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NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
as sublessor

AND

NASSAU STEEL, LLC  
as sublessee

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AMENDED AND RESTATED SUBLEASE AGREEMENT

(UNIFORM PROJECT AGREEMENT)

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DATED AS OF December 1, 2018

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ADDRESS: 999 South Oyster Bay Road  
Bethpage  
VILLAGE: --  
TOWN: Oyster Bay  
COUNTY: Nassau  
STATE: New York  
SECTION: 46  
BLOCK: G  
LOT: 98, 99

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**AMENDED AND RESTATED SUBLEASE AGREEMENT  
(UNIFORM PROJECT AGREEMENT)**

THIS AMENDED AND RESTATED SUBLEASE AGREEMENT (UNIFORM PROJECT AGREEMENT) dated as of December 1, 2018 (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 One West Street, Mineola, NY 11501 (the "Agency"), and NASSAU STEEL, LLC, a limited liability company duly organized and existing under the laws of the State of Delaware and qualified to do business as a foreign limited liability company in the State of New York, having an office at 999 Stewart Avenue, Suite 200, Bethpage, NY 11714 (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, in effect as of the Closing Date (as hereinafter defined), 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, in 2011, the Company submitted an application for financial assistance (the "2011 Application") to the Agency requesting that the Agency consider undertaking a project (the "2011 Project") consisting of the following: (A)(1) the acquisition of an interest or interests in an approximately 85.50 acre parcel of land located at 999 South Oyster Bay Road, Bethpage, Town of Oyster Bay, County of Nassau, New York (Section: 46; Block: G; Lot: 98) (the "Existing Land"), (2) the repair and restoration of the base building systems and infrastructure of the existing approximately 1,200,000 square foot building complex on the Existing Land (the "Original Building"), which was limited to repairs of roofing, flooring, electrical and plumbing components and asbestos compliance work, together with related infrastructure improvements to the Existing Land, all to bring the Original Building into compliance with building code regulations; and (3) consistent with item (2) above, the acquisition and installation therein and thereon of certain fixtures, machinery and equipment related to the repair and restoration of the Original Building and related improvements to the Existing Land (the "2011 Equipment" and together with the Existing Land and the Original Building, collectively, the "2011 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, including exemptions or partial exemptions from real property taxes, sales and use taxes and mortgage recording taxes ("Original Financial Assistance"); and (C) the lease (with an obligation to purchase), license or sale of the 2011 Project Facility to the Applicant or such other entity as may be designated by the Applicant and agreed upon by the Agency; and

WHEREAS, the Company also requested in the 2011 Application that the Agency acquire an interest in (and grant certain Original Financial Assistance with respect to) an adjacent approximately 8.83 acre parcel of land shown on the Tax Map of Nassau County as Section: 46; Block: G; Lot: 100 (the "Navy Parcel"); however, the Company thereafter withdrew that request that the Agency acquire an interest in (or grant any Original Financial Assistance with respect to) the Navy Parcel; and

WHEREAS, the Agency designated certain real property located in the County of Nassau, including, without limitation, the Existing Land, as a "Strategic Development Area" pursuant to Resolution No. 2011-14 adopted by the members of the Agency on June 22, 2011; and

WHEREAS, on or about October 21, 2011, the Applicant entered into a "straight lease" transaction with the Agency under the Act pursuant to, *inter alia*, a certain Sublease Agreement, dated as of October 1, 2011, between the Agency and the Applicant (as amended, modified, supplemented and restated, the "Original Lease Agreement"); and

WHEREAS, pursuant to a certain Payment in Lieu of Taxes Agreement, dated as of October 1, 2011 (as amended, modified, supplemented and restated, collectively, the "Existing PILOT Agreement"), between the Applicant and the Agency, the Applicant agreed to make certain payments in lieu of real property taxes with respect to the 2011 Project Facility, and such obligation is secured by a certain Mortgage and Security Agreement, dated as of October 1, 2011 (as amended, modified, supplemented and restated, the "2011 PILOT Mortgage"), made by the Applicant and the Agency, as mortgagors, in favor of the County of Nassau, as mortgagee (in such capacity, the "PILOT Mortgagee"), pursuant to which the Agency and the Applicant granted a first mortgage on the Existing Land and the improvements thereon to the PILOT Mortgagee; and

WHEREAS, in order to finance a portion of the costs of the 2011 Project, the original lender, agreed to make a loan to the Company in the aggregate principal amount of up to \$30,750,000, which was evidenced by one (1) or more promissory notes and/or loan agreements and secured by one (1) or more mortgages in favor of the original lender in the maximum aggregate principal of such original loan. Such original mortgage or mortgages were amended and restated in favor of the Bank pursuant to that certain Consolidated, Amended and Restated Fee and Leasehold Mortgage, Assignment of Leases and Rents and Security Agreement made by the Company to the Bank in the aggregate principal amount of \$35,000,000.00 (the "Bank Mortgage") and as so amended and restated encumbers the 2011 Project Facility and secures the aggregate principal sum of up to \$55,000,000, of which only \$35,000,000 is presently secured, as evidenced by such consolidated, amended and restated promissory note, dated December 20, 2016 (the "Bank Loan"); and

WHEREAS, the parties hereto recognize that the Bank Loan may be drawn up to its full aggregate principal sum of \$55,000,000 or additional amounts pursuant to an amendment thereof, if any (the "Bank Loan Amendment") and the lien of the Bank Mortgage may be spread to the New Land

and/or increased without further consent or approval of the Agency, provided however such lien remains junior to each of the 2011 PILOT Mortgage and the PILOT Mortgage and such amendment complies with the requirements set forth in the standard exculpatory IDA mortgage clauses (the "Bank Mortgage Amendment"); and

WHEREAS, pursuant to an application for additional financial assistance dated July 20, 2018 (as amended, the "Application"), the Company has requested that the Agency consider undertaking an additional project (the "2018 Project" and together with the 2011 Project, collectively, the "Project") consisting of the following: (A)(1) the improvement of a parcel of land known as Section: 46; Block: G; Lot: 99 on the Tax Map of Nassau County, New York (the "New Land" together with the Existing Land, collectively, the "Land"), (2) the construction of an approximately 244,483 square foot building (the "New Building") on the Land (the New Building together with the Original Building, collectively, the "Building"), (3) the acquisition of certain furniture, fixtures, machinery and equipment necessary for the completion thereof (the "2018 Equipment" together with the 2011 Equipment, collectively, the "Equipment" and the New Land, New Building and 2018 Equipment are, collectively, the "2018 Project Facility"), (4) the retention of the 2011 Project Facility (the Land, Building, and Equipment [which includes the 2011 Project Facility] are 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 (the "Additional Financial Assistance" together with the Original Financial Assistance, collectively, the "Financial Assistance"); and (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

WHEREAS, the Executive Director of the Agency (A) caused notice of a public hearing of the Agency pursuant to Section 859-a of the Act (the "Public Hearing") to hear all persons interested in the Project and the Additional Financial Assistance contemplated by the Agency with respect to the Project, to be mailed on October 22, 2018 to the chief executive officer of Nassau County, New York and of each other affected tax jurisdiction within which the 2018 Project Facility is or is to be located; (B) caused notice of the Public Hearing to be published on October 22, 2018 in the Nassau edition of *Newsday*, a newspaper of general circulation available to residents of the County of Nassau, New York; (C) caused the Public Hearing to be conducted on November 5, 2018, at 10:30 am., local time, at Town of Oyster Bay Community Center, 59 Church Street, Oyster Bay, Town of Oyster Bay, Nassau County, New York; and (D) caused a report of the Public Hearing (the "Report") to be prepared which fairly summarizes the views presented at the Public Hearing and distributed the Report to the members of the Agency; and

