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NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
as Sublessor

AND

P & L DEVELOPMENT OF NEW YORK CORPORATION  
as Sublessee

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SUBLEASE AGREEMENT

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DATED AS OF NOVEMBER 1, 2013

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ADDRESS: 200 Hicks Street  
255-275 Grand Boulevard  
Westbury

VILLAGE: --

TOWN: North Hempstead

COUNTY: Nassau

STATE: New York

SECTION: 10

BLOCK: R

LOTS: 3-6, 727 and 728

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Prepared By:

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Garden City, NY 11530  
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## **SUBLEASE AGREEMENT**

**THIS SUBLEASE AGREEMENT** dated as of November 1, 2013 (this “Lease”) by and between the **NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY**, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State of New York, having an office at 1550 Franklin Avenue, Suite 235, Mineola, NY 11501 (the “Agency”), and **P & L DEVELOPMENT OF NEW YORK CORPORATION**, a corporation organized and existing under the laws of the State of New York, having an office at 200 Hicks Street, Westbury, NY 11590 (together with its successors (by merger or otherwise) and assigns, to the extent permitted by this Lease, the “Company”).

### **WITNESSETH:**

**WHEREAS**, the Agency is authorized and empowered by the provisions of Chapter 1030 of the 1969 Laws of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the “Enabling Act”) and Chapter 674 of the 1975 Laws of New York, as amended, constituting Section 922 of said General Municipal Law (said Chapter and the Enabling Act, as amended from time to time, being hereinafter collectively referred to as the “Act”) to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial, research and recreation facilities, among others, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

**WHEREAS**, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to acquire, construct, reconstruct and install one or more “projects” (as defined in the Act), or to cause said projects to be acquired, constructed, reconstructed and installed and to convey said projects or to lease said projects with the obligation to purchase; and

**WHEREAS**, the Company, **ARME 530 UNION AVENUE LLC**, a limited liability company organized and existing under the laws of the State of New York (“ARME530”), and **ARME 609-2 CANTIAGUE ROCK ROAD LLC**, a limited liability company organized and existing under the laws of the State of New York (“ARME609” and together with ARME530 and the Company, each an “Applicant” and, collectively, the “Applicants”), presented an application (the “Application”) to the Agency, which Application requested that the Agency consider undertaking a project (the “Project”) consisting of the following: (A) (1) the acquisition of an interest in an approximately 5.46 acre parcel of land located at 200 Hicks Street/275 Grand Boulevard, Westbury, Town of North Hempstead, County of Nassau, New York (Section: 10; Block: R; Lots: 3-6, 727 and 728) (collectively, the “200 Hicks Parcel” which is also referred to herein as the “Land”), (2) the renovation of an existing approximately 171,000 square foot building on the 200 Hicks Parcel (collectively, the “200 Hicks Building” which is also referred to herein as the “Building”), together with related improvements to the 200 Hicks Parcel, and (3) the acquisition and installation therein and thereon of certain furniture, fixtures, machinery and equipment (the “200 Hicks Equipment” which is also referred to herein as the “Equipment”), all of the foregoing for use by the Company for the manufacturing and distribution of over-the-

counter pharmaceuticals (collectively, the “200 Hicks Project Facility” which is referred to herein as the “Project Facility”); (B) (1) the acquisition of an interest in an approximately 1.08 acre parcel of land located at 530 Union Avenue/184 Hicks Street, Westbury, Town of North Hempstead, County of Nassau, New York (Section: 10; Block: R; Lots: 745-750 and 2) (collectively, the “530 Union Parcel”), (2) the renovation of an existing approximately 1,122 square foot building on the 530 Union Parcel (collectively, the “530 Union Building”) and existing surface parking area, together with related improvements to the 530 Union Parcel, and (3) the acquisition and installation therein and thereon of certain furniture, fixtures, machinery and equipment (the “530 Union Equipment”), all of the foregoing for use by the Company as a parking facility and conference center (collectively, the “530 Union Project Facility”); (C) (1) the acquisition of an interest in an approximately 1.44 acre parcel of land located at 468 Grand Boulevard, Westbury, Town of North Hempstead, County of Nassau, New York (Section: 11; Block: 330; Lot: 8) (collectively, the “468 Grand Parcel”), (2) the renovation of an existing approximately 50,000 square foot building on the 468 Grand Parcel (collectively, the “468 Grand Building”), together with related improvements to the 468 Grand Parcel, and (3) the acquisition and installation therein and thereon of certain furniture, fixtures, machinery and equipment (the “468 Grand Equipment”), all of the foregoing for use by the Company for the manufacturing and distribution of over-the-counter pharmaceuticals (collectively, the “468 Grand Project Facility”); (D) (1) the acquisition of an interest in a parcel of land located at 609-2 Cantiague Rock Road, Westbury, Town of North Hempstead, County of Nassau, New York (Section: 11; Block: B; Lots: 1070 and 1071) (the “609 Cantiague Parcel”), (2) the renovation of an existing approximately 102,000 square foot building on the 609 Cantiague Parcel (collectively, the “609 Cantiague Building”), together with related improvements to the 609 Cantiague Parcel, and (3) the acquisition and installation therein and thereon of certain furniture, fixtures, machinery and equipment (the “609 Cantiague Equipment”), all of the foregoing for use by the Company for the manufacturing and distribution of over-the-counter pharmaceuticals (the “609 Cantiague Project Facility”); (E) the granting of certain “financial assistance” (within the meaning of Section 854(14) of the Act) with respect to the foregoing; and (F) the lease (with an obligation to purchase) or sale of the Project Facility to the Applicants or such other entity(ies) as may be designated by the Applicants and agreed upon by the Agency and the sublease of the Project Facility to the Company; and

WHEREAS, the Executive Director of the Agency (A) caused notice of a public hearing of the Agency pursuant Section 859-a of the Act (the “Public Hearing”) to hear all persons interested in the Project and the Financial Assistance contemplated by the Agency with respect to the Project, to be mailed on July 21, 2012 to the chief executive officer of Nassau County, New York and of each other affected tax jurisdiction within which the Project Facility is or is to be located; (B) caused notice of the Public Hearing to be published on July 20, 2012 in the Nassau edition of Newsday, a newspaper of general circulation available to residents of the Town of North Hempstead and the County of Nassau, New York; (C) conducted the Public Hearing on August 9, 2012 at 11:00 a.m., local time, at Town Hall, 220 Plandome Road, Manhasset, Town of North Hempstead, Nassau County, New York; and (D) prepared a report of the Public Hearing (the “Report”) which fairly summarizes the views presented at the Public Hearing and distributed the Report to the members of the Agency; and

WHEREAS, the Executive Director of the Agency (A) caused notice of a meeting of the Agency (the “IDA Meeting”) with respect to the proposed deviation from the Agency’s uniform

tax exemption policy and guidelines to be mailed on December 11, 2012 to the chief executive officer of each affected tax jurisdiction; and (B) conducted the IDA Meeting on January 31, 2013 and reviewed any written comments or correspondence received from the affected tax jurisdictions before the IDA Meeting regarding the proposed deviation from the Agency's uniform tax exemption policy and approved the proposed deviation; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the "SEQR Act"), and the regulations (the "Regulations") adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively with the SEQR Act, "SEQRA"), the appropriate personnel of the Agency reviewed the environmental assessment form and other materials submitted by the Company and made any necessary comments to members of the Agency, and by resolution of the members of the Agency adopted on October 11, 2012, the Agency decided to conduct an uncoordinated review of the Project and determined that the Project is a Type II action under SEQRA and that the Project will not have an adverse environmental impact; and

WHEREAS, by resolution adopted by the members of the Agency on January 31, 2013 (the "Authorizing Resolution"), the Agency, following a review of the Report, determined to proceed with the Project, to grant the Financial Assistance and to enter into the "straight lease transaction" (as such quoted term is defined in the Act) contemplated by this Lease and the other Transaction Documents (as hereinafter defined); and

WHEREAS, the Agency proposes to appoint the Company as agent of the Agency to undertake the acquisition, renovation, installation and equipping of the Project Facility and to sublease the Project Facility to the Company, and the Company desires to act as agent of the Agency to undertake the acquisition, renovation, installation and equipping of the Project Facility and to sublease the Project Facility from the Agency, all pursuant to the terms and conditions hereinafter set forth in this Lease and in the other Transaction Documents; and

WHEREAS, the acquisition of an interest in the Project Facility, the straight lease of the Project Facility and the granting of the Financial Assistance by the Agency to the Company are for proper purposes, including, without limitation, the advancement of the job opportunities, health, general prosperity and economic welfare of the inhabitants of the State and the prevention of unemployment and economic deterioration pursuant to the provisions of the Act; and

WHEREAS, the granting of the Financial Assistance by the Agency to the Company has been determined by the Agency to be necessary to induce the Company to proceed with the Project; and

WHEREAS, the Company is the tenant under a lease agreement dated as of December, 2004 (as amended, the "Overlease") between Marvin L. Lindner Associates LLC, as landlord (in such capacity, the "Overlandlord"), and the Company, as tenant, pursuant to which the Company leases the Premises (as hereinafter defined) from the Overlandlord; and

WHEREAS, immediately prior to the execution and delivery of this Lease, the Company will execute and deliver or cause to be executed and delivered to the Agency (A) a certain assignment and assumption agreement, dated the Closing Date (the "Assignment"), between the



Company and the Agency, which conveys to the Agency all right, title and interest of the Company in and to the Overlease, and (B) a bill of sale dated the Closing Date (the “Bill of Sale to Agency”), which conveys to the Agency all right, title and interest of the Company in and to the Equipment on a basis junior to the liens and interest in such Equipment held by the Lenders except to the extent of the Sales Tax Priority (as such term is used in the Intercreditor Agreement); and

WHEREAS, pursuant to a certain Payment in Lieu of Taxes Agreement of even date herewith among the Company, the Overlandlord and the Agency, the Company and the Overlandlord have agreed to make certain payments in lieu of real property taxes with respect to the Premises, and such obligation is secured by a Mortgage of even date herewith (the “PILOT Mortgage”) from the Company, the Overlandlord and the Agency, as mortgagor, to the County of Nassau, as mortgagee (the “PILOT Mortgagee”), pursuant to which the Agency, the Overlandlord and the Company grant a first mortgage on the Premises to the PILOT Mortgagee;

NOW, THEREFORE, IN CONSIDERATION OF THE PREMISES AND THE MUTUAL COVENANTS HEREINAFTER CONTAINED, THE PARTIES HERETO HEREBY COVENANT, AGREE AND BIND THEMSELVES AS FOLLOWS:

#### ARTICLE I DEFINITIONS

SECTION 1.1 DEFINITIONS. The following words and terms used in this Lease shall have the respective meanings set forth below, unless the context or use indicates another or different meaning or intent:

“Act” shall have the meaning assigned to such term in the recitals to this Lease.

“Administrative Fee” shall have the meaning assigned to such term in Section 5.3(B) of this Lease.

“Affiliate” of a Person shall mean a Person who directly or indirectly through one or more intermediaries controls, is controlled by or is under common control with, such Person. The term “control” means (i) the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise, or (ii) the ownership, either directly or indirectly, of at least fifty-one percent (51%) of the voting stock or other equity interest of such Person.

“Agency” means (A) the Nassau County Industrial Development Agency and its successors and assigns, and (B) any public benefit corporation or other public corporation resulting from or surviving any consolidation or merger to which the Nassau County Industrial Development Agency, or its successors or assigns, may be a party.

“Annual Fee” shall have the meaning assigned to such term in Section 5.3(C) of this Lease.

**“Applicable Laws”** means all current and future statutes, codes, laws, acts, ordinances, treaties, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorizations, directions, determinations and requirements, foreseen or unforeseen, ordinary or extraordinary, which now or at any time hereafter may be applicable to or affect the Project Facility or any part thereof or the conduct of work on the Project Facility or any part thereof or to the operation, use, manner of use or condition of the Project Facility or any part thereof (the applicability of the foregoing to be determined both as if the Agency were the owner of an interest in the Project Facility and as if the Company or the Overlandlord and not the Agency were the owner of an interest in the Project Facility), including but not limited to (1) applicable health, building, zoning, use, rent, accessibility, environmental, planning and subdivision laws, ordinances, rules and regulations of Governmental Authorities having jurisdiction over the Project Facility, (2) restrictions, conditions or other requirements applicable to any permits, licenses or other governmental authorizations issued with respect to the foregoing, (3) judgments, decrees, orders or injunctions issued by any court or other judicial or quasi-judicial Governmental Authority, and (4) applicable covenants and restrictions relating in any way to the Project Facility.

**“Applicant” or “Applicants”** shall have the meaning assigned to such terms in the recitals to this Lease.

**“Application”** shall have the meaning assigned to such term in the recitals to this Lease.

**“ARME530”** shall have the meaning assigned to such term in the recitals to this Lease.

**“ARME609”** shall have the meaning assigned to such term in the recitals to this Lease.

**“Assignment”** shall have the meaning assigned to such term in the recitals to this Lease.

**“Authorizing Resolution”** shall have the meaning assigned to such term in the recitals to this Lease.

**“Authorized Representative”** means the Person or Persons at the time designated to act on behalf of the Agency or the Company or the Related Applicant, as the case may be, by written certificate furnished to the Agency, the Company or the Related Applicant, as the case may be, containing the specimen signature of each such Person and signed on behalf of (A) the Agency by its Chairman, Vice-Chairman, Secretary, Executive Director, Administrative Director or such other Person as may be authorized by resolution of the members of the Agency to act on behalf of the Agency, and (B) the Company or the Related Applicant by its President or any Vice President, if a corporation, or a member or a manager, if a limited liability company, or such other Person as may be authorized in writing by the members of such limited liability company or by the board of directors of such corporation, to act on behalf of the Company or the Related Applicant, as the case may be.

**“Bank”** means Valley National Bank, a national banking association, together with its successors and/or assigns, provided that the Agency is given notice of any such succession or assignment in accordance with Section 12.1 of this Lease.

“Bank Mortgage” means those certain mortgages made by Overlandlord to the Bank that are identified in Schedule B to the Title Policy.

“Bill of Sale to Agency” shall have the meaning assigned to such term in the recitals to this Lease.

“Bill of Sale to Company” means the bill of sale from the Agency to the Company, pursuant to which the Agency conveys to the Company all of the Agency’s interest in the Equipment, substantially in the form attached as Exhibit D to this Lease.

“Building” shall have the meaning assigned to such term in the recitals to this Lease.

“Business Day” means a day on which banks located in the County are not required or authorized to remain closed and on which the New York Stock Exchange is not closed.

“Closing” means the closing at which this Lease and the other Transaction Documents are executed and delivered by the Company, the Agency and the other parties thereto.

“Closing Date” means the date of the Closing.

“Code” means the Internal Revenue Code of 1986, as amended, and the regulations of the United States Treasury Department promulgated thereunder.

“Collateral” shall have the meaning assigned to such term in Section 5.5 of this Lease.

“Company” means P & L Development of New York Corporation, a corporation duly organized and existing under the laws of the State of New York, and its successors (including successors by merger) and assigns, to the extent permitted pursuant to this Lease.

“Completion Date” means such date as shall be certified by the Company to the Agency as the date of completion of the Project pursuant to Section 4.2 of this Lease, or such earlier date as the Company shall notify the Agency as being the date of completion of the Project.

“Condemnation” means the taking of title to, or the use of, Property under the exercise of the power of eminent domain by any Governmental Authority.

“County” means the County of Nassau, New York.

“Default Interest Rate” means a rate of interest equal to eighteen percent (18%) per annum or the maximum rate permitted by applicable law, whichever is less.

“Environmental Indemnification” means the Environmental Compliance and Indemnification Agreement dated of even date herewith from the Company and the Overlandlord in favor of the Agency.

“Environmental Laws” shall have the meaning assigned to such term in Section 3.3 of this Lease.

“Equipment” shall have the meaning assigned to such term in the recitals to this Lease and shall include all those materials, machinery, equipment, fixtures or furnishings intended to be acquired with the proceeds of any payment made by the Company pursuant to Section 4.1(H) of this Lease, and such substitutions and replacements therefor as may be made from time to time pursuant to this Lease, including without limitation, all the Property described in Exhibit B attached to this Lease. “Equipment” shall not include: (i) inventory, (ii) rolling stock, (iii) any item of personalty having a useful life of less than one (1) year or which shall not constitute a tangible capital asset, (iv) plants, shrubs, trees, flowers, lawns or plants, (v) fine art or other similar decorative items, or (vi) motor vehicles, including any cars, trucks, vans or buses, that are licensed by the Department of Motor Vehicles or similar agency for use on public highways or streets. **Notwithstanding any provision of this Lease or any other Transaction Document to the contrary, Equipment shall not be deemed to mean or include any materials, machinery, equipment, fixtures or furnishings owned by the Company that are or were not purchased using the exemption from sales and use taxes afforded to the Company pursuant to the Sales Tax Exemption Letter and the Project Agreement.**

“Event of Default” means, with respect to any particular Transaction Document, any event specified as an Event of Default pursuant to the provisions thereof.

“Financial Assistance” shall have the meaning assigned to such term in the recitals to this Lease.

“Governmental Authority” means the United States of America, the State, any other state, the County, any political subdivision of any of the foregoing, and any court, tribunal, arbitrator, mediator, agency, department, commission, board, bureau, authority or instrumentality of any of them.

“Gross Proceeds” means one hundred percent (100%) of the proceeds of the transaction with respect to which such term is used, including, but not limited to, the settlement of any insurance or Condemnation award.

“Hazardous Materials” means all hazardous materials including, without limitation, any explosives, radioactive materials, radon, asbestos-containing materials, urea formaldehyde foam insulation, polychlorinated biphenyls, lead based paints, petroleum, petroleum products, methane, hazardous materials, hazardous chemicals, hazardous wastes, extremely hazardous wastes, restricted hazardous wastes, hazardous or toxic substances, toxic pollutants, hazardous air pollutants, pollutants, contaminants, toxic chemicals, toxics, pesticides or related materials as set forth in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. Sections 9601, et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C. Sections 1801, et seq.), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Sections 6901, et seq.), the Clean Water Act, as amended (33 U.S.C. Section 1251 et seq.), the Safe Drinking Water Act, as amended (42 U.S.C. Section 300f, et seq.) the Clean Air Act, as amended (42 U.S.C. Section 7401, et seq.), the Toxic Substances Control Act, as amended (15 U.S.C. Section 2601, et seq.), Articles 15 or 27 of the New York State Environmental Conservation Law, or in the regulations adopted and publications promulgated pursuant thereto, or any other federal, state or local environmental law, ordinance, rule or regulation of any Governmental Authority having jurisdiction.

“IDA Meeting” shall have the meaning assigned to such term in the recitals to this Lease.

“Indebtedness” means (1) the monetary obligations of the Company to the Agency or to any of its members, officers, agents (other than the Company), attorneys, servants or employees, past, present or future, under this Lease or any of the other Transaction Documents, and (2) all interest accrued on any of the foregoing.

“Intercreditor Agreement” means an intercreditor agreement between the Agency and any Lender pursuant to which the Agency and such Lender(s) set forth their relative lien priorities in the Equipment, or any portion thereof.

“Land” shall have the meaning assigned to such term in the recitals to this Lease and is more particularly described in Exhibit A to this Lease.

