

## **PAYMENT IN LIEU OF TAXES AGREEMENT**

**THIS PAYMENT IN LIEU OF TAXES AGREEMENT** (this “Agreement”), made as of August 1, 2015, by and between JQ III ASSOCIATES, LLC, a limited liability company organized and existing under the laws of the State of New York, having an address at 100 Jericho Quadrangle, Jericho, NY 11753 (the “Company”), and 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”). Capitalized terms used but not otherwise defined herein shall have the meanings given to them in the Lease Agreement (as hereinafter defined).

### W I T N E S S E T H

**WHEREAS**, the Agency is authorized and empowered by the provisions of Chapter 1030 of the 1969 Laws of New York, constituting Title I 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 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 manufacturing, industrial and commercial 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 Agency on behalf of the Company and Publishers Clearing House, LLC (“Publishers”) intends to undertake a project (the “Project”) consisting of the following: (A)(1) the acquisition of an interest in an approximately 29.94 acre parcel of land located at 300 Jericho Quadrangle, Jericho, Town of Oyster Bay, Nassau County, New York (Section: 17; Block: 11; Lot: 50) (the “Land”), which Land is more particularly described on Schedule A attached hereto, (2) the renovation of the existing approximately 305,000 square foot building (the “Building”) on the Land, together with related improvements to the Land, and (3) the acquisition of certain furniture, fixtures, machinery and equipment necessary for the completion thereof (the “Equipment”), all of the foregoing for use by the Company as a multi-tenant office facility (collectively, the “Project Facility”); (B) the granting of certain “financial assistance” (within the meaning of Section 854(14) of the General Municipal Law) with respect to the foregoing in the form of potential exemptions or partial exemptions from real property taxes, mortgage recording taxes and sales and use taxes (collectively, the “Financial Assistance”); (C) the lease (with an obligation to purchase), license or sale of the Project Facility

to the Company or such other entity as may be designated by the Company and agreed upon by the Agency; and (D) the sublease of a portion of the Project Facility by the Company (or such other entity designated by the Company and agreed upon by the Agency) to Publishers; and

**WHEREAS**, the Agency is or will be the holder of a leasehold interest in the Land and the Building (collectively, the “Facility”) pursuant to the Company Lease Agreement of even date herewith between the Company and the Agency (as amended, modified, supplemented or restated from time to time, the “Company Lease”); and

**WHEREAS**, the Agency proposes to undertake the Project as an authorized project under the Act and to sublease its interest in the Facility to the Company pursuant to a Sublease Agreement of even date herewith between the Agency and the Company (as amended, modified, supplemented or restated from time to time, the “Lease Agreement”); and

**WHEREAS**, the payment and performance of the Company’s obligations under this Agreement shall be secured by a Mortgage and Assignment of Leases and Rents of even date herewith (as amended, modified, supplemented or restated from time to time, the “PILOT Mortgage”) from the Company and the Agency, as mortgagor, to the County of Nassau (the “PILOT Mortgagee”), its successors and assigns, as mortgagee, pursuant to which the Agency and the Company grant a first mortgage lien on the Facility to the PILOT Mortgagee; and

**WHEREAS**, under the present provisions of the Act and under the present Section 412-a of the Real Property Tax Law of the State of New York (the “RPTL”), the Agency is required to pay no taxes or assessments upon any of the property acquired by it or under its jurisdiction or supervision or under its control.

**NOW, THEREFORE**, in consideration of the premises and the payments, agreements, and covenants hereinafter contained, the Company and the Agency covenant and mutually agree as follows:

Section 1. Tax-Exempt Status of Facility.

A. Application. (1) The Company shall complete, and the Agency shall file, an application for tax exemption pursuant to Section 412-a of the RPTL (the “Application”). The Application shall be filed with the assessor for each of the various taxing entities having jurisdiction over the Facility, including, without limitation, the County of Nassau (the “County”) and each town, village and school district within which the Facility is located (such taxing entities, and any successors thereto, being hereinafter collectively referred to as the “Taxing Entities” and each individually as a “Taxing Entity”). The Facility shall not be entitled to exempt status on the tax rolls of any Taxing Entity until the beginning of the first fiscal tax year of such Taxing Entity following the **third** taxable status date of such Taxing Entity occurring subsequent to the last to occur of (i) the Agency becoming the holder of a leasehold interest in the Facility, (ii) the filing by the Agency of the appropriate Application for tax exemption, and (iii) the acceptance of such Application by the appropriate tax assessor(s) (such date, the “PILOT Commencement Date”). For purposes of clarity, the parties intend that the PILOT Commencement Date shall be July 1, 2018 for purposes of the School Tax portion of the PILOT Obligations (as hereinafter defined) and January 1, 2019 for purposes of the General Tax portion

of the PILOT Obligations, subject to compliance with the requirements of the preceding sentence.