WHEREAS, in accordance with Section 874(4) of the Act, (A) the Executive Director of the Agency 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 to be mailed on or about October 22, 2018 and November 21, 2018 to the chief executive officer of each affected tax jurisdiction; and (B) the members of the Agency conducted the IDA Meeting on or about December 12, 2018 and reviewed any written comments or correspondence received with respect to 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 adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (the "Regulations",

and collectively with the SEQR Act, "SEQRA"), the Town of Oyster Bay Planning and Advisory Board acted as lead agency for the review required for the proposed Project, which is a Type I Action under the SEQRA, and therefore a coordinated environmental review of the proposed Project was undertaken, and the Planning and Advisory Board has determined that the proposed Project will not have a significant adverse impact on the environment based on the documentation set forth herein, as well as the completed Part 2 and Part 3 of the EAF. Accordingly, the Planning and Advisory Board has issued a negative declaration pursuant to SEQRA (the "Negative Declaration"); and

WHEREAS, while the Agency was not identified as an involved agency, the Agency has reviewed and analyzed the Negative Declaration and in accordance with SEQRA requirements has itself analyzed the impacts and potential impacts associated with the proposed Project, including any associated with the Agency benefits provided and the Agency has determined the Project will not have a significant adverse impact on the environment based on Planning and Advisory Board's Negative Declaration and based on the Agency's own review of the impacts and potential impacts of the Project and based on applicable regulations and criteria; and

WHEREAS, by resolution adopted by the members of the Agency on December 12, 2018 (the "Authorizing Resolution"), the Agency, following a review of the Report, determined to proceed with the Project, to grant the Additional 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, construction, 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, construction, 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 (as hereinafter defined); and

WHEREAS, the Company represents, covenants, and warrants that the acquisition, construction, renovation, installation, and equipping of the 2011 Project Facility has already occurred to the satisfaction of the Agency; 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 and its Affiliates 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 members of the Agency have determined that (A) the granting of the Additional Financial Assistance by the Agency to the Company and its Affiliates (as hereinafter defined) is necessary to induce the Company and such Affiliates (as hereinafter defined) to proceed with the Project, and (B) there is a likelihood that the Project would not be undertaken but for the granting of the Additional Financial Assistance by the Agency to the Company and its Affiliates; and

WHEREAS, the Company will execute and deliver (A) a certain bargain and sale deed, assignment of lease or company lease, or amendment of such agreement heretofore executed and delivered in connection with the Project, to the Agency, pursuant to which the Applicant will convey an interest in the Land and the Building to the Agency (the "Conveyance Instrument"), (B) a certain Bill of Sale (the "Bill of Sale to Agency") to the Agency, pursuant to which the Applicant will convey to the Agency its interest in the Equipment, (C) the Lease between the Agency and the Applicant, pursuant to which the Agency will grant to the Applicant a leasehold interest in the Project Facility, (D) an amended and restated Environmental Compliance and Indemnification Agreement which includes the Project, executed and delivered in connection with the Project, (the "Environmental Indemnification") pursuant to which the Agency will be indemnified from and against certain losses, costs, damages and liabilities, (E) an amended and restated Existing PILOT Agreement, to include the Project, executed and delivered in connection with the Project, (the "PILOT Agreement") to the Agency, and, to secure the obligations as they relate to the 2018 Project Facility, a PILOT Mortgage, executed and delivered in connection with the 2018 Project Facility in favor of the PILOT Mortgagee (the "PILOT Mortgage"), and (F) and/or cause to be executed and delivered certain other certificates, documents, instruments and agreements related to the Project (together with the Conveyance Instrument, the Bill of Sale to Agency, the Lease, the Environmental Indemnification, the PILOT Agreement, the 2011 PILOT Mortgage, and the PILOT Mortgage, collectively, the "Transaction Documents"); and

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:

"2011 Application" shall have the meaning assigned to such term in the recitals to this Lease.

"2011 Equipment" shall have the meaning assigned to such term in the recitals to this Lease.

"2011 PILOT Mortgage" shall have the meaning assigned to such term in the recitals to this Lease.

"2011 Project" shall have the meaning assigned to such term in the recitals to this Lease.

"2011 Project Facility" shall have the meaning assigned to such term in the recitals to this Lease.

"2011 Survey" means that certain survey of the 2011 Project dated August 16, 2011 prepared by Sidney B. Bowne & Son, LLP.

"2018 Project Facility" shall have the meaning assigned to such term in the recitals to this Lease.



“ACM” shall have the meaning assigned to such term in Section 4.1 of this Lease.

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

“Additional Financial Assistance” means (A) an exemption from all New York State and local sales and use taxes for purchases and rental of qualifying personal property necessary for the completion of the Project and having a value not exceeding the Maximum Sales Tax Benefit; (B) an exemption from mortgage recording tax with respect to the recording of any bank financing and the PILOT Mortgage (and any amendment and restatement thereto) and having a value not exceeding the Maximum Mortgage Recording Tax Benefit, and (C) an exemption from real property taxes pursuant to the PILOT Agreement (and any amendment and restatement thereto), which exemption from real property taxes the Agency has estimated to have a value of \$20,776,899 with respect to the 2018 Project Facility (i.e. the new “financial assistance”).

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

“Affiliate” of a Person means 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.

“Anti-Terrorism Laws” means any applicable laws relating to terrorism or money laundering, including Executive Order No. 13224, the USA Patriot Act, applicable laws comprising or implementing the Bank Secrecy Act, and applicable laws administered by the United States Treasury Department’s Office of Foreign Asset Control (as any of the foregoing may from time to time be amended, renewed, extended, or replaced).

“Applicable Law” or “Applicable Laws” means, individually or collectively as the context may require, 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 and not the Agency were the owner of an interest in the Project Facility), including but not limited to (1) applicable fair housing, 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.

“Application” 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, the Company, or a Sublessee, as the case may be, by written certificate furnished to the Agency, the Company, or a Sublessee, 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 a Sublessee by its President or any Vice President, if a corporation, or a member, managing member, or a manager, if a limited liability company, or a general partner, if a partnership, 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 or by the general partner of such partnership, to act on behalf of the Company or a Sublessee, as the case may be.

“Bank” means Wells Fargo Bank, National Association acting as a lender in connection with the 2018 Project Facility that exists on the Closing Date and are identified on Schedule B of the Title Policy, together with successor 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 Loan” shall have the meaning assigned to such term in the recitals to this Lease.

“Bank Loan Amendment” shall have the meaning assigned to such term in the recitals to this Lease.

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

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

“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.

“Building 3” shall have the meaning assigned to such term in Section 4.1(A) of 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.

“Commissioner” means the Commissioner of Taxation and Finance of the State of New York.

“Company” means Nassau Steel, LLC, a limited liability company duly organized and existing under the laws of the State of Delaware and qualified to do business as a foreign limited liability company in the State of New York, and its successors and assigns, to the extent permitted pursuant to this Lease.

“Company Lease” shall mean the agreement (as amended or restated thereto), dated of even date herewith, pursuant to which, among other things, the Agency leases the Project Facility from the Company.

“Completion Date” means such date as shall be certified by the Company to the Agency (and accepted by the Agency in its reasonable discretion) 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 (subject to acceptance thereof by the Agency in its reasonable discretion).

“Compliance Report” shall have the meaning assigned to such term in Section 8.12 of this Lease.

“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.

“County Mortgage” means that certain Subordinate Mortgage and Security Agreement dated as of the Closing Date given by the Company to the County in the original principal amount of \$5,000,000.

