

Project Summary

105 Rockaway Realty LLC (the "Company"), a New York limited liability company and a joint venture of Rock Beach Realty Group, LLC and Healthcare Limited Partners, LLC, an affiliate of Community Healthcare Associates LLC, a developer of community-based health care facilities, seeks financial assistance in connection with the construction of a new 55,450 square foot multi-tenanted building (the "Building") and related parking facilities, located on a 65,150 square foot parcel of land (such land, together with the Building, the "Facility"). The project will involve the construction of the Building, which upon completion will be owned, operated and leased by the Company primarily to for-profit healthcare provider tenants (the "Project"). The financial assistance requested will be determined based on the level of leasing and occupancy of the Facility by for-profit health care service providers, which is anticipated to be, in the aggregate, approximately 46,550 square feet. Based on a review of the Project, Agency staff has concluded that the Project is likely to be completed within three years of the closing date.

Project Location

105-02 to 105-42 Rockaway Beach Blvd
Queens, NY 11694

Actions Requested

- Inducement and Authorizing Resolution for a Commercial Developer Project transaction
- Approval of deviation from UTEP
- Adopt retail findings
- Adopt a negative declaration under SEQRA for this Project. The proposed Project will not have a significant adverse effect on the environment.

Anticipated Closing

Q1 2017

Impact Summary

Employment	
Jobs at Application:	0
Jobs to be Created at Project Location (Year 3):	100
Total Jobs (full-time equivalents)	100
Projected Average Hourly Wage (excluding principals)	\$ 19.25

Estimated City Tax Revenues	
Impact of Operations (NPV 13 years at 6.25%)	\$ 4,208,583
One-Time Impact of Renovation	0
Total impact	\$ 4,208,583

Estimated Cost of Benefits Requested: New York City	
MRT Benefit	\$ 266,206
Sales Tax Exemption	337,546
Agency Financing Fee	(197,813)
Total Cost to NYC Net of Financing Fee	\$ 405,939
Estimated Cost of Benefits Requested: New York State	
MRT Benefit	\$ 143,342
Sales Tax Exemption	328,170
Total Cost to NYS	\$ 471,512
Overall Total Cost to NYC and NYS	\$ 877,451

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Costs of Benefits Per Job ¹	
Estimated Total Cost of Benefits per Job	\$8,775
Estimated City Tax Revenue per Job	\$21,389
Comparison of Agency and As-of-Right Benefits	
Available As-of-Right Benefits (ICAP)	\$7,657,445
Agency Benefits In Excess of As-of-Right Benefits	N/A

Sources and Uses

Sources	Total Amount	Percent of Total Financing
Commercial Loans	\$ 15,466,001	65%
Company Funds	8,283,999	35%
Total	\$ 23,750,000	100%

Uses	Total Amount	Percent of Total Costs
Land & Building Acquisition	\$ 4,300,000	18%
Hard Costs	15,466,001	65%
Soft Costs	1,455,007	6%
Reserves	601,883	3%
Capitalized Interest	500,000	2%
Costs of Issuance	627,000	3%
Leasing Costs	800,109	3%
Total	\$23,750,000	100%

Fees

	Paid At Closing	On-Going Fees (NPV, 13 Years)
Agency Fee	\$197,813	
Project Counsel	Hourly	
Annual Agency Fee	1,250	10,906
Total	199,063	10,906
Total Fees	\$209,969	

Financing and Benefits Summary

The total Project cost is anticipated to be \$23,750,000. It is anticipated that the Company will use a combination of a commercial loan and Company funds to finance the construction of the Facility. The Company's equity will contribute to the soft costs, demolition work, and financing costs, and a portion of the site work. The construction loan will finance the majority of the construction work, project contingency, leasing costs, and reserves. The construction loan, to be provided by Provident Bank, is interest-only, and will convert to a permanent loan when the construction is completed. The permanent loan is anticipated to have a 5-year term with a 25-year amortization period. The financial assistance proposed to be conferred by the Agency will consist of mortgage

¹ Because this is a developer project, the number of jobs to be created at year three was used in the following calculations.