(2) The Company hereby waives any claim or cause of action against the Agency, and releases the Agency from any liability to the Company, arising from any denial of an exemption from real property taxes and assessments, except to the extent that such denial results solely from the willful failure of the Agency, after demand by the Company, to file the completed Application for tax exemption as set forth in this Agreement.

B. Special Assessments. The parties hereto understand that the tax exemption extended to the Agency by Section 874 of the General Municipal Law of the State of New York and Section 412-a of the RPTL may not entitle the Agency to exemption from special assessments and special ad valorem levies. Pursuant to the Lease Agreement, the Company will be required to pay all special assessments and special ad valorem levies levied and/or assessed against or with respect to the Facility, subject to Section 2(B)(3) hereof.

C. Other Charges. If any taxes, assessments, service charges or other governmental charges become payable by the Company or the Agency on the Facility or the rental paid pursuant to the Lease Agreement or the occupancy of or any interest of the Company or the Agency in the Facility or any part thereof or any personal property used in connection with the business conducted and located therein, the amount of any such taxes, assessments or charges shall be paid by the Company as and when due. Furthermore, water charges, sewer rentals, sewage treatment charges, solid waste charges and any other charges in the nature of utility charges shall be paid as and when due directly by the Company and shall not be credited against nor be affected in any manner by any payment in lieu of real property taxes and assessments in any year and shall be computed pursuant to the formula adopted by the relevant Taxing Entity.

## Section 2. Payments.

A. Tax Payments. Prior to the PILOT Commencement Date, the applicable real property taxes and assessments levied and/or assessed against or with respect to the Facility shall be payable in full by the Company to the applicable Taxing Entity as if the Agency were not the holder of a leasehold interest in the Facility or otherwise involved in the Project.

B. PILOT Payments. (1) (a) From the PILOT Commencement Date through and including the last day of the twentieth (20th) fiscal tax year thereafter (such date, the "PCH Abatement Expiration Date" and such period, the "PCH Term"), the Company shall make payments in lieu of real property taxes and assessments levied and/or assessed by the Taxing Entities against the Facility as set forth under the heading "PCH Term" on Schedule B hereto, subject to the provisions of Section 2(B)(3) hereof.

(b) As used in this Agreement, the term "PILOT Payments" shall be deemed to mean and include only the following sums: (i) the payments in lieu of real property taxes and assessments levied and/or assessed by the Taxing Entities against the Facility pursuant to clause (1)(a) above, (ii) the payments in lieu of real property taxes and assessments levied and/or assessed by the Taxing Entities against the Facility from and after the PCH Abatement Expiration Date (or the JQIII Abatement Expiration Date (as defined in Section 24

hereof), if applicable) as set forth in in Section 2(B)(2) below, (iii) the payments in lieu of real property taxes and assessments levied and/or assessed by the Taxing Entities against the Facility pursuant to Section 24(B) hereof, and (iv) any late charges, interest or penalties imposed or assessed pursuant to Section 2(D)(2) hereof.

(2) From and after the PCH Abatement Expiration Date (or the JQIII Abatement Expiration Date (as defined in Section 24 hereof), if applicable), and until the Agency's interest in the Facility is conveyed to the Company pursuant to the terms of the Lease Agreement and the Facility has been returned to the tax rolls as fully taxable property, the Company shall make PILOT Payments (defined in Section 2 hereof) equal to one hundred percent (100%) of the amount of real property taxes and assessments that would have been levied and/or assessed against or with respect to the Facility as if the Facility were owned by the Company and the Agency were not otherwise involved in the Project.

"PILOT Obligations" shall mean all amounts required to be paid by the Company under this Agreement, including, without limitation, those amounts set forth in Sections 2.A, 2.B and 24 hereof.

(3) Any provision of this Agreement to the contrary notwithstanding, the amount of PILOT Payments for each fiscal tax year through the PCH Abatement Expiration Date (or the JQIII Abatement Expiration Date, if applicable), shall be reduced (but not below \$0) by the amount, if any, of special assessments and special ad valorem levies assessed against or levied upon the Facility for such fiscal tax year (collectively, "Special Assessments"), whether by the Nassau County Tax Assessor's Office or otherwise, which Special Assessments would otherwise be payable by the Company pursuant to this Agreement. The amount of any such reduction of a PILOT Payment shall be set forth on the applicable PILOT bill issued with respect to such fiscal tax year, if any, but the failure of the Company to receive such bill shall in no event affect the Company's obligation to pay such PILOT Payment. In the event that (i) the amount of Special Assessments for a particular fiscal tax year exceeds the amount of the PILOT Payment for such fiscal tax year (such excess is hereinafter referred to as an "SA Credit"), or (ii) the amount of PILOT Payments for a particular fiscal tax year are not reduced by the amount of Special Assessments for such fiscal tax year (the amount of such Special Assessments is hereinafter referred to as an "SA Reduction"), then the amount of such SA Credit or SA Reduction, as the case may be, shall be carried over as a credit for the following fiscal tax year(s); provided, however, that if there is an unused SA Credit at the end of the term of the PILOT Payments hereunder, then the Company shall not be entitled to (a) take such SA Credit against any further payments hereunder or against real property taxes assessed against the Facility, or (b) an extension of the term of this Agreement.