“Lender” or “Lenders” shall mean JPMorgan Chase Bank, N.A. and Chase Capital Corporation, each in its own capacity as a lender or in its capacity as administrative agent for other lenders, and any other Person that becomes a “Lender” pursuant to the documents evidencing or securing any loans, credit lines or other extensions of credit made to the Company, together with their successors and/or assigns (including, without limitation, any lenders refinancing from time to time such loans, credit lines or other extensions of credit and their respective administrative agents), provided that the Agency is given notice of any such succession, assignment or refinancing in accordance with Section 12.1 of this Lease; provided that no such notice shall be required in respect of Lenders acting under credit or loan facilities for which JPMorgan Chase Bank, N.A. or Chase Capital Corporation are acting as administrative agent.

“Lien” means any interest in Property securing an obligation owed to a Person, whether such interest is based on the common law, statute or contract, and including but not limited to a security interest arising from a mortgage, encumbrance, pledge, conditional sale or trust receipt or a lease, consignment or bailment for security purposes or a judgment against the Company. The term “Lien” includes reservations, exceptions, encroachments, projections, easements, rights of way, covenants, conditions, restrictions, leases and other similar title exceptions and encumbrances, including, but not limited to, mechanics’, materialmen’s, landlord’s, warehousemen’s and carriers’ liens and other similar encumbrances affecting real property. For purposes of the Transaction Documents, a Person shall also be deemed to be the owner of any Property that it has acquired or holds subject to a conditional sale agreement or other arrangement pursuant to which title to the Property has been retained by or vested in some other Person for security purposes.

“Minimum Employment Requirement” shall have the meaning assigned to such term in Section 2.2 of this Lease.

“Net Proceeds” means so much of the Gross Proceeds with respect to which that term is used as remain after payment of all fees for services, expenses, costs and taxes (including attorneys’ fees) incurred in obtaining such Gross Proceeds.

“Overlandlord” shall have the meaning assigned to such term in the recitals to this Lease.

“Overlease” shall have the meaning assigned to such term in the recitals to this Lease.

“Permitted Encumbrances” means (A) utility, access and other easements, rights of way, restrictions, encroachments and exceptions that exist on the Closing Date and are identified on Schedule B to the Title Policy, (B) Liens for taxes, assessments and utility charges, to the extent permitted by this Lease, (C) any Lien or encumbrance on the Project Facility obtained through any Transaction Document, (D) any Lien or encumbrance requested by the Company in writing and consented to by the Agency, which consent may be granted or denied in the Agency’s sole and absolute discretion, (E) the Bank Mortgage, (F) the Overlease, and (G) liens and security interests in any and all of the Company’s assets in favor of the Lenders.

“Person” means an individual, partnership, limited liability company, corporation, trust, unincorporated organization or Governmental Authority.

“PILOT Agreement” means the Payment in Lieu of Taxes Agreement of even date herewith among the Company, the Overlandlord and the Agency, pursuant to which the Company and the Overlandlord shall make certain payments in lieu of real property taxes with respect to the Premises.

“PILOT Mortgage” shall have the meaning assigned to such term in the recitals to this Lease.

“PILOT Mortgagee” means the County, on behalf of itself and such other instrumentalities to which amounts shall be due and owing pursuant to the PILOT Agreement, and its successors and/or assigns under the PILOT Mortgage.

“Plans and Specifications” means the plans and specifications for the renovation, installation and equipping of the Building contemplated by Section 4.1 of this Lease prepared by the Company’s architect and approved by the Agency and all applicable Governmental Authorities.

“Premises” means the Land, together with the Building 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; provided, however, that nothing in this definition shall constitute the Agency’s consent to the construction of any new building or structure thereon or the construction of an addition to any existing building thereon.

“Prohibited Person” means (i) any Person (A) that is in default or in breach, beyond any applicable grace or cure period, of its obligations under any written agreement with the Agency or the County, or (B) that directly or indirectly controls, is controlled by or is under common control with a Person that is in default or in breach, beyond any applicable grace or cure period, of its obligations under any written agreement with the Agency or the County, unless such default or breach has been waived in writing by the Agency or the County, as the case may be, and (ii) any Person (A) that has been convicted in a criminal proceeding for a felony or any crime involving moral turpitude or that is an organized crime figure or is reputed to have substantial business or other affiliations with an organized crime figure, or (B) that directly or indirectly controls, is controlled by or is under common control with a Person that has been

convicted in a criminal proceeding for a felony or any crime involving moral turpitude or that is an organized crime figure or is reputed to have substantial business or other affiliations with an organized crime figure.

“Project” means that project being undertaken by the Agency consisting of (A) the acquisition of an interest in the Premises, (B) the renovation of the Building and related improvements on the Land, (C) the acquisition and installation of the Equipment, (D) the granting of the Financial Assistance, and (E) the subleasing of the Project Facility to the Company pursuant to this Lease.

“Project Agreement” shall mean that certain Amended and Restated Project Agreement dated as of the date hereof between the Agency and the Company.

“Project Facility” shall have the meaning assigned to such term in the recitals to this Lease.

“Property” means any interest in any kind of property or asset, whether real, personal or mixed, tangible or intangible.

“Public Hearing” shall have the meaning assigned to such term in the recitals to this Lease.

“Real Property Tax Exemption Form” shall have the meaning assigned to such term in Section 6.6 of this Lease.

“Recapture Event” shall have the meaning assigned to such term in Section 11.4 of this Lease.

“Recapture of Benefits” shall have the meaning assigned to such term in Section 11.4 of this Lease.

“Related Applicant” or “Related Applicants” shall mean ARME530 and ARME609, individually or collectively, as the context may require.

“Related Leases” shall mean, individually or collectively, as the context may require, (a) the Sublease Agreement between the Agency and the Company with respect to the 530 Union Project Facility, (b) the Sublease Agreement between the Agency and the Company with respect to the 609 Cantiague Project Facility and (c) the Sublease Agreement between the Agency and the Company with respect to the 468 Grand Project Facility

“Report” shall have the meaning assigned to such term in the recitals to this Lease.

“Sales Tax Exemption Letter” shall have the meaning assigned to such term in Section 8.12 of the Project Agreement.

“Scheduled Completion Date” shall have the meaning assigned to such term in Section 4.2(A) of this Lease.

“SEQRA” shall have the meaning assigned to such term in the recitals to this Lease.

“Special Counsel” means the law firm of Phillips Lytle LLP, Garden City, New York, or such other attorney or firm of attorneys located in the State whose experience in matters relating to the issuance of obligations by states and their political subdivisions is nationally recognized and who are acceptable to the Agency.

“State” means the State of New York.

“Stated Expiration Date” shall have the meaning assigned to such term in Section 5.2(B) of this Lease.

“Taxing Entities” shall have the meaning assigned to such term in Section 6.6 of this Lease.

“Termination of Lease” means the Termination of Sublease Agreement between the Company and the Agency, pursuant to which the Agency and the Company terminate this Lease, substantially in the form attached as Exhibit F to this Lease.

“Title Policy” shall have the meaning assigned to such term in Section 3.5 of this Lease.

“Transaction Documents” means the Assignment, the Bill of Sale to Agency, the PILOT Agreement, the PILOT Mortgage, this Lease, the Environmental Indemnification, the Sales Tax Exemption Letter, the Project Agreement and all other instruments, agreements, certificates and documents related thereto and executed in connection therewith, and any other instrument, agreement, certificate or document supplemental thereto.

“UCC” shall have the meaning assigned to such term in Section 5.5 of this Lease.

“Unassigned Rights” means (A) the rights of the Agency granted pursuant to Sections 2.2, 3.1, 3.2, 3.3, 4.1(B), 4.1(D), 4.1(E), 4.1(F), 4.1(G), 5.2 (A), 5.3 (B) and (C), 5.4, 5.5, 6.1, 6.2, 6.3, 6.4, 6.5, 6.6, 7.1, 7.2, 8.1, 8.2, 8.3, 8.4, 8.5, 8.6, 8.7, 8.8, 8.9, 8.13, 8.14, 9.1, 9.3, 11.2, 11.4, 12.4, 12.7 and 12.9 of this Lease, (B) the moneys due and to become due to the Agency for its own account or the members, officers, agents, servants and employees, past, present and future, of the Agency for their own account pursuant to Sections 2.2(G), 3.1, 3.3, 4.1, 5.3, 5.4, 6.4(B), 6.6, 8.2, 8.9, 9.1, 9.3, 10.2, 10.4, 11.2 and 11.4 of this Lease, (C) the moneys due as payments in lieu of taxes pursuant to Section 6.6 of this Lease and as recapture of benefits pursuant to Section 11.4 of this Lease, (D) the right of the Agency in its own behalf to enforce the obligation of the Company to complete the Project and to confirm the qualification of the Project as a “project” under the Act, and (E) the right to enforce the foregoing pursuant to the PILOT Agreement, the PILOT Mortgage, Section 5.5 and Article X of this Lease.

**SECTION 1.2 INTERPRETATION.** In this Lease, unless the context otherwise requires:

(A) the terms “hereby”, “hereof”, “herein”, “hereunder” and any similar terms as used in this Lease, refer to this Lease, and the term “heretofore” shall mean before, and the term “hereafter” shall mean after, the Closing Date;



(B) words of masculine gender shall mean and include correlative words of feminine and neuter genders;

(C) words importing the singular number shall mean and include the plural number, and vice versa;

(D) words importing persons shall include firms, associations, partnerships, trusts, corporations, limited liability companies and other legal entities, including public bodies, as well as natural persons;

(E) any certificates, letters or opinions required to be given pursuant to this Lease shall mean a signed document attesting to or acknowledging the circumstances, representations, opinions of law or other matters therein stated or set forth or setting forth matters to be determined pursuant to this Lease; and

(F) references to documents, instruments or agreements shall mean such documents, instruments and agreements as they may be amended, modified, renewed, replaced or restated from time to time in accordance with the terms hereof.

## ARTICLE II REPRESENTATIONS, WARRANTIES AND COVENANTS

**SECTION 2.1 REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE AGENCY.** The Agency makes the following representations, warranties and covenants as the basis for the undertakings on its part herein contained:

(A) The Agency is duly established under the provisions of the Act and has the power to enter into this Lease and the other Transaction Documents to which the Agency is a party and to carry out its obligations hereunder and thereunder. Based upon the representations of the Company, the Project will constitute a “project”, as such quoted term is defined in the Act. By proper official action, the Agency has been duly authorized to execute, deliver and perform this Lease and the other Transaction Documents to which the Agency is a party.

(B) Neither the execution and delivery of this Lease or the other Transaction Documents to which the Agency is a party, the consummation of the transactions contemplated hereby or thereby, nor the fulfillment of or compliance with the provisions of this Lease or the other Transaction Documents to which the Agency is a party will conflict with or result in a breach by the Agency of any of the terms, conditions or provisions of the Act, the by-laws of the Agency or any order, judgment, agreement or instrument to which the Agency is a party or by which the Agency is bound, nor will constitute a default by the Agency under any of the foregoing.

(C) Except as provided in Articles IX, X and XI hereof, the Agency, to the extent of its interest therein, shall not sell, assign, transfer, encumber or pledge as security the Project Facility or any part thereof and shall maintain the Project Facility free and clear of all liens or encumbrances created by the Agency, except as contemplated or permitted by the terms of this Lease and the other Transaction Documents.

**SECTION 2.2 REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE COMPANY.** The Company makes the following representations, warranties and covenants as the basis for the undertakings on its part herein contained:

(A) The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of New York and all other jurisdictions in which its operations or ownership of its Properties so require, and has the power to enter into this Lease and the other Transaction Documents to which the Company is a party and to carry out its obligations hereunder and thereunder. By proper action of its directors, the Company has been duly authorized to execute, deliver and perform this Lease and the other Transaction Documents to which the Company is a party. No other consent, approval or action by the shareholders or directors of the Company or any other consent or approval (governmental or otherwise) or the taking of any other action is required as a condition to the validity or enforceability of this Lease or any of the other Transaction Documents, except for those written consents or approvals that have been obtained by the Company, copies of which have been provided to the Agency.

(B) Neither the execution and delivery of this Lease or any of the other Transaction Documents to which the Company is a party, the consummation of the transactions contemplated hereby and thereby, nor the fulfillment of or compliance with the provisions of this Lease or the other Transaction Documents to which the Company is a party will (1) conflict with or result in a breach of any of the terms, conditions or provisions of the Company's certificate of incorporation or by-laws or any other company restriction, order, judgment, agreement, document or instrument to which the Company is a party or by which the Company or any of its Property is bound, or constitute a default by the Company under any of the foregoing, or result in the creation or imposition of any Lien of any nature upon the Project Facility under the terms of any of the foregoing, other than Permitted Encumbrances, (2) conflict with or result in a violation of Applicable Laws, (3) require consent or approval (which has not been heretofore received and provided to the Agency) under any corporate restriction, agreement or instrument to which the Company is a party or by which the Company or any of its Property may be bound or affected, or (4) require consent or approval (which has not been heretofore obtained and provided to the Agency) under or conflict with or violate any existing law, rule, regulation, judgment, order, writ, injunction or decree of any Governmental Authority having jurisdiction over the Company or any of the Property of the Company.

(C) The completion of the Project Facility by the Agency, the sublease thereof by the Agency to the Company and the operation thereof by the Company will not result in the removal of a facility or plant of the Company from one area of the State to another area of the State (other than relocations within the County) or in the abandonment of one or more plants or facilities of the Company located in the State (other than in the County).

(D) The Project Facility does not and will not constitute a project where facilities or property that are primarily used in making retail sales of goods and/or services to customers who personally visit such facilities constitute more than one-third of the total cost of the Project Facility. For purposes of this representation, retail sales shall mean: (i) sales by a registered vendor under Article 28 of the New York Tax Law primarily engaged in the retail sale of tangible personal property, as defined in subparagraph (i) of paragraph four of subdivision (b) of Section 1101 of the New York Tax Law; or (ii) sales of a service to such customers.

(E) The Transaction Documents to which the Company is a party constitute, or upon their execution and delivery in accordance with the terms thereof will constitute, valid, legal and binding obligations of the Company, enforceable in accordance with their respective terms.

(F) The Project constitutes a commercial facility and will advance the Agency's purposes by promoting employment opportunities and preventing economic deterioration in the County. The Project Facility is, and so long as this Lease shall remain in effect, the Project Facility will continue to be a "project", as such quoted term is defined in the Act, and the Company will not take any action (or omit to take any action), or allow any action to be taken or not taken, which action, inaction or omission would in any way cause the Project Facility not to constitute a "project", as such quoted term is defined in the Act.

(G) The Project Facility and the operation thereof will comply with all Applicable Laws, and the Company will indemnify, defend (with counsel selected by the Agency) and save the Agency and its officers, members, agents (other than the Company), attorneys, servants and employees, past, present and future, harmless from all claims, liabilities, damages, fees, expenses, fines and penalties due to failure, or alleged failure, to comply therewith. The Company shall cause all notices as required by all Applicable Laws to be given, and shall comply or cause compliance with all Applicable Laws applying to or affecting the conduct of work on the Project or the operation of the Project Facility, and the Company will indemnify, defend (with counsel selected by the Agency) and save the Agency and its officers, members, agents (other than the Company), attorneys, servants and employees, past, present and future harmless, from all claims, liabilities, damages, fees, expenses, fines and penalties due to failure, or alleged failure, to comply therewith. The Company shall cause all notices as required by all Applicable Laws to be given, and shall comply and shall use its best efforts to cause others to comply with all Applicable Laws applying to or affecting the conduct of work on the Project or the operation of the Project Facility, and the Company will indemnify, defend (with counsel selected by the Agency) and save the Agency and its officers, members, agents (other than the Company), attorneys, servants and employees, past, present and future harmless, from all claims, liabilities, damages, fees, expenses, fines and penalties due to failure, or alleged failure, to comply therewith; provided that such claims, liabilities, damages, fees, expenses, fines and penalties of the Agency are not incurred or do not result solely from the intentional wrongdoing of the Agency or any of its members, officers, agents (other than the Company), attorneys, servants or employees. The foregoing indemnities shall apply notwithstanding the fault or negligence in part of the Agency or any of its officers, members, agents (other than the Company), attorneys, servants or employees, and notwithstanding the breach of any statutory obligation or any rule of comparative or apportioned liability.

(H) The Project will not have a "significant effect on the environment" (as such term is used in SEQRA) and the Company hereby covenants to comply with all mitigating measures, requirements and conditions enumerated in the resolution adopted by the Agency on October 11, 2012 under SEQRA applicable to the acquisition, renovation, installation, equipping and operation of the Project Facility contemplated by Section 4.1 of this Lease and in any other approvals issued by any other Governmental Authority with respect to the Project Facility. No material changes with respect to any aspect of the Project Facility have arisen from the date of

the adoption of such resolution which would cause the determination contained therein to be untrue.

(I) Intentionally omitted.

(J) Intentionally omitted.

(K) There are no actions, suits, investigations or proceedings of or before any Governmental Authority, pending or threatened against the Company or any of its Property which (i) either in any case or in the aggregate, if adversely determined, would materially, adversely affect the business, operations or condition, financial or otherwise, of the Company, or (ii) question the validity of any of the Transaction Documents or any action to be taken in connection with the transactions contemplated thereby.

(L) The Company is not in default with respect to any order, writ, injunction or decree of any Governmental Authority, or in violation of any law, statute or regulation, domestic or foreign, to which the Company or any of its Property is subject.

(M) The subleasing of the Project Facility by the Agency to the Company and the granting of the Financial Assistance have induced the Company to proceed with the Project in the County. The granting of the Financial Assistance by the Agency with respect to the Project Facility, will promote the job opportunities, health, general prosperity and economic welfare of the inhabitants of the County and the State and improve their prosperity and standard of living, and will prevent unemployment and economic deterioration and thereby serve the public purposes of the Act.

(N) The Company shall (i) maintain its current level of employment in the State of New York as set forth in the Application (i.e., six hundred six (606) full-time equivalent, private sector jobs, of which not less than five hundred sixty-nine (569) jobs are and shall continue to be located at the Project Facility and/or the "Project Facility" as such quoted term is used in each Related Lease) throughout the term of this Agreement, (ii) create at least ten (10) new, full-time equivalent, private sector jobs in the State of New York within one (1) year after the Scheduled Completion Date as described in the Application and maintain such jobs throughout the term of this Agreement, (iii) create at least an additional fifteen (15) new, full-time equivalent, private sector jobs in the State of New York within two (2) years after the Scheduled Completion Date as described in the Application and maintain such jobs throughout the term of this Agreement, (iv) create at least an additional twenty-five (25) new, full-time equivalent, private sector jobs in the State of New York within three (3) years after the Scheduled Completion Date as described in the Application and maintain such jobs throughout the term of this Agreement, (v) create at least an additional one hundred (100) new, full-time equivalent, private sector jobs in the State of New York within ten (10) years after the Scheduled Completion Date as described in the Application and maintain such jobs throughout the term of this Agreement, and (vi) create at least twenty-five (25) new, full-time equivalent, private sector construction jobs during the period from the Closing Date until the Completion Date; all of which jobs shall, at all times during the term of this Agreement, be located at the Project Facility and/or the "Project Facility" as such quoted term is used in each Related Lease) (collectively, the "Minimum Employment Requirement").

(O) The funds available to the Company are sufficient to pay all costs in connection with the acquisition, renovation, installation and equipping of the Project Facility.

(P) The Company is not a Prohibited Person, no Related Applicant is a Prohibited Person, no Affiliate of the Company or any Related Applicant is a Prohibited Person and no member or shareholder, as the case may be, of the Company or any Related Applicant is a Prohibited Person.

(Q) Neither this Lease nor any other Transaction Document nor any other document, certificate, agreement or instrument furnished by or on behalf of the Company, any Related Applicant contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein and therein not misleading.