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recording tax exemption from City and State sales and use tax. The Company is also seeking benefits through the Industrial and Commercial Abatement Program provided by the City's Department of Finance, and New Markets Tax Credits. The debt service coverage ratio for Rock Beach Group, LLC and Healthcare Limited Partners, LLC, an affiliate of Community Healthcare Associates LLC, are to be determined.

Company Performance and Projections

The Company was formed by Rock Beach Realty Group, LLC and Healthcare Limited Partners, LLC, an affiliate of Community Healthcare Associates LLC. The Company will lease units in the Facility to a variety of for-profit healthcare provider tenants. The major hospital in Rockaway Beach, Peninsula Hospital, closed its doors after Hurricane Sandy and left the community with a significant healthcare void. As the Rockaways is undergoing a rebirth in the wake of the storm, the Project will provide not only much needed healthcare services, but also will create over 100 permanent high-paying jobs in the community. Further, the construction of the Building will provide much needed medical services. The existing building will be demolished and rebuilt stronger to withstand natural disasters like Hurricane Sandy, which severely damaged the older buildings in the area.

Inducement

- I. The relatively isolated Rockaway Peninsula has been particularly underserved in medical services since the closure of the Peninsula Hospital in the aftermath of Hurricane Sandy in October 2012.
- II. The proposed state-of-the-art healthcare facility will be elevated and built on pilings to prevent future storm damage, creating resilience in the neighborhood's building stock to prevent future losses.
- III. The Company has asserted that without assistance from the Agency, the Project would not occur due to the high costs associated with constructing the Building.

UTEP Considerations

The Agency finds that the Project meets one or more considerations from Section I-B of the Agency's Uniform Tax Exemption Policy ("UTEP"), including the following:

- I. The Project will create or retain permanent private-sector jobs.
- II. Financial assistance is required to induce the Project.

Deviation from UTEP

The Project is a commercial developer project that, upon completion, will be leased to tenants that provide health care services. Under the UTEP, Commercial developer projects are not eligible for financial assistance in the absence of a deviation. The financial assistance sought for the Project would consist of exemptions from City and State sales and use taxes applicable to the construction of the Project and an exemption, rather than a deferral, from the City and State mortgage recording tax. The Agency will include financial assistance recapture provisions in the Agency agreements for the Project requiring occupancy of a certain percentage of the Facility by for-profit healthcare service providers. The proposed benefits will be subject to recapture for a period beginning on the closing date and ending on the tenth anniversary of the operations commencement date. The Agency is proposing to deviate from UTEP in order provide this financial assistance to the Company for the proposed Project for the reasons specified below.

Justifications for Deviation

The Agency believes that a deviation from its UTEP is justified because the Project will bring much-needed health care services to an area that has had a shortage in healthcare providers since the closure of Peninsula Hospital after Hurricane Sandy. Agency staff reviewed the 2014 Nassau Queens Performing Provider System (NPQ) Community Needs Assessment report and other supporting documentation (the "Study") which designated the Rockaways as an area lacking critical healthcare services. Proposed healthcare services to be located at the Facility may include: primary care, specialty care, ambulatory surgery, imaging, lab, dialysis, diagnostic testing, physical therapy, a pharmacy, and related healthcare services. The Company also represents that the Agency incentives are

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required in order for the Project to be completed within a budget that will allow for competitive rents, which will enable the multi-tenanted healthcare facility to address the shortage in healthcare service providers in the vicinity of the Project site.

Retail Limitation and Related Findings

The Agency's enabling statute limits the Agency's ability to provide financial assistance to facilities or property that are primarily used in making retail sales to customers. Financial assistance may be provided in cases in which (i) the predominant purpose of the project would be to make available goods or services which would not, but for the project, be reasonably accessible to the residents of the city, town, or village within which the proposed project would be located because of a lack of reasonably accessible retail trade facilities offering such goods or services; (ii) the Agency adopts a finding that the project will serve the public purposes of the Agency's enabling statute by increasing the overall number of permanent, private sector jobs in the State of New York; and (iii) the Mayor confirms the proposed action of the Agency. Agency staff has confirmed that the predominant purpose of the Project is to make available healthcare services which are not otherwise reasonably accessible to the residents of the area in which the Facility is located based on staff's review of the Study, which designated the Rockaways as an area lacking critical health care services. In addition, the Project is also expected to result in 100 full-time equivalent permanent, private sector jobs within three years following the start of operations.