C. Payments. (1) Amounts due and payable under this Agreement shall be payable to the Treasurer of the County of Nassau (the "Treasurer"), One West Street, 1st floor, Mineola, NY 11501, or at such other address as the Treasurer may notify the Company of in writing.

(2) All PILOT Payments hereunder shall be allocated among the affected tax jurisdictions in proportion to the amount of real property and other taxes and

assessments that would have been received by each Taxing Entity had the Project not been tax exempt due to the status of the Agency.

D. Due Dates; Interest; and Penalties. (1) The Company may be billed for PILOT Payments as if the Facility were on the tax rolls at the time when taxes for each Taxing Entity are due.

(2) If any payment required under this Agreement is not made on or before the due date thereof, such payment shall be delinquent and the unpaid amount(s) shall accrue interest (and penalties) at the rates applicable to late payments of taxes for the respective Taxing Entities and as further provided in the General Municipal Law, including Section 874(5) thereof, which currently provides for a late charge equal to the greater of (a) five (5%) percent of the unpaid amount for the first month, and for each month, or part thereof, that the payment is delinquent beyond the first month, an additional late charge equal to one (1%) percent per month of the total amount payable; and (b) the late charge applicable from time to time to real property tax levies and assessments that are not paid when due. The Company shall pay all such late charges, interest and penalties when due.

(3) Anything contained in this subparagraph to the contrary notwithstanding, the Company shall have the obligation to make all payments of PILOT Obligations (other than payments of penalties, if any), in two equal semi-annual installments on or prior to the date which is five (5) Business Days prior to January 1 and July 1 for the General Tax portion of the PILOT Obligations and April 1 and October 1 for the School Tax portion of the PILOT Obligations, as applicable, of each year of the term of the Lease Agreement or on such other due dates as may be established by the Agency or the Treasurer from time to time during the term of the Lease Agreement.

E. Partial Sale; Transferee's Obligation; Apportionment of Reduction to Local Taxing Entities. During the term of this Agreement, in the event that the Agency's interest in the Facility, or any portion thereof or interest therein, is sold, transferred, assigned or otherwise disposed of by the Agency in accordance with the Lease Agreement, the transferees thereof will thereafter pay the real property taxes and assessments on such Land and the Building and any Additional Facilities (as hereinafter defined) located on the Land, or on such portion of the Land, that was sold, transferred, assigned or otherwise disposed of, as may be required by applicable law.

F. Sale; Company's Obligation. In the event that the Agency sells, transfers, assigns or otherwise disposes of its interest in the Facility to any party other than the Company, the Company's obligation for PILOT Obligations shall be prorated to the date of the closing of the transaction and thereupon all obligations of the Company for payment of PILOT Obligations shall cease, but the Agency shall take such steps with the transferee or assignee other than the Company to assure that each of the Taxing Entities shall suffer no loss of revenue until the Facility can be placed back on the tax rolls as fully taxable real property and taxes levied and billed therefor.

Section 3. Effective Date; Duration of Agreement. This Agreement shall become effective upon the execution and delivery of the Lease Agreement by the Company and

the Agency and this Agreement by the Company and the Agency and the execution and delivery of the Company Lease from the Company to the Agency and shall continue in effect until the earlier of (i) the termination of this Agreement pursuant to the terms of the Lease Agreement or of this Agreement, or (ii) the date on which the Company Lease and the Lease Agreement are terminated pursuant to the Lease Agreement or this Agreement and the Facility has been placed back on the tax rolls as taxable property.

Section 4. Events of Default. The following shall constitute an “Event of Default” under this Agreement:

A. Failure by the Company to make any payment specified herein and the continuance of such failure for a period of fifteen (15) days after receipt by the Company of written notice from the Agency, the County and/or any Taxing Entity.