“Deed” means that certain Quitclaim Deed dated April 3, 2008 given by the United States of America to the County of Nassau and recorded in the Nassau County Clerk’s Office on April 3, 2008 at Liber 12381, Page 155.

“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 of even date herewith from the Company and the Guarantors in favor of the Agency.

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

“Environmental Report” means that certain Phase I Environmental Assessment dated October 12, 2011 prepared by Property Solutions Incorporated and that certain Phase I Environmental Assessment, dated March 22, 2018, prepared by Environmental Resources Management (ERM).

“Equipment” shall have the meaning assigned to such term in the recitals to this Lease and shall include all those materials, machinery, equipment, fixtures and 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.

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

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

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

“FedEx” shall mean FedEx Ground Package Systems, Inc.

“Financial Assistance” means (A) an exemption from all New York State and local sales and use taxes for purchases and rental of qualifying personal property necessary for the completion of the Project and having a value not exceeding the Maximum Sales Tax Benefit, (B) an exemption from mortgage recording tax (by reason of Section 874 of the General Municipal Law; provided however, such section does not exempt the additional mortgage recording tax imposed on the real property located within a transportation district pursuant to Section 253 (2)(a) of the New York State Tax Law) and having a value not exceeding the Maximum Mortgage Recording Tax Benefit, and (C) an exemption from real property taxes pursuant to the PILOT Agreement. The Company hereby represents warrants and covenants that the Original Financial Assistance for the 2011 Project Facility has been received and appropriately applied in accordance with Applicable Law.

“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.

“Guarantor” or “Guarantors” means, individually or collectively, as the context may require, Joseph J. Lostritto and Glenn Lostritto, each a natural person.

“Guaranty” means the Guaranty of even date herewith from the Guarantors to the Agency.

“Hazardous Material” or “Hazardous Materials” individually or collectively as the context may require, 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 provided however, that Hazardous Material or Hazardous Materials shall not mean or include ordinary office materials and cleaning substances provided that such materials and substances are stored, used and disposed of in accordance with, and in such quantities as are permitted by, all applicable Environmental Laws.

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

“Incubator Space” shall have the meaning assigned to such term in Section 12.19 of 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.

“Initial Work” shall have the meaning assigned to such term in Section 4.1(A) of this Lease.

“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.

“Lease Agreement” shall have the meaning assigned to such term in the recitals to this Lease. This Lease is an amendment and restatement of the Original Lease Agreement.

“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.

“Master Lease” shall have the meaning assigned to such term in Section 9.3 of this Lease.

“Master Lessees” shall have the meaning assigned to such term in Section 9.3 of this Lease.

“Maximum Mortgage Recording Tax Benefit” means \$288,257.00 (or such lesser amount that represents the maximum value of the mortgage recording tax exemption with respect to the Bank Mortgage Amendment and provided further that draws under the Bank Loan or Bank Loan Amendment requiring a Bank Mortgage Amendment are solely used for the financing or refinancing of the improvement of the New Land within 36 months of the date hereof) plus an exemption with respect to the PILOT Mortgage in the amount of \$1,352,635.20, which represents the maximum value of the mortgage recording tax exemption that would not otherwise be available to the Company without the Agency’s involvement with respect to the 2018 Project Facility.

“Maximum Sales Tax Benefit” means \$3,064,930.00 which represents the maximum value of the sales and use tax exemption that would not otherwise be available to the Company without the Agency’s involvement with respect to the 2018 Project Facility.

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

“Navy Parcel” shall have the meaning assigned to such term in the recitals to 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 reasonable attorneys’ fees) incurred in obtaining such Gross Proceeds.

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

“North Warehouses” shall have the meaning assigned to such term in Section 4.1(A) of this Lease.

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

“Original Closing Date” shall mean October 1, 2011.

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

“Original Lease Agreement” 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 not be unreasonably withheld or delayed by the Agency, (E) the County Mortgage; and (F) the Bank Mortgage on the Original Land or Bank Mortgage Amendment on the Land by the Bank given to finance the same on one occasion and all related security documents; .

“Permitted Transferee” shall have the meaning assigned to such term in Section 12.21 of this Lease.

“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 between the Company and the Agency, pursuant to which the Company 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 2011 PILOT Mortgage and the PILOT Mortgage.

“Plans and Specifications” means the plans and specifications for the acquisition, construction, renovation, installation, and equipping of the Project Facility contemplated by Section 4.1 of this Lease, including, without limitation the Initial Work, prepared by the Company’s architect and reviewed by the Agency (solely for purposes of the granting of the Additional Financial Assistance) and all applicable Governmental Authorities, as the same may be amended, modified, supplemented, restated or replaced from time to time in accordance with the terms hereof and subject to the review and approval of the Agency (solely for purposes of determining compliance with this Lease).

“Pre-Closing Licenses” shall have the meaning assigned to such term in Section 2.2 of this Lease.

“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 or structure thereon other than construction, installation, and equipping of the New Building as contemplated by the Plans and Specifications.

"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" shall have the meaning assigned to such term in the recitals to this Lease.

"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.

"Proposed Short-Term Sublease" shall have the meaning assigned to such term in Section 9.3 of this Lease.

"Proposed Sublessee" shall have the meaning assigned to such term in Section 9.3 of this Lease.

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

"Quarterly Sales Tax Report" shall have the meaning assigned to such term in Section 8.12(C) of this Lease.

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

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

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

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

“Restricted Party” means any individual or entity: (a) listed in the Annex to the Executive Order No. 13224 or is otherwise subject to the provisions of such Executive Order; (b) listed on the “Specially Designated Nationals and Blocked Persons” list maintained by the Office of Foreign Assets Control (OFAC) of the United States Department of the Treasury, as updated or amended from time to time, or any similar list issued by OFAC; or (c) whose property has been blocked, or is subject to seizure, forfeiture or confiscation, by any order relating to terrorism or money laundering issued by the President, Attorney General, Secretary of State, Secretary of Defense, Secretary of the Treasury or any other U.S. State or Federal governmental official or entity.

“Sales Tax Agency Agreement” shall have the meaning assigned to such term in Section 8.12 of this Lease.

“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.

“South Warehouses” shall have the meaning assigned to such term in Section 6.1(E) of this Lease.

“Special Counsel” means the law firm of Harris Beach PLLC, Uniondale, 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.

“State Sales and Use Taxes” means sales and compensating use taxes and fees imposed by Article 28 or Article 28-A of the New York State Tax Law, but excluding such taxes imposed in a city by Section 1107 or Section 1108 of such Article 28.

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

“Sublease Agreement” or “Sublease Agreements” means any lease, sublease, sub-sublease or other occupancy agreement with respect to the Project Facility or any part thereof, permitted or approved pursuant to Section 9.3 of this Lease other than this Lease and the Company Lease.

“Sublease Forms” shall have the meaning assigned to such term in Section 9.3 of this Lease.

“Sublease Term Sheet” shall have the meaning assigned to such term in Section 9.3 of this Lease.

“Subleased Premises” shall have the meaning assigned to such term in Section 9.3 of this Lease.

“Sublessee” or “Sublessees” means, individually or collectively, as the context may require, each tenant, lease, sublessee, sub-sublessee.



