

RESOLUTION GRANTING APPROVAL OF AND AUTHORIZING THE GRANT OF CERTAIN FINANCIAL ASSISTANCE BY THE TOWN OF BABYLON INDUSTRIAL DEVELOPMENT AGENCY TO WR COMMUNITIES-A LLC IN CONNECTION WITH THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF A MIXED USE RESIDENTIAL/COMMERCIAL DEVELOPMENT IN THE TOWN OF BABYLON

WHEREAS, the Town of Babylon Industrial Development Agency (the "Agency") is authorized under the laws of the State of New York, and in particular under the provisions of the New York State Industrial Development Agency Act and the Agency's enabling legislation, respectively constituting Article 18-A and Section 907-a of the General Municipal Law (Chapter 24 of the Consolidated Laws of New York), as amended (the "Act"), to assist in providing for manufacturing, warehousing, research, civic, commercial and industrial facilities in the Town of Babylon; and

WHEREAS, the Town of Babylon (the "Town") has undertaken multiple actions regarding the redevelopment of downtown Wyandanch including the designation of an Urban Renewal Area in downtown Wyandanch, the adoption of a blighted study, which was prepared by AKRF and is entitled "Blighted Study for the Wyandanch Area" dated May, 2007, and the adoption of a Nomination under the State of New York's Brownfield Opportunity Area Program due to severe blighted conditions within downtown Wyandanch. The Town by Resolution of the Town Board No. 424 dated June 25, 2008 (i) adopted the Blighted Study, (ii) designated an urban renewal area (the "Downtown Wyandanch Urban Renewal Area") in downtown Wyandanch as appropriate for urban renewal and (iii) authorized the Town Department of Planning and Economic Development and/or its agents to prepare or cause to be prepared an urban renewal plan. The Town by Resolution of the Town Board, dated May 22, 2009 adopted an Urban Renewal Plan for the Downtown Wyandanch Urban Renewal Area; and

WHEREAS, to accomplish the purposes of the Act and in accordance with the Downtown Wyandanch Urban Renewal Plan, the Agency has entered into negotiations with WR Communities-A LLC (the "Lessee") for the acquisition of a "project" within the meaning of the Act within the territorial boundaries of the Town and located on that certain 2.42 acre piece or parcel of land located in Wyandanch, New York Suffolk County at Tax Map District 100, Section 40, Block 2 and parts of Lots 10.004, 12.000 and 10.003; and

WHEREAS, the project (the "Project") will include the acquisition of a leasehold interest in the foregoing parcel of land by the Agency and the acquisition, construction and equipping of an approximately 122,234 square foot mixed use residential/commercial development thereon (the land and all buildings, structures and other improvements now or hereafter located thereon, and all fixtures and appurtenances and additions thereto and substitutions and replacements thereof, now or hereafter attached to or contained in or located on the land and/or the buildings and improvements located thereon or placed on any part thereof, and attached thereto, which are used or usable in connection with the present or future operation thereof or the activities at any time conducted therein and certain machinery, equipment and other tangible personal property (and all repairs, replacements, improvements and substitutions thereof or therefor, and all parts, additions and accessories incorporated therein), subject to the terms hereof, are collectively referred to herein as the "Facility"); and

WHEREAS, the Facility will include approximately 17,500 square feet of commercial nonresidential space to be located on the ground floor of the Facility (the "Non Residential Facility") and the balance of the square footage of the Facility will be used as multifamily residential rental space which will include work force housing (the "Residential Facility"); and

WHEREAS, the Project and the Facility are an integral part of the effectuation of the Downtown Wyandanch Urban Renewal Plan and the construction of the Facility is a primary component of such plan; and

WHEREAS, in order to induce such facilities within the Town it appears necessary to assist the Lessee by taking leasehold title to the Facility so as to afford the Lessee certain relief from mortgage recording taxation, relief from real property taxation and relief from sales and use taxation for a limited period; and