Applicant Summary

William J. Colgan, Managing Partner

Mr. Colgan is the Managing Partner in charge of business development, strategic planning, and financial operations. He has an extensive background (25+ years) in finance, real estate, and healthcare. Prior to this, Bill co-founded Armanti Financial Services, LLC, the tri-state region's largest healthcare revenue cycle management company until its sale in 2006. Armanti, an industry leader, helped hospitals achieve financial goals without compromising the quality of patient care. With an emphasis on identifying unique solutions for hospitals, Bill helped improve healthcare services, protect the uninsured, and maintain profitability. Bill helped develop one of New Jersey's largest Management Service Organizations with 70 locations and over 500 employees. Additionally, Bill has developed over \$250 million of real estate consisting of various mixed-use projects, including medical, residential and commercial properties.

Steven Rosefsky, General Council

Steven has extensive experience (25+ years) in the real estate industry, including in the areas of development, leasing, governmental affairs, environmental, litigation, zoning and financing. In particular, Steven has developed a unique set of skills tailored to the healthcare industry, with a focus on all facets of real estate and land use work, from the acquisition and disposition of former healthcare facilities, to the redevelopment, structuring, leasing and financing of healthcare-oriented properties. Steven is an attorney licensed in the State of New York.

William T. Colgan, Finance Manager

Mr. Colgan is responsible for operational management, financial structuring, and property valuation. William has over 10 years of real estate experience. Prior to CHA, William worked as a financial consultant at Studley, successfully completing over 250 transactions totaling over 9 million square feet. He worked with office, medical, retail and industrial tenants to come up with a real estate portfolio plan that included transactions such as leases, subleases, sale/leasebacks and building/condo purchases and sales. His client list included American Red Cross, AXA Insurance, Hilton Worldwide, Kirkland & Ellis, Rothschild North America, Spotify, Tiffany and Time Warner. In 2012, he was selected for The Commercial Observer's 30 under 30 list. He is a CFA charterholder, CAIA charterholder and is a licensed real estate salesperson in New Jersey and New York.

Rafael Diaz, Jr. & Ana Evelyn Diaz, Facility Operations

Mr. Diaz & Ms. Diaz will be responsible for the day-to-day facility operations. Rafael & Ana are siblings and have been business owners in Rockaway Beach for 24 years. Rafael is one of the original founders and past President of the supermarket cooperative based in New York currently known as America's Food Basket. It started with nine stores in Queens and Brooklyn and is currently at over forty stores in New York, Connecticut and Massachusetts.

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Rafael was awarded the Rockaways Dynamic Business Leader Award on November 2002 by the Chamber of Commerce and is a former president of the Rockaway East Merchants Association and received an Associate Degree in Business Administration.

Employee Benefits

It is standard practice for health care providers to extend coverage for their employees and provide healthcare, retirement plans, and training opportunities for their employees.

Recapture

The proposed financial assistance will be subject to recapture for a period beginning on the closing date and ending on the tenth anniversary of the operations commencement date.

SEQRA Determination

No significant adverse environmental impacts, staff recommends the Board adopt a Negative Declaration for this project. The completed Environmental Assessment Form for the Project has been reviewed and signed by Agency staff.

Due Diligence

The Agency conducted a background investigation of the Company and its principals and found no derogatory information.