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

“Termination of Company Lease” means the termination of company lease between the Agency and the Company, pursuant to which the Agency and the Company terminate the Company Lease, substantially in the form attached as Exhibit C to 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 Company Lease, the Bill of Sale to Agency, the PILOT Agreement, the PILOT Mortgage, the 2011 PILOT Mortgage, this Lease, the Guaranty, the Environmental Indemnification, the Sales Tax Agency 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, including any amendment and/or restatement 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, 8.12, 8.13, 8.14, 9.1, 9.3, 11.2, 11.4, 12.4, 12.7, 12.9 and 12.19 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(F), 3.1, 3.3, 4.1, 5.3, 5.4, 6.4(B), 8.2, 8.9, 8.12, 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 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 undertake and 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, the 2011 PILOT Mortgage, and 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 limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware, is qualified and authorized to do business as a foreign limited liability company in the State of New York and in 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 members, 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 members or managers 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.

(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 formation, articles of organization or operating agreement 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 company 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 Company as agent of the Agency, the sublease thereof by the Agency to the Company pursuant to this Lease, and the operation thereof by the Company (or one of its Affiliates pursuant to another Sublease Agreement) will not result in the removal of a facility or plant of the Company or any of its Affiliates 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 or any of its Affiliates located in the State (other than within the County); provided, however, that nothing in this Section shall constitute an authorization by the Agency for the Company to lease, sublease, sub-sublease or permit any other occupancy arrangements with respect to the Project Facility or any part thereof without the prior written consent of the Agency, except as set forth in Section 9.3 of this Lease. Therefore, the provisions of subdivision (1) of Section 862 of the Act are not and will not be violated as a result of the granting of the Financial Assistance by the Agency to the Company.

(D) All term, conditions, and obligations pursuant to that certain Post-Closing Agreement, dated October 20, 2011 have been fully satisfied to the satisfaction of the Agency.

(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 Facility constitutes a commercial facility and the Project will advance the Agency's purposes by promoting job 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 in all material respects, and the Company will indemnify, defend (with counsel selected by the Agency and reasonably acceptable to the Company) 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 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 reasonably acceptable to the Company) 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 gross negligence or willful misconduct 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 adverse environmental impact" (as such term is used in SEQRA) and the Company hereby covenants to comply with all mitigating measures, requirements and conditions enumerated or referenced in the resolution adopted by the Agency on December 12, 2018 under SEQRA applicable to the acquisition, construction, renovation, installation, and 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 have arisen from the date of the adoption of such resolution which would cause the determinations contained therein to be untrue.

(I) The owner, occupant or operator receiving Financial Assistance hereby certifies, under penalty of perjury, that it is in substantial compliance with all local, state and federal tax, worker protection and environmental laws, rules and regulations.

(J) The Project is in substantial compliance with all provisions of the Act, including, but not limited to, the provisions of Section 859-a and 862(1) thereof.

(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) To the best of the Company's knowledge, 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 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 have (i) created at least eleven (11) new, full-time equivalent, private sector jobs in the State of New York on or before the first anniversary of the Original Closing Date and shall maintain such jobs throughout the term of this Lease, and (ii) shall have created or cause to be created at least twenty-five (25) new, full-time equivalent, private sector construction jobs during the period from the Original Closing Date until the first anniversary of the Closing Date and (iii) shall create or cause to be created at least one hundred and ten (110) new, full-time equivalent private sector construction jobs during the period from the Closing Date until the Scheduled Completion Date; all of the foregoing jobs shall, at all times during the term of this Lease, be located at the Project Facility and all of which jobs shall be as described in the Application (individually or collectively, as the context may require, the "Minimum Employment Requirement"). Provided further that the parties hereto recognize that although the Company is not presently making any additional employment covenants, it is anticipated that within two years of the Scheduled Completion Date there shall be created approximately 190 new, full-time equivalent, private sector jobs by the Company's sub-sublessee at the Project Facility.

(O) The funds available to the Company are sufficient to pay all costs in connection with the acquisition, construction, renovation, installation, and equipping of the Project Facility contemplated by Section 4.1 of this Lease.

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

(Q) Neither this Lease nor any other Transaction Document nor any other document, certificate, agreement or instrument furnished to the Agency by or on behalf of the Company or any Guarantor 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 solely by Joseph J. Lostritto, Glenn Lostritto, and/or trusts for the benefit of their immediate family members; provided, however, that the aforementioned persons may transfer all or any part of their interests in the Company to members of their immediate family (or trusts for the benefit of such immediate family members) and/or to others approved in writing by the Agency in its reasonable discretion, provided that no such transfers shall result in a change in the day-to-day control of the management and operations of the Company, except as permitted under Section 10.1(A)(16) of this Lease. The Agency agrees to use reasonable efforts to respond to any such request within twenty (20) days after the Agency's receipt (or refusal of receipt) of such request in writing.

(T) The Project Facility is located entirely within the boundaries of the Town of Oyster Bay, 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 Bethpage Union Free School District.

(U) The total cost of the Project is at least \$51,245,851.

(V) As of the Original Closing Date, no leases or other occupancy arrangements exist with respect to the Project Facility or any part thereof except this Lease, and no Person (other than the Company) is in occupancy or possession of any portion of the Project Facility, except (i) the County pursuant to that certain letter agreement dated the Original Closing Date between the County and the Company providing a license to the County for up to one (1) year, (ii) that certain License Agreement, dated as of October 1, 2011, between the Company and Franklin Stainless Corporation, and (iii) that certain License Agreement dated as of September 1, 2011 between the Company and Paramount Pictures (collectively, the "Pre-Closing Licenses"). The Company represents and warrants to the Agency that the Pre-Closing Licenses are in all respects subject and subordinate to this Lease, the Company Lease, the PILOT Agreement, the PILOT Mortgage, the 2011 PILOT Mortgage, the Bank Mortgage, the Bank Mortgage Amendment, and all other Permitted Encumbrances.

(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 Company Lease, 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 the terms of which the existence of the Company Lease, this Lease or any other Transaction Document would constitute a default or an event of default.

(X) Neither the Company nor any Guarantor nor any Affiliate of the Company or any Guarantor 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 recording of the Bank Mortgage Amendment to be placed against the New Land by the Bank shall not result in the claiming of an exemption from mortgage recording tax in excess of the Maximum Mortgage Recording Tax Benefit.

(Z) 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 and the Project shall not be used or otherwise operated in violation of Section 862 (2) of the Act. 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.

### ARTICLE III CONVEYANCE AND USE OF PROJECT FACILITY

SECTION 3.1 CONVEYANCE TO THE AGENCY. (A) Pursuant to the Company Lease, the Company has conveyed or will convey to the Agency a leasehold interest in and to the Premises for the purpose of undertaking and completing the Project. The Company hereby represents and warrants that it has good and marketable fee title 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 and reasonably acceptable to the Company), 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 Company Lease.

(B) The Company and the Agency acknowledge that the Project Facility and the 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, construct, 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 reasonable judgment of the Agency, to bring the



Project into disrepute as a public project; provided, further, however, that at no time shall the Company use any part of the Project Facility, cause any part of the Project Facility to be used or occupied or permit or suffer any part of the Project Facility to be used other than for industrial, manufacturing, telecommunications, warehouse, distribution, laboratory, office, research and development incubator, and film and television production purposes permitted "as of right" under applicable zoning and land use laws and rules, 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 permit or suffer 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, user 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 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. Nothing in this Section shall constitute an authorization by the Agency for the Company to lease, license, sublease, sub-sublease, or permit any other occupancy arrangements with respect to the Project Facility or any part thereof, except in accordance with Section 9.3 of this Lease.