B. Failure by the Company to comply with or perform any provision of this Agreement other than the payment provisions hereof and the continuance of such failure for a period of thirty (30) days after receipt by the Company of written notice thereof from the Agency or, if such default is capable of being cured but cannot be cured within such thirty (30) day period, the failure of the Company to commence to cure such default within such thirty (30) day period and to prosecute such cure to completion, provided in no event shall such additional cure period exceed sixty (60) days.

C. An Event of Default under the Company Lease, the Lease Agreement or any other agreement between the Agency and the Company.

D. An Event of Default under that certain Project Agreement of even date herewith (the “Project Agreement”) between the Agency and Publishers or under any other document, instrument or agreement executed and delivered by Publishers in connection with the Project Agreement (each, a “Publishers Default”), subject to the provisions of Section 24 of this Agreement.

If the Company fails to make any payments pursuant to this Agreement when due, the amount or amounts so in default shall continue as an obligation of the Company until fully paid.

Upon the occurrence and during the continuance of an Event of Default hereunder, the Company shall be required to make PILOT Payments as if the Facility were owned by the Company and the Agency was not otherwise involved in the Project, such amounts to commence to be paid for the period subsequent to the date it is determined by the Agency that there is an Event of Default hereunder. In such event, the tax rate, interest and penalties shall be those then in effect in the Taxing Entities in which the Facility is located.

Upon the occurrence and continuance of an Event of Default hereunder, (i) the Agency shall be entitled to sue to enforce any provision of this Agreement and to recover the payments of PILOT Obligations in default from the Company, together with all the costs and expenses of the Agency, its successors or assigns, paid or incurred in such recovery (including court costs and attorneys’ fees and expenses) and interest at the rate charged by the respective Taxing Entities on overdue payments of taxes, and (ii) the Agency shall have the right to

terminate this Agreement, the Company Lease and the Lease Agreement at any time, and the Company shall accept such termination and any tender of reconveyance by the Agency of its interest in the Facility.

The Agency, in enforcing payment by the Company of the PILOT Obligations, may take whatever action and exercise any or all of the rights and remedies specified in this Agreement or any other remedy provided by law.

Each and every Event of Default shall give rise to a separate cause of action hereunder, and separate suits may be brought hereunder as each cause of action arises.

No delay or omission in exercising any right or power accruing upon the occurrence of any Event of Default hereunder shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. Further, no payment by the Agency or receipt by the Agency or a Taxing Entity of a lesser amount than the correct amount or manner of payment due hereunder shall be deemed to be other than a payment on account, nor shall any endorsement or statement on any check or any letter accompanying any check or payment be deemed to effect or evidence an accord and satisfaction, and the Agency and/or any Taxing Entity may accept any check or payment as made without prejudice to the right to recover the balance or pursue any other remedy in this Agreement or otherwise provided at law or in equity.

In no event shall the Agency be liable to any of the Taxing Entities for the payments specified herein, whether or not the Company makes such payments. The Company hereby agrees to indemnify, defend (with counsel selected by the Agency) and hold harmless the Agency and its officers, members, agents (other than the Company), attorneys, servants and employees, past, present and future, against any such liability for such payments and against all penalties, interest, and other charges resulting from the delinquency of such payments, unless due to the gross negligence or willful misconduct of the Agency.

The Agency and the Company hereby acknowledge the right of the County, as beneficiary of this Agreement (on behalf of itself and all other Taxing Entities), to pursue any appropriate remedies, including an action or proceeding in the courts, to recover directly from the Company any payments of PILOT Obligations in default hereunder and/or to exercise its rights and remedies under the PILOT Mortgage. The Company shall promptly notify the Agency of any action or proceeding brought, or other measure taken, by a Taxing Entity to recover such payments in default hereunder. It is understood that the right of any Taxing Entity herein acknowledged is in addition to, and shall not impair, the Agency's own rights arising from a breach of this Agreement.

In the event that title to the Facility is conveyed by the Company to any other party prior to expiration of the term of the Lease Agreement (other than transfers expressly permitted under the Lease Agreement or otherwise consented to by the Agency), this Agreement shall become null and void and any remaining tax abatement hereunder shall be canceled.

The rights, powers and remedies of the Agency and the County under this Agreement shall be cumulative and not exclusive of any other right, power or remedy which the

Agency or the County may have against the Company pursuant to this Agreement or the other Transaction Documents, or existing at law or in equity or otherwise. The respective rights, powers and remedies of the Agency and the County hereunder may be pursued singly, concurrently or otherwise, at such time and in such order as the Agency or the County may determine in its sole discretion. No delay or omission to exercise any remedy, right or power accruing upon an Event of Default shall impair any such remedy, right or power or shall be construed as a waiver thereof, but any such remedy, right or power may be exercised from time to time and as often as may be deemed expedient. A waiver of one Event of Default with respect to the Company shall not be construed to be a waiver of any subsequent Event of Default by the Company or to impair any remedy, right or power consequent thereon.

