSTEAD, COUNTY OF NASSAU AND STATE OF NEW YORK, BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE EASTERLY SIDE OF ATTORNEY STREET, DISTANT 288.48 FEET SOUTHERLY FROM THE CORNER FORMED BY THE INTERSECTION OF THE EASTERLY SIDE OF ATTORNEY STREET WITH THE SOUTHERLY SIDE OF FULTON AVENUE, WHICH POINT OF BEGINNING IN THE SOUTHWESTERLY CORNER OF LAND NOW OR FORMERLY OF HARRIET SNEDEKER;

RUNNING THENCE NORTH 71 DEGREES 30 MINUTES EAST 142 FEET TO LAND NOW OR FORMERLY OF THEODORE P. BERG;

THENCE ALONG LAND NOW OR FORMERLY OF BERG, SOUTH 15 DEGREES 30 MINUTES EAST 49.90 FEET;

THENCE STILL ALONG LAND OF BERG, SOUTH 71 DEGREES 30 MINUTES WEST 140.9 FEET TO THE EASTERLY SIDE OF ATTORNEY STREET;

THENCE RUNNING ALONG THE EASTERLY SIDE OF ATTORNEY STREET NORTH 16 DEGREES 25 MINUTES WEST, 49.85 FEET TO THE POINT OR PLACE OF BEGINNING.

AS TO LOT 27

ALL THAT CERTAIN PLOT, PIECE OR PARCEL OF LAND SITUATE, LYING AND BEING AT HEMPSTEAD, IN THE TOWN OF HEMPSTEAD, COUNTY OF NASSAU AND STATE OF NEW YORK, BOUNDED AND DESCRIBED:

BEGINNING AT A POINT ON THE EASTERLY SIDE OF ATTORNEY STREET, DISTANT 238.05 FEET NORTHERLY FROM THE CORNER FORMED BY THE INTERSECTION OF THE EASTERLY SIDE OF ATTORNEY STREET WITH THE NEW NORTHERLY LINE OF FRONT STREET;

RUNNING THENCE NORTH 16° 28' WEST, ALONG THE EASTERLY SIDE OF ATTORNEY STREET, 45 FEET;

THENCE NORTH 71° 35' EAST, 144.64 FEET;

THENCE SOUTH 15° 11' 30" EAST 45.60 FEET;

THENCE SOUTH 71° 47' 15" WEST, 143.62 FEET TO THE EASTERLY SIDE OF ATTORNEY STREET, THE POINT OR PLACE OF BEGINNING.

AS TO LOT 45

ALL THAT CERTAIN PLOT, PIECE OR PARCEL OF LAND, SITUATE, LYING AND BEING IN THE TOWN OF HEMPSTEAD, COUNTY OF NASSAU, STATE OF NEW YORK, BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE NEW NORTHERLY LINE OF FRONT

STREET DISTANCE 89.71 FEET EASTERLY FROM THE CORNER FORMED BY THE INTERSECTION OF THE NEW NORTHERLY LINE OF FRONT STREET AND THE EASTERLY SIDE OF ATTORNEY STREET;

RUNNING THENCE NORTH 12° 21' 36" WEST, 146.71 FEET;

THENCE NORTH 71° 30' EAST, 27.67 FEET;

THENCE NORTH 16° 28' WEST, 60 FEET;

THENCE NORTH 71° 30' EAST, 15.9 FEET;

THENCE NORTH 13° 55' 30" WEST, 49.20 FEET;

THENCE NORTH 15° 11' 30" WEST, 45.6 FEET;

THENCE NORTH 15° 48' 40" WEST, 43.41 FEET;

THENCE NORTH 70° 56' 10" EAST, 20.25 FEET;

THENCE SOUTH 16° 58' 20" EAST, 191.59 FEET;

THENCE SOUTH 16° 30' EAST, 169.36 FEET TO THE NEW NORTHERLY LINE OF FRONT STREET;

THENCE WESTERLY ALONG SAME, ON A CURVE TO THE RIGHT HAVING A RADIUS OF 2190 FEET, 80.92 FEET TO THE POINT OR PLACE OF BEGINNING.

NIXON PEABODY_{LLP}

1300 Clinton Square
Rochester, New York 14604

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

November 28, 2012

VIA 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
(Village Lofts LLC 2012 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 Payment-in-Lieu-of-Tax Agreement, in connection with the above-referenced transaction which closed on November 20, 2012.

Also enclosed are copies of (i) the Bargain and Sale deed, (ii) the Lease Agreement (a memorandum of which is currently being recorded in the Nassau County Clerk's office), and (iii) the Recapture Agreement, also being recorded in the Nassau County Clerk's office.