Compliance Check:	Not Applicable
Living Wage:	Compliant
Paid Sick Leave:	Compliant
Affordable Care Act:	ACA Coverage Offered
Bank Account:	Provident Bank
Bank Check:	Relationships are reported to be satisfactory.
Supplier Checks:	Relationships are reported to be satisfactory.
Customer Checks:	Not Applicable
Unions:	Not Applicable
Vendex Check:	No derogatory information was found.
Attorney:	Melanie A. Chieu Ellenoff Grossman & Schole LLP 1345 Avenue of the Americas, 11 th Fl. New York, NY 10105
Accountant:	Patricia Dima Dima & Company, P.C. 330 Motor Parkway, Ste 20 Hauppauge, NY 11788

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Consultant/Advisor: Heidi Springer & Marsha Parris
New York Grant Company
29 Broadway, Ste 2222
New York, NY 10006

Community Board: Queens, CB #14

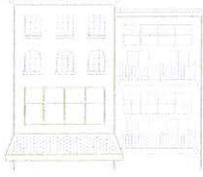
105 Rockaway Realty LLC**Community Healthcare Associates LLC (Operating Shareholder) Portfolio Financials**

				YoY change	
	2015	2014	2013	FY15-FY14	FY14-FY13
Income					
Base Rent	4,519,639	4,115,385	3,914,618	10%	5%
Expense Reimbursement	2,320,996	2,096,398	1,974,078	11%	6%
Management Fees	3,373,077	3,075,048	2,846,295	10%	8%
Construction Fees	6,141,131	5,748,320	5,400,369	7%	6%
Total Income	16,354,843	15,035,151	14,135,360	9%	6%
Expenses					
Common Area					
Maintenance	1,646,346	1,514,369	1,438,651	9%	5%
Real Estate Taxes	1,111,267	1,055,703	1,003,645	5%	5%
Utilities	428,314	405,898	396,502	6%	2%
COGS - Construction	5,887,588	5,543,209	5,243,548	6%	6%
Repairs & Maintenance	415,602	435,325	375,637	-5%	16%
SG&A	4,239,291	3,987,563	3,875,965	6%	3%
Other	167,908	142,006	151,534	18%	-6%
Total Expenses	13,896,316	13,084,073	12,485,482	6%	5%
Operating Income	2,458,527	1,951,078	1,649,878	26%	18%
Other Expense					
Interest	1,065,335	975,068	839,259	9%	16%
Depreciation & Amortization	617,124	576,328	565,862	7%	2%
Total Other	1,682,459	1,551,396	1,405,121	8%	10%
Net Income/Expense	776,068	399,682	244,757	94%	63%

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Community Healthcare Associates LLC Portfolio Property Valuation (as of 4/30/16)

Owner Entity	Present Value	Loan Balance	Equity Value
11-13 Broad Stree Associates, LLC	5,000,000	3,342,221	1,657,779
19 Ward Street Associates, LLC	500,000	0	500,000
2 Broad Street Associates, LLC	8,800,000	5,925,608	2,874,392
35 Conger Street Associates, LLC	617,000	349,383	267,617
57 Washington Street Associates, LLC	670,000	455,717	214,283
71 Washington Street Associates, LLC	1,277,000	713,957	563,043
205 East 32nd Street Associates, LLC	680,000	483,318	196,682
220 Chestnut Associates, LLC	750,000	0	750,000
Barnert Cardio, LLC	1,350,000	914,476	435,524
Barnert Management, LLC	8,000,000	0	8,000,000
Bloomfield Center Urban Renewal, LLC	19,600,000	12,100,000	7,500,000
BMAC Management, LLC	10,200,000	4,365,000	5,835,000
Kessler Management, LLC	3,500,000	0	3,500,000
Community Healthcare Associates, LLC	50,000	0	50,000
105 Rockaway Realty, LLC	4,500,000	0	4,500,000
Barnert AMD Holding, LLC	1,500,000	0	1,500,000
Community Healthcare Associates, LLC	135,000	0	135,000
	\$67,129,000	\$28,649,680	\$38,479,320



105 Rockaway Realty, LLC

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Lily Berticevich
Project Manager, Strategic Investments Group
New York City Economic Development Corporation
110 William Street
New York, New York 10038

September 20, 2016

Ms. Berticevich,

105 Rockaway Realty, LLC is seeking incentives to construct an approximately 55,000 square foot multi-tenanted health care facility that will provide much-needed critical health care services in the Rockaways. The Rockaways has been designated in the 2014 Nassau Queens Performing Provider System (NQP) report as lacking critical health care services since the closure of Peninsula Hospital in the aftermath of Sandy in October 2012. Estimated project costs are \$23.75 million, providing much-needed capital investment to this economically disadvantaged neighborhood that is still recovering from the effects of Sandy and is challenged by the need of creating resiliency in the building stock to prevent future catastrophic losses.