Section 5. Additional Facilities. If any structural additions or change in use shall be made to the buildings or other improvements included in the Facility subsequent to the date hereof (excluding the Initial Work (as defined in the Lease Agreement)), or if any additional buildings or improvements shall be constructed on the Land (such change of use, structural additions, and additional buildings and improvements being referred to hereinafter as “Additional Facilities”), the Company agrees to increase its PILOT Obligations hereunder in an amount, as determined by the Agency or a tax assessor selected by the Agency, equal to the increased tax payments, if any, that would have been payable on such increase if this Agreement were not in effect. Nothing herein shall constitute the Agency’s consent to the construction of any such additions or additional buildings or improvements or to such change of use.

Section 6. Change of Law. In the event the Facility, or any part thereof, is declared to be subject to taxation for real property taxes or assessments by an amendment to the Act, other legislative change or a final judgment of a court of competent jurisdiction, the obligations of the Company hereunder shall, to such extent, be null and void. If the Company has already paid any amounts under this Agreement for any period that the Company is required to pay taxes or assessments because of such amendment, legislative or final judgment (collectively, “Prior Payments”), then the Company shall look to the Taxing Authorities for repayment of the Prior Payments or a credit in the amount of the Prior Payments against taxes payable to the relevant Taxing Entity but in no event shall the Company look to the Agency for a refund of the Prior Payments.

Section 7. Waiver of Tax Exemption. The Company, in recognition of the benefits provided under this Agreement, and for so long as the Lease Agreement is in effect, hereby expressly waives any rights it may have for any exemption under Section 485-b of the RPTL or any other exemption under any other law or regulation (except, however, for the exemption provided under Article 18-A of the General Municipal Law) with respect to the Facility.

The Company, in recognition of the benefits provided under this Agreement and the Lease Agreement, hereby expressly waives the right to institute judicial or other review of an assessment of the real property with respect to the Facility, whether pursuant to the provisions of Article 7 of the RPTL or other applicable law, as the same may be amended from time to time. In addition, the Company hereby represents and warrants that it has stipulated to the discontinuance (with prejudice) of all pending tax certiorari proceedings, if any, with respect to the Facility on or before the date hereof.



Section 8. Delivery of PILOT Statement. The Company shall deliver to the Comptroller of the County of Nassau, on or before the dates set forth for payment of the PILOT Obligations in Section 2 hereof, in each year during the term of the Lease Agreement, a verified statement setting forth the amount of such payments and the dates of such payments.

Section 9. Limited Obligation. The obligations, covenants and agreements of the Agency hereunder shall not constitute or give rise to an obligation of the State of New York, the County, or any city, town, village or school district within which the Facility is located and neither the State of New York, the County, nor any such city, town, village or school district shall be liable thereon, and further, such obligations, covenants and agreements shall not constitute or give rise to a general obligation of the Agency.

Section 10. No Waiver. Failure by the Agency in any instance to insist upon the strict performance of any one or more of the obligations of the Company under this Agreement, or to exercise any election herein contained, shall in no manner be or be deemed to be a waiver by the Agency of any of the Company's defaults or breaches hereunder or of any of the rights and remedies of the Agency by reason of such defaults or breaches, or a waiver or relinquishment of any and all of the Company's obligations hereunder. No waiver, amendment, release or modification of this Agreement shall be established by conduct, custom or course of dealing. Further, no payment by the Company or receipt by the Agency of a lesser amount than the correct amount or manner of payment due hereunder shall be deemed to be other than a payment on account, nor shall any endorsement or statement on any check or any letter accompanying any check or payment be deemed to effect or evidence an accord and satisfaction, and the Agency may accept any check or payments as made without prejudice to the right to recover the balance or pursue any other remedy in this Agreement or otherwise provided at law or in equity.

Section 11. 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:

To the Agency:

Nassau County Industrial Development Agency  
1550 Franklin Avenue, Suite 235  
Mineola, NY 11501  
Attention: Joseph J. Kearney, Executive Director

With a courtesy copy to:

Phillips Lytle LLP  
1305 Franklin Avenue, 2nd floor  
Garden City, NY 11530  
Attention: Paul V. O'Brien, Esq.

To the Company:

c/o We're Associates Company  
100 Jericho Quadrangle  
Jericho, NY 11753  
Attention: Bennett Rechler

With a copy to:

Publishers Clearing House, LLC  
382 Channel Drive  
Port Washington, NY 11050  
Attention: Michael Cooper

Section 12. Change of Address. The Agency or the Company may, by notice given hereunder to each other, designate any further or different addresses to which subsequent notices, certificates or other communications to them shall be sent.