(R) No funds of the Agency shall be used in connection with the transactions contemplated by this Lease 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 hereunder to any group or organization which is attempting to prevent the establishment of an industrial or manufacturing plant within the State.

(S) The Company is, and shall at all times during the term of this Lease, continue to be, owned directly or indirectly by Mitchell Singer and/or Linda Singer and/or members of their immediate family and/or trusts for the benefit of the members of their immediate family (collectively, the "PL Parties"). Notwithstanding the provisions of the immediately preceding sentence, the PL Parties may transfer portions of their direct or indirect interests in the Company provided that the PL Parties shall continue to own in the aggregate not less than fifty-one percent (51%) of the voting and beneficial ownership interest in the Company and further provided that Mitchell Singer, Linda Singer or Evan Singer shall at all times continue to manage and control the day-to-day operations of the Company.

(T) The Project Facility is located entirely within the boundaries of the Town of North Hempstead, Nassau County, New York, is not located in whole or in part within the boundaries of any incorporated village, and is located only within the Westbury Union Free School District.

(U) The total cost of the Project is at least \$9,100,000.

(V) As of the Closing Date, no leases or other occupancy arrangements exist with respect to the Project Facility or any part thereof except this Lease and the Overlease, and no Person (other than the Company) is in occupancy or possession of any portion of the Project Facility.

(W) The Company has not conveyed, assigned, transferred, mortgaged, hypothecated, pledged or granted a security interest in its interest in the Project Facility pursuant to a mortgage, security agreement, pledge or other agreement that prohibits the Company from executing and delivering the Assignment, this Lease or any other Transaction Document. The Company covenants and agrees that it shall not enter into a mortgage, security agreement, pledge

or other agreement under which the execution and delivery of the Assignment, this Lease or any other Transaction Document would constitute a default.

(X) Neither the Company nor any Related Applicant nor any Affiliate of any of the foregoing has employed or retained any appointed or elected governmental official to solicit or secure the Agency's undertaking of the Project or its agreement to enter into this Lease or any other Transaction Document upon an agreement of understanding for a commission or percentage, brokerage or contingent fee.

(Y) The completion of the Project and the operation of the Project Facility will cause the Company not to relocate its operations and/or employees outside the State of New York.

### ARTICLE III CONVEYANCE AND USE OF PROJECT FACILITY

**SECTION 3.1 CONVEYANCE TO THE AGENCY.** (A) Pursuant to the Assignment, the Company has conveyed or will convey to the Agency all of its right, title and interest in and to the Overlease for the purpose of undertaking and completing the Project. The Company hereby represents and warrants that it has good and valid leasehold interest in and to the Premises, free and clear from all Liens except for Permitted Encumbrances, and agrees that the Company will defend (with counsel selected by the Agency), indemnify and hold the Agency harmless from any expense or liability due to any defect in title thereto or due to any defect in the leasehold interest granted to the Agency pursuant to the Assignment.

(B) The Company and the Agency acknowledge that the Project Facility and the leasehold interest therein conveyed to the Agency from the Company and subleased by the Agency back to the Company are not "property" as defined in Title 5-A of the Public Authorities Law of the State because such property and the interests therein are security for the Company's obligations to the Agency under this Lease and the other Transaction Documents, including, without limitation, (i) the Company's obligation to acquire, renovate, install, equip and maintain the Project Facility on behalf of the Agency, and (ii) the performance by the Company to the Agency of the Company's other obligations under this Lease and the other Transaction Documents.

**SECTION 3.2 USE OF PROJECT FACILITY.** Subsequent to the Closing Date, the Company shall be entitled to use the Project Facility in any manner not otherwise prohibited by the Transaction Documents, provided such use causes the Project Facility to qualify or continue to qualify as a "project" under the Act and does not tend, in the judgment of the Agency, to bring the Project into disrepute as a public project; provided, further, however, that at no time shall any such use be other than as the corporate headquarters of the Company and for the manufacturing and distribution of over-the-counter pharmaceuticals by the Company, together with uses incidental thereto, except with the prior written consent of the Agency, which consent may be withheld in the Agency's sole and absolute discretion. The Company shall not occupy, use or operate the Project Facility, or any part thereof, or allow the Project Facility, or any part thereof,

to be occupied, used or operated (1) for any unlawful purpose, or (2) in violation of any certificate of occupancy affecting the Project Facility, or (3) for any use which may constitute a nuisance, public or private, or (4) for any use that would make void or voidable any insurance then in force with respect thereto, or (5) by any tenant, subtenant or occupant whose use, occupancy or operation of the Project Facility would be in violation of Applicable Laws. All permits and licenses necessary for the operation of the Project Facility as contemplated by this Section 3.2 shall be procured promptly by or on behalf of the Company. Any provision of this Lease to the contrary notwithstanding, the Company shall be liable at all times for all risk, loss and damage with respect to the Project Facility.

### SECTION 3.3 HAZARDOUS MATERIALS.

(A) The Company represents, warrants and covenants that, (i) the Company has not used Hazardous Materials on, from or affecting the Project Facility in any manner that violates any Applicable Law, including, but not limited to, those governing the use, storage, treatment, transportation, manufacture, refinement, handling, production or disposal of Hazardous Materials (collectively, the "Environmental Laws"), (ii) the environmental and ecological condition of the Project Facility is not in violation of any Applicable Law, including, without limitation, any Environmental Law, (iii) the Company has all Environmental Permits required to renovate and operate the Project Facility and is in compliance with their requirements, (iv) the Premises is not listed in CERCLIS, the NPL or any similar state or local listing nor is it included in an area included in such a list, and the Company has no knowledge that such a listing is pending or contemplated, (v) no event has occurred which, with the passage of time or the giving of notice or both, would constitute a violation of any Environmental Law, (vi) to the best of the Company's knowledge, there are not now, nor have there ever been, underground storage tanks on or under the Premises, (vii) there are no actions, suits, claims or proceedings seeking money damages, injunctive relief, remedial action or any other remedy pending or, to the Company's knowledge, threatened relating to a violation of Environmental Law or the disposal, discharge or release of Hazardous Materials, and (viii) to the best of the Company's knowledge, no prior owner of the Project Facility nor any tenant, subtenant, operator, occupant, prior tenant, prior subtenant, prior operator or prior occupant, has used Hazardous Materials on, from or affecting the Project Facility in any manner which violates any Environmental Law.

(B) The Company shall keep and shall cause the Project Facility to be kept free of Hazardous Materials except in compliance with Environmental Laws. Without limiting the foregoing, the Company shall not cause or permit the Project Facility to be used to generate, manufacture, refine, transport, treat, store, handle, dispose, transfer, produce or process Hazardous Materials, except in compliance with all Environmental Laws, nor shall the Company cause or permit, as a result of any intentional or unintentional act or omission on the part of the Company, or any tenant, subtenant, operator or occupant of the Project Facility, an unlawful release of Hazardous Materials onto, under or from the Project Facility or onto any other property. The Company shall not cause or permit, as a result of any intentional or unintentional act or omission on the part of the Company or its members, managers, shareholders, directors, officers, agents, servants, employees or representatives, a release of Hazardous Materials on, under or from the Project Facility.

(C) The Company shall comply with and cause all other tenants, subtenants and occupants of the Project Facility to comply with, all Environmental Laws whenever and by whomever triggered, and shall obtain and comply with, and shall cause all tenants, subtenants, operators and occupants of the Project Facility to obtain and comply with, any and all approvals, registrations or permits required thereunder. The Company agrees to provide the Agency with copies of any notifications given by the Company to any Governmental Authorities or received by the Company from any Governmental Authorities with respect to the environmental or ecological condition of the Project Facility. The Company hereby agrees that at all times during which it owns or operates the Project Facility, and whether or not this Lease or any other Transaction Document is in effect, to comply with, and ensure compliance by all tenants, subtenants and occupants of the Project Facility with, the provisions of the Environmental Indemnification.

(D) The Company shall (1) conduct and complete all investigations, studies, sampling and testing, and all remedial, removal, and other actions necessary to clean up, remove or contain all Hazardous Materials on, from or affecting the Project Facility (a) in accordance with all Environmental Laws, (b) to the satisfaction of the Agency, and (c) in accordance with the orders and directives of all Governmental Authorities, and (2) defend (with counsel selected by the Agency), indemnify, and hold harmless the Agency and its employees, agents, officers, attorneys, servants and members, past, present and future, from and against any claims, demands, penalties, fines, liabilities, settlements, damages, costs or expenses of whatever kind or nature, known or unknown, contingent or otherwise, arising out of, or in any way related to: (a) the presence, disposal, release or threatened release of any Hazardous Materials on, from, under or affecting the Project Facility, (b) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Materials, (c) any lawsuit brought or threatened, settlement reached, or any government order relating to such Hazardous Materials, and/or (d) any violations of Environmental Laws which are based upon or in any way related to such Hazardous Materials, including, without limitation, consultant fees, costs of remediation, investigation and laboratory fees, court costs, reasonable attorney fees and litigation expenses. Costs under this subsection (D) will be repaid immediately upon demand with interest at the Default Interest Rate commencing five (5) days after such demand.

(E) In the event this Lease is terminated, the Company shall deliver the Project Facility to the Agency free of any and all Hazardous Materials (except Hazardous Materials the presence of which do not violate any Environmental Laws), so that the condition of the Project Facility shall conform with all Environmental Laws affecting the Project Facility.

(F) The Company agrees that the Agency and its officers, agents, employees, members, servants or representatives, may at any reasonable time, and at the Company's expense inspect the Company's books and records and inspect and conduct any tests on the Project Facility, including taking soil samples, in order to determine that the Company is in compliance with all Environmental Laws.

(G) In the event that insurance is or shall become available at a reasonable cost to cover the Company's obligations under this Section 3.3, then, at the option of the Agency, the Company shall obtain adequate coverage.



**SECTION 3.4 NON-MERGER.** During the term of this Lease, there shall be no merger of this Lease nor of the subleasehold estate created by this Lease with the leasehold estate created by the Overlease by reason of the fact that the same person, firm, corporation or other entity may acquire or own or hold, directly or indirectly, (1) this Lease or the subleasehold estate created by this Lease or any interest in this Lease or in any such subleasehold estate and (2) the leasehold estate created by the Overlease or any part thereof or any interest in such leasehold estate, and no such merger shall occur unless and until all corporations, firms and other entities, including any mortgagee having any interest therein shall join in a written instrument effecting such merger and shall duly record the same.

**SECTION 3.5 TITLE INSURANCE.** On or prior to the Closing Date, the Company will obtain and deliver to the Agency, in form, amount and substance satisfactory to the Agency, (a) an owner's title insurance policy (the "Title Policy") insuring the Agency's leasehold interest in the Premises against loss as a result of defects in title, subject only to Permitted Encumbrances, (b) a mortgagee title insurance policy insuring the PILOT Mortgagee's mortgage interest in the Premises against loss as a result of defects in title, subject only to Permitted Encumbrances, and (c) a current survey of the Premises certified to the Agency, the Company, the PILOT Mortgagee and the title insurance company issuing the Title Policy. Any proceeds of the Title Policy shall be paid to the Company and applied by the Company to remedy the applicable defect in title. If not so capable of being applied or if a balance remains after such application, the Net Proceeds or the remaining balance of the Net Proceeds, as the case may be, shall be applied to the payment of any sums due the Agency under this Lease or under any other Transaction Document, and any balance thereafter may be used by the Company for any lawful corporate purpose.

#### **ARTICLE IV UNDERTAKING AND COMPLETION OF THE PROJECT**

##### **SECTION 4.1 ACQUISITION, RENOVATION, INSTALLATION AND EQUIPPING OF THE PROJECT FACILITY.**

(A) The Company shall, on behalf of the Agency, promptly acquire, renovate, install and equip the Project Facility, or cause the acquisition, renovation, installation and equipping of the Project Facility, all in accordance with the Plans and Specifications, in a first-class, workmanlike manner using high grade materials, free of defects in materials and workmanship. Notwithstanding the foregoing, the Company shall not, at any time during the term of this Lease, construct an addition to or otherwise increase the useable square footage of the Building.

(B) No material change in the Plans and Specifications shall be made unless the Agency shall have consented thereto in writing (which consent shall not be unreasonably withheld or delayed).

(C) Title to all materials, equipment, machinery and other items of Property presently incorporated or installed in and which are a part of the Project Facility that are or were purchased utilizing the sales and use tax exemption granted pursuant to the Sales Tax Exemption Letter shall vest in the Agency immediately upon execution of the Bill of Sale to Agency, subject to Permitted Encumbrances. Title to all materials, equipment, machinery and other items of

Property acquired subsequent to the Closing Date and intended to be incorporated or installed in and to become part of the Project Facility that are purchased utilizing the sales and use tax exemption granted pursuant to the Sales Tax Exemption Letter shall vest in the Agency immediately upon deposit on the Premises or incorporation or installation in the Project Facility, whichever shall first occur. The Company shall execute, deliver and record or file all instruments necessary or appropriate to vest title to the above in the Agency and shall take all action necessary or appropriate to protect such title against claims of any third Persons, subject to Permitted Encumbrances.

(D) The Agency shall enter into, and accept the assignment of, such contracts as the Company may request in order to effectuate the purposes of this Section 4.1; provided, however, that the liability of the Agency thereunder shall be limited to the moneys of the Company available therefor and advanced by the Company for such purpose pursuant to Section 4.1(H) of this Lease.

(E) The Agency hereby appoints the Company, and the Company hereby accepts such appointment, as its true and lawful agent to perform the following in compliance with the terms, purposes and intent of the Transaction Documents: (1) to acquire, renovate, install and equip the Project Facility, (2) to make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions with any other Persons, and in general to do all things which may be required or proper, all for the acquisition, renovation, installation and equipping of the Project Facility, with the same powers and with the same validity as the Agency could do if acting in its own behalf, provided that the liability of the Agency thereunder shall be limited to the moneys made available therefore by the Company and advanced for such purposes by the Company pursuant to Section 4.1(H) of this Lease, (3) to pay all fees, costs and expenses incurred in the acquisition, renovation, installation and equipping of the Project Facility from funds made available therefor in accordance with this Lease, and (4) to ask, demand, sue for, levy, recover and receive all such sums of money, debts, dues and other demands whatsoever which may be due, owing and payable to the Agency under the terms of any contract, order, receipt, writing or instruction in connection with the acquisition, renovation, installation and equipping of the Project Facility and to enforce the provisions of any contract, agreement, obligation, bond or other performance security in connection with the same.

(F) The Company has given or will give or cause to be given all notices and has complied and will comply or cause compliance with all Applicable Laws applying to or affecting the conduct of work on the Project Facility, and the Company will defend (with counsel selected by the Agency), indemnify and save the Agency and its officers, members, agents, attorneys, servants and employees, past, present and future, harmless from all fees, expenses, fines and penalties due to failure to comply therewith. All permits and licenses necessary for the prosecution of work on the Project Facility shall be procured promptly by the Company.

(G) The Company shall not take any action, or neglect to take any action, including, without limitation, the employment of any contractor, if such action or inaction results in jurisdictional disputes or strikes or labor disharmony in connection with the Project.

(H) The Company agrees, for the benefit of the Agency, to undertake and complete the Project and to pay all such sums as may be required in connection therewith. A

leasehold interest in and to the Land and the Building and those portions of the Project Facility acquired, renovated and installed utilizing the sales and use tax exemption granted pursuant to the Sales Tax Exemption Letter shall immediately upon such acquisition, renovation or installation vest in the Agency. The Company shall execute, deliver and record or file such instruments as the Agency may request in order to perfect or protect the Agency's interest in and to such portions of the Project Facility.

(I) No payment by the Company pursuant to this Section 4.1 shall entitle the Company to any reimbursement for any such expenditure from the Agency or to any diminution or abatement of any amounts payable by the Company under this Lease.

(J) The Company agrees, (i) at the sole expense of the Company, to erect signage at the Project Facility during the renovation, installation and equipping of the Project Facility, which signage shall be in form and content reasonably satisfactory to the Agency and shall identify the Agency and its role in the Project, (ii) at the option of the Agency and at the sole expense of the Company, to install within the Project Facility a sign or plaque permanently memorializing the Agency's role in the Project, which sign or plaque shall be in form, content and placed in a location satisfactory to the Agency in its reasonable discretion, and (iii) that the Agency may otherwise publicize the Agency's role in the Project.

(K) The Company agrees to solicit bids from at least one (1) contractor or vendor based in the County for each contract the Company (or any Affiliate thereof) proposes to enter into with respect to the Project Facility, including, without limitation, contracts for construction (including, without limitation, the initial renovation, installation and equipping of the Project Facility), renovation, alteration, management, purchase of goods or services, maintenance and repair. Further, the Company covenants to use its best efforts to let such contracts, where practicable, to contractors or vendors based in the County.

(L) W/MBE Contractors.

(1) The Company will use its best efforts to take "affirmative steps" (as defined below) to assure that qualified women-owned and/or minority-owned business enterprises ("W/MBE's) are used, when possible, for each contract the Company (or any Affiliate thereof) proposes to enter into with respect to the Project Facility, including, without limitation, contracts for construction (including, without limitation, the initial renovation, installation and equipping of the Project Facility), renovation, demolition, replacement, alteration, management, purchase of goods and services, maintenance and repair.

(2) For purposes of this subsection, the term "affirmative steps" shall mean: (a) placing qualified W/MBE's on solicitation lists; (b) assuring that qualified W/MBE's are solicited whenever they are potential sources; (c) dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by qualified W/MBE's; (d) establishing delivery schedules, where the requirement permits, that encourage participation by qualified W/MBE's; and (e) requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in clauses (a) through (d).

(3) For purposes of this subsection, the term “qualified W/MBE’s” shall mean those women-owned and/or minority-owned business enterprises designated as such by New York State.

(M) The Company shall furnish to the Agency all information and/or documentation requested by the Agency pursuant to this Section 4.1 and will cooperate with the Agency for the purposes of investigation to ascertain compliance with this Section 4.1.

#### **SECTION 4.2 COMPLETION OF THE PROJECT FACILITY; FEES.**

(A) The Company will proceed with due diligence to commence renovation, installation and equipping of the Project Facility in accordance with Section 4.1 of this Lease within thirty (30) days after the Closing Date and shall proceed with due diligence to complete the renovation, installation and equipping of the Project Facility on or before December 31, 2014 (the “Scheduled Completion Date”) and shall continue its operations in the Project Facility during the period of renovation, installation and equipping; provided, however, that the foregoing shall not entitle the Company to claim any exemption from sales and use taxes pursuant to Section 8.12 of the Project Agreement after the Sales Tax Expiration Date (as defined in the Project Agreement). The Company covenants to diligently prosecute its application for any required building permits for the Project Facility. Completion of the Project Facility shall be evidenced by a certificate signed by an Authorized Representative of the Company delivered to the Agency stating (A) the date of such completion, (B) that all labor, services, materials and supplies used therefor and all costs and expenses in connection therewith have been paid, (C) that the acquisition, renovation, installation and equipping of the Project Facility has been completed in a good and workmanlike manner, (D) that the Company and the Agency have good and valid interests in and to all Property constituting a portion of the Project Facility, free and clear of all Liens and encumbrances except Permitted Encumbrances, and (E) that the Project Facility is ready for occupancy, use and operation for its intended purposes. Such certificate shall be accompanied by a permanent certificate of occupancy for the Project Facility and any and all permissions, licenses or consents required of Governmental Authorities for the occupancy, operation and use of the Project Facility for its intended purposes.