The site, 105-20 Rockaway Beach Boulevard, Rockaway Beach, New York, was a previously a Key Food grocery store but sustained significant damage by Hurricane Sandy and has been a shuttered facility since. The proposed state-of-the-art healthcare facility will be elevated and built on pilings to prevent future storm damage. Therefore, the ground floor will be utilized for parking, with the three (3) remaining floors to be used for medical services and ancillary services, such as primary and specialty care, an ambulatory surgery center, imaging, lab, and diagnostics testing, and a pharmacy.

105 Rockaway Realty, LLC is joint venture between Rock Beach Realty Group, which previously operated the Key Food grocery store on the site and Healthcare Limited Partners, LLC, an affiliate of Community Healthcare Associates, an established developer of medical facilities in high-needs areas.

Without the assistance of incentives, the higher costs of developing this parcel, including the environmental clean-up, piles for footing and foundation work, and elevating the structure above the floodplain, while complying with zoning-related height restrictions, would create unachievable rent requirements for tenants. Without assistance, the project would not go forward and the relatively isolated Rockaway Peninsula will continue to be underserved in medical services.

Regards,

William T. Colgan
Member
105 Rockaway Realty, LLC

RESOLUTION INDUCING THE FINANCING OF A COMMERCIAL FACILITY TO BE DEVELOPED BY 105 ROCKAWAY REALTY LLC AS A STRAIGHT LEASE TRANSACTION AND AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF AGREEMENTS IN CONNECTION THEREWITH

WHEREAS, New York City Industrial Development Agency (the “Agency”) is authorized under the laws of the State of New York, and in particular the New York State Industrial Development Agency Act, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended, and Chapter 1082 of the 1974 Laws of New York, as amended (collectively, the “Act”), to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial and research facilities and thereby advance the job opportunities, general prosperity and economic welfare of the people of the State of New York and to improve their prosperity and standard of living; and

WHEREAS, 105 Rockaway Realty LLC (the “Company”), which was established as a joint venture of Rock Beach Realty Group, LLC and Healthcare Limited Partners, LLC, an affiliate of Community Healthcare Associates LLC, a developer of community-based health care facilities, has entered into negotiations with officials of the Agency in connection with a project consisting of the construction, furnishing and equipping of an approximately 55,450 square foot building and related parking facilities on an approximately 65,150 square foot parcel of land located at 105-02 to 105-42 Rockaway Beach Boulevard in Rockaway, New York (collectively, the “Facility”) to be operated by the Company, for lease by the Company to the Agency, and sublease by the Agency to the Company for subsequent sub-sublease by the Company to primarily not-for profit health care providers (together with the Facility, the “Project”); and

WHEREAS, the Company has submitted a Project Application (the “Application”) to the Agency to initiate the accomplishment of the above; and

WHEREAS, the Company has submitted to the Agency the 2014 Nassau Queens Performing Provider System (NPQ) Community Needs Assessment report and other supporting documentation which designated the Rockaways as an area lacking critical health care services (the “Health Study”); and

WHEREAS, the Application sets forth certain information with respect to the Company and the Project, including the following: that the construction, furnishing and equipping of the Facility will generate approximately 30 direct construction jobs and, at full occupancy, it is estimated that 100 full-time equivalent employees will be employed at the Facility and that, based upon the financial assistance provided through the Agency, the Company desires to proceed with the Project; and

WHEREAS, based upon the Application, the Agency hereby determines that Agency financial assistance and related benefits in the form of a straight-lease transaction between the Agency and the Company are necessary to induce the Company to establish and expand its operations in New York City (the “City”); and

WHEREAS, the Company may enter into loan commitments with commercial banks, institutional lenders or governmental entities lenders acceptable to the Company and the Agency (collectively, the “Lender”), which may provide funds to the Company in the form of one or more loans to finance a portion of the cost of the Project, and the Agency, the Company will grant one or more mortgages on the Facility to the Lender (collectively, the “Mortgage”), and