Section 13. Assignment of Agreement. This Agreement shall be binding upon the successors and permitted assigns of the Company 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. The rights and obligations of the Company hereunder may not be assigned except in connection with a permitted assignment of the Company's interest in and to the Lease Agreement. Nothing herein is intended to be for, or to inure to, the benefit of any Person other than the parties hereto, the County and the other Taxing Entities.

Section 14. Independent Agreement. Notwithstanding any other provision of this Agreement, including the recitals hereof, the parties agree that the Lease Agreement executed between the parties thereto shall be a separate and independent document from this Agreement, and irrespective of whether any provision of this Agreement or the entirety hereof shall be held invalid or unenforceable by any court of competent jurisdiction, the Lease Agreement shall be construed, interpreted, and otherwise regarded separate and apart from this Agreement. The parties hereto specifically note that the considerations and terms provided for in this Agreement and provided for in the Lease Agreement are the only considerations and terms for which the parties thereto have executed this Agreement.

Section 15. Invalidity. If any one or more phrases, sentences, clauses or provisions of this Agreement or the entirety hereof shall be declared invalid or unenforceable by any order, decree or judgment of any court of competent jurisdiction, then such phrase, sentence, clause or provision or the entirety of this Agreement shall be deemed to be reformed in such

manner as shall be determined by such court, or in the absence of such a determination then in the reasonable judgment of the Agency, to render such phrase, sentence, clause or provision of this Agreement valid and enforceable under applicable law. The parties hereto agree to enter into such documents, agreements and instruments as the Agency reasonably determines are necessary to effect any such reformation. In the event that any one more of the phrases, sentences, clauses or provisions of this Agreement cannot be reformed to comply with applicable law, then this Agreement shall be construed as if such phrase, sentence, clause or paragraph had not appeared in this Agreement.

Section 16. Amendments. This Agreement may not be modified, amended, supplemented, or changed without the written consent of the Agency and the Company.

Section 17. Prior Agreements. This Agreement constitutes the entire agreement, and supersedes all prior agreements and understandings, whether written or oral, among the parties with respect to the subject matter hereof.

Section 18. Delivery of Agreement. The Agency covenants to use reasonable efforts to deliver to each Taxing Entity a copy of this Agreement within fifteen (15) days after its execution.

Section 19. Counterparts. This Agreement 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 20. Service of Process; Consent to Jurisdiction; Forum.

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 the Lease Agreement 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, William Cornachio, Esq., c/o Rivkin Radler LLP, 926 RXR Plaza, Uniondale, NY 11556, as 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 Agreement; 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 (1) agrees that any suit, action or other legal proceeding arising out of this Agreement 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; (2) consents to the jurisdiction of each such court in any such suit, action or proceeding; and (3) 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 the Lease Agreement 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 11 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 21. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, as the same may be in effect from time to time, without regard to principles of conflicts of laws.

Section 22. Nature of Obligations. This Agreement shall remain in full force and effect until the earlier of (i) the time that each and every one of the PILOT Obligations shall have been irrevocably paid in full and all other obligations of the Company under this Agreement shall have been paid and performed in full, or (ii) the termination of this Agreement pursuant to the terms of this Agreement and/or any of the other Transaction Documents.

If the Company consists of more than one (1) Person, the obligations of such Persons under this Agreement shall be joint and several.

Section 23. Indemnification. The Company agrees to indemnify, defend (with counsel selected by the Agency and reasonably acceptable to the Company) and hold harmless the Agency and its officers, members, agents (other than the Company), attorneys, servants and employees, past, present and future, against any liability arising from any default by the Company in performing its obligations hereunder or any expense incurred hereunder, including, without limitation, any expenses of the Agency and attorneys' fees and expenses.

Section 24. Publishers Default Provisions.

A. If an Event of Default shall occur under this Agreement solely as a result of a Publishers Default and such Event of Default occurs on or after January 1, 2029, the Agency shall have all of the rights and remedies specified in Section 4 above with respect to such Event of Default, including, but not limited to, the right to terminate this Agreement, the Company Lease and the Lease Agreement.

B. If an Event of Default shall occur under this Agreement solely as a result of a Publishers Default and such Event of Default occurs prior to January 1, 2029, the term of this Agreement shall be deemed amended so that it expires on the last day of the tenth (10th) fiscal tax year after the PILOT Commencement Date (such date, the "JQIII Abatement Expiration Date" and such period, the "JQIII Term"), and the Company shall make payments in lieu of real property taxes and assessments levied and/or assessed by the Taxing Entities against the Facility as set forth under the heading "JQIII Term" on Schedule B hereto for the applicable

periods, subject to the provisions of Section 2(B)(3) hereof. If such Event of Default occurs on a day other than the first day of a fiscal tax year, the applicable PILOT Payment with respect to such fiscal tax year shall be determined by apportioning the applicable PILOT Payments set forth on Schedule B for the PCH Term and the JQIII Term as of the date of the Event of Default, such apportionment to be made on a 365-day basis for the numbers of days actually elapsed.