Please feel free to contact us if you should have 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 P. Mangano
County Executive
Nassau County
1 West Street
Mineola, New York 11501

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

Hon. Wayne J. Hall, Sr.
Mayor, Village of Hempstead
99 Nichols Court
Hempstead, New York 11550

Dr. Nathaniel Clay, Superintendent
Hempstead Union Free School District
185 Peninsula Boulevard
Hempstead, New York 11550

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

Daniel Valentino, Esq.
Counsel to the Assessor
Nassau County
240 Old Country Road
Mineola, New York 11501

VIA REGULAR MAIL

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

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

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<p>■ Complete Items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p> <p>1. Article Addressed to:</p> <p style="margin-left: 40px;">Daniel Valentino, Esq. Counsel to the Assessor Nassau County 240 Old Country Road Mineola, New York 11501</p>	<p>A. Signature X <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) C. Date of Delivery</p> <div style="border: 1px solid black; padding: 5px; margin: 10px 0; text-align: center;"> <p>RECEIVED</p> <p>NOV 30 2012</p> <p>DEPARTMENT OF ASSESSMENT COUNTY OF NASSAU</p> </div> <p>3. Service Type <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>2. Article Number (Transfer from <u>7010 1670 0000 0999 9257</u>)</p>	
<p>PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540</p>	

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<p>■ Complete Items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p> <p>1. Article Addressed to:</p> <p style="margin-left: 40px;">Dr. Nathaniel Clay, Superintendent Hempstead Union Free School District 185 Peninsula Boulevard Hempstead, New York 11550</p>	<p>A. Signature X <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) C. Date of Delivery</p> <div style="border: 1px solid black; padding: 5px; margin: 10px 0; text-align: center;"> <p>RECEIVED</p> <p>Arnetia Hutcherson 11/30/12</p> </div> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> <p>3. Service Type <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>2. Article Number (Transfer from service <u>7010 1670 0000 0999 9233</u>)</p>	
<p>PS Form 3811, February 2004 Domestic Return Receipt</p>	

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<p>2. Article Number (Transfer from service <u>7010 1670 0000 0999 9196</u>)</p>	
<p>PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540</p>	

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<p>2. Article Number (Transfer from service <u>7010 1670 0000 0999 9226</u>)</p>	
<p>PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540</p>	

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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.

Article Addressed to:

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

COMPLETE THIS SECTION ON DELIVERY

A. Signature ☐ Agent
X ☐ 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

NOV 30 2012
DEPARTMENT OF ASSESSMENT
COUNTY OF NASSAU

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

4. Restricted Delivery? (Extra Fee) ☐ Yes

Article Number 7010 1670 0000 0999 9240
(Transfer from service)

Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

SENDER: COMPLETE THIS SECTION

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- 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
One Washington Street
Hempstead, New York 11550

COMPLETE THIS SECTION ON DELIVERY

A. Signature ☐ Agent
X ☐ Addressee
B. Received by (Printed Name) C. Date of Delivery
TOWN OF HEMPSTEAD
350 FRONT STREET
HEMPSTEAD, NY 11550
11/30/12

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

2. Article Number 7010 1670 0000 0999 9219
(Transfer from service)

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

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1. Article Addressed to:

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

COMPLETE THIS SECTION ON DELIVERY

A. Signature ☐ Agent
X ☐ Addressee
B. Received by (Printed Name) C. Date of Delivery
A. B. / 12

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

2. Article Number 7010 1670 0000 0999 9202
(Transfer from service)

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540



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 Industria 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)

Name Village Lofts LLC
Street 237 West 35th Street, 4th Floor
City New York, NY 10001
Telephone no. Day ____ (646) 674-0064
Evening () _____
Contact Justine Linnehan
Title Director of Development

3. DESCRIPTION OF PARCEL

- a. Assessment roll description (tax map no./roll year)
Section 34 Block 404 Lots 22, 27, 28 & 45
- b. Street address 479 Front St. 16, 18 & 22 Attorney St
- c. City, Town or Village Hempstead

- d. School District Hempstead
- e. County Nassau
- f. Current assessment _____
- g. Deed to IDA (date recorded; liber and page)
Deed dated 11/8/12 being recorded in Nassau
Co. Liber and page unavailable

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

- a. Brief description (include property use)
construction and equipping of an approximately 31,272 square foot 4-story multi-family apartment building containing approximately 29 one and two bedroom rental units, including several duplex layouts.
- b. Type of construction unavailable
- c. Square footage app. 31,272sq ft
- d. Total cost app. \$6,900,000
- 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)
12/31/2033

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 "PILOT Agreement"
- b. Projected expiration date of agreement 12/31/2033

c. Municipal corporations to which payments will be made

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

d. Person or entity responsible for payment

Name Village Lofts LLC
 Title Justine Linnehan
 Address 237 West 35th Street, 4th Floor
New York, NY 10001

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 646-674-0064

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

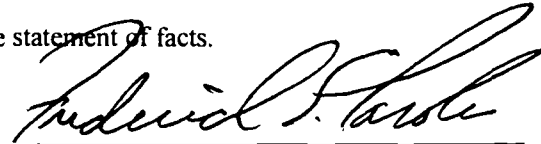
If yes, list the statutory exemption reference and assessment roll year on which granted:
 exemption _____ assessment roll year _____

7. A copy of this application, including all attachments, has been mailed or delivered on 11/ /2012 (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 _____
 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.

11/ /2012
 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