WHEREAS, to facilitate the Project, the Agency and the Lessee have entered into negotiations to enter into a "straight lease transaction" within the meaning of the Act pursuant to which (i) the Lessee will lease or sublease the land upon which the Facility is to be constructed (the "Land") to the Agency pursuant to a Company Lease between the Lessee and the Agency (as the same may be amended or supplemented, the "Company Lease") and (ii) the Agency will sublease the Facility to the Lessee pursuant to a Lease Agreement (the "Lease Agreement"), by and between the Lessee and the Agency pursuant to which the Lessee agrees, among other things, to make lease payments in such amounts as specified in the Lease Agreement; and

WHEREAS, pursuant to the Lease Agreement the Lessee has agreed to make certain payments in lieu of real property taxes with respect to the Facility to the Agency; and

WHEREAS, such agreement with respect to payments in lieu of real property taxes has been the subject of a deviation from the Agency's Uniform Tax Exemption Policy (the "UTEP") pursuant to a Deviation Memo of the Agency dated May 15, 2013 (the "Deviation Memo"); and

WHEREAS, the Agency has made certain findings and determinations in its inducement resolution regarding the Project adopted on February 5, 2013, which by this reference are adopted and confirmed as though made on the date hereof; and

WHEREAS, it is desired that the Agency authorize deviation from the Agency's UTEP and the granting of certain financial assistance to the Lessee in connection with the Project including exemption from mortgage recording taxes, real property taxes and sales and use taxes.

NOW, THEREFORE, BE IT DETERMINED, APPROVED AND RESOLVED by the members of the Agency as follows:

Section 1. (a) The Agency hereby finds and determines that (i) the Project constitutes a "Project" within the meaning of the Industrial Development Agency Act Article 18-A of the General Municipal Law of the State of New York (the "Act"); and (ii) the granting of mortgage recording tax abatements, real property tax abatements and sales and use tax abatements all in accordance with the Deviation Memo (collectively the "Financial Assistance") by the Agency with respect to the Facility pursuant to the Act, will promote job opportunities, health, general

prosperity and the economic welfare of the inhabitants of the Town of Babylon, New York and the State of New York and improve their standard of living, and thereby serve the public purposes of the Act.

(b) It is desirable and in the public interest for the Agency to grant Financial Assistance to the Lessee with respect to the Project.

(c) The Agency shall grant Financial Assistance in the form of state and local sales and use tax abatements and in the event of the occurrence of a recapture event under the Lease Agreement the Agency will pursue recapture of Financial Assistance as provided in the Lease Agreement.

(d) The Agency approves the deviation from its UTEP with respect to the Project as described in the Deviation Memo.

Section 2. To accomplish the purposes of the Act, the Agency shall take legal leasehold title to the Land and the Facility pursuant to the Company Lease and the Lease Agreement and will assist the Lessee to undertake the Project and sublease the Facility to the Lessee.

Section 3. Pursuant to the Lease Agreement, the Lessee shall make certain payments in lieu of real property taxes ("Pilots") which would be otherwise due and payable with respect to the Facility.

Section 4. In order to provide the Lessee with financial assistance with respect to exemption from New York State Sales and Use Taxes with respect to the Project the Agency shall issue to the Lessee its Sales Tax Letter (the "Sales Tax Letter") which shall be used pursuant to the terms contained therein and in the Lease Agreement.

Section 5. In order to secure amounts to be loaned by Capital One, National Association (or any other mortgage lender acceptable to the Chief Executive Officer ("CEO") of the Agency) to the Lessee, the Agency hereby authorizes the execution of one or more mortgages and assignments of leases and rents (collectively, the "Mortgages") granted from the Agency and the Lessee to Capital One, National Association (or any other mortgage lender acceptable to the CEO of the Agency) in form acceptable to the CEO of the Agency and Counsel to the Agency.

Section 6. The form and substance of the Company Lease and the Lease Agreement in substantially the form previously approved by the Agency for other "straight lease" transactions is hereby approved.