(B) The Company shall pay within the time periods required by applicable Governmental Authorities, all construction related and other fees for the Project, including, without limitation, building permit fees, plumbing fixture permit fees, recreation fees, site planning fees, city consultant review fees, special use fees, variance fees, sewer hook up fees, water service installation fees and fire line fees, if any.

**SECTION 4.3 REMEDIES TO BE PURSUED AGAINST CONTRACTORS, SUBCONTRACTORS, MATERIALMEN AND THEIR SURETIES.** In the event of a default by any contractor, subcontractor or materialman under any contract made by it in connection with the acquisition, renovation, installation and equipping of the Project Facility or in the event of a breach of warranty or other liability with respect to any materials, workmanship or performance guaranty, the Company shall proceed, either separately or in conjunction with others, to exhaust the remedies of the Company and the Agency against the contractor, subcontractor or materialman so in default and against each surety for the performance of such contract. The Company may, in its own name or, with the prior written consent of the Agency,

which consent shall not be unreasonably withheld, in the name of the Agency, prosecute or defend any action or proceeding or take any other action involving any such contractor, subcontractor, materialman or surety which the Company deems reasonably necessary, and in such event the Agency hereby agrees, at the Company's sole expense, to cooperate fully with the Company and to take all action necessary to effect the substitution of the Company for the Agency in any such action or proceeding. The Company shall advise the Agency of any actions or proceedings taken hereunder. The Net Proceeds of any recovery secured by the Company as a result of any action pursued against a contractor, subcontractor, materialman or their sureties pursuant to this Section 4.3 shall be used to the extent necessary to complete the Project Facility then to pay all reasonable costs and expenses incurred by the Agency in connection therewith, and thereafter be paid to the Company for its own use.

**ARTICLE V  
DEMISE OF PROJECT FACILITY; RENTAL PAYMENTS  
AND OTHER AMOUNTS PAYABLE**

**SECTION 5.1 SUBLEASE OF THE PROJECT FACILITY.** In consideration of the Company's covenant herein to make rental payments hereunder, and in consideration of the other covenants of the Company contained herein, including the covenant to make additional and other payments required hereby, the Agency hereby agrees to demise and sublease to the Company, and the Company hereby agrees to rent and sublease from the Agency, a subleasehold interest in the Project Facility, subject only to the Permitted Encumbrances.

**SECTION 5.2 DURATION OF THE LEASE TERM; QUIET ENJOYMENT.**

(A) The Agency shall deliver to the Company possession of the Project Facility, subject to the provisions of this Lease, and the subleasehold estate created hereby shall commence, on the Closing Date, and the Company shall accept possession of the Project Facility on the Closing Date.

(B) Provided that all amounts, costs and expenses payable by the Company to the Agency under this Lease and all other Transaction Documents are paid in full, the subleasehold estate created hereby shall terminate at 12:00 a.m. on the earlier to occur of (1) December 31, 2034 (the "Stated Expiration Date"), (2) the date that this Lease shall terminate pursuant to Article X or Article XI hereof, or (3) the date that the Assignment shall cease to be effective.

(C) The Agency shall take no action, other than pursuant to Article X or Article XI of this Lease, to prevent the Company from having quiet and peaceable possession and enjoyment of the Project Facility during the term of this Lease and will, at the request of the Company and at the Company's expense, cooperate with the Company in order that the Company may have quiet and peaceable possession and enjoyment of the Project Facility.

**SECTION 5.3 RENTAL PAYMENTS AND OTHER AMOUNTS PAYABLE.**

(A) The Company shall pay on the date of execution and delivery of this Lease, as the basic sublease payments due hereunder: (1) the sum of \$1.00, (2) all reasonable fees and expenses of counsel to the Agency and Special Counsel to date with respect to the Project, and

(3) all other reasonable costs and expenses incurred by the Agency in connection with the transactions contemplated by this Lease and the other Transaction Documents.

(B) The Company agrees to pay to the Agency the following fees: (1) a closing compliance fee in the amount of \$2,500.00, (2) an Agency administrative fee in the amount of \$54,600.00, with respect to the Project, and (3) the Agency's general counsel fee in the amount of \$9,100.00 (collectively, the "Administrative Fee"). The Administrative Fee is due and payable by the Company to the Agency on the Closing Date. The Administrative Fee is non-refundable and is deemed earned in full upon the execution and delivery of this Lease. The Agency acknowledges that the Administrative Fee is payable with respect to the entire Project and shall not be duplicated under any Related Lease.

(C) The Company agrees to pay to the Agency an annual administrative fee in the amount of \$1,000.00 (the "Annual Fee"). The Annual Fee for the first year of the lease term (or part thereof) shall be due and payable on the Closing Date and the Annual Fee for each year thereafter shall be due and payable, in advance, on January 1 of each year.

(D) Within five (5) days after receipt of a demand therefor from the Agency, the Company shall pay to the Agency the sum of the costs and expenses of the Agency and the officers, members, agents, attorneys, servants and employees thereof, past, present and future, incurred by reason of the Agency's ownership, subleasing or sale of the Project Facility or in connection with the carrying out of the Agency's duties and obligations under this Lease or any of the other Transaction Documents, and any other fee or expense of the Agency with respect to the Project Facility, the subleasing or sale of the Project Facility to the Company, or any of the other Transaction Documents, the payment of which is not otherwise provided for under this Lease.

(E) The Company agrees to make the above-mentioned payments in immediately available funds, without any further notice or demand, by wire transfer or other form of payment satisfactory to the Agency, in lawful money of the United States of America as, at the time of payment, shall be legal tender for the payment of public and private debts. In the event the Company shall fail to make any payment required by this Section 5.3 within ten (10) days of the date such payment is due, the Company shall pay the same, together with interest thereon at the Default Interest Rate, from the date on which such payment was due until the date on which such payment is received by the Agency.

#### SECTION 5.4 NATURE OF OBLIGATIONS OF THE COMPANY HEREUNDER.

(A) The obligations of the Company to make the payments required by this Lease and to perform and observe any and all of the other covenants and agreements on its part contained herein shall be general obligations of the Company and shall be absolute and unconditional irrespective of any defense or any right of setoff, recoupment, counterclaim or abatement that the Company may otherwise have against the Agency. The Company agrees that it will not suspend, discontinue or abate any payment required by, or fail to observe any of its other covenants or agreements contained in, this Lease, or terminate this Lease (except as set forth in Section 11.1 hereof), for any cause whatsoever, including, without limiting the generality

of the foregoing, failure to complete the Project, any defect in the title, design, operation, merchantability, fitness or condition of the Project Facility or any part thereof or in the suitability of the Project Facility or any part thereof for the Company's purposes or needs, failure of consideration for, destruction of or damage to, Condemnation of or the use of all or any part of the Project Facility, any change in the tax or other laws of the United States of America or of the State or any political subdivision thereof, or any failure of the Agency to perform and observe any agreement, whether expressed or implied, or any duty, liability or obligation arising out of or in connection with this Lease.

(B) Nothing contained in this Section 5.4 shall be construed to release the Agency from the performance of any of the agreements on its part expressly contained in this Lease, and, in the event the Agency should fail to perform any such agreement, the Company may institute such action against the Agency as the Company may deem necessary to compel performance or recover damages for non-performance (subject to the provisions of Section 12.9 hereof); provided, however, that the Company shall look solely to the Agency's estate and interest in the Project Facility for the satisfaction of any right or remedy of the Company for the collection of a judgment (or other judicial process) requiring the payment of money by the Agency in the event of any liability on the part of the Agency, and no other Property or assets of the Agency or of the members, officers, agents (other than the Company), servants or employees, past, present and future, of the Agency shall be subject to levy, execution, attachment or other enforcement procedure for the satisfaction of the Company's remedies under or with respect to this Lease, the relationship of the Agency and the Company hereunder or the Company's use and occupancy to the Project Facility, or any other liability of the Agency to the Company.

SECTION 5.5           RESERVED.

SECTION 5.6           RESERVED.

## ARTICLE VI MAINTENANCE, MODIFICATIONS, TAXES AND INSURANCE

### SECTION 6.1 MAINTENANCE AND MODIFICATIONS OF THE PROJECT FACILITY.

(A) The Company shall (1) keep the Project Facility in good condition and repair and preserve the same against waste, loss, damage and depreciation, ordinary wear and tear excepted, (2) occupy, use and operate the Project Facility in the manner for which it was intended and contemplated by this Lease, (3) make all necessary repairs and replacements to the Project Facility or any part thereof (whether ordinary or extraordinary, structural or nonstructural, foreseen or unforeseen), (4) operate the Project Facility in a sound and economical manner, (5) not abandon the Project Facility, and (6) not create, permit or suffer to exist any mortgage, encumbrance, lien, security interest, claim or charge against the Project Facility, or any part thereof, or the interest of the Agency or the Company in the Project Facility or this Lease, except for Permitted Encumbrances. The Agency shall have no obligation to

replace, maintain or effect replacements, renewals or repairs of the Project Facility, or to furnish any utilities or services for the Project Facility and the Company hereby agrees to assume full responsibility therefor.

(B) Upon prior written notice to the Agency, the Company may make alterations, modifications or improvements to the Project Facility, or any part thereof, provided:

(1) the Company shall (a) give or cause to be given all notices and comply or cause compliance with all Applicable Laws applying to or affecting the conduct of work on such modification or improvement to the Project Facility, or any part thereof, (b) indemnify, defend (with counsel selected by the Agency) and save the Agency and its officers, members, agents (other than the Company), attorneys, servants and employees, past, present and future harmless from all fees, expenses, fines and penalties due to failure to comply therewith, (c) promptly procure all permits and licenses necessary for the prosecution of any work described in this Section 6.1(B), and (d) not be in default under this Lease or under any of the other Transaction Documents beyond applicable notice and cure periods;

(2) such alterations, modifications and improvements are effected with due diligence, in a good and workmanlike manner and in compliance with all Applicable Laws;

(3) the Company shall promptly and fully pay for such alterations, modifications and improvements in accordance with the terms of the applicable contract(s) therefor;

(4) the alteration, modification or improvement to the Project Facility shall not constitute or cause a default under any of the Transaction Documents;

(5) the Company shall furnish to the Agency, at least thirty (30) days prior to commencing such alteration, modification or improvement to the Project Facility, detailed plans and specifications therefor; provided, further, however, that such plans need not be furnished to the Agency for nonstructural modifications or improvements to the Project Facility which do not exceed, at any one time, \$250,000.00 in value;

(6) as a result of such alterations, modifications or improvements, neither the usefulness, structural integrity nor operating efficiency of the Project Facility would be impaired in the judgment of the Agency;

(7) if the cost of such alterations, modifications or improvements is estimated to exceed \$250,000.00, such alterations, modifications or improvements shall be conducted only after the Company shall have furnished to the Agency a labor and materials payment bond, or other security, naming the Agency as dual obligee and otherwise in form and substance satisfactory to the Agency;

(8) the Agency receives reasonably satisfactory evidence that such alterations, modifications and alterations do not change the nature of the Project Facility such that it would not comply with the terms of this Lease or such that it would not constitute a "project" (as such quoted term is defined in the Act);



(9) if such alterations, modifications or improvements involve an addition to the Project Facility or would otherwise result, but for the Agency's interest in the Project Facility, in an increase in the assessed value of the Premises, then the Agency may require an increase in the Administrative Fee, the Annual Fee and/or the sums payable under the PILOT Agreement, if any;

(10) no such alterations, modifications or improvements shall be entitled to any "financial assistance" (as such quoted term is defined in the Act) from the Agency unless agreed to in writing by the Agency; and

(11) an Event of Default shall not have occurred and be continuing under this Lease or any other Transaction Document.

The provisions of this Subsection (B) shall not apply to the initial renovation, installation and equipping of the Project Facility pursuant to the Plans and Specifications.

All such alterations, modifications and improvements shall constitute a part of the Project Facility and the Company shall deliver or cause to be delivered to the Agency appropriate documents to convey title to or a leasehold interest in such property, as the case may be, to the Agency, free and clear of all liens, charges, encumbrances, security interests or claims other than Permitted Encumbrances, and to subject such property to this Lease.

(C) The Company has given or will give or cause to be given all notices and has complied or will comply or cause compliance with all Applicable Laws applying to or affecting the operation of the Project Facility, and the Company will defend (with counsel selected by the Agency), indemnify and save the Agency and its officers, members, agents (other than the Company), attorneys, servants and employees, past, present and future, harmless from all fees, expenses, fines and penalties due to failure to comply therewith.

(D) Any provision of this Lease to the contrary notwithstanding, the Company shall not construct any building or structure on the Land or any addition to an existing building on the Land without the prior written consent of the Agency, which consent may be withheld in the Agency's sole and absolute discretion.

## SECTION 6.2 TAXES, ASSESSMENTS AND UTILITY CHARGES.

(A) The Company shall pay or cause to be paid as the same respectively become due: (1) all taxes and governmental charges of any kind whatsoever which may at any time be lawfully assessed or levied against or with respect to the Project Facility (other than those taxes for which payments in lieu thereof are being paid pursuant to the PILOT Agreement), (2) all utility and other charges, including "service charges" and deposits, incurred or imposed for the operation, maintenance, use, occupancy, upkeep and improvement of the Project Facility, and (3) all assessments and charges of any kind whatsoever lawfully made against the Project Facility by any Governmental Authority for public improvements; provided that, with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the Company shall be obligated hereunder to pay only such installments as are required to be paid during the term of this Lease.

(B) If the Company fails to pay or cause to be paid any tax, assessment or charge required to be paid pursuant to this Section 6.2, the Agency may pay or cause to be paid such taxes, assessments or charges. The Company shall reimburse the Agency for any amount paid under this Section 6.2, together with interest thereon from the date of payment at the Default Interest Rate.

(C) Notwithstanding the provisions of this Section 6.2, the Company may withhold any such payment and the Company may in good faith actively contest the amount, validity or the applicability of any payment referred to in such subsection (A), provided that (1) the Company shall have first notified the Agency in writing of such contest, (2) the Company is not in default under any of the Transaction Documents beyond applicable notice and cure periods, (3) the overall operating efficiency of the Project for the purposes for which it is intended is not materially impaired, (4) neither the Project Facility nor any part thereof or interest therein would be in any immediate danger of being sold, forfeited or lost by reason of such proceedings, (5) the Company shall have set aside on its books adequate reserves with respect thereto, and (6) the Company diligently prosecutes such contest to completion. Otherwise, the Company shall promptly take such action with respect thereto as shall be satisfactory to the Agency.

**SECTION 6.3 INSURANCE REQUIRED.** During the term of this Lease, the Company shall maintain or cause to be maintained insurance with respect to the Project Facility against such risks and liabilities and for such amounts as are, in the Agency's judgment, customarily insured against by businesses of like size and type, paying, as the same become due and payable, all premiums with respect thereto, including, but not necessarily limited to:

(A) Insurance protecting the interests of the Company and the Agency as insureds, as their interests may appear, against loss or damage to the Project Facility by fire, lightning, vandalism, malicious mischief and other perils embraced by so-called "All Risks" insurance, in amounts sufficient to prevent the Company or the Agency from becoming a co-insurer under such policy and not less than 100% of the replacement cost of the Project Facility, without deduction for depreciation, and including coverage against acts of terrorism. Additionally, during any period in which construction work or alterations are being performed at the Project Facility, the Company shall maintain extended coverage casualty insurance in the form of a "Builder's Risk" completed value non-reporting policy in an amount satisfactory to the Agency and which contains a provision granting the insured permission to complete and/or occupy.

(B) To the extent applicable, workers' compensation insurance, disability benefits insurance and such other forms of insurance which the Company is required by law to provide, covering loss resulting from injury, sickness, disability or death of employees of the Company who are located at or assigned to the Project Facility or who are responsible for the acquisition, renovation, installation and equipping of the Project Facility.

(C) Insurance protecting the Company and the Agency against loss or losses from liabilities imposed by law or assumed in any written contract (including, without limitation, the contractual liability assumed by the Company under Section 8.2 of this Lease) or arising from personal injury or death or damage to the Property of others caused by any accident or occurrence, with limits of not less than \$1,000,000.00 per person per accident or occurrence on

account of personal injury, including death resulting therefrom, and \$1,000,000.00 per accident or occurrence on account of damage to the Property of others, excluding liability imposed upon the Company by any applicable workers' compensation law, and a separate umbrella liability policy protecting the Company and the Agency with a limit of not less than \$10,000,000.00, as said amounts may be adjusted by the Agency from time to time in its sole and absolute discretion.

(D) During any period of construction, renovation, improvement or reconstruction, to the extent not covered by the public liability insurance set forth in Subsection (C) above, Owners & Contractors Liability insurance for the benefit of the Company and the Agency in a minimum amount of \$2,000,000.00 aggregate coverage for personal injury and property damage.

(E) Boiler and machine property damage insurance in respect of any steam and pressure boilers and similar apparatus, insuring risks normally insured against under boiler and machinery policies and in amounts and with deductibles customarily obtained for similar enterprises.

(F) A policy or policies of flood insurance in an amount not less than the maximum amount of flood insurance available with respect to the Project Facility under the Flood Disaster Protection Act of 1973, as amended.

(G) Such other insurance in such amounts and against such insurable hazards and risks as the Agency from time to time may reasonably require, including, without limitation, environmental hazard and liability insurance.

#### **SECTION 6.4 ADDITIONAL PROVISIONS RESPECTING INSURANCE.**

(A) All insurance required by Section 6.3 hereof shall be procured and maintained in financially sound and generally recognized responsible insurance companies selected by the Company and authorized to write such insurance in the State and satisfactory and having an A.M. Best rating satisfactory to the Agency. Such insurance may be written with deductible amounts comparable to those on similar policies carried by other companies engaged in businesses similar in size, character and other respects to those in which the Company is engaged and shall provide that such insurance shall be without any right of contribution from any other insurance carried by the Agency. All policies evidencing such insurance shall name the Company and the Agency as insureds, as their interests may appear, and naming the Agency as loss payee (subject to Subsection (F) hereof) (it being understood that the Agency's loss payable interest in the assets of the Company shall be subject and subordinate to the loss payable interests of the Lenders), and provide for at least thirty (30) days' written notice to the Company and the Agency prior to cancellation, lapse, reduction in policy limits or material change in coverage thereof (or ten (10) days' written notice to the Company and the Agency in the event of cancellation for non-payment of premium). All insurance required hereunder shall be in form, content and coverage satisfactory to the Agency. Certificates satisfactory in form and substance to the Agency to evidence all insurance required hereby shall be delivered to the Agency on or before the Closing Date. The Company shall deliver to the Agency on or before the first Business Day of each calendar year thereafter a certificate dated not earlier than the immediately

preceding month reciting that there is in full force and effect, with a term covering at least the next succeeding calendar year, insurance in the amounts and of the types required by Sections 6.3 hereof. At least thirty (30) days prior to the expiration of any such policy, the Company shall furnish to the Agency evidence that the policy has been renewed or replaced or is no longer required by this Lease.

(B) All premiums with respect to the insurance required by Section 6.3 hereof shall be paid by the Company; provided, however, that, if the premiums are not timely paid, the Agency may pay such premiums and the Company shall pay immediately upon demand all sums so expended by the Agency, together with interest thereon at the Default Interest Rate.

(C) In the event of construction, reconstruction, improvement or renovation of any part of the Project Facility, the Company shall require its contractors and subcontractors, if any, to name the Agency as an additional insured on liability policies carried by such contractors or subcontractors with respect to their operations at the Premises or with respect to the Project.