**SECTION 3.3 HAZARDOUS MATERIALS** 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 (each an "Environmental Law" and collectively the "Environmental Laws") except Hazardous Materials the presence of which do not violate any Environmental Laws, (ii) except as expressly disclosed in the Environmental Report, 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 construct and operate the Project Facility and is in compliance with their requirements, (iv) except as expressly disclosed in the Environmental Report, 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) except as expressly disclosed in the Environmental Report, 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) except as expressly disclosed in the Environmental Report, 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) except as expressly disclosed in the Environmental Report, 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) except as expressly disclosed in the Environmental Report, to the best of the Company's knowledge, no prior owner of the Project Facility or 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) Except for the conditions disclosed in the Environmental Report, 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 knowingly 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 knowingly 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 tenants, subtenants, operators 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 to use reasonable efforts to cause compliance by all tenants, subtenants, operators 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, if any, (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 and reasonably acceptable to the Company), 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 upon demand with interest at the Default Interest Rate commencing fifteen (15) 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 (i) Hazardous Materials the presence of which do not violate any Environmental Laws, (ii) Hazardous Materials expressly disclosed in the Environmental Report, and (iii) any currently existing, but unknown, Hazardous Materials, provided, however, that the Company shall be required to deliver the Project Facility free of those Hazardous Materials required to be remediated or mitigated as part of the acquisition, construction, renovation, installation, and equipping (including, without limitation, the Initial Work), 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 on reasonable advance notice (except in the event of an emergency for which no such advance notice is required), 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 (subject to the provisions of the "Covenant and Restriction Regarding Excavation" set forth on pages 5 and 6 of the Deed), in order to determine that the Company is in compliance with all Environmental Laws.

(G) The Company shall obtain and keep in full force and effect at all times during the term of this Lease insurance at a reasonable cost to cover the Company's obligations under this Section 3.3.

SECTION 3.4 NON-MERGER. During the term of this Lease, there shall be no merger of this Lease or the Company Lease nor of the leasehold estate created by the Company Lease or the subleasehold estate created by this Lease with the fee estate in the Premises or any part thereof 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 Company Lease or the subleasehold estate created by this Lease or the leasehold estate created by the Company Lease or any interest in this Lease or the Company Lease or in any such leasehold or subleasehold estate and (2) the fee estate in the Premises or any part thereof or any interest in such fee estate, and no such merger shall occur unless and until all corporations, firms and other entities, including any mortgagee having any interest in (x) this Lease or the Company Lease or the subleasehold estate created by this Lease or the leasehold estate created by the Company Lease and (y) the fee estate in the Premises or any part thereof or any interest in such fee estate, 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 purpose.

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

SECTION 4.1 ACQUISITION, CONSTRUCTION, RENOVATION, INSTALLATION, AND EQUIPPING OF THE PROJECT FACILITY. (A) Notwithstanding the third and tenth Whereas (Recitals) clause hereto, the Company shall, on behalf of the Agency, promptly undertake and thereafter diligently and continuously prosecute to completion the acquisition, construction, renovation, installation, and equipping of the Project Facility, as follows (collectively, the "Initial Work"):

(1) repair, restore and/or replace existing base building systems and infrastructure of the main building commonly known as Building 3 as shown on the 2011 Survey ("Building 3"), limited to roofing, flooring, electrical and plumbing components of the Building, all to bring the Building into compliance with building code regulations and sufficient to cause the Town of Oyster Bay to issue a certificate of occupancy or other evidence of approval of such building systems and infrastructure to the extent required by Applicable Laws, which work shall consist of the following: (a) with respect to roofing, remove and replace damaged deck and membrane, remove and replace damaged joints and coping and roof curbs and flashing; (b) with respect to flooring, repair and/or replace existing concrete floors and make same ready for new floor finishes as needed; (c) with respect to electrical, rough-in power distribution, distribute electric throughout Building 3, rough-in lighting and final connections; (d) with respect to plumbing, rough-in and/or repair domestic water piping, install new sanitary waste lines as needed, new gas piping, furnish and install new fixtures as needed and identify; and (e) with respect to the fire sprinkler system, repair and/or replace existing piping, re-commission existing risers and branch piping and repair main loop as needed, which the Agency acknowledges has been substantially completed;

(2) repair, restore and/or replace existing building systems and infrastructure of the buildings on the Land commonly known as Buildings 1A, 2A, 3A, 4A, 5A and 6A as shown on the 2011 Survey (collectively, the "North Warehouses") limited to installation of heat, electric, metering and plumbing (including bathrooms), as required to make such buildings suitable for occupancy by potential tenants (the Agency agrees to not unreasonably withhold its consent to a requested waiver of this provision in connection with the demolition of the North Warehouses and the construction of a replacement building(s) for an approved tenant), which the Agency acknowledges has been substantially completed;

(3) with respect to Building 3 and the North Warehouses, abate and dispose of all asbestos-containing material ("ACM") in compliance with all Applicable Laws and implement an ACM operations and maintenance plan in accordance with Applicable Law, which the Agency acknowledges has been substantially completed;

(4) with respect to Building 3 and the North Warehouses, install a sub-slab soil vapor depressurization system throughout such structures, design building specific systems, saw cut and remove concrete slabs, fabricate and install new suction pits, install underground and aboveground piping and risers and replace concrete floor slabs, to the extent required to mitigate

existing conditions, all in compliance with Applicable Laws, which the Agency acknowledges has been substantially completed;

(5) repair and/or replace recharge basin headwall and pipe located on the Land, which the Agency acknowledges has been substantially completed;

(6) repair and/or re-pipe storm water system between the Project Facility and the adjacent County recharge basin only if required to obtain the governmental approvals set forth in Section 4.2(A) of this Lease, which the Agency acknowledges has been substantially completed;

(7) repair and/or replace fire sprinkler water loop around the Project Facility, which the Agency acknowledges has been substantially completed;

(8) improving of an interest in the New Land;

(9) the acquisition, construction, renovation, installation, and equipping of the New Building on the New Land; and

(10) the acquisition, construction, renovation, installation, and equipping of the 2018 Equipment.

The Company shall perform the Initial Work or cause the Initial Work to be performed 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 any new structure on the Land (other than the New Building in accordance with the Plans and Specifications) or construct an addition to or otherwise increase the usable square footage of the Original Building or the New Building or otherwise construct any additional improvements on the Land without the prior written consent of the Agency. The Company represents, warrants and covenants that the portions of the Initial Work reflected in Section 4.1 (a) (1), (2), (3), (4), (5), (6) and (7) have been completed to the satisfaction of the Agency.

(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). If the Agency fails to respond to the Company's written request for such consent within twenty (20) days after delivery of such request to the Agency, then the Agency shall be deemed to have consented; provided, however, that if such request requires the approval of the members of the Agency (as determined by the Agency and communicated to the Company within said twenty (20) day period), the Agency shall have such reasonable additional period of time as may be required to convene a meeting of the members of the Agency to consider such request; provided that any delay of more than twenty (20) days after delivery of such written request to the Agency shall extend the Scheduled Completion Date by the number of days in excess of twenty (20) days.

(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 shall vest in the Agency immediately upon execution of the Bill of Sale to Agency. 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 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.

(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, construct, renovate, install, and equip the Project Facility as contemplated by this Lease, (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 such acquisition, construction, 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 such acquisition, construction, 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 entered into by the Company in connection with such acquisition, construction, 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 and reasonably acceptable to the Company), 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 would result in jurisdictional disputes or strikes or labor disharmony at or in connection with the Project Facility.

(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. Title to portions of the Project Facility acquisition, construction, renovation, installation, and equipping at the Company's cost shall immediately upon such acquisition, construction, renovation, installation, and

equipping vest in the Agency. The Company shall execute, deliver and record or file such instruments as the Agency may reasonably request in order to perfect or protect the Agency's title 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 acquisition, construction, 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, and (iii) that the Agency may otherwise publicize the Agency's role in the Project.