**Section 25. Notice of Default; Right to Cure.**

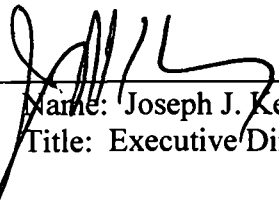
A. The Company hereby directs the Agency to give and the Agency hereby agrees to give Publishers notice, in the manner set forth in this Agreement, of any default by the Company under this Agreement which the Agency is required to give to the Company pursuant to the terms of this Agreement, and Publishers shall have the right (but not the obligation) to cure such default within the time period, if any, provided for such cure to be carried out by the Company pursuant to the terms of this Agreement, plus an additional time period equal in length to the cure period, if any, within which the Company would be entitled to cure such default. The Agency shall accept such cure by Publishers as if such cure were performed by the Company. The Company acknowledges and agrees that the Agency may accept such cure by Publishers and waives any claims it may have against the Agency based upon, arising from or in connection with this Section 25(A).

B. Publishers hereby directs the Agency to give and the Agency hereby agrees to give the Company notice, in the manner set forth in this Agreement, of any default by Publishers under this Agreement which the Agency is required to give to Publishers pursuant to the terms of this Agreement, and the Company shall have the right (but not the obligation) to cure such default within the time period, if any, provided for such cure to be carried out by Publishers pursuant to the terms of this Agreement, plus an additional time period equal in length to the cure period, if any, within which Publishers would be entitled to cure such default. The Agency shall accept such cure by the Company as if such cure were performed by Publishers. Publishers acknowledges and agrees that the Agency may accept such cure by the Company and waives any claims it may have against the Agency based upon, arising from or in connection with this Section 25(B).

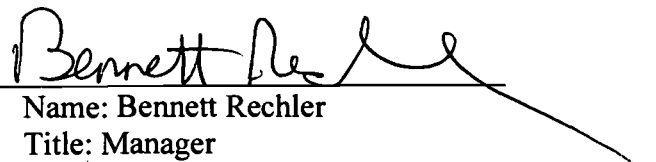
[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

NASSAU COUNTY INDUSTRIAL  
DEVELOPMENT AGENCY


By  \_\_\_\_\_  
Name: Joseph J. Kearney  
Title: Executive Director

JQ III ASSOCIATES, LLC

By  \_\_\_\_\_  
Name: Bennett Rechler  
Title: Manager

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

On the 28 th day of July, 2015, before me, the undersigned, a Notary Public in and for said State, personally appeared Joseph J. Kearney, 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 executed the instrument.



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

**Paul V. O'Brien**  
**Notary Public, State of New York**  
**No. 02OB6235944**  
**Qualified in Nassau County**  
**Commission Expires Feb 14, 2019**

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

On the 5 day of August, 2015, before me, the undersigned, a Notary Public in and for said State, personally appeared Bennett Rechler, 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 executed the instrument.



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

**RICHARD J. BIONDI**  
**Notary Public State of New York**  
**No. 01BI5005419**  
**Qualified in Suffolk County**  
**Commission Expires in December 7, 2018**

**SCHEDULE A**

**DESCRIPTION OF THE LAND**

**See Attached**



ALL that certain plot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being at Jericho, Town of Oyster Bay, County of Nassau and State of New York, bounded and described as follows:

BEGINNING at the southeasterly corner of the property herein described, said point being the intersection of the westerly line of land now or formerly of Joseph J. Dowling with the northerly side of Jericho Turnpike, (said point of intersection is 2,620.00 feet more or less measured westerly along the northerly side of said Jericho Turnpike from the westerly side of Massapequa Glen Cove Road (New York State Route No. 107);

RUNNING THENCE from said point of beginning along said northerly side of Jericho Turnpike (New York State Route 25) south 52 degrees 40 minutes 46 seconds west 692.53 feet;

THENCE north 31 degrees 26 minutes 08 seconds west 1596.70 feet to land now or formerly of the Meadowbrook Country Club;

THENCE along said last mentioned land the following two (2) courses and distances:

1. North 56 degrees 22 minutes 28 seconds east, 466.68 feet
2. South 85 degrees 59 minutes 42 seconds east, 574.42 feet to land now or formerly of Dowling;

THENCE along said last mentioned land the following three (3) courses and distances:

1. South 33 degrees 35 minutes 14 seconds east, 257.32 feet;
2. South 01 degrees 38 minutes 04 seconds east, 445.70 feet;
3. South 28 degrees 02 minutes 32 seconds east, 567.55 feet to the northerly side of Jericho Turnpike, the point or place of BEGINNING.