WHEREAS, in order to provide financial assistance to the Company for the Project, the Agency intends to grant the Company financial assistance through a straight-lease transaction in the form of sales tax exemptions and a mortgage recording tax exemption all pursuant to the Act;

NOW, THEREFORE, NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY HEREBY RESOLVES AS FOLLOWS:

Section 1. The Agency hereby determines that the Project and the provision by the Agency of financial assistance to the Company pursuant to the Act in the form of a straight-lease transaction will promote and is authorized by and will be in furtherance of the policy of the State of New York as set forth in the Act and hereby authorizes the Company to proceed with the Project. The Agency further determines that:

(a) the Project shall not result in the removal of any facility or plant of the Company or any other occupant or user of the Facility from outside of the City (but within the State of New York) to within the City or in the abandonment of one or more facilities or plants of the Company or any other occupant or user of the Facility located within the State of New York (but outside of the City);

(b) no funds of the Agency shall be used in connection with the Project for the purpose of preventing the establishment of an industrial or manufacturing plant or for the purpose of advertising or promotional materials which depict elected or appointed government officials in either print or electronic media, nor shall any funds of the Agency be given in connection with the Project to any group or organization which is attempting to prevent the establishment of an industrial or manufacturing plant within the State of New York;

(c) based upon the information contained in the Application, the Health Study and information supplied by the Company, the Agency hereby determines, in accordance with Section 862(2)(b) of the General Municipal Law of the State of New York, that the predominant purpose of the Project would be to make available certain health care services which would not, but for the Project, be reasonably accessible to the residents of the Rockaways because of a lack of reasonably accessible retail trade facilities offering such goods or services; and

(d) in accordance with Section 862(2)(c) of the General Municipal Law of the State of New York, the Agency determines after the public hearing required by Section 859-a of the General Municipal Law ML that undertaking the Project will serve the public purposes of Article 18-A of the General Municipal Law by increasing the overall number of permanent, private sector jobs in New York State.

Section 2. To accomplish the purposes of the Act and to provide financial assistance to the Company for the Project, a straight-lease transaction is hereby authorized subject to the provisions of this Resolution.

Section 3. The Agency hereby authorizes the Company to proceed with the Project as herein authorized. The Company is authorized to proceed with the Project on behalf of the Agency as set forth in this Resolution; provided, however, that it is acknowledged and agreed by the Company that (i) nominal leasehold title to or other interest of the Agency in the Facility shall be in the Agency for purposes of granting financial assistance, and (ii) the Company is hereby constituted the agents for the Agency solely for the purpose of effecting the Project, and the Agency shall have no personal liability for any such action taken by the Company for such purpose.

Section 4. The execution and delivery of a Company Lease Agreement from the Company leasing the Facility to the Agency, an Agency Lease Agreement from the Agency subleasing the Facility to the Company (collectively, the “Lease Agreement”), a Sales Tax Letter from the Agency to the Company and the Mortgage (each document referenced in this Section 4 being, collectively, the “Agency Documents”), each being substantively the same as approved by the Agency for prior transactions, is hereby authorized. The Chairman, Vice Chairman, Executive Director, Deputy Executive Director and General Counsel of the Agency are each hereby authorized to execute, acknowledge and deliver each such Agency Document. The execution and delivery of each such agreement by one of said officers shall be conclusive evidence of due authorization and approval.

Section 5. The officers of the Agency and other appropriate officials of the Agency and its agents and employees are hereby authorized and directed to take whatever steps may be necessary to cooperate with the Company to assist in the Project.

Section 6. All covenants, stipulations, obligations and agreements of the Agency contained in this Resolution and contained in the Agency Documents shall be deemed to be the covenants, stipulations, obligations and agreements of the Agency to the full extent authorized or permitted by law, and such covenants, stipulations, obligations and agreements shall be binding upon the Agency and its successors from time to time and upon any board or body to which any powers or duties affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law. Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the Agency or the members thereof by the provisions of this Resolution or the Agency Documents shall be exercised or performed by the Agency or by such members, officers, board or body as may be required by law to exercise such powers and to perform such duties.