(D) Each of the policies evidencing the insurance required by Section 6.3 of this Lease shall provide that: (i) there shall be no recourse against the Agency for the payment of premiums or commissions or, if such policies provide for the payment thereof, additional premiums or assessments; (ii) in respect of the interest of the Agency in such policies, the insurance shall not be invalidated by any action or inaction of the Company or any other Person and shall insure the Agency regardless of, and any losses shall be payable notwithstanding, any such action or inaction; (iii) if the insurers cancel such insurance for any reason whatsoever, including the insured's failure to pay any accrued premium, or the same is allowed to lapse or expire, or if there shall occur any reduction in amount, or any material change is made in the coverage, such cancellation, lapse, expiration, reduction or change shall not be effective as to the Agency until at least thirty (30) days after receipt by the Agency of written notice by such insurers of such cancellation, lapse, expiration, reduction or change (or ten (10) days' after receipt by the Agency of written notice by such insurers of such cancellation for non-payment of premium); and (iv) the insurers waive subrogation thereunder against any Person insured under such policy, and waive any right of the insurers to any setoff or counterclaim or other deduction, in respect of any liability of any Person insured under such policy.

**(E) THE AGENCY DOES NOT IN ANY WAY REPRESENT THAT THE INSURANCE SPECIFIED HEREIN, WHETHER IN SCOPE OR COVERAGE OR LIMITS OF COVERAGE, IS ADEQUATE OR SUFFICIENT TO PROTECT THE COMPANY'S BUSINESS OR INTEREST IN THE PROJECT FACILITY.**

(F) Any provision of this Lease to the contrary notwithstanding, at any time during the term of this Lease that the Bank Mortgage remains a Lien on the Project Facility and there is unpaid indebtedness secured thereby, the Agency agrees that (i) the Bank shall be the loss payee with respect to the Net Proceeds of the insurance required by Sections 6.3(A) and (E) hereof, and (ii) the provisions of Sections 6.5(A) and 7.1(B) hereof shall be superseded and replaced by the applicable provisions of the Bank Mortgage.

**SECTION 6.5 APPLICATION OF NET PROCEEDS OF INSURANCE.** The Net Proceeds of the insurance carried pursuant to the provisions of Section 6.3 hereof shall be

applied as follows: (A) the Net Proceeds of the insurance required by Sections 6.3(A) and 6.3(E) hereof shall be applied as provided in Section 7.1 hereof, and (B) the Net Proceeds of the insurance required by Sections 6.3(B), 6.3(C) and 6.3(D) hereof shall be applied toward extinguishment or satisfaction of the liability with respect to which such insurance proceeds may be paid.

#### **SECTION 6.6 PAYMENTS IN LIEU OF TAXES.**

(A) It is recognized that, under the provisions of the Act, the Agency is required to pay no taxes or assessments upon any of the Property acquired by it or under its jurisdiction, control or supervision or upon its activities. It is the intention of the parties hereto that the Project Facility be treated as exempt from real property taxation to the extent set forth in the PILOT Agreement. Accordingly, the parties hereto acknowledge that the Agency shall file New York State Board of Real Property Services Form RP-412-a (a "Real Property Tax Exemption Form") with respect to the Project Facility. The Company hereby consents to any enforcement action provided pursuant to law by such Taxing Entities in the event that the Company should fail to pay such taxes as aforesaid and shall not object to any such enforcement action on the grounds that a leasehold interest in the Project Facility is held by the Agency or that the Project Facility is under the Agency's jurisdiction, control or supervision or subject to its activities.

(B) The Agency and the Company hereby agree that the Company shall be required to make or cause to be made payments in lieu of taxes to the school district or school districts, city, towns, county, villages and other political units wherein the Project Facility is located having taxing powers (such political units are hereinafter collectively referred to as the "Taxing Entities"), in such amounts and at such times as are required by the PILOT Agreement.

(C) Within thirty (30) days after receipt of written request therefore, the Company shall deliver to the Agency official receipts of the Taxing Entities or other proof reasonably satisfactory to the Agency evidencing payment of any amount that the Company is required to pay under the PILOT Agreement.

### **ARTICLE VII DAMAGE, DESTRUCTION AND CONDEMNATION**

#### **SECTION 7.1 DAMAGE OR DESTRUCTION.**

(A) If the Project Facility shall be damaged or destroyed, in whole or in part:

(1) the Agency shall have no obligation to replace, repair, rebuild or restore the Project Facility;

(2) there shall be no abatement or reduction in the amounts payable by the Company under this Lease (whether or not the Project Facility is replaced, repaired, rebuilt or restored);

(3) the Company shall promptly give notice thereof to the Agency; and

(4) except as otherwise provided in subsection (B) of this Section 7.1, (a) the Company shall promptly replace, repair, rebuild or restore the Project Facility to substantially the same condition and value as existed prior to such damage or destruction, with such changes, alterations and modifications as may be desired by the Company and consented to in writing by the Agency, provided that such changes, alterations or modifications do not so change the nature of the Project Facility that it does not constitute a "project", as such quoted term is defined in the Act, or change the use of the Project Facility as specified in Section 3.2 hereof without the prior written consent of the Agency, and (b) (1) the Agency shall make available to the Company (solely from the Net Proceeds of any insurance settlement relating to the Project Facility, if any, on deposit with the Agency) such moneys as may be necessary to pay the costs of the replacement, repair, rebuilding or restoration of the Project Facility, and in the event, subject to the provisions of Section 6.4(F) of this Lease, that the funds from the Net Proceeds of any insurance settlement provided by the Agency to the Company, if any, are not sufficient to pay in full the costs of such replacement, repair, rebuilding or restoration, the Company shall nonetheless complete such work and shall pay from its own moneys that portion of the costs thereof in excess of such funds, and (2) any balance of such funds from the Net Proceeds of any insurance settlement, if any, remaining on deposit with the Agency after payment of all of the costs of such replacement, repair, rebuilding or restoration shall be paid to the Company for its own purposes.

(B) Notwithstanding anything to the contrary contained in subsection (A) of this Section 7.1, the Company shall not be obligated to replace, repair, rebuild or restore the Project Facility, and the Net Proceeds of any insurance settlement shall not be applied as provided in subsection (A) of this Section 7.1, if the Company shall notify the Agency that it elects to exercise its option under Article XI hereof to terminate this Lease. In such event, subject to the provisions of Section 6.4(F) of this Lease, the Net Proceeds collected by the Agency under any and all policies of insurance covering the damage to or destruction of the Project Facility, after deducting the amount necessary to repay the Indebtedness, shall be paid to the Company for its own purposes. If the Net Proceeds collected under any and all policies of insurance are less than the amount necessary to repay the Indebtedness in full, the Company shall pay to the Agency the difference between the Net Proceeds of such insurance and the amount necessary to repay the Indebtedness in full.

(C) Unless an Event of Default under any of the Transaction Documents shall have occurred and be continuing, the Company may adjust all claims under any policies of insurance required by Section 6.3(A) and 6.3(C) hereof.

(D) The Company hereby waives the provisions of Section 227 of the Real Property Law of the State or any laws of like import, now or hereafter in effect.

## SECTION 7.2 CONDEMNATION.

(A) To the best of the Company's knowledge, no Condemnation or eminent domain proceeding has been commenced or threatened against any part of the Project Facility or the Agency's or the Company's interest therein or in the Overlease, the Assignment or this Lease.

**(B) If title to, or the use of, all or any part of the Project Facility shall be taken by Condemnation:**

**(1) the Agency shall have no obligation to restore the Project Facility, or any part thereof;**

**(2) there shall be no abatement or reduction in the amounts payable by the Company under this Lease (whether or not the Project Facility is restored);**

**(3) the Company shall promptly give notice thereof to the Agency; and**

**(4) except as otherwise provided in subsection (C) of this Section 7.2, (a) the Company shall promptly restore the Project Facility (excluding any part of the Project Facility taken by Condemnation) as a complete architectural unit of substantially the same usefulness, design and construction as existed immediately prior to such Condemnation, with such changes, alterations and modifications as may be desired by the Company and consented to in writing by the Agency, provided that such changes, alterations or modifications do not so change the nature of the Project Facility that it does not constitute a "project" as such quoted term is defined in the Act, or change the use of the Project Facility as specified in Section 3.2 hereof without the prior written consent of the Agency, and (b)(1) subject to the provisions of Section 6.4(F) of this Lease, the Agency shall make available to the Company (solely from the Net Proceeds of any Condemnation award, if any, on deposit with the Agency) such moneys as may be necessary to pay the costs of the restoration of the Project Facility, and in the event that the funds from the Net Proceeds of any Condemnation award on deposit with the Agency provided by the Agency to the Company are not sufficient to pay in full the costs of such restoration, the Company shall nonetheless complete such restoration and shall pay from its own moneys that portion of the costs thereof in excess of such funds, and (2) any balance of such funds from the Net Proceeds of any Condemnation award remaining on deposit with the Agency, if any, after payment of all of the costs of such restoration shall be paid to the Company for its own purposes.**

**(C) Notwithstanding anything to the contrary contained in subsection (B) of this Section 7.2, the Company shall not be obligated to restore the Project Facility and the Net Proceeds of any Condemnation award shall not be applied as provided in subsection (B) (4) of this Section 7.2, if the Company shall notify the Agency that it elects to exercise its option under Article XI hereof to terminate this Lease. In such event, and subject to the provisions of Section 6.4(F) of this Lease, the Net Proceeds of any Condemnation award collected by the Agency, if any, after deducting the amount necessary to repay the Indebtedness, shall be paid over to the Company for its own purposes. If the Net Proceeds collected under any and all Condemnation awards are less than the amount necessary to repay the Indebtedness in full, the Company shall pay to the Agency the difference between such amounts and the Net Proceeds of such Condemnation awards so that the Indebtedness shall be repaid in full.**

**(D) Unless an Event of Default under any of the Transaction Documents shall have occurred and be continuing, the Company shall have sole control of any Condemnation proceeding with respect to the Project Facility or any part thereof or any interest therein or in the**

Overlease, the Assignment or this Lease, and may negotiate the settlement of any such proceeding. The Company shall notify the Agency of the institution of any Condemnation proceedings and, within seven (7) days after inquiry from the Agency, inform the Agency in writing of the status of such proceeding.

(E) The Agency shall, at the expense of the Company, cooperate fully with the Company in the handling and conduct of any such Condemnation proceeding. In no event shall the Agency voluntarily settle, or consent to the settlement of, any such Condemnation proceeding without the written consent of the Company, which consent shall not be unreasonably withheld or delayed.

**SECTION 7.3 ADDITIONS TO THE PROJECT FACILITY.** All replacements, repairs, rebuilding or restoration made pursuant to Sections 7.1 or 7.2, whether or not requiring the expenditure of the Company's own money, shall automatically become part of the Project Facility as if the same were specifically described herein and shall be subject to this Lease.

## **ARTICLE VIII SPECIAL COVENANTS**

**SECTION 8.1 NO WARRANTY OF CONDITION OR SUITABILITY BY THE AGENCY; ACCEPTANCE "AS IS".** THE AGENCY MAKES NO WARRANTY, EITHER EXPRESS OR IMPLIED, AS TO THE CONDITION, TITLE, DESIGN, OPERATION, MERCHANTABILITY OR FITNESS OF THE PROJECT FACILITY OR ANY PART THEREOF OR AS TO THE SUITABILITY OF THE PROJECT FACILITY OR ANY PART THEREOF FOR THE COMPANY'S PURPOSES OR NEEDS. THE COMPANY SHALL ACCEPT THE PROJECT FACILITY "AS IS", WITHOUT RECOURSE OF ANY NATURE AGAINST THE AGENCY FOR ANY CONDITION NOW OR HEREAFTER EXISTING. NO WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE OR MERCHANTABILITY IS MADE. IN THE EVENT OF ANY DEFECT OR DEFICIENCY OF ANY NATURE, WHETHER PATENT OR LATENT, THE AGENCY SHALL HAVE NO RESPONSIBILITY OR LIABILITY WITH RESPECT THERETO.

### **SECTION 8.2 HOLD HARMLESS PROVISIONS.**

(A) The Company hereby releases the Agency and its members, officers, agents (other than the Company), attorneys, servants and employees, past, present and future, from, agrees that the Agency and its members, officers, agents (other than the Company), attorneys, servants and employees, past, present and future, shall not be liable for and agrees to indemnify, defend (with counsel selected by the Agency) and hold the Agency and its members, officers, agents (other than the Company), attorneys, servants and employees, past, present and future, harmless from and against any and all claims, causes of action, judgments, liabilities, damages, losses, costs and expenses arising directly or indirectly as a result of the Agency's undertaking the Project, including, but not limited to: (1) liability for loss or damage to Property or bodily injury to or death of any and all Persons that may be occasioned, directly or indirectly, by any cause whatsoever pertaining to the Project or the Project Facility or arising by reason of or in connection with the occupation or the use thereof or the presence of any Person or Property on, in or about the Project Facility, (2) liability arising from or expense incurred by the Agency's



acquiring, constructing, renovating, equipping, installing, owning, leasing, subleasing or selling the Project Facility, including, without limiting the generality of the foregoing, any sales or use taxes which may be payable with respect to goods supplied or services rendered with respect to the Project Facility, all liabilities or claims arising as a result of the Agency's obligations under this Lease or any of the other Transaction Documents or the enforcement of or defense of validity of any provision of any of the Transaction Documents, (3) all claims arising from the exercise by the Company of the authority conferred on it pursuant to Section 4.1(E) hereof, and (4) all causes of action and attorneys' fees and other expenses incurred in connection with any suits or actions which may arise as a result of any of the foregoing; provided that such claims, causes of action, judgments, liabilities, damages, losses, costs or expenses of the Agency are not incurred or do not result from the intentional wrongdoing of the Agency or any of its members, officers, agents (other than the Company), attorneys, servants or employees. The foregoing indemnities shall apply notwithstanding the fault or negligence in part of the Agency or any of its officers, members, agents (other than the Company), attorneys, servants or employees and notwithstanding the breach of any statutory obligation or any rule of comparative or apportioned liability.

(B) In the event of any claim against the Agency or its members, officers, agents (other than the Company), attorneys, servants or employees, past, present or future, by any employee of the Company or any contractor of the Company or anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, the obligations of the Company hereunder shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for the Company or such contractor under workers' compensation laws, disability benefits laws or other employee benefit laws.

(C) To effectuate the provisions of this Section 8.2, the Company agrees to provide for and insure to the extent possible, in the liability policies required by Section 6.3(C) of this Lease, its liabilities assumed pursuant to this Section 8.2.

(D) Notwithstanding any other provisions of this Lease, the obligations of the Company pursuant to this Section 8.2 shall remain in full force and effect after the termination or expiration of this Lease until the expiration of the period stated in the applicable statute of limitations during which a claim, cause of action or prosecution relating to the matters herein described may be brought and the payment in full or the satisfaction of such claim, cause of action or prosecution and the payment of all expenses, charges and costs incurred by the Agency or its members, agents (other than the Company), attorneys, servants or employees, past, present or future, relating thereto.

**SECTION 8.3 RIGHT OF ACCESS TO THE PROJECT FACILITY.** The Company agrees that the Agency and its duly authorized agents shall have the right at all reasonable times and upon reasonable notice to enter upon and to examine and inspect the Project Facility; provided, however, that no such notice shall be required in the event of an emergency or if an Event of Default has occurred and is continuing under this Lease. The Company further agrees that the Agency shall have such rights of access to the Project Facility as may be reasonably necessary to cause the proper maintenance of the Project Facility in the event of failure by the Company to perform its obligations hereunder, but the exercise of such right shall in no event be

construed to mean that the Agency has assumed any obligation hereunder to perform such maintenance.

**SECTION 8.4 COMPANY NOT TO TERMINATE EXISTENCE OR DISPOSE OF ASSETS.** The Company agrees that, during the term of this Lease, it (A) will maintain its corporate existence as in effect on the Closing Date, (B) will not dissolve or otherwise dispose of all or substantially all of its assets, and (C) will not consolidate with or merge into another corporation or other Person, or permit one or more corporations or other Persons to consolidate with or merge into it, without giving prior written notice to the Agency and obtaining the consent of the Agency. The Company agrees that it will not change its name or its state of formation without giving prior written notice to the Agency and obtaining the consent of the Agency, which consent shall not be unreasonably withheld or delayed.

Notwithstanding the foregoing, the Company shall have the right on prior written notice to the Agency, pursuant to documentation in form and substance satisfactory to the Agency in its reasonable discretion, to assign its interest in this Lease and the other Transaction Documents in connection with the merger and acquisition transaction more particularly described in a certain Stock Purchase Agreement between the Company and its Affiliates, all as more particularly described in the chart attached hereto as Exhibit H (the “Merger Transaction”). Without limitation of the foregoing, any dissolution, consolidation, merger, or change of name or state of formation of the Company in connection with the Merger Transaction shall not constitute a violation of the provisions of this Section 8.4.

**SECTION 8.5 AGREEMENT TO PROVIDE INFORMATION.** The Company agrees, whenever reasonably requested by the Agency, to promptly provide and certify or cause to be provided and certified such information concerning the Project Facility, the Company, the Related Applicants or their respective finances, operations and affairs and other topics as the Agency from time to time reasonably considers necessary or appropriate, including, but not limited to, such information as to enable the Agency to make any reports required by Applicable Laws or other governmental regulation.

**SECTION 8.6 BOOKS OF RECORD AND ACCOUNT; COMPLIANCE CERTIFICATES.**

(A) The Company agrees to maintain proper accounts, records and books in which full and correct entries shall be made, in accordance with generally accepted accounting principles, of all business and affairs of the Company.

(B) Within thirty (30) days after the end of each fiscal year of the Company, the Company shall furnish to the Agency a certificate of an Authorized Representative of the Company stating that no Event of Default hereunder or under any other Transaction Document has occurred or is continuing or, if any Event of Default exists, specifying the nature and period of existence thereof and what action the Company has taken or proposes to take with respect thereto. The Company represents to the Agency that the Company’s fiscal year ends on December 31st.

**SECTION 8.7 COMPLIANCE WITH APPLICABLE LAWS.**

(A) The Company agrees, for the benefit of the Agency, that it will, during the term of this Lease, promptly comply with all Applicable Laws.

(B) Notwithstanding the provisions of subsection (A) of this Section 8.7, the Company may in good faith actively contest the validity or the applicability of any Applicable Law, provided that the Company (1) first shall have notified the Agency in writing of such contest, (2) is not in default under any of the Transaction Documents beyond any applicable notice or cure period, (3) shall have set aside adequate reserves for any such requirement, (4) demonstrates to the reasonable satisfaction of the Agency that noncompliance with such Applicable Law will not subject the Project Facility or any part thereof to loss or forfeiture, (5) demonstrates to the reasonable satisfaction of the Agency that such contest shall not result in the Company or the Agency being in any danger of any civil or criminal liability for failure to comply therewith, and (6) diligently prosecutes such contest to completion. Otherwise, the Company shall promptly take such action with respect thereto as shall be satisfactory to the Agency.

(C) Notwithstanding the provisions of subsection (B) of this Section 8.7, if the Agency or any of its members, officers, agents (other than the Company), attorneys, servants or employees, past, present or future, may be liable for prosecution for failure to comply therewith, the Company shall promptly take such action with respect thereto as shall be satisfactory to the Agency.

#### **SECTION 8.8 DISCHARGE OF LIENS AND ENCUMBRANCES.**

(A) The Company hereby agrees not to create or suffer to be created any Lien on any Properties of the Agency or on any funds of the Agency applicable to or deriving from the Project Facility.