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

(N) Notwithstanding any provision of this Lease to the contrary, the Company acknowledges that no sales and use tax exemption is granted pursuant to this Lease or the other Transaction Documents except with respect to the Initial Work.

(O) The Company covenants and agrees to make a total investment in the Project Facility as of the Scheduled Completion Date in an amount not less than \$60,245,851.00. The Company shall provide written documentation of such investment, in form and substance reasonably satisfactory to the Agency, no later than February 11<sup>th</sup> of the calendar year following the Scheduled Completion Date.

SECTION 4.2 COMPLETION OF THE PROJECT FACILITY; FEES. (A) The Company will proceed with due diligence to commence the acquisition, construction, renovation, installation, and equipping of the Project Facility (including, without limitation, the 2018 Project Facility and the Initial Work) 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 acquisition, construction, renovation, installation, and equipping of the Project Facility (including, without limitation, the Initial Work) in accordance with the Plans and Specifications on or before September 30, 2020 (the “Scheduled Completion Date”), as such date may be extended in accordance with this Lease. The Company covenants to diligently prosecute its application for any required building permits for the Project Facility. Completion of the acquisition, construction, renovation, installation, and equipping of the Project Facility (including, without limitation, the 2018 Project Facility and the Initial Work) 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, construction, renovation, installation, and equipping of the Project Facility (including, without limitation, the 2018 Project Facility and the Initial Work) contemplated by Section 4.1 of this Lease 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 the Project Facility, free and clear of all Liens and encumbrances except Permitted Encumbrances, and (E) that the Project Facility or the applicable portion thereof, as the case may be, is ready for occupancy, use and operation for its intended purposes. Such certificate shall be accompanied by a temporary or permanent certificate of occupancy for all the Project Facility and any and all appropriate 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, or cause to be paid, 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, municipal 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, construction, renovation, installation, and equipping of the Project Facility (including, without limitation, the Initial Work) or in the event of a breach of warranty or other liability with respect to any materials, workmanship or performance guaranty, the Company shall: (i) 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, or (ii) terminate the 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.

SECTION 4.4 SECTION 4.4 PURPOSE OF THE PROJECT. It is understood and agreed by the Agency and the Company that the purposes of the granting of the Financial Assistance are to promote, develop, encourage and assist in the acquisition, construction, renovation, installation, and equipping of the Project Facility (including without limitation the Initial Work) to advance the job opportunities, health, general prosperity and economic welfare of the people of the County and the State, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration, and to otherwise accomplish the purposes of the Act.

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

SECTION 5.1 LEASE 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. 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, 2052 (the "Stated Expiration Date"), or (2) the date that this Lease shall terminate pursuant to Article X or Article XI hereof.

(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.** 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 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 one-time fees: (1) a closing compliance fee in the amount of \$2,500.00, (2) an Agency administrative fee in the amount of \$182,491.70, with respect to the Project, and (3) the Agency's general counsel fee in the amount of \$51,245.85 (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.

(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 term of this Lease (i.e., 2018) shall be due and payable on the Closing Date and the Annual Fee for each year thereafter (i.e., 2019 and thereafter) shall be due and payable, in advance, on January 1 of each year. The Company hereby represents, warrants, and covenants that any and all fees and costs, including, without limitation, those due with regard to the 2011 Project Facility, previously due and owing to the Agency have been duly satisfied as of the Closing Date.

(D) Within ten (10) days after receipt of a demand therefor from the Agency, the Company shall pay to the Agency the sum of the reasonable 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, leasing, 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 reasonable fee or expense of the Agency with respect to the Project Facility, the leasing, subleasing or sale of the Project Facility to the Company, the sub-subleasing of portions of the Project Facility to the Sublessee, 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 or any Sublessee's use and occupancy to the Project Facility, or any other liability of the Agency to the Company.

SECTION 5.5 GRANT OF SECURITY INTEREST. This Lease shall constitute a "security agreement", as such term is defined in the Uniform Commercial Code adopted in the State, as the same may from time to time be in effect (the "UCC"). The Company hereby grants the Agency a first-priority security interest in all of the right, title and interest of the Company in the materials, machinery, equipment, trade fixtures, fixtures, furniture, furnishings and other tangible personal property acquired by or on behalf of the Company for the Project Facility and in all additions and accessions thereto, all replacements and substitutions therefor, all books, records and accounts of the Company pertaining to the Project Facility, and all proceeds and products thereof (collectively, the

"Collateral"), as security for payment of the rental payments and all other payments and obligations of the Company hereunder, and the Agency is authorized to file financing statements with respect to such Collateral without the Company executing the same. If any Event of Default shall occur under this Lease or any other Transaction Document, the Agency shall have, in addition to any and all other rights and remedies set forth in this Lease, and may exercise without demand, any and all rights and remedies granted to a secured party under the UCC, including, but not limited to, the right to take possession of the Equipment and any fixtures or other personal property that constitute part of the Collateral, and the right to advertise and sell the same, or any part thereof pursuant to and in accordance with the UCC. The Company agrees that any notice of public or private sale with respect to such Collateral, or any part thereof, shall constitute reasonable notice if it is sent to the Company not less than ten (10) days prior to the date of any such sale. The Company hereby irrevocably appoints the Agency as its attorney in fact to execute, deliver and/or file any instruments or statements necessary or convenient to perfect and continue the security interest granted herein.

#### SECTION 5.6 SUBLEASE.

(A) In order to further secure the payment and performance of the obligations of the Company under this Lease and the other Transaction Documents, the Company does hereby collaterally assign, transfer and set over to the Agency all of the Company's right, title and interest in and to all Sublease Agreements, including all sublease rentals, revenues and receipts therefrom, and the right to enforce all of the Company's rights and remedies thereunder.

(B) The Company agrees not to terminate, modify, amend or supplement any Sublease Agreement, or any of the terms thereof, or grant any concessions in connection therewith, either orally or in writing, or to accept a surrender thereof, without the prior written consent of the Agency, which consent shall not be unreasonably withheld or delayed, and any attempted termination, surrender, modification, amendment of or supplement to any Sublease Agreement without such written consent shall be null and void.

(C) In the exercise of the powers herein granted, no liability shall be asserted or enforced against the Agency, all such liability being hereby expressly waived and released by the Company. The Agency shall not be obligated to perform or discharge any obligation, duty or liability under any Sublease Agreements, or under or by reason of this assignment.

### ARTICLE VI MAINTENANCE, MODIFICATIONS, TAXES AND INSURANCE

SECTION 6.1 MAINTENANCE AND MODIFICATIONS OF THE PROJECT FACILITY. 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, and shall cause the Project Facility to be occupied, used and operated, 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) perform or cause to be performed, for and on behalf of the Agency, each and every obligation of the Agency under and pursuant to the Bank Mortgage or the Bank Mortgage Amendment and (7) 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, the Company Lease, 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 reasonably acceptable to the Company) 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 monetary 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 (a) nonstructural modifications or improvements to the Project Facility which do not exceed, at any one time, \$250,000.00 in value and (b) non-structural modifications or improvements, without limitation as to amount, performed in connection with customary and reasonable tenant improvements;

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

(7) if the cost of such alterations, modifications or improvements is estimated to exceed \$500,000.00, 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, or the Company shall have furnished to the Agency other evidence satisfactory to the Agency in its reasonable discretion of the availability of sufficient funding for such alterations, modifications or improvements;

(8) the Agency receives evidence reasonably satisfactory to the Agency 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; however, it is expressly understood that any such alterations, modifications or improvements (including new structures) shall automatically become part of the Project Facility and shall be subject to the benefits and obligations of this Lease and the PILOT Agreement; and

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

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.

