

HSRE-EB NORTH WOODMERE, LLC

and

TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY

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

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Town of Hempstead Industrial Development Agency  
(HSRE-EB North Woodmere, LLC 2013 Facility)

Dated as of December 1, 2001  
Amended and Restated as of September 1, 2006  
Amended and Restated February 13, 2013

Town of Hempstead, Hewlett Woodmere Union Free School District,  
Lawrence Union Free School District

Section: 39  
Block: 485  
Lots: 76A and 76B

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

THIS SECOND AMENDED AND RESTATED PAYMENT-IN-LIEU-OF-TAX AGREEMENT, dated February 13, 2013 (this “**Second Amended and Restated PILOT Agreement**”), is by and between HSRE-EB NORTH WOODMERE, 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 Harris Street Real Estate Capital, 71 S. Wacker Drive, Suite 3575, Chicago, IL 60606 (“**HSRE-EB North Woodmere**” 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, 2<sup>nd</sup> 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 2001 (Hungry Harbor, LLC Facility) in the aggregate principal amount of \$25,500,000 (the “**Bonds**”), to acquire approximately 3.10 acre parcel of land located at 477 Hungry Harbor Road, North Woodmere, Town of Hempstead, Nassau County, New York more particularly described on Exhibit A attached hereto, and the construction and equipping thereon of a three-story, approximately 103,000 square foot facility which contains 118 one-bedroom units which is used as an assisted living senior citizen residential facility (the “**Facility**”); and

WHEREAS, the Agency sold the Facility to Hungry Harbor, LLC (“**Hungry Harbor**”) pursuant to the terms and conditions set forth in a certain Installment Sale Agreement, dated as of December 1, 2001 (the “**Original Installment Sale Agreement**”); and

WHEREAS, the Agency and Hungry Harbor entered into a Payment-in-Lieu-of-Tax Agreement, dated as of December 1, 2001, (the “**Original PILOT Agreement**”) as amended and restated by the Amended and Restated Payment-in-Lieu-of Tax Agreement, dated as of September 1, 2006 (the “**Amended and Restated PILOT Agreement**”), whereby the Agency and Hungry Harbor set forth the terms and conditions of their agreement regarding Hungry Harbor’s payments in lieu of real property taxes for a period of ten (10) years; and

WHEREAS, Hungry Harbor 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 Hungry Harbor deemed it necessary and proper to enter into an agreement making provision for payments-in-lieu-of-taxes and such assessments by Hungry Harbor 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, Hewlett Woodmere Union Free School District, Lawrence Union Free School District and appropriate special districts (hereinafter the **"Taxing Authorities"**) in which any part of the Facility is or is to be located; and

WHEREAS, the Agency previously consented to Hungry Harbor's assignment to CSH Hungry Harbor LP, a limited partnership (**"CSH Hungry Harbor"**), and the assumption by CSH Hungry Harbor of Hungry Harbor's rights, title and interests in the Facility; and

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

WHEREAS, in connection with such Assignment and Assumption of Installment Sale Agreement, CSH Hungry Harbor and the Agency entered into the Amended and Restated Installment Sale Agreement, dated as of February 21, 2007 (the **"Amended and Restated Installment Sale Agreement"**); and

WHEREAS, the PILOT Agreement was assigned to CSH Hungry Harbor by Hungry Harbor, pursuant to and in accordance with a certain Assignment and Assumption of Amended and Restated PILOT Agreement, dated as of February 21, 2007 (the **"Assignment and Assumption of Amended and Restated PILOT Agreement"**), among Hungry Harbor, CSH Hungry Harbor and the Agency, and CSH Hungry Harbor assumed all of the right, title, interest, liability, duty and obligations of Hungry Harbor in, to and under the PILOT Agreement; and

WHEREAS, CSH Hungry Harbor acquired Hungry Harbor'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 Hungry Harbor assigned to CSH Hungry Harbor all of Hungry Harbor's rights, title, interest, duties, liabilities and obligations in, to and under the Original Installment Sale Agreement and the PILOT Agreement, and CSH Hungry Harbor assumed all of Hungry Harbor's rights, title,

interest, duties, liabilities and obligations in, to and under the Original Installment Sale Agreement and the PILOT Agreement; and

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

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

WHEREAS, the Agency has now consented to CSH Hungry Harbor's assignment to the Company and the assumption by the Company of CSH Hungry Harbor's rights, title and interests in the Facility; and

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

WHEREAS, HSRE-EB North Woodmere 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 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, between the Agency and the Company, and the extension of the benefits under this 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 Hungry Harbor to HSRE-EB North Woodmere 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 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 Amendment 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 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 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, Hewlett Woodmere Union Free School District, Lawrence Union Free School District, 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 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 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 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, 2<sup>nd</sup> Floor  
Hempstead, New York 11550-4037  
Attention: Executive Director

The Company:

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

and

HSRE-EB North Woodmere, 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, IL 60601  
Attention: David Sickie

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.