(B) If any Lien (other than a Permitted Encumbrance) is filed or asserted, or any judgment, decree, order, levy or process of any court or governmental body is entered, made or issued or any claim, whether or not valid, is made against the Project Facility or any part thereof or the interest therein of the Company or the Agency or against any funds of the Agency applicable to or deriving from the Project Facility, the Company, immediately upon receiving notice of the filing, assertion, entry or issuance thereof, shall give written notice thereof to the Agency and take all action (including, without limitation, the payment of money and/or securing of a bond) at its own cost and expense as may be necessary or appropriate to obtain the discharge in full thereof and remove or nullify the basis therefor. Nothing herein shall be construed as constituting the consent to or permission of the Agency for the performance of any labor or services or the furnishing of any materials that would give rise to any Lien (other than Permitted Encumbrances) against the Agency's interest in the Project Facility.

**SECTION 8.9 PERFORMANCE OF THE COMPANY'S OBLIGATIONS.** Should the Company fail to make any payment or to do any act as herein provided, the Agency may, but shall not be obligated to, without notice to or demand on the Company and without releasing the Company from any obligation herein, make or do the same, including, without limitation, appearing in and defending any action purporting to affect the rights or powers of the Company or the Agency, and paying all fees, costs and expenses, including, without limitation, reasonable

attorneys' fees, incurred by the Agency in connection therewith; and the Company shall pay immediately upon demand all sums so incurred or expended by the Agency under the authority hereof, together with interest thereon, at the Default Interest Rate.

**SECTION 8.10 DEPRECIATION DEDUCTIONS AND TAX CREDITS.** The parties agree that as between them the Company shall be entitled to all depreciation deductions and accelerated cost recovery system deductions with respect to any portion of the Project Facility pursuant to Sections 167 and 168 of the Code and to any investment credit pursuant to Section 38 of the Code with respect to any portion of the Project Facility which constitutes "Section 38 Property" and to all other state and/or federal income tax deductions and credits which may be available with respect to the Project Facility.

**SECTION 8.11 EMPLOYMENT OPPORTUNITIES.**

(A) The Company shall ensure that all employees and applicants for employment with regard to the Project, including, without limitation, the employees of and applicants for employment with the Company, are afforded equal employment opportunities without discrimination.

(B) Pursuant to Section 858-b of the Act, except as otherwise provided by collective bargaining contracts or agreements, the Company agrees (1) to list all new employment opportunities created as a result of the Project with the New York State Department of Labor, Community Services Division (the "NYSDOL") and with the administrative entity (collectively with NYSDOL, the "JTPA Referral Entities") of the service delivery area created by the federal Job Training Partnership Act (P.L. No. 97-300) (including any successor statute thereto, including without limitation, the Workforce Investment Act of 1998 (P.L. No. 105-270), collectively, the "JTPA") in which the Project Facility is located, and (2) where practicable, to first consider for such new employment opportunities persons eligible to participate in federal JTPA programs who shall be referred by the JTPA Referral Entities.

(C) Pursuant to the requirements of subsection one of Section 6 of Chapter 127 of the 1995 Laws of the State, the Company agrees to file with the Agency, prior to the effective date of this Lease, an employment plan, in form and substance satisfactory to the Agency.

(D) Pursuant to the requirements of subsection one of Section 6 of Chapter 127 of the 1995 Laws of the State, the Company agrees to file with the Agency, on an annual basis not later than February 11 of each year during the term of this Lease, reports regarding the number of people employed at the Project Facility and certain other matters, said annual employment reports to be in substantially the form promulgated from time to time by the Agency. The current form of annual employment report is annexed hereto as Exhibit G. The Agency shall have the right, at the Company's expense, to audit, confirm and/or require additional information with regard thereto and the Company agrees to cooperate with the Agency in connection therewith.

(E) The Company shall, at all times during the term of this Lease, maintain the Minimum Employment Requirement.

**SECTION 8.12 RESERVED.**

**SECTION 8.13 IDENTIFICATION OF THE EQUIPMENT.** All Equipment which is or may become part of the Project Facility pursuant to the provisions of this Lease shall be properly identified by the Company by such appropriate records, including computerized records, as may be approved by the Agency.

**SECTION 8.14 FINANCIAL STATEMENTS.** Within one hundred twenty (120) days after the end of each fiscal year, the Company shall deliver to the Agency the audited financial statements of the Company prepared by an independent certified public accountant, certified by the chief financial officer of the Company, including a balance sheet as of the last day of such period and an operating statement through the last day of such period. The Company represents that its fiscal year ends on December 31st.

**ARTICLE IX  
ASSIGNMENTS; LEASING; MERGER OF THE AGENCY**

**SECTION 9.1 ASSIGNMENT OF THIS LEASE.** This Lease may not be sold, assigned or otherwise transferred by the Company, in whole or in part, without the prior written consent of the Agency, which consent may be granted or withheld in the Agency's sole and absolute discretion, and shall in all events be subject to and conditioned upon the payment of any required fees of the Agency and the satisfaction of all requirements of the Act. Any such sale, assignment or transfer made by the Company without the prior written consent of the Agency as aforesaid shall be null and void. Any such sale, assignment or transfer shall be made pursuant to documentation satisfactory to the Agency. The Company shall pay all reasonable and customary fees and expenses incurred by the Agency in connection with such sale, assignment or transfer.

**SECTION 9.2 MERGER OF THE AGENCY.**

(A) Nothing contained in this Lease shall prevent the consolidation of the Agency with, or merger of the Agency into, or assignment by the Agency of its rights and interests hereunder to, any other public benefit corporation of the State or any political subdivision thereof which has the legal authority to perform the obligations of the Agency and under the other Transaction Documents hereunder; provided that upon any such consolidation, merger or assignment, the due and punctual performance and observance of all of the agreements and conditions of this Lease to be kept and performed by the Agency shall be expressly assumed in writing by the public benefit corporation or political subdivision resulting from such consolidation or surviving such merger or to which the Agency's rights and interests under this Lease shall be assigned.

(B) As of the date of any such consolidation, merger or assignment, the Agency shall endeavor to give notice thereof in reasonable detail to the Company. The Agency shall promptly furnish to the Company such additional information with respect to any such consolidation, merger or assignment as the Company may reasonably request.

**SECTION 9.3 SALE OR LEASE OF THE PROJECT FACILITY.**

(A) The Company shall not sell, lease, sublease, sub-sublease, license, transfer, convey or otherwise dispose of its interest in or permit others to use or occupy the Project Facility or any part thereof or any interest therein without the prior written consent of the

Agency, which consent may be granted or withheld in the Agency's sole and absolute discretion, except for transfers, conveyances, subleases and other occupancy arrangements as set forth in Subsection (B), if any.

(B) The Company shall have the right sublease the Project Facility, or any portion thereof, to an Affiliate of the Company, provided that such Affiliate shall use and operate the Project Facility, or the applicable portion thereof, only for a use permitted under Section 3.2 of this Lease.

(C) Notwithstanding anything to the contrary contained in this Section 9.3, in any instance where the Company determines that any portion of the Project Facility has become inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary, the Company may remove such portion of the Project Facility and may sell, trade in, exchange or otherwise dispose of the same in the ordinary course of its business, as a whole or in part, without the prior written consent of the Agency but, upon reasonable prior notice to the Agency, provided that such removal will not materially impair the value of the Project Facility as collateral and provided the same is forthwith replaced with items of similar quality and value as the items replaced as of the date of original installation of the replaced items. At the request of the Company, the Agency shall execute and deliver to the Company all instruments reasonably necessary or appropriate to enable the Company to sell or otherwise dispose of any such item of Property free from the Liens of the Transaction Documents. The Company shall pay all reasonable costs and expenses (including reasonable attorneys' fees and expenses) incurred in transferring title to and releasing from the Liens of the Transaction Documents any item of Property removed pursuant to this Section 9.3.

## ARTICLE X EVENTS OF DEFAULT AND REMEDIES

### SECTION 10.1      EVENTS OF DEFAULT DEFINED.

(A) The following shall be "Events of Default" under this Lease, and the terms "Event of Default" or "default" shall mean, whenever they are used in this Lease, any one or more of the following events:

(1) A default by the Company in the due and punctual payment of any amount due under this Lease or under any other Transaction Document, and the continuance thereof for a period of fifteen (15) days after written notice thereof is given by the Agency to the Company.

(2) A default in the performance or observance of any covenant, condition or agreement on the part of the Company in this Lease (other than as set forth in subsection (1) above or in any other subsection of this Section 10.1(a)) and the continuance thereof for a period of twenty (20) days after written notice thereof is given by the Agency to the Company, or, if such covenant, condition or agreement is capable of cure but cannot be cured within such twenty (20) day period, the failure of the Company to commence to

cure within such twenty (20) day period and to prosecute the cure to completion with due diligence.

(3) The occurrence of an “Event of Default” under any other Transaction Document.

(4) The Company shall generally not pay its debts as such debts become due or admits its inability to pay its debts as they become due.

(5) The Company shall conceal, remove or permit to be concealed or removed any part of its Property, with intent to hinder, delay or defraud its creditors, or any one of them, or shall make or suffer a transfer of any of its Property which is fraudulent under any bankruptcy, fraudulent conveyance or similar law; or shall make any transfer of its Property to or for the benefit of a creditor at a time when other creditors similarly situated have not been paid; or shall suffer or permit, while insolvent, any creditor to obtain a Lien (other than a Permitted Encumbrance) upon any of its Property through legal proceedings or distraint which is not vacated within ten (10) days from the date thereof.

(6) (a) The filing by the Company (as debtor) of a voluntary petition under Title 11 of the United States Code or any other federal or state bankruptcy or insolvency statute; (b) the failure by the Company within sixty (60) days to lift any execution, garnishment or attachment of such consequence as will impair the Company’s ability to carry out its obligations hereunder; (c) the commencement of a case under Title 11 of the United States Code against the Company as the debtor or commencement under any other federal or state bankruptcy or insolvency statute of a case, action or proceeding against the Company and continuation of such case, action or proceeding without dismissal for a period of sixty (60) days; (d) the entry of an order for relief by a court of competent jurisdiction under Title 11 of the United States Code or any other federal or state bankruptcy statute with respect to the debts of the Company; or (e) in connection with any insolvency or bankruptcy case, action or proceeding, appointment by final order, judgment or decree of a court of competent jurisdiction of a receiver, liquidator or trustee of the whole or a substantial portion of the Property of the Company, unless such order, judgment or decree is vacated, dismissed or dissolved within sixty (60) days of such appointment.

(7) If any interest in the Company shall be sold, assigned, transferred, conveyed, mortgaged, pledged, hypothecated or alienated, or if any shareholder or member of the Company enters into an agreement or contract to do so, without the prior written consent of the Agency, except as set forth in Section 2.2(S) of this Agreement.

(8) The imposition of a Lien on the Project Facility other than a Permitted Encumbrance.

(9) The removal of the Project Facility, or any portion thereof, outside the County, without the prior written consent of the Agency, other than in connection with a removal permitted under Section 9.3(C) of this Lease.

(10) If any certificate, statement, representation, warranty or financial statement made to the Agency by or on behalf of the Company or any Related Applicant shall prove to have been false, misleading or incorrect in any material respect at the time as of which the facts therein set forth were made, or to have omitted any material liability or claim against the Company or any Related Applicant, as the case may be.

(11) If the environmental or ecological condition of the Project Facility is in violation of any Environmental Law or any permit, license or approval related thereto or if the Project Facility, or any part thereof, contains any Hazardous Materials (except Hazardous Materials which do not violate Environmental Laws), and the Company is unable to comply with such Environmental Laws within twenty (20) days of the notification or discovery of such violation or complete all appropriate and lawful remedial containment and clean-up action within twenty (20) days of the notification or discovery of the existence of such Hazardous Materials.

(12) Any loss or impairment of the Agency's interest in and to the Project Facility, or any part thereof.

(13) The Company, any Related Applicant, or any Affiliate thereof or any director, member, manager or shareholder of the Company or any Related Applicant, as the case may be, shall become a Prohibited Person.

(14) Any assignment of this Lease, in whole or in part, or any subletting of the Project Facility, or any portion thereof, in violation of the terms of this Lease.

(15) If none of Mitchell Singer, Linda Singer or Evan Singer shall have day-to-day control of the management and operations of the Company for any reason; provided, however, that such persons shall have the right to change the day-to-day control of the management and operations of the Company on prior notice to and with the prior written consent of the Agency, which consent shall not be unreasonably withheld.

(16) If any of the events enumerated in clauses (4) through (6) of this Section 10.1 shall happen to any Related Applicant.

(17) The Company or the Overlandlord defaults under or attempts to withdraw, renege, cancel or disclaim liability under any guaranty or indemnity made by such party in favor of the Agency, including, without limitation, the Environmental Indemnification.

(18) If the Company shall cease all or substantially all its operations at the Project Facility.

(19) A default or an Event of Default shall occur under the Bank Mortgage, the Overlease or under any other Permitted Encumbrance.

(20) If the Company fails to maintain the Minimum Employment Requirement at any time during the term of this Lease.



(21) Failure by the Company at any time to keep in full force and effect any insurance policy or coverage required by Section 6.3 of this Lease.

(22) The occurrence of an Event of Default under any Related Lease or under any other document, instrument or agreement between the Agency and any Related Applicant with respect to the Project (each, a "Related Transaction Document").

(B) Notwithstanding the provisions of Section 10.1(A) hereof if by reason of force majeure (as hereinafter defined) either party hereto shall be unable, in whole or in part, to carry out its obligations under this Lease and if such party shall give notice and full particulars of such force majeure event or cause in writing to the other party within a reasonable time after the occurrence of the event or cause relied upon, the obligations under this Lease of the party giving such notice, so far as they are affected by such force majeure, shall be suspended during the continuance of the inability to perform. The suspension of such obligations for such period pursuant to this subsection (B) shall not be deemed an Event of Default under this Section 10.1. Notwithstanding anything to the contrary in this subsection (B), an event of force majeure shall not excuse, delay or in any way diminish the obligations of the Company to make the payments required under this Lease, to obtain and continue in full force and effect the insurance required by Article VI hereof, to provide the indemnity required by Sections 2.2(G), 3.1, 3.3, 4.1(F), 6.1, 8.2 and 12.9(C) hereof and to comply with the provisions of Sections 2.2(G), 6.6, 8.2, 8.4, 8.5 and 8.7(C) hereof. The term "force majeure" as used herein shall include acts outside of the control of the Agency and the Company, including, but not limited to, acts of God, strikes, lockouts or other industrial disturbances, acts of public enemies, insurrections, riots, epidemics, landslides, lightning, earthquakes, fire, hurricanes, storms, floods, washouts, droughts, restraint of government and people, civil disturbances, breakage or accident to transmission pipes or canals, and failure of utilities.

## **SECTION 10.2 REMEDIES ON DEFAULT.**

(A) Whenever any Event of Default shall have occurred, the Agency may, to the extent permitted by law, take any one or more of the following remedial steps:

(1) declare, by written notice to the Company, to be immediately due and payable, whereupon the same shall become immediately due and payable, (a) all amounts payable pursuant to Section 5.3 hereof, and (b) all other payments due under this Lease or any of the other Transaction Documents, including, without limitation, any resulting Recapture of Benefits under Section 11.4 of this Lease; or

(2) re-enter and take possession of the Project Facility, enforce or terminate this Lease, sell the Agency's interest in the Project Facility, subject to Permitted Encumbrances, at public or private sale, as a whole or piecemeal, in whole or in part, for such consideration as may be deemed appropriate in the circumstances by the Agency, and hold the Company liable for the amount, if any, by which the aggregate unpaid amounts due hereunder exceed the Net Proceeds received upon such sale, or manage and operate the Project Facility, collect all or any rents accruing therefrom, let or relet the Project Facility or any part thereof for the Agency's own account or the account of the Company, holding the Company liable for payments due up to the effective date of such

leasing and for the difference in the rent and other amounts paid by the lessee pursuant to such lease and the rental payments and other amounts payable by the Company hereunder, cancel or modify leases, evict tenants, bring or defend any suits in connection with the possession of the Project Facility in its own name or in the Company's name, make repairs as the Agency deems appropriate, and perform such other acts in connection with the management, operation or disposition of the Project Facility, or any portion thereof, as the Agency, in its discretion, may deem proper; or

(3) terminate this Lease and convey to the Company all the Agency's right, title and interest in and to the Project Facility. The conveyance of the Agency's right, title and interest in and to the Overlease and the Project Facility shall be effected by the execution by the Agency of the Termination of Lease and the delivery of the Bill of Sale to Company. The Company hereby agrees to pay all expenses and taxes, if any, applicable to or arising from any such termination. The Company hereby waives delivery and acceptance of such Termination of Lease and Bill of Sale to Company as a condition to their validity, and appoints the Agency its true and lawful agent and attorney-in-fact (which appointment shall be deemed to be an agency coupled with an interest) with full power of substitution to file on its behalf all affidavits, questionnaires and other documentation necessary to accomplish the recording or filing of such documents; or

(4) bring an action for damages, injunction or specific performance; or

(5) suspend the right of the Company to act as agent for the Agency in connection with the Project, including, without limitation, as its agent for the purpose of the sales and use tax exemption afforded to the Company pursuant to this Lease; or

(6) require the Company to make payments in lieu of real property taxes under the PILOT Agreement in amounts equal to the amounts the Company would otherwise be required to pay if it were the owner of the Project Facility (and the Agency did not hold an interest therein); or

(7) take any other action at law or in equity which may appear necessary or desirable to collect any amounts then due or thereafter to become due hereunder and to enforce the obligations, agreements or covenants of the Company under this Lease.

(B) No action taken pursuant to this Section 10.2 (including repossession of the Project Facility) shall relieve the Company from its obligations to make all payments required by this Lease and the other Transaction Documents.

**SECTION 10.3 REMEDIES CUMULATIVE.** No remedy herein conferred upon or reserved to the Agency is intended to be exclusive of any other available remedy, but each and every such remedy shall be cumulative and in addition to every other remedy given under this Lease or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Agency to exercise any remedy

reserved to it in this Article X, it shall not be necessary to give any notice, other than such notice as may be herein expressly required.

**SECTION 10.4 AGREEMENT TO PAY ATTORNEYS' FEES AND EXPENSES.** In the event the Company should default under any of the provisions of this Lease or any other Transaction Document and the Agency should retain attorneys or incur other expenses for the collection of amounts payable hereunder or the enforcement of performance or observance of any obligations or agreements on the part of the Company herein contained, the Company shall, on demand therefor, pay to the Agency such fees and expenses (including, without limitation, attorneys' fees and expenses) so incurred, whether an action is commenced or not.

**SECTION 10.5 NO ADDITIONAL WAIVER IMPLIED BY ONE WAIVER.** In the event any agreement contained herein should be breached by either party and thereafter such breach be waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

## ARTICLE XI OPTIONS TO TERMINATE

**SECTION 11.1 EARLY TERMINATION OF THE LEASE.** The Company shall have the option to terminate this Lease prior to the termination date specified in Section 5.2 hereof by filing with the Agency a certificate signed by an Authorized Representative of the Company stating the Company's intention to do so pursuant to this Section 11.1 and setting forth the effective date of such termination, which effective date shall not be less than thirty (30) days after the delivery of the certificate to the Agency. The exercise of the option to terminate pursuant to this Section 11.1 shall constitute a "Recapture Event" (as such term is defined in Section 11.4 hereof). The Company shall not, at any time, assign or transfer its option to terminate this Lease and purchase the Agency's interest in the Project Facility as contained in this Section 11.1 separate and apart from a permitted assignment of this Lease pursuant to Section 9.1 of this Lease without the prior written consent of the Agency.