The provisions of this Subsection (B) shall not apply to initial the acquisition, construction, renovation, installation, and equipping of the Project Facility (including without limitation the Initial Work) pursuant to the Plans and Specifications the contemplated by Section 4.1 of 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 and reasonably acceptable to the Company), 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) In the event that any such alterations, modifications or improvements (including the construction of new structures) undertaken pursuant to this Section 6.1 are made in connection with a Proposed Sublease, such alterations, modifications or improvements (including the construction of new structures) shall only be permitted with the consent of the Agency to such Proposed Sublease in accordance with Section 9.3 of this Lease. Any such alterations, modifications and improvements (including new structures) shall automatically become part of the Project Facility and shall be subject to the benefits and obligations of this Lease and the PILOT Agreement.

(E) The Company shall be permitted to demolish any or all of the buildings on the Land commonly known as Buildings 10-19 as shown on the 2011 Survey (collectively, the "South Warehouses"), at any time prior to the Scheduled Completion Date, without the prior consent of the Agency but upon reasonable prior written notice to the Agency.

(F) The Company shall be permitted to cause the Land to be subdivided without the prior written consent of the Agency, but upon reasonable prior written notice to the Agency; provided, however, that the sale, assignment or transfer of any or all of the subdivided lots comprising the Land shall remain subject to the provisions of Section 9.3(A) of this Lease. The Agency agrees to reasonably cooperate with the Company with respect to such subdivision at the sole cost and expense of the Company.

(G) Any provision of this Lease to the contrary notwithstanding, the Company shall, after the Closing Date, not construct any building or structure on the Land other than the New Building (as depicted and described in the Plans and Specifications) or any addition to any existing building on the Land (including, without limitation the Original Building) without the prior written consent of the Agency, which consent may be withheld in the Agency's sole and absolute discretion. Notwithstanding the foregoing restriction, the Company has permission of the Agency to remove and re-locate a U.S. Navy environmental pad facility currently located on the New Land to another part of the Land to facilitate the 2018 Project Facility.

**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, and upkeep 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 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 terms, 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 reasonably satisfactory to the Agency.

**SECTION 6.3 INSURANCE REQUIRED.** During the term of this Lease, the Company shall maintain 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 or causing to be paid, 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, as insured, the PILOT Mortgagee, as mortgagee, and the Agency as loss payee, against loss or damage to the Project Facility by fire, lightning, vandalism, malicious mischief and other perils embraced by so-called "Special Form" policy of property insurance, in amounts sufficient to prevent the Company, the PILOT Mortgagee, and/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 "Special Form" property insurance in the form of a "Builder's Risk" completed value, non-reporting policy in an amount satisfactory to the Agency and which shall contain 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, construction, renovation, installation, and equipping of the Project Facility.

(C) Commercial general liability insurance and professional liability insurance protecting the Company, as insured, and the PILOT Mortgagee and the Agency, as additional insureds, 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, and \$3,000,000 general aggregate, excluding liability imposed upon the Company by any applicable workers' compensation law, and a separate excess liability policy (written on a "follow form" basis to the commercial general liability policy) protecting the Company as named insured, and the Agency and the PILOT



Mortgagee as additional insured, with a limit of not less than \$100,000,000.00, 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, the PILOT Mortgagee, 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. The requirements of this Subsection (F) shall be waived upon presentation of evidence satisfactory to the Agency that no portion of the Project Facility is located within an area identified by the U.S. Department of Housing and Urban Development as having special flood hazards.

(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. Notwithstanding the foregoing restriction, the Company has permission of the Agency to remove and re-locate a U.S. Navy environmental pad facility currently located on the New Land to another part of the Land to facilitate the 2018 Project Facility.

**SECTION 6.4 ADDITIONAL PROVISIONS RESPECTING INSURANCE.** 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, but in no event to exceed \$100,000, 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, as named insured, and the Agency and PILOT Mortgagee as additional insureds, with respect to liability policies, and name the Agency as loss payee and the PILOT Mortgagee as mortgagee, with respect to casualty policies, and provide for at least thirty (30) days' written notice to the Company, the PILOT Mortgagee, and the Agency prior to cancellation, lapse, reduction in policy limits or material change in coverage thereof. All insurance shall be written on an occurrence basis or a claim made basis; provided, however, that if any insurance is written on a claims made basis, the Company agrees to maintain coverage for an adequate period of time to report losses, but in no event shall such period be less than three (3) years after the Stated Expiration Date. 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 fifteen (15) days prior to the expiration of any policy, the Company shall furnish to the Agency (i) a certificate of insurance with respect to such policy evidencing the renewal of such policy for a period of at least one (1) year, which certificate shall be in the form and substance reasonably satisfactory to the Agency, and (ii) written evidence of the payment in full of the premium for such policy for the next succeeding one (1) year period.

(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 from the date of payment by the Agency.

(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 and the PILOT Mortgagee as additional insureds 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 or the PILOT Mortgagee 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 or the PILOT Mortgagee 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 and the PILOT Mortgagee 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 or the PILOT Mortgagee 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; 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 or any of the other Transaction Documents to the contrary notwithstanding, at any time during the term of this Lease that any portion of the Bank Loan or Bank Loan Amendment is outstanding, and the Bank Mortgage remains a Lien on the 2011 Project Facility or the Bank Mortgage Amendment remains a Lien on the 2018 Project Facility, as

the case may be, and that any portion of the indebtedness secured thereby remains outstanding, the Agency agrees that: (i) the Bank, and not the Agency, shall be the loss payee with respect to the Net Proceeds of the insurance required by Sections 6.3(A) and (E) insofar as it relates to any loss of the 2011 Project Facility or any loss of the 2018 Project Facility for the Bank and (ii) the provisions of Section 6.5(A) and 7.1(B) shall be superseded and replaced by the applicable provisions of the Loan Agreement (as defined in the Bank Mortgage) for any loss related to the 2011 Project Facility or such applicable loan agreement or similar instrument defined in the Bank Mortgage Amendment for any loss related to the 2018 Project Facility.

**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: Subject to the provisions of Section 6.4 (F) of this Lease: (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 not required to pay certain taxes or assessments upon any of the Property acquired by it or under its jurisdiction, control or supervision or upon its activities, as more particularly set forth in Section 874 of the Act. 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, a copy for which is attached hereto as Exhibit H. 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 to the Taxing Entities pursuant to law in the event that the Company should fail to pay any taxes not exempted 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(s), city, town(s), county, village(s) and other political unit(s) 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 a 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 or the PILOT Agreement (whether or not the Project Facility is replaced, repaired, rebuilt or restored) unless otherwise agreed to in writing by the Agency;

(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, subject to the provisions of Section 6.4(F) of this Lease, in the event 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 and the Bank shall consent in writing to such termination. 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 Company Lease 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 or in the PILOT Agreement (whether or not the Project Facility is restored) unless otherwise agreed to in writing by the Agency;

(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) 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 and the Bank and the Bank shall consent in writing to such termination. In such event, subject to the applicable provisions of the Bank Mortgage and the Bank Mortgage Amendment, 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 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 reasonably acceptable to the Company) 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 occupancy 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, reconstructing, equipping, installing, furnishing, owning, leasing, subleasing, sub-subleasing, or selling the Project Facility or arising from or incurred based on the Agency's involvement in the Project Facility, including, without limiting the generality of the foregoing: (i) any sales or use taxes which may be payable with respect to goods supplied or services rendered with respect to the Project Facility, and (ii) 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, and (iii) all liabilities or claims arising as a result of the Agency's involvement in the Project or the granting of the Financial Assistance, (3) all liabilities and expenses arising from the failure or alleged failure of the Project Facility, the Company or the Company's members, managers, officers, agents, attorneys, servants or employees to comply with Applicable Laws, including, without limitation, any claim that the Agency aided or abetted in such failure or alleged failure to comply with Applicable Laws, (4) all claims arising from the exercise by the Company of the authority conferred on it pursuant to Section 4.1(E) hereof, and (5) all causes of action and reasonable 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 its liabilities assumed pursuant to this Section 8.2 in the liability policies required by Section 6.3(C) of this Lease.