Section 7. No covenant, stipulation, obligation or agreement herein contained or contained in the Agency Documents shall be deemed to be a covenant, stipulation, obligation or agreement of any member, director, officer, agent or employee of the Agency in his or her individual capacity and neither the members nor the directors of the Agency nor any officer executing any Agency Document shall be liable personally for any amounts payable thereunder or arising from claims thereon or be subject to any personal liability or accountability by reason of the execution and delivery or acceptance thereof.

Section 8. The officers of the Agency are hereby designated the authorized representatives of the Agency, and each of them is hereby authorized and directed to execute and deliver any and all papers, instruments, opinions, certificates, affidavits and other documents and to do and cause to be done any and all acts and things necessary or proper for carrying out this Resolution. The Agency recognizes that due to the unusual complexities of the transaction it may become necessary that certain of the terms approved hereby may require modifications which will not affect the intent and substance of the authorizations and approvals by the Agency herein. The Agency hereby authorizes the Chairman, Vice Chairman, Executive Director, Deputy Executive Director or General Counsel to approve modifications to the terms approved hereby which do not affect the intent and substance of this Resolution. The approval of such modifications shall be evidenced by a certificate of determination of an Agency officer.

Section 9. All fees and expenses incurred by the Agency with respect to the Project shall be paid by the Company. By acceptance hereof, the Company agrees to pay such fees and expenses and further agrees to indemnify the Agency, its members, directors, employees and agents and hold the Agency and such persons harmless against claims for losses, damage or injury or any expenses or damages incurred as a result of action taken by or on behalf of the Agency in good faith with respect to the Project.

Section 10. This Resolution is subject to approval based on an investigative report with respect to the Company. The provisions of this Resolution shall continue to be effective for one year from the date hereof, whereupon the Agency may, at its option, terminate the effectiveness of this Resolution (except with respect to the matters contained in Section 9 hereof).

Section 11. The Agency, as lead agency, is issuing this determination pursuant to the State Environmental Quality Review Act (“SEQRA”) (Article 8 of the Environmental Conservation Law) and implementing regulations contained in 6 N.Y.C.R.R. Part 617. This determination is based upon the Agency’s review of information provided by the Company and such other information as the Agency has deemed necessary and appropriate to make this determination.

The Agency hereby determines that the Project, an unlisted action, pursuant to SEQRA and the implementing regulations, will not have a significant effect on the environment and that a Draft Environmental Impact Statement will not be prepared for the Project. The reasons supporting this determination with respect to the Project are as follows:

(a) The Project will not result in a substantial adverse change in existing traffic, air quality, or noise levels. The site is adjacent to public transit and will accommodate all required parking on site.

(b) The Project will not result in significant adverse impacts on cultural, archaeological, architectural, or aesthetic resources or the existing neighborhood.

(c) The Project will not result in significant adverse impacts to natural resources, critical habitats, or water quality. The Project site is located within the City’s coastal zone boundary. Having reviewed the materials submitted by the Company regarding this action, the Agency finds that the proposed action is consistent with the policies comprising New York City’s Waterfront Revitalization Program (the “WRP”) and that the proposed action would not hinder the achievement of the WRP.

(d) The Project will not result in a change in existing zoning or land use. The proposed building would be constructed as-of-right under existing zoning and would comply with all relevant standards and regulations related to construction within the flood zone.

(e) The Project site is subject to an e-designation (E-215), placed on the site as part of the 2008 Rockaway Neighborhood Rezoning. The Company has been in coordination with the New York City Office of Environmental Remediation (“NYCOER”) and on February 12, 2016 NYCOER issued a notice to proceed for the construction of the Project. NYCOER has certified that the Company has filed a hazardous materials remedial action work plan and an air quality remedial action plan and has prepared a construction health and safety plan for the construction of the Project. With the implementation of these measures, the construction of the proposed Project would not result in any impacts related to hazardous materials.

Section 12. In connection with the Project, the Company covenants and agrees to comply, and to cause each of their respective contractors, subcontractors, agents, persons or entities to comply, with the requirements of General Municipal Law Sections 875(1) and (3), as such provisions may be amended from time to time.