### **SECTION 11.2 OBLIGATION TO TERMINATE THE LEASE.**

(A) Contemporaneously with the termination of this Lease in accordance with Section 5.2 or Section 11.1 hereof, the Company shall pay all sums required to be paid to the Agency or any other Person pursuant to this Lease and the other Transaction Documents (including any applicable Recapture of Benefits). The obligation of the Agency under this Section 11.2 to convey its interest in the Project Facility to the Company shall be subject to payment of the applicable Recapture of Benefits required by Section 11.4 of this Lease.

(B) The termination of this Lease and the conveyance of the Agency's right, title and interest in and to the Project Facility shall be effected by the execution and delivery by the Agency of (1) the Bill of Sale to Company (an unexecuted copy of which is attached hereto as Exhibit D) and (2) the Termination of Lease (an unexecuted copy of which is attached hereto as Exhibit F). In addition, the Agency shall use commercially reasonable efforts to cause the County to execute and deliver a satisfaction in recordable form of the PILOT Mortgage (the "PILOT Satisfaction"). The Company hereby agrees to pay all expenses and taxes, if any,

applicable to or arising from such termination, including, without limitation, all of the Agency's reasonable costs and expenses in connection therewith (including reasonable attorneys' fees and expenses).

(C) The Company agrees to prepare the Bill of Sale to Company and/or the Termination of Lease and/or the PILOT Satisfaction, and all schedules thereto, together with all equalization and assessment forms and other necessary documentation, and to forward same to the Agency at least fifteen (15) days prior to the date that this Lease is to be terminated and the Agency's interest in the Project Facility or any portion thereof is to be conveyed to the Company. The Company hereby irrevocably appoints and designates the Agency as its attorney-in-fact for the purpose of executing, delivering and/or recording such documents and to take such other and further action as shall be necessary to terminate the Agency's interest in the Project Facility.

(D) This Lease shall survive the transfer of the Project Facility to the Company pursuant to this Section 11.2 and shall remain in full force and effect until ninety-one (91) days after all of the Indebtedness shall have been paid in full, and thereafter the obligations of the Company shall survive as set forth in Section 12.7 hereof.

(E) Upon the payment in full of all Indebtedness, and notwithstanding the survival of certain obligations of the Company as described in Section 12.7 hereof, the Agency shall upon the request of the Company execute and deliver to the Company such documents as the Company may reasonably request, in recordable form if so requested, to evidence the termination and release of all Liens granted to the Agency hereunder and the transfer of title to the Equipment back to the Company.

SECTION 11.3        RESERVED.

SECTION 11.4        RECAPTURE OF AGENCY BENEFITS.

(A) It is understood and agreed by the parties to this Lease that the Agency is entering into this Lease in order to provide the Financial Assistance to the Company for the Project and to accomplish the purposes of the Act. In consideration therefor, the Company hereby agrees that if there shall occur a Recapture Event (as hereinafter defined), then the Company shall pay to the Agency as a return of public benefits conferred by the Agency (the "Recapture of Benefits"), an amount as follows:

(1) one hundred per cent (100%) of the Benefits (as defined below) if the Recapture Event occurs on or before the tenth (10<sup>th</sup>) anniversary of the Closing Date;

(2) eighty per cent (80%) of the Benefits if the Recapture Event occurs after the tenth (10<sup>th</sup>) anniversary of the Closing Date but on or before the twelfth (12<sup>th</sup>) anniversary of the Closing Date;

(3) sixty per cent (60%) of the Benefits if the Recapture Event occurs after the twelfth (12<sup>th</sup>) anniversary of the Closing Date but on or before the fourteenth (14<sup>th</sup>) anniversary of the Closing Date;

(4) forty per cent (40%) of the Benefits if the Recapture Event occurs after the fourteenth (14<sup>th</sup>) anniversary of the Closing Date but on or before the sixteenth (16<sup>th</sup>) anniversary of the Closing Date;

(5) twenty per cent (20%) of the Benefits if the Recapture Event occurs after the sixteenth (16<sup>th</sup>) anniversary of the Closing Date but on or before the eighteenth (18<sup>th</sup>) anniversary of the Closing Date;

(6) ten per cent (10%) of the Benefits if the Recapture Event occurs after the eighteenth (18<sup>th</sup>) anniversary of the Closing Date but on or before the twentieth (20<sup>th</sup>) anniversary of the Closing Date; or

(7) zero per cent (0%) of the Benefits thereafter.

(B) The term “Benefits” shall mean the Agency’s calculation of, collectively:

(1) all real estate tax benefits which have accrued to the benefit of the Company during such time as the Agency held an interest in the Project Facility by reason of such interest, such tax benefits to be computed by subtracting the payments in lieu of taxes paid under the PILOT Agreement from those payments which the Company would have been required to pay during the term of this Lease (within the meaning of Section 5.2 hereof) had the Company or the Overlandlord been the owner of the Project Facility during such term and the Agency not been involved in the Project, and treating any negative result as \$0; and

(2) all miscellaneous benefits derived from the Agency’s participation in the transactions contemplated by this Lease, including, but not limited to, any exemption from real property transfer taxes, any exemption from mortgage recording taxes and any exemption from applicable sales and use taxes.

(C) For the purposes of this Section 11.4 the term “Recapture Event” shall mean the occurrence of any of the following events:

(1) The Company shall have liquidated its operations and/or assets; or

(2) The Company shall have ceased all or substantially all of its operations at the Project Facility (whether by relocation to another facility or otherwise, or whether to another facility either within or outside of the County); or

(3) The Company shall have transferred all or substantially all of its employees engaged in the renovation, maintenance or operation of the Project Facility to a location outside of the County; or

(4) The occurrence of an Event of Default under this Lease or any other Transaction Document; or

(5) The Company shall have effected a substantial change in the scope and nature of the operations of the Company at the Project Facility; or

(6) The Company shall have sold, leased, assigned, transferred or otherwise disposed of all or any part of its interest in the Project Facility in violation of this Lease; or

(7) The Company fails to maintain the Minimum Employment Requirement at any time during the term of this Lease; or

(8) The Application, or documentation in support of the Application, contained a false or intentionally misleading statement as to any fact material to the Application or omitted any information which, if included, would have rendered any information in the Application or supporting documentation false or misleading in any material respect, and such false or misleading statement or omission was made knowingly and intentionally for the purpose of obtaining the Financial Assistance; or

(9) The occurrence of a Recapture Event under any Related Lease or any Related Transaction Document.

Notwithstanding the foregoing, a Recapture Event shall not be deemed to have occurred if the Recapture Event shall have arisen as a direct, immediate result of (i) a Condemnation by governmental authority of all or substantially all of the Project Facility or any interest therein, or (ii) the inability at law of the Company to rebuild, repair, restore or replace the Project Facility after the occurrence of a casualty to substantially its condition prior to such casualty, which inability shall have arisen in good faith through no fault on the part of the Company.

(D) The Company covenants and agrees to furnish the Agency with written notification upon the occurrence of any Recapture Event, which notification shall set forth the terms of such Recapture Event.

(E) In the event any payment owing by the Company under this Section 11.4 shall not be paid on demand by the Company, such payment shall bear interest from the date of such demand at the Default Interest Rate until the Company shall have paid such payment in full, together with such accrued interest to the date of payment, to the Agency.

(F) The Agency acknowledges that the Overlandlord shall not be liable for any payment owing by the Company to the Agency under this Section 11.4.

## ARTICLE XII MISCELLANEOUS

### SECTION 12.1      NOTICES.

(A) All notices, certificates and other communications hereunder shall be in writing and shall be sufficiently given and shall be deemed given on the earlier of (1) three (3) Business Days after being sent to the applicable address stated below by registered or certified mail, return receipt requested, or by such other means as shall provide the sender with documentary evidence of such delivery, or (2) the date on which delivery is refused by the addressee, as evidenced by the affidavit of the Person who attempted to effect such delivery.

(B) The addresses to which notices, certificates and other communications hereunder shall be delivered are as follows:

**IF TO THE COMPANY:**

P & L Development of New York Corporation  
200 Hicks Street  
Westbury, NY 11590  
Attn: Chief Financial Officer

**WITH A COPY TO:**

Harris Beach PLLC  
333 Earle Ovington Boulevard, Suite 901  
Uniondale, NY 11553  
Attn: Andrew Komaromi, Esq.

**IF TO THE AGENCY:**

Nassau County Industrial Development Agency  
1550 Franklin Avenue, Suite 235  
Mineola, NY 11501  
Attn: Executive Director

**WITH A COPY TO:**

Phillips Lytle LLP  
1305 Franklin Avenue, Suite 200  
Garden City, NY 11530  
Attn: Paul V. O'Brien, Esq.

(C) The Agency and the Company may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates and other communications shall be sent.

**SECTION 12.2 BINDING EFFECT.** This Lease shall inure to the benefit of the Agency and the Company and shall be binding upon the Agency, the Company and, as permitted by this Lease, their respective successors and assigns, but no assignment shall be effective to relieve the Company of any of its obligations hereunder unless expressly authorized and approved in writing by the Agency.

**SECTION 12.3 SEVERABILITY.** If any one or more of the covenants or agreements provided herein on the part of the Agency or the Company to be performed shall, for any reason, be held or shall, in fact, be inoperative, unenforceable or contrary to law in any particular case, such circumstance shall not render the provision in question inoperative or

unenforceable in any other case or circumstance. Further, if any one or more of the phrases, sentences, clauses, paragraphs or sections herein shall be held void, voidable, invalid or unenforceable by a court of competent jurisdiction, then such covenant or covenants or agreement or agreements shall be deemed separable from the remaining covenants and agreements hereof and shall in no way affect the validity of the other provisions of this Lease.

**SECTION 12.4 AMENDMENT.** This Lease may not be amended, changed, modified, altered or terminated, except by an instrument in writing signed by the parties hereto.

**SECTION 12.5 EXECUTION OF COUNTERPARTS.** This Lease may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**SECTION 12.6 APPLICABLE LAW.** This Lease shall be governed by and construed in accordance with the applicable laws of the State, as in effect from time to time, without regard to its principles of conflicts of law.

**SECTION 12.7 SURVIVAL OF OBLIGATIONS.**

(A) The obligations of the Company to make the payments required by Sections 2.2(G), 3.1, 3.3, 4.1, 5.3, 5.4, 6.4(B), 6.6, 8.2, 8.9, 9.1, 9.3, 10.2, 10.4, 11.2 and 11.4 hereof and to provide the indemnity required by Sections 2.2(G), 3.1, 3.3, 4.1(F), 6.1, 8.2 and 12.9(C) hereof and its obligations and those of Overlandlord under the Environmental Indemnification shall survive the termination of this Lease, and all such payments after such termination shall be made upon demand of the party to whom such payment is due.

(B) The obligations of the Company to the Agency with respect to the Unassigned Rights shall survive the termination or expiration of this Lease until the expiration of the period stated in the applicable statute of limitation during which a claim, cause of action or prosecution relating to the Unassigned Rights may be brought and the payment in full or the satisfaction of such claim, cause of action or prosecution and the payment of all expenses and charges incurred by the Agency, or its officers, members, agents (other than the Company), attorneys, servants or employees, past, present or future, related thereto.

**SECTION 12.8 TABLE OF CONTENTS AND SECTION HEADINGS NOT CONTROLLING.** The Table of Contents and the headings of the several Sections in this Lease have been prepared for convenience of reference only and shall not control, affect the meaning of or be taken as an interpretation of any provision of this Lease.

**SECTION 12.9 NO RECOURSE; SPECIAL OBLIGATION.**

(A) The obligations and agreements of the Agency contained herein and in the other Transaction Documents and any other instrument or document executed in connection therewith or herewith, and any other instrument or document supplemental thereto or hereto, shall be deemed the obligations and agreements of the Agency, and not of any member, officer, agent (other than the Company), servant or employee of the Agency in his individual capacity, and the members, officers, agents (other than the Company), servants and employees, past, present and future, of the Agency shall not be liable personally hereon or thereon or be subject to



any personal liability or accountability based upon or in respect hereof or thereof or of any transaction contemplated hereby or thereby.

(B) The obligations and agreements of the Agency contained herein and therein shall not constitute or give rise to an obligation of the State or the County and neither the State nor the County shall be liable hereon or thereon, and, further, such obligations and agreements shall not constitute or give rise to a general obligation of the Agency, but rather shall constitute limited obligations of the Agency payable solely from the revenues of the Agency derived and to be derived from the lease, sale or other disposition of the Agency's interest in the Project Facility (except for revenues derived by the Agency with respect to the Unassigned Rights).

(C) No order or decree of specific performance with respect to any of the obligations of the Agency hereunder shall be sought or enforced against the Agency unless (1) the party seeking such order or decree shall first have requested the Agency in writing to take the action sought in such order or decree of specific performance, and ten (10) business days shall have elapsed from the date of receipt of such request, and the Agency shall have refused to comply with such request (or, if compliance therewith would reasonably be expected to take longer than ten (10) business days, shall have failed to institute and diligently pursue action to cause compliance with such request within such ten (10) business day period) or failed to respond within such notice period, (2) if the Agency refuses to comply with such request and the Agency's refusal to comply is based on its reasonable expectation that it will incur fees and expenses, the party seeking such order or decree shall have placed in an account with the Agency an amount or undertaking sufficient to cover such fees and expenses, and (3) if the Agency refuses to comply with such request and the Agency's refusal to comply is based on its reasonable expectation that it or any of its members, officers, agents (other than the Company) , servants or employees, past, present or future, shall be subject to potential liability, the party seeking such order or decree shall (a) agree to indemnify, defend (with counsel selected by the Agency) and hold harmless the Agency and its members, officers, agents (other than the Company), attorneys, servants and employees, past, present and future, against any liability incurred as a result of its compliance with such demand, and (b) if requested by the Agency, furnish to the Agency satisfactory security to protect the Agency and its members, officers, agents (other than the Company), servants and employees, past, present and future, against all liability expected to be incurred as a result of compliance with such request.

**SECTION 12.10 NET LEASE.** The obligation of the Company to make the payments specified in this Lease shall be absolutely net to the Agency without any abatement, recoupment, diminution, reduction, deduction, counterclaim, set-off or offset whatsoever, so that this Lease shall yield, net, to the Agency, the payments set forth herein.

**SECTION 12.11 WAIVER OF JURY TRIAL. THE COMPANY AND THE AGENCY HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT EACH MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS LEASE, ANY OTHER TRANSACTION DOCUMENT OR ANY OTHER DOCUMENT EXECUTED IN CONNECTION WITH THIS LEASE.**

**SECTION 12.12 PRIOR AGREEMENTS.** This Lease shall completely and fully supersede all other prior understandings or agreements, written or oral, between the Company and the Agency relating to the Project.

**SECTION 12.13 SERVICE OF PROCESS.**

(A) The Company represents that it is subject to service of process in the State of New York and covenants that it will remain so subject so long as this Lease shall be in effect. If for any reason the Company should cease to be so subject to service of process in the State of New York, the Company hereby designates and appoints, without power of revocation, Andrew Komaromi, Esq., Harris Beach PLLC, 333 Earle Ovington Boulevard, Uniondale, NY 11553, and successor(s) as its agent for service of process, and if such agent shall cease to act or otherwise cease to be subject to service of process in the State of New York, the Secretary of State of the State of New York, as the agents of the Company upon whom may be served all process, pleadings, notices or other papers which may be served upon the Company as a result of any of its obligations under this Lease; provided, however, that the serving of such process, pleadings, notices or other papers shall not constitute a condition to the Company's obligations hereunder.

(B) The Company irrevocably and unconditionally (a) agrees that any suit, action or other legal proceeding arising out of this Lease or the other Transaction Documents may be brought in the courts of record of the State of New York in Nassau County or the courts of the United States, Eastern District of New York; (b) consents to the jurisdiction of each such court in any such suit, action or proceeding; and (c) waives any objection which it may have to the laying of venue of any such suit, action or proceeding in any of such courts. For such time as this Lease is in effect, the Company's agents designated above shall accept and acknowledge in the Company's behalf service of any and all process in any such suit, action or proceeding brought in any such court. The Company agrees and consents that any such service of process upon such agents and written notice of such service to the Company in the manner set forth in Section 12.1 hereof shall be taken and held to be valid personal service upon the Company whether or not the Company shall then be doing, or at any time shall have done, business within the State of New York and that any such service of process shall be of the same force and validity as if service were made upon the Company according to the laws governing the validity and requirements of such service in the State of New York, and waives all claim of error by reason of any such service. Such agents shall not have any power or authority to enter into any appearance or to file any pleadings in connection with any suit, action or other legal proceedings against the Company or to conduct the defense of any such suit, action or any other legal proceeding except as expressly authorized by the Company.

**SECTION 12.14 THIRD PARTY BENEFICIARIES.** Nothing herein is intended to be for, or to inure to, the benefit of any Person other than the parties hereto and, to the extent expressly set forth herein, the Bank and the Lenders.

**SECTION 12.15 NON-DISCRIMINATION.**

(A) At all times during the term of this Lease, the Company shall not discriminate against any employee or applicant for employment because of race, color, creed, age, gender,

sexual orientation or national origin. The Company shall use reasonable efforts to ensure that employees and applicants for employment with the Company or any tenant, subtenant or occupant of the Project Facility, or any part thereof, or any contractor or subcontractor with respect to the Project Facility, are treated without regard to their race, color, creed, age, gender, sexual orientation or national origin. As used herein, the term "treated" shall mean and include, without limitation, the following: recruited, whether by advertising or other means; compensated, whether in the form of rates of pay or other forms of compensation; selected for training, including apprenticeship; promoted; upgraded; downgraded; demoted; transferred; laid off; and terminated.

(B) The Company shall, in all solicitations or advertisements for employees placed by or on behalf of the Company, state that all qualified applicants will be considered for employment without regard to race, color, creed, national origin, age, gender or sexual orientation.

(C) The Company shall furnish to the Agency all information required by the Agency pursuant to this Section 12.15 and will cooperate with the Agency for the purposes of investigation to ascertain compliance with this Section 12.15.

**SECTION 12.16 DATE OF LEASE.** The date of this Lease shall be for reference purposes only and shall not be construed to imply that this Lease was executed on the date first above written. This Lease was executed and delivered on November 1, 2013.

**SECTION 12.17 RECORDING AND FILING.** This Lease or a memorandum hereof shall be recorded by the Company in the appropriate office of the Clerk of the County, or in such other office as may at the time be provided by law as the proper place for the recordation thereof.

**SECTION 12.18 OVERLEASE.** The Company covenants and agrees to comply with all of the covenants and agreements imposed on the tenant under the Overlease. The Agency acknowledges that the Overlease includes an option in favor of the Company to purchase the Project Facility during the term of the Overlease (the "Purchase Option"). In the event that the Company timely and properly exercises the Purchase Option, the Agency agrees that it shall execute and deliver such documents, instruments and agreements, in form and substance satisfactory to the Agency, as the Company shall reasonably request to terminate the Assignment and otherwise eliminate the Overlandlord's interest in the Project Facility. Provided that no Event of Default then exists under this Lease, this Lease and the PILOT Agreement shall remain in full force and effect except that all references to the Overlandlord and to the Overlease herein and therein shall be deemed deleted.

