

SOUTH PARK EQUITY ENTERPRISES, LLC
SUPPORTING INFORMATION FOR HIDA APPLICATION

Project: Assignment and Assumption of The Oaks at South Park, 5138 South Park Avenue, Hamburg, New York

Applicant/Assignee: South Park Equity Enterprises, LLC

Assignor: The Oaks at South Park LLC

The Hamburg Industrial Development Agency (the "Agency") previously induced The Oaks at South Park LLC (the "Assignor"), with respect to the acquisition and equipping by the Agency with the proceeds of a lease with mortgage for the acquisition by the Lessee of an approximately 27 acre parcel of land located at 5138 South Park Avenue in the Town of Hamburg (the "Property"), the construction by the Lessee, as agent for the Agency (i) the adaptive re-use of a former school building and re-development of the parcel of land for construction of 19 two-story buildings totaling 152 housing units and (ii) installation of baseball and softball fields and other amenities and the acquisition and installation of machinery, equipment, furnishings and fixtures by the Lessee, as agent for the Agency, all for a residential housing complex with additional services (the "Project"). In furtherance of said purpose the Agency adopted its Inducement Resolution on June 25, 2019.

Pursuant to such Inducement Resolution, the Agency acquired a leasehold interest in the Facility pursuant to a certain Lease to Agency, dated as of November 1, 2019, between the Assignor, as lessor, and the Agency, as lessee, (the "Lease to Agency") and leased the Facility back to the Assignor pursuant to a certain Leaseback Agreement, also dated as of November 1, 2019, between the Agency, as lessor, and the Assignor, as lessee, (the "Leaseback Agreement").

The Assignee, The Oaks at South Park Enterprises, LLC is an affiliate of National Property Management Associates, Inc. together with its affiliated companies ("NPMA") is family owned multifamily housing owner and operator with its headquarters in Orchard Park, New York. In 1965, William Gacioch, son of immigrant parents, purchased the first NPMA property in Lackawanna, NY. A stockbroker and budding entrepreneur Gacioch thought this property would be a perfect first step into multifamily housing. In addition to the great condition and prime location this property was a solid financial investment for his family, but also provided affordable and comfortable housing for 40 families. This property would become the cornerstone for a family real estate investment company focused on multifamily communities. During his college years at St. Lawrence University William's son; Michael, began learning more about the multifamily housing industry along with property management and understanding their inner workings. He was eager to grow the business and was instrumental in researching opportunities in new markets in Oklahoma and Texas even as a college student. Michael joined the company full time after graduating in 1990 and currently is the President and CEO. Under his leadership NPMA has grown to over 10,000 units across five states and is today providing professionally managed, safe, and quality housing for over 28,000 residents. William's other two children, David and Katherine later joined NPMA and are principals in the organization serving in leadership roles as Senior Vice Presidents.

The Assignee has entered into a Real Estate Purchase Agreement with the Assignor (the "Purchase Agreement") pursuant to which the Assignor has agreed to sell and the Assignee has agreed to purchase the Property upon and subject to the terms and conditions of the Purchase Agreement. Continuation of the existing PILOT benefits at the Facility is an essential factor in the economic viability of the proposed acquisition of the Property from the Assignor. NPMA, through one of its affiliated entities, in April of 2023 purchased Clifton Heights Apartments which is also located Hamburg, NY. The proposed transaction will help produce additional synergy and help foster the possibility of further growth and expansion by NPMA in Hamburg.

The Assignee, is not requesting additional benefits from the Agency. The Assignee is seeking continuation of existing benefits including, but not limited to, the PILOT Agreement, and in connection therewith is seeking the Agency's consent to and/or participation in: (i) the conveyance of the Facility by the Assignor to the Assignee, (ii) the assignment by the Assignor of all of its rights, title, interest, including its reversionary interest in the Facility, and obligations under the Lease to Agency and the Leaseback Agreement, and certain other agreements in connection with the Facility to the Assignee and the assumption by the Assignee of all of such rights, title, interest and obligations of the Assignor, and (iii) the Assignment of Assignor's existing mortgage financing by Assignor's mortgage lender DPI-ACRES Capital, LLC ("Assignor's Lender") to Assignee's lender Walker & Dunlop and/or Fannie Mae ("Assignee's Lender") and in connection therewith, a Consolidation, Modification and Extension Agreement with Assignee and Assignee's Lender.

The Facility will remain a multifamily residential housing complex with additional services; accordingly, there will be no change in the Payment in Lieu of Taxes ("PILOT") provisions attached as Exhibit C to the Leaseback Agreement. Provided the Assignee is successful in obtaining an Assignment of Assignor's existing mortgage from Assignor's Lender to Assignee's Lender there will be no new mortgaged money and therefore no mortgage tax applicable.

The Lease to Agency shall be amended to reflect that the Assignee will assume all of the right, title, interest, liability, duty and obligations of the Assignor arising on and after the Effective Date (as hereinafter defined) with respect to the Facility under the Lease to Agency and the Leaseback Agreement including but not limited to, all of the right, title, interest, liability, duty and obligations of the Assignor arising on and after the Effective Date.