(a) The Company acknowledges and agrees that pursuant to General Municipal Law Section 875(3) the Agency shall have the right to recover, recapture, receive, or otherwise obtain from the Company New York State sales or use tax savings taken or purported to be taken by the

Company, and any agent or any other person or entity acting on behalf of the Company, to which the Company is not entitled or which are in excess of the maximum sales or use tax exemption amount authorized in Section 13 of this Resolution or which are for property or services not authorized or taken in cases where the Company, or any agent or any other person or entity acting on behalf of the Company, failed to comply with a material term or condition to use property or services in the manner required by this Resolution or any agreements entered into among the Agency, the Company and/or any agent or any other person or entity acting on behalf of the Company. The Company shall, and shall require each agent and any other person or entity acting on behalf of the Company, to cooperate with the Agency in its efforts to recover, recapture, receive, or otherwise obtain such New York State sales or use tax savings and shall promptly pay over any such amounts to the Agency that it requests. The failure to pay over such amounts to the Agency shall be grounds for the Commissioner of the New York State Department of Taxation and Finance (the "Commissioner") to assess and determine New York State sales or use taxes due from the Company under Article Twenty-Eight of the New York State Tax Law, together with any relevant penalties and interest due on such amounts.

(b) The Company is hereby notified (provided that such notification is not a covenant or obligation and does not create a duty on the part of the Agency to the Company or any other party) that the Agency is subject to certain requirements under the General Municipal Law, including the following:

(i) In accordance with General Municipal Law Section 875(3)(c), if the Agency recovers, recaptures, receives, or otherwise obtains, any amount of New York State sales or use tax savings from the Company, any agent or other person or entity, the Agency shall, within thirty days of coming into possession of such amount, remit it to the Commissioner, together with such information and report that the Commissioner deems necessary to administer payment over of such amount. The Agency shall join the Commissioner as a party in any action or proceeding that the Agency commences to recover, recapture, obtain, or otherwise seek the return of, New York State sales or use tax savings from the Company or any other agent, person or entity.

(ii) In accordance with General Municipal Law Section 875(3)(d), the Agency shall prepare an annual compliance report detailing its terms and conditions described in General Municipal Law Section 875(3)(a) and its activities and efforts to recover, recapture, receive, or otherwise obtain State sales or user tax savings described in General Municipal Law Section 875(3)(b), together with such other information as the Commissioner and the New York State Commissioner of Economic Development may require. Such report shall be filed with the Commissioner, the Director of the Division of the Budget of The State of New York, the New York State Commissioner of Economic Development, the New York State Comptroller, the Council of the City of New York, and may be included with the annual financial statement required by General Municipal Law Section 859(1)(b). Such report shall be filed regardless of whether the Agency is required to file such financial statement described by General Municipal Law Section 859(1)(b). The failure to file or substantially complete such report shall be deemed to be the failure to file or substantially complete the statement required by such General Municipal Law Section 859(1)(b), and the consequences shall be the same as provided in General Municipal Law Section 859(1)(e).

(c) The foregoing requirements of this Section 12 shall apply to any amounts of New York State sales or use tax savings that the Agency recovers, recaptures, receives, or otherwise obtains, regardless of whether the Agency, the Company or any agent or other person or entity acting on behalf of the Company characterizes such benefits recovered, recaptured, received, or otherwise obtained, as a penalty or liquidated or contract damages or otherwise. The foregoing

requirements shall also apply to any interest or penalty that the Agency imposes on any such amounts or that are imposed on such amounts by operation of law or by judicial order or otherwise. Any such amounts or payments that the Agency recovers, recaptures, receives, or otherwise obtains, together with any interest or penalties thereon, shall be deemed to be New York State sales or use taxes and the Agency shall receive any such amounts or payments, whether as a result of court action or otherwise, as trustee for and on account of New York State.

Section 13. In connection with the Project, the Agency intends to grant the Company sales and use tax exemptions in an amount not to exceed \$665,716 and mortgage recording tax exemption.

Section 14. This Resolution shall take effect immediately.

Adopted: November 10, 2016

Accepted: _____, 2016

105 ROCKAWAY REALTY LLC

By: _____
Name:
Title:

[MAYORAL CONFIRMATION]