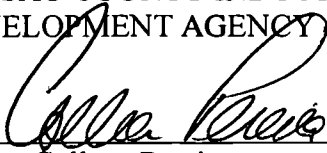
**SECTION 12.19 SUBORDINATION.** This Lease and all of the Transaction Documents, except for the PILOT Agreement, the PILOT Mortgage, the Agency's rights under Section 11.4 of this Lease and the Agency's rights with respect to the Unassigned Rights under this Lease, shall be subject and subordinate to the lien and the terms and conditions of the Bank Mortgage with respect to the Premises (but not other assets owned by the Company), including all amounts advanced thereunder and all renewals, modifications and replacements thereof. The Bank Mortgage (including all amounts advanced thereunder and all renewals, modifications and replacements thereof) shall be subject and subordinate to the PILOT Agreement, the PILOT

**Mortgage, the Agency's rights under Section 11.4 of this Lease and the Agency's rights with respect to the Unassigned Rights under this Lease. This Lease is subject and subordinate to the lien of the PILOT Mortgage.**

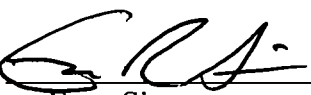
**[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]**

IN WITNESS WHEREOF, the Agency and the Company have caused this Lease to be executed in their respective names by their respective duly authorized officers, all as of the day and year first above written.

NASSAU COUNTY INDUSTRIAL  
DEVELOPMENT AGENCY

By:   
\_\_\_\_\_  
Colleen Pereira  
Administrative Director

P & L DEVELOPMENT OF NEW YORK  
CORPORATION

By:   
\_\_\_\_\_  
Evan Singer  
Executive Vice President

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

On the 31<sup>st</sup> day of October, in the year 2013, before me, the undersigned, a notary public in and for said state, personally appeared Colleen Pereira, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.



Notary Public

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

Paul V O'Brien  
Notary Public State of New York  
No. 02OB6235944  
Qualified in Nassau County  
Commission Expires February 14, 2015

On the 1 day of November, in the year 2013, before me, the undersigned, a notary public in and for said state, personally appeared Evan Singer, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.



Notary Public

VIRGINIA E. ALESE  
NOTARY PUBLIC - STATE OF NEW YORK  
NO. 01AL4694622  
QUALIFIED IN SUFFOLK COUNTY  
MY COMMISSION EXPIRES FEB. 28, 2014

EXHIBIT A

DESCRIPTION OF THE LAND

PARCEL I

ALL THAT CERTAIN PLOT, PIECE OR PARCEL OF LAND, SITUATE, LYING AND BEING AT WESTBURY IN THE TOWN OF NORTH HEMPSTEAD, COUNTY OF NASSAU AND STATE OF NEW YORK, KNOWN AND DESIGNATED AS AND BY LOTS NUMBERED 3 TO 6, BOTH INCLUSIVE, ON A CERTAIN MAP ENTITLED, "MAP OF NEW WESTBURY PROPERTY OF CHARLES LEVI, SITUATE IN THE TOWN OF NORTH HEMPSTEAD", SURVEYED MARCH 19, 1873 BY W.E. HAUXHURST, SURVEYOR AND FILED IN THE OFFICE OF THE CLERK OF THE COUNTY OF QUEENS ON MAY 9, 1873 AS MAP NO. 708, AND SUBSEQUENTLY FILED IN THE OFFICE OF THE CLERK OF THE COUNTY OF NASSAU AS MAP NO. 180, CASE NO. 1533, TOGETHER WITH A DESCRIPTIVE PARCEL, WHICH SAID LOTS AND SAID DESCRIPTIVE PARCEL WHEN TAKEN TOGETHER AS ONE PARCEL, ARE MORE PARTICULARLY BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE EASTERLY SIDE OF HICKS STREET DISTANT 165 FEET SOUTHERLY FROM THE CORNER FORMED BY THE INTERSECTION OF THE EASTERLY SIDE OF HICKS STREET WITH THE SOUTHEASTERLY SIDE OF UNION AVENUE;

RUNNING THENCE NORTH 48° 32' 00" EAST ALONG THE SOUTH LINE OF LOT 2 OF ABOVE MENTIONED MAP 132 FEET TO A POINT;

THENCE SOUTH 28° 50' 00" EAST ALONG THE LAND FORMERLY LEVI 0.21 OF A FOOT;

THENCE NORTH 48° 16' 00" EAST ALONG THE SOUTH LINE OF SAID LAND FORMERLY OF LEVI 123.34 FEET;

THENCE SOUTH 41° 44' 00" EAST PART OF THE DISTANCE THROUGH A PARTY WALL 298.52 FEET TO THE NORTH LINE OF LAND NOW OR FORMERLY OF WALTER LEVI;

THENCE ALONG SAID LAST MENTIONED LAND SOUTH 48° 16' 40" WEST 191.67 FEET TO THE EASTERLY LINE OF LOT 6 ON THE ABOVE MENTIONED MAP;

THENCE SOUTH 28° 50' 00" EAST ALONG THE EASTERLY LINE OF SAID LOT 6, 23.63 FEET TO THE SOUTHEASTERLY LINE OF SAID LOT 6;

THENCE SOUTH 48° 32' 00" WEST ALONG THE SAID SOUTHEASTERLY LINE OF LOT 6, 132 FEET TO THE EASTERLY SIDE OF HICKS STREET; AND

THENCE NORTH 28° 50' 00" WEST ALONG THE EASTERLY SIDE OF HICKS STREET 330 FEET, TO THE POINT OR PLACE OF BEGINNING.

EXCEPTING SO MUCH FROM THE BEGINNING POINT DESCRIBED ABOVE AS WAS TAKEN FOR THE WIDENING OF UNION AVENUE.

## PARCEL II

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

BEGINNING AT A POINT ON THE SOUTHWESTERLY SIDE OF GRAND BOULEVARD WHERE THE SAME IS INTERSECTED BY THE DIVISION LINE BETWEEN THE LAND FORMERLY OF LEVI AND THE PREMISES HEREIN DESCRIBED, FORMERLY THE LAND OF LYDIA A. CARMAN, WHICH SAID POINT OF BEGINNING IS DISTANT 161.05 FEET SOUTHEASTERLY FROM THE CORNER FORMED BY THE INTERSECTION OF THE SOUTHWESTERLY SIDE OF GRAND BOULEVARD WITH THE SOUTHEASTERLY SIDE OF UNION AVENUE;

RUNNING THENCE SOUTH 40° 55' 00" EAST ALONG THE SOUTHWESTERLY SIDE OF GRAND BOULEVARD 298.65 FEET TO THE LAND NOW OR FORMERLY OF WALTER LEVI;

THENCE SOUTH 48° 16' 40" WEST ALONG SAID LAND NOW OR FORMERLY OF WALTER LEVI, 493.97 FEET;

THENCE NORTH 41° 44' 00" WEST, 298.52 FEET, PART OF THE DISTANCE THROUGH A PARTY WALL;

THENCE NORTH 48° 16' 00" EAST, 498.23 FEET TO THE SOUTHWESTERLY SIDE OF GRAND BOULEVARD, AT THE POINT OR PLACE OF BEGINNING.

EXCEPTING SO MUCH FROM THE BEGINNING POINT DESCRIBED ABOVE AS WAS TAKEN FOR THE WIDENING OF UNION AVENUE.



## EXHIBIT B

### DESCRIPTION OF THE EQUIPMENT

All equipment, fixtures, machines, building materials and other items of personal property and all appurtenances acquired, constructed and/or intended to be installed and/or to be acquired, constructed or installed utilizing the sales and use tax exemption granted pursuant to the Sales Tax Exemption Letter in connection with the acquisition, renovation and installation of the 2013 PL Development Project (the "Project") of the Nassau County Industrial Development Agency (the "Agency") located on the real property described on Exhibit A hereto (the "Land"), said Project to be acquired, renovated and installed by P & L Development of New York Corporation (the "Company") as agent of the Agency pursuant to a sublease agreement dated as of November 1, 2013 (the "Lease Agreement") by and between the Agency and the Company, including but not limited to the following:

(1) Pipes, screens, fixtures, heating, lighting, plumbing, ventilation, air conditioning, compacting and elevator plants, call systems, stoves, ranges, refrigerators and other lunch room facilities, rugs, movable partitions, cleaning equipment, maintenance equipment, shelving, flagpoles, signs, waste containers, outdoor benches, drapes, blinds and accessories, sprinkler systems and other fire prevention and extinguishing apparatus and materials, motors and machinery; and

(2) Together with any and all products of any of the above, all substitutions, replacements, additions or accessions therefor and any and all cash proceeds or non-cash proceeds realized from the sale, transfer or conversion of any of the above.

**EXHIBIT C**  
**RESERVED**

**EXHIBIT D**

**FORM OF BILL OF SALE TO COMPANY**

NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY, a public benefit corporation of the State of New York having an office for the transaction of business located at 1550 Franklin Avenue, Suite 235, Mineola, NY 11501 (the "Grantor"), for the consideration of One Dollar (\$ 1.00), cash in hand paid, and other good and valuable consideration received by the Grantor from [ \_\_\_\_\_ ], a [ \_\_\_\_\_ ] organized and existing under the laws of the State of Delaware and qualified to do business in the State of New York as a [ \_\_\_\_\_ ], having an office for the transaction of business at 200 Hicks Street, Westbury, NY 11590 (the "Grantee"), the receipt of which is hereby acknowledged by the Grantor, hereby sells, transfers and delivers unto the Grantee, and its successors and assigns, any and all of Grantor's right, title and interest, if any, in and to those materials, machinery, equipment, fixtures or furnishings which are described in Exhibit B attached hereto (the "Equipment") now owned or hereafter acquired by the Grantor, which Equipment is or was located or intended to be located on a parcel of land (the "Land") known as 200 Hicks Street/255-275 Grand Boulevard, Westbury, Town of North Hempstead, County of Nassau, New York (Section: 10; Block: R; Lot: 3-6, 727 and 728), which Land is more particularly described on Exhibit A attached hereto.

TO HAVE AND TO HOLD the same unto the Grantee, and its successors and assigns, forever.

THE GRANTOR MAKES NO WARRANTY, EITHER EXPRESS OR IMPLIED, AS TO THE CONDITION, TITLE, DESIGN, OPERATION, MERCHANTABILITY OR FITNESS OF THE EQUIPMENT OR ANY PART THEREOF OR AS TO THE SUITABILITY OF THE EQUIPMENT OR ANY PART THEREOF FOR THE GRANTEE'S PURPOSES OR NEEDS. THE GRANTEE SHALL ACCEPT TITLE TO THE EQUIPMENT "AS IS", WITHOUT RECOURSE OF ANY NATURE AGAINST THE GRANTOR FOR ANY CONDITION NOW OR HEREAFTER EXISTING. NO WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE OR MERCHANTABILITY IS MADE. IN THE EVENT OF ANY DEFECT OR DEFICIENCY OF ANY NATURE, WHETHER PATENT OR LATENT, THE GRANTOR SHALL HAVE NO RESPONSIBILITY OR LIABILITY WITH RESPECT THERETO.

IN WITNESS WHEREOF, the Grantor has caused this bill of sale to be executed in its name by the officer described below on the date indicated beneath the signature of such officer and dated as of the day of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

NASSAU COUNTY INDUSTRIAL  
DEVELOPMENT AGENCY

BY: \_\_\_\_\_

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

On the \_\_\_ day of \_\_\_\_\_, in the year \_\_\_\_\_, before me, the undersigned, a notary public in and for said state, personally appeared \_\_\_\_\_, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

\_\_\_\_\_  
Notary Public

EXHIBIT A

DESCRIPTION OF THE LAND

PARCEL I

ALL THAT CERTAIN PLOT, PIECE OR PARCEL OF LAND, SITUATE, LYING AND BEING AT WESTBURY IN THE TOWN OF NORTH HEMPSTEAD, COUNTY OF NASSAU AND STATE OF NEW YORK, KNOWN AND DESIGNATED AS AND BY LOTS NUMBERED 3 TO 6, BOTH INCLUSIVE, ON A CERTAIN MAP ENTITLED, "MAP OF NEW WESTBURY PROPERTY OF CHARLES LEVI, SITUATE IN THE TOWN OF NORTH HEMPSTEAD", SURVEYED MARCH 19, 1873 BY W.E. HAUXHURST, SURVEYOR AND FILED IN THE OFFICE OF THE CLERK OF THE COUNTY OF QUEENS ON MAY 9, 1873 AS MAP NO. 708, AND SUBSEQUENTLY FILED IN THE OFFICE OF THE CLERK OF THE COUNTY OF NASSAU AS MAP NO. 180, CASE NO. 1533, TOGETHER WITH A DESCRIPTIVE PARCEL, WHICH SAID LOTS AND SAID DESCRIPTIVE PARCEL WHEN TAKEN TOGETHER AS ONE PARCEL, ARE MORE PARTICULARLY BOUNDED AND DESCRIBED AS FOLLOWS:

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THENCE SOUTH 28° 50' 00" EAST ALONG THE LAND FORMERLY LEVI 0.21 OF A FOOT;

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EXCEPTING SO MUCH FROM THE BEGINNING POINT DESCRIBED ABOVE AS WAS TAKEN FOR THE WIDENING OF UNION AVENUE.

**PARCEL II**

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

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## EXHIBIT B

### DESCRIPTION OF THE EQUIPMENT

All equipment, fixtures, machines, building materials and other items of personal property and all appurtenances acquired, constructed and/or intended to be installed and/or to be acquired, constructed or installed utilizing the sales and use tax exemption granted pursuant to the Sales Tax Exemption Letter in connection with the acquisition, renovation and installation of the 2013 PL Development Project (the "Project") of the Nassau County Industrial Development Agency (the "Agency") located on the real property described on Exhibit A hereto (the "Land"), said Project to be acquired, renovated and installed by P & L Development of New York Corporation (the "Company") as agent of the Agency pursuant to a sublease agreement dated as of November 1, 2013 (the "Lease Agreement") by and between the Agency and the Company, including but not limited to the following:

(1) Pipes, screens, fixtures, heating, lighting, plumbing, ventilation, air conditioning, compacting and elevator plants, call systems, stoves, ranges, refrigerators and other lunch room facilities, rugs, movable partitions, cleaning equipment, maintenance equipment, shelving, flagpoles, signs, waste containers, outdoor benches, drapes, blinds and accessories, sprinkler systems and other fire prevention and extinguishing apparatus and materials, motors and machinery; and

(2) Together with any and all products of any of the above, all substitutions, replacements, additions or accessions therefor and any and all cash proceeds or non-cash proceeds realized from the sale, transfer or conversion of any of the above.

EXHIBIT E  
RESERVED



EXHIBIT F

TERMINATION OF LEASE AGREEMENT

WHEREAS, [\_\_\_\_\_] (the "Company"), as tenant, and the Nassau County Industrial Development Agency (the "Agency"), as landlord, entered into a sublease agreement dated as of November 1, 2013 (the "Lease Agreement") pursuant to which, among other things, the Agency subleased the Project Facility (as defined in the Lease Agreement) to the Company; and

WHEREAS, pursuant to the Lease Agreement, the Company and the Agency agreed that the Lease Agreement would terminate on the earlier to occur of (1) December 31, 2034 or (2) the date the Lease Agreement would terminate pursuant to Article X or Article XI of the Lease Agreement; and

WHEREAS, the Company and the Agency now desires to evidence the termination of the Lease Agreement;

NOW, THEREFORE, it is hereby agreed that the Lease Agreement has terminated as of the dated date hereof; provided, however, that, as provided in Section 12.7 of the Lease Agreement, certain obligations of the Company shall survive the termination of the Lease Agreement, and the execution of this termination of lease agreement by the Agency is not intended, and shall not be construed, as a waiver or alteration by the Agency or the Company of the provisions of Sections 11.4 and 12.7 of the Lease Agreement.

IN WITNESS WHEREOF, the Company and the Agency have signed this termination of lease agreement and caused same to be dated as of the \_\_ day of \_\_\_\_\_, \_\_\_\_.

[\_\_\_\_\_]

By: \_\_\_\_\_  
Authorized Officer

NASSAU COUNTY INDUSTRIAL  
DEVELOPMENT AGENCY

By: \_\_\_\_\_  
Authorized Officer

STATE OF )  
 ) ss.:  
COUNTY OF )

On the \_\_\_ day of \_\_\_\_\_, in the year \_\_\_\_\_, before me, the undersigned, a notary public in and for said state, personally appeared \_\_\_\_\_, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signatures) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

\_\_\_\_\_  
Notary Public

STATE OF )  
 ) ss.:  
COUNTY OF )

On the \_\_\_ day of \_\_\_\_\_, in the year \_\_\_\_\_, before me, the undersigned, a notary public in and for said state, personally appeared \_\_\_\_\_, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signatures) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

\_\_\_\_\_  
Notary Public

**EXHIBIT G**  
**FORMS OF ANNUAL**  
**EMPLOYMENT REPORT**

COMPANY NAME: \_\_\_\_\_  
ADDRESS: \_\_\_\_\_  
TYPE OF BUSINESS: \_\_\_\_\_  
CONTACT PERSON: \_\_\_\_\_  
TELEPHONE NUMBER: \_\_\_\_\_

<u>Occupation</u>	<u>Number of New Jobs</u>	<u>Number Listed<sup>1</sup></u>	<u>Number Filled</u>	
			<u>Community Services Division Applicants</u>	<u>Job Training Partnership Act eligible persons</u>

<sup>1/</sup> With local Community Services Division and local service delivery office created pursuant to the Job Training Partnership Act.

This information is reported to the Office of the New York State Comptrollers/Division of Municipal Affairs Office and as such the information is required to be accurate.

Contact Person:		Actual Number of Employees as of 12/31/___:  Average Annual Salary of Employees Retained:	F/T/E  \$	
Address of Home Office:  Phone & Fax:		20__ Total Annual Payroll Dollar Amount:	\$	Construction Jobs Created During 20__:  F/T/E
# of Employees before the IDA project:	F/T/E	Actual # of New Employees Hired in Fiscal Year 20__:  Average Annual Salary of Employees Hired:	F/T/E  \$	Average Annual Salary of 20__ Construction Jobs:  \$

Please attach (1) the 2010 fourth quarter form NYS-45 filed with New York State Employment Taxation Department indicating number of employees, and (2) the Undersigned's annual payroll report for year ending 12/31/\_\_. *It is not necessary to include Part C.* Undersigned, hereby confirms that no leases, subleases or other arrangements permitting the use or occupancy of the facilities subject to this report are in existence, except those expressly authorized in writing by the Nassau County Industrial Development Agency. Undersigned, hereby confirms that no Event of Default under the Transaction Document has occurred and is continuing.

Projects that received Sales Tax Benefits in 20\_\_ are required to complete the attached ST-340 form and include a copy of it with this report upon return. The original ST-340 must be filed with the NYS Department of Taxation and Finance, by the undersigned, no later than February 11th.

Acknowledgement to be completed by a Notary Public  
State of \_\_\_\_\_ County of \_\_\_\_\_, On the \_\_\_ day of \_\_\_ in the year \_\_\_\_ before me the undersigned, personally appeared \_\_\_\_\_ personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she they executed the same in his/her/their, capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

\_\_\_\_\_  
(A) Print Name & Title

\_\_\_\_\_  
(B) Signature

NOTARY PUBLIC (Please sign and affix stamp)

\_\_\_\_\_

Return to: Nassau County Industrial Development Agency|  
1550 Franklin Avenue-Suite 235  
Mineola, NY 11501  
Attn: Colleen Pereira  
\*\*due no later than February 11, 20\_\_

**EXHIBIT H**  
**MERGER CHART**

**See Attached**