TOGETHER with the benefits, but subject to the burdens of that certain Reciprocal Easement Declaration dated as of March 4, 1980 made by We're Associates Company, as parties of the 1st, 2nd and 3rd parts recorded in the Office of the Clerk, County of Nassau on March 11, 1980 in Liber 9257 of Deeds page 526; which Reciprocal Easement was modified by Reciprocal Easement Agreement dated as of March 4, 1982 made by We're Associates Company, as parties of the 1st, 2nd and 3rd parts recorded in the Office of the Clerk, County of Nassau on February 22, 1982 in Liber 9397 of Deeds page 296; and as further amended by Amendment to

Underwriter No. 3515-0148-46130  
Title Number ECA46130

Page 2

Reciprocal Easement Agreement and Declaration dated as of December 7, 1998 made among We're Associates Company as parties of the 1st and 2nd part of JQ III Associates, party of the 3rd part recorded in the Office of the Clerk, County of Nassau in Liber 11015 Cp 320.

Said premises being commonly known as 300 Jericho Quadrangle, Jericho, New York

SECTION 17 BLOCK 11 LOT 50

## SCHEDULE B

### PILOT PAYMENT SCHEDULE

**PCH Term:**

<u>Tax Year</u> <sup>1</sup>	<u>Total PILOT Payment</u> <sup>2</sup>
2019 General / 2018/19 School	\$1,185,382.50
2020 General / 2019/20 School	\$1,185,382.50
2021 General / 2020/21 School	\$1,185,382.50
2022 General / 2021/22 School	\$1,185,382.50
2023 General / 2022/23 School	\$1,185,382.50
2024 General / 2023/24 School	\$1,185,382.50
2025 General / 2024/25 School	\$1,185,382.50
2026 General / 2025/26 School	\$1,185,382.50
2027 General / 2026/27 School	\$1,185,382.50
2028 General / 2027/28 School	\$1,185,382.50
2029 General / 2028/29 School	\$1,185,382.50
2030 General / 2029/30 School	\$1,185,382.50
2031 General / 2030/31 School	\$1,185,382.50
2032 General / 2031/32 School	\$1,185,382.50
2033 General / 2032/33 School	\$1,185,382.50
2034 General / 2033/34 School	\$1,185,382.50
2035 General / 2034/35 School	\$1,185,382.50
2036 General / 2035/36 School	\$1,205,059.85
2037 General / 2036/37 School	\$1,225,063.84
2038 General / 2037/38 School	\$1,245,399.90

<sup>1</sup> Actual PILOT Commencement Date is subject to timely the acceptance of the Application by the appropriate tax assessor(s).

<sup>2</sup> NOTE: The PILOT Payments set forth under both the PCH Term and the JQIII Term above are based on the accuracy of certain assumptions set forth in that certain Memorandum of Understanding dated April 28, 2015 between the Company and the Tax Assessor of Nassau County, New York (the "MOU") as of the 1/2/2017 tax status date. The Agency shall have the right to increase the PILOT Payments in its discretion if any of such assumptions are not accurate as of 1/2/2017. In addition, the parties acknowledge that the Agency has set the PILOT payments based on the 2014/15 School Tax Rate of 511.080 and the 2015 General Tax Rate of 279.175. If the tax rates for the 2018/19 tax year (i.e., the initial year of the PILOT term) are higher than the foregoing rates (and assuming no change in the level of assessment set by the Assessor), then the Agency shall have the right to modify the PILOT Payment schedules set forth above to reflect such increased rates. If the level of assessment set by the Assessor has changed at such point in time, an equitable adjustment shall be made by the Agency in calculating the revised PILOT Payment schedules based on the change of tax rates for 2018/19 tax year.

**JOIII Term:**

<u>Tax Year</u>	<u>Total PILOT Payment</u>
2019 General / 2018/19 School	\$1,185,382.50
2020 General / 2019/20 School	\$1,185,382.50
2021 General / 2020/21 School	\$1,185,382.50
2022 General / 2021/22 School	\$1,185,382.50
2023 General / 2022/23 School	\$1,185,382.50
2024 General / 2023/24 School	\$1,205,059.85
2025 General / 2024/25 School	\$1,225,063.84
2026 General / 2025/26 School	\$1,245,399.90
2027 General / 2026/27 School	\$1,266,073.54
2028 General / 2027/28 School	\$1,287,090.36