Section 7. Robert Stricoff, as CEO or any successor CEO or any other Authorized Representative, is hereby authorized, on behalf of the Agency, to execute and deliver final forms of the Company Lease, the Lease Agreement, the Sales Tax Letter, the Mortgages and any other agreements or certificates consistent herewith (hereinafter collectively called the "Agency Documents"), all in substantially the forms previously executed by the Agency for other "straight lease" transactions acceptable to Agency Counsel, with such changes, variations, omissions and insertions in the Agency Documents as the CEO or any other Authorized Representative of the Agency shall upon advice of counsel approve. The execution thereof by the CEO shall constitute conclusive evidence of such approval.

The CEO or any other Authorized Representatives are further hereby authorized, on behalf of the Agency, to designate any additional authorized representatives including the Chairman, the Secretary or Assistant Secretary of the Agency, to execute any Agency Documents or certificates of the Agency authorized pursuant to this Resolution and determine the terms of the Agency Documents.

The Secretary, Assistant Secretary or Counsel to the Agency is hereby authorized to attest to the CEO's or any other Authorized Representative's signature on the foregoing documents and to impress or affix the seal or facsimile seal of the Agency thereto to the extent required by any Agency Document.

Section 8. The CEO, the Chief Financial Officer ("CFO") of the Agency, the Chairman or the Secretary and any member of the Agency (as used in this resolution, the "Authorized Representatives") are hereby designated the authorized representatives of the Agency and each of them is hereby authorized and directed to cause the transactions as described in the Company Lease and the Lease Agreement to be undertaken and in relation thereto, to execute and deliver any and all papers, instruments, agreements, 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, and the Agency Documents including such changes or revisions in the forms of such documents as may be requested by counsel to the Agency.

Section 9. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required or provided for by the provisions of the Agency Documents, and to execute and deliver all such additional certificates, instruments, agreements and documents, pay all such fees, charges and expenses and to do all such further acts and things as may be necessary, or in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Agency Documents binding upon the Agency.

Section 10. All covenants, stipulations, obligations and agreements of the Agency contained in this resolution, and 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, and 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 11. No covenant, stipulation, obligation or agreement contained in this resolution, or the Agency Documents shall be deemed to be a covenant, stipulation, obligation or agreement of any member, officer, agent or employee of the Agency or the Town of Babylon in his or their individual capacity and neither the members of the Agency nor any officer shall be

liable personally on the Agency Documents or be subject to any personal liability or accountability by reason of the execution thereof.

Section 12. The law firm Winston & Strawn LLP is hereby appointed transaction counsel to the Agency for this transaction.

Section 13. Notwithstanding the foregoing, the Agency will not grant any Financial Assistance (as such term is defined in the Act) in excess of \$100,000 to either of the Sublessee or the Lessee until the Agency has held a public hearing with respect to the Project in accordance with the provisions of the Act.

Section 14. This resolution shall take effect immediately.

The question of the adoption of the foregoing resolution was duly put to a vote on roll call, which resulted as follows:

The resolution was thereupon declared duly adopted.

Adopted: June 11, 2013

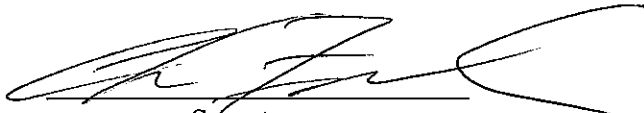
STATE OF NEW YORK)
) ss.:
COUNTY OF SUFFOLK)

I, Chris Ferencsik the duly elected, qualified Secretary of the Town of Babylon Industrial Development Agency (the "Agency"), hereby certify that:

1. The foregoing is a true, correct and complete copy of the record of proceedings of the Agency had and taken at a lawful meeting of the Agency held at the Town of Babylon Town Hall, 200 East Sunrise Highway, Lindenhurst, New York on June 11, 2013, commencing at the hour of 7:00 P.M., as recorded in the regular official book, of the proceedings of the Agency, those proceedings were duly had and taken as shown therein.

2. All members of the Agency and the public were duly notified of that meeting pursuant to law.

IN WITNESS WHEREOF, I have signed this certificate and affixed the seal of the Agency the 11th day of June, 2013.


Secretary

(SEAL)