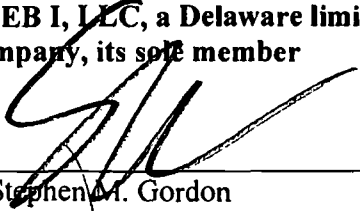
12. Reserved.
13. This Second Amended and Restated PILOT Agreement shall be governed by and construed in accordance with the internal laws of the State of New York.
14. The Company agrees to hold the Agency harmless from and against any liability arising from any default by the Company in performing 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 and the Amended and Restated PILOT Agreement.

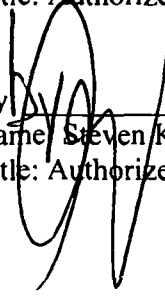
(Remainder of Page Intentionally Left Blank – Signature Page Follows)

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

**HSRE-EB NORTH WOODMERE, 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 NORTH WOODMERE, 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), Hewlett Woodmere Union Free School District, Lawrence Union Free School District and Appropriate Special Districts

School Tax Year/General Tax Year	Total PILOT Payment
2013/2014 School/2014 General	\$500,000.00
2014/2015 School/2015 General	\$540,000.00
2015/2016 School/2016 General	\$580,000.00
2016/2017 School/2017 General	\$620,000.00
2017/2018 School/2018 General	\$660,000.00
2018/2019 School/2019 General	\$700,000.00
2019/2020 School/2020 General	\$750,000.00
2020/2021 School/2021 General	\$800,000.00
2021/2022 School/2022 General	\$850,000.00
2022/2023 School/2023 General	\$900,000.00

\*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

ALL that certain plot, piece or parcel of land, situate, lying and being near Valley Stream, 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 Hungry Harbor Road (as relocated and shown on map of Brookfield Estates) distant 81.18 feet easterly from the easterly end of the curve having a radius of 20 feet; which curve connects the southerly side of Hungry Harbor Road and the easterly side of Golf Drive and from said point of beginning;

RUNNING THENCE easterly along the said southerly side of Hungry Harbor Road and along the arc of a curve bearing to the left having a radius of 1043 feet a distance along the arc of said curve of 290.66 feet;

RUNNING THENCE south 2 degrees 46 minutes 15 seconds east 335.24 feet;

RUNNING THENCE south 87 degrees 13 minutes 45 seconds west 176.25 feet;

THENCE south 82 degrees 38 minutes 00 seconds west 121.66 feet;

THENCE north 87 degrees 54 minutes 00 seconds west 120 feet;

THENCE north 42 degrees 30 minutes 00 seconds west 52.88 feet;

RUNNING THENCE north 26 degrees 31 minutes 00 seconds east 244.44 feet;

THENCE north 68 degrees 10 minutes 00 seconds west 12.35 feet;

THENCE north 21 degrees 50 minutes 00 seconds east 136.66 feet to the said southerly side of Hungry Harbor Road (as relocated) at the point or place of BEGINNING.

Said premises being known as 477 Hungry Harbor Road, North Woodmere, New York.

Section 39 Block 485 Lots 76A and 76B on the Nassau County Land and Tax Map.

# NIXON PEABODY<sub>LLP</sub>

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 North Woodmere, LLC 2013 Facility)

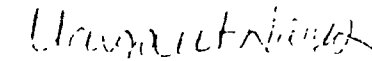
Dear Mr. Davis:

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

Ms. Joyce M. Bisso,  
Superintendent of Schools  
Hewlett Woodmere Union Free School District  
One Johnson Place  
Woodmere, New York 11598

Mr. Gary Schall, Superintendent  
Lawrence Union Free School District  
195 Broadway  
Lawrence, New York 11559

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, 2<sup>nd</sup> 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 North Woodmere 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 39, Block 485, Lot 76A and 76B  
b. Street address 477 Hungry Harbor Road  
c. City, Town or Village Hempstead

Hewlett Woodmere Union Free  
d. School District and Lawrence Union Free  
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)  
3-story facility containing 118 one-bedroom units which is used as an assisted living senior citizen residential facility  
b. Type of construction unavailable  
c. Square footage app 103,000 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 _____		
School District <u>Hewlett Woodmere UF and Lawrence UF</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

d. Person or entity responsible for payment

Name Jan Burman and Steven Krieger  
 Title HSRE-EB North Woodmere LLC  
 Address 67 Clinton Road  
Garden City, New York 11530  
 Telephone 516-747-1200 x20

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.

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  
 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 ad valorem levies for which the parcel is liable:

\_\_\_\_\_  
 \_\_\_\_\_

\_\_\_\_\_  
 Date

\_\_\_\_\_  
 Assessor's signature

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

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Ser Hon. Kate Murray  
 Town Supervisor  
 Town of Hempstead Town Hall  
 or 1 One Washington Street  
 Cit Hempstead, New York 11550

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

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

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

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S Ms. Joyce M. Bisso  
 Superintendent of Schools  
 or Hewlett Woodmere Union Free  
 School District  
 One Johnson Place  
 Cit Woodmere, New York 11598

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S- Mr Gary Schall, Superintendent Lawrence Union Free School District 195 Broadway Lawrence, New York 11559	
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