(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 the Company to enter upon and to examine and inspect the Project Facility (except in the event of an emergency for which prior notice shall not be required); 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 (subject to the provisions of the immediately preceding sentence of this Section) 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, (A) it will maintain its limited liability company 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 limited liability company or other Person, or permit one or more limited liability companies or other Persons to consolidate with or merge into it, without giving prior written notice to the Agency and obtaining the written consent of the Agency. The Company agrees that it will not change its name or its state of organization without giving prior written notice to the Agency and obtaining the written consent of the Agency, which consent shall not be unreasonably withheld or delayed.

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 Guarantors and/or the Company's and/or Guarantor's 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 or to ensure compliance with the provisions of this Lease and the other Transaction Documents.

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) On or before February 11<sup>th</sup> of each year, 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, it being understood and agreed that the Agency's annual employment report attached as Exhibit G may serve as such "No Event of Default" certificate. The Company represents to the Agency that the Company's fiscal year currently ends on December 31<sup>st</sup>.

**SECTION 8.7 COMPLIANCE WITH APPLICABLE LAWS.** 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) no Event of Default shall have occurred and be continuing 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 reasonably 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, other than Permitted Encumbrances.

(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, promptly 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 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 beyond applicable notice and/or cure periods, if any, 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 promptly upon demand all sums so incurred or expended by the Agency under the authority hereof, together with interest thereon, at the Default Interest Rate, from the date of written demand to the Company.

**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 Sublessees, 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 or cause to be listed 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 and to cause to be first considered 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) The Company agrees to file with the Agency and to cause each Sublessee to file with the Agency, on a calendar year basis not later than February 1 of each year during the term of this Lease, measured as of December 31st of the immediately preceding calendar year, reports: (i) certifying the full-time equivalent jobs retained and the full time equivalent jobs created as a result of the granting of the Financial Assistance, by category, including full-time equivalent independent contractors and employees of independent contractors that work at the Project Facility, and (ii) certifying that the salary and fringe benefit averages or ranges for categories of jobs retained and jobs created that were set forth in the Application are then still accurate or, if not then still accurate, providing a revised list of salary and fringe benefit averages or ranges for categories of jobs retained and jobs created. Said annual reports shall be in substantially the form promulgated from time to time by the Agency. The current forms of reports are annexed hereto as Exhibit G. The Company shall provide such annual reports (and supporting documentation) with respect to its employees and shall cause its Sublessees, Affiliates, contractors, and agents to provide such reports (and supporting documentation) with respect to their respective employees, if any, at the Project Facility. 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 reasonably cooperate with and to cause its Sublessees, Affiliates, and such third parties to cooperate with the Agency in connection therewith.

(E) The Company shall, at all times during the term of this Lease, maintain or cause to be maintained, as applicable, the Minimum Employment Requirement. The Company agrees to give the Agency written notice of the occurrence of any default under this subsection (E) within five (5) days after the Company becomes aware of the occurrence of such default.

(F) Subject to: (i) collective bargaining contracts or agreements and other existing contracts or agreements to which the Company is a party or by which the Company is bound and (ii) compliance with Applicable Laws, the Company agrees to list or cause to be listed all new employment opportunities created as a result of the Project on the Nassau County TweetMyJobs website or other website designated by the Agency from time to time, provided that such listing shall be at no cost to the Company.

(G) Subject to: (i) collective bargaining contracts or agreements and other existing contracts or agreements to which the Company is a party or by which the Company is bound and (ii) compliance with Applicable Laws, the Company agrees that to the greatest extent possible new employment opportunities shall be provided to Nassau County or Suffolk County residents first.

#### SECTION 8.12 SALES AND USE TAX EXEMPTION.

(A) Pursuant to Section 874 of the Act, the parties understand that the Agency is exempt from certain sales and use taxes imposed by the State and local governments in the State, and that the Project may be exempted from those taxes due to the involvement of the Agency in the Project. Any exemption from the payment of New York sales and use taxes resulting from Agency involvement in the Project shall be limited to purchases of services and the purchase or lease of tangible personal property conveyed to the Agency or utilized by the Agency or by the Company as agent of the Agency in connection with the completion of the acquisition, construction, renovation, installation, and equipping of the Project Facility (including, without limitation the Initial Work) (but not the operation thereof). No operating expenses (including, without limitation, costs of

utilities, cleaning services or supplies) of the Project Facility and no other purchases or leases of services or property (including, without limitation, any purchases of goods or services related to the acquisition, construction, renovation, installation, and equipping of any part of the Project Facility for a Sublessee or in connection with a Sublease Agreement) shall be subject to an exemption from the payment of New York sales or use taxes. The Agency makes no representations or warranties that any property or service is exempt from the payment of New York sales or use taxes.

(B) On the Closing Date, the Agency and the Company shall execute and deliver a sales and use tax agency agreement in the form attached hereto as Exhibit E (the "Sales Tax Agency Agreement"). The granting of the sales and use tax exemption herein is subject to the following additional terms and conditions:

(1) The Sales Tax Agency Agreement shall be dated the Closing Date and shall be effective for a term commencing on its date and expiring upon the earliest to occur of: (a) the termination of this Lease, (b) September 30, 2020, as such date may be extended in accordance with this Lease, or (c) the termination of the Sales Tax Agency Agreement pursuant to the terms hereof and thereof;

(2) Anything in this Lease or the Sales Tax Agency Agreement to the contrary notwithstanding, the sales and use tax exemption to be provided pursuant to the Sales Tax Agency Agreement (a) shall not be available for any date subsequent to which the Sales Tax Agency Agreement shall have been suspended as provided in this Lease; provided, however, that in the event the Company shall thereafter cure the default(s) giving rise to such suspension, or the Agency shall thereafter waive such suspension and the sales and use tax exemption shall again continue from the date of such cure or waiver; (b) shall not be available for or with respect to any tangible personal property having a useful life of less than one year; and (c) shall not be available after the Company (or the contractors or subcontractors engaged by the Company and approved by the Agency as its agents or sub-agents) shall have made purchases under the Sales Tax Agency Agreement resulting in sales and use tax exemptions in the aggregate amount of the Maximum Sales Tax Benefit.

(C) The Company agrees to furnish to the Agency within fifteen (15) days after the end of each calendar quarter, a sales and use tax exemption report (the "Quarterly Sales Tax Report"), in form and substance satisfactory to the Agency in its reasonable judgment, with respect to the use of the Sales Tax Agency Agreement by the Company and the contractors and subcontractors engaged by the Company and approved by the Agency as its agents and sub agents during the preceding calendar quarter. Each said Quarterly Sales Tax Report shall be certified by an Authorized Representative of the Company and shall: (1) identify the contracts and specific property exempted from sales taxes and/or use taxes during such period; (2) indicate the parties to said contract; (3) indicate the maximum amount payable under said contract, and indicate what portion of said amount would normally be subject to sales and use taxes imposed in the State; (4) indicate the amount of sales tax benefit expected to be received with respect to said contract; and (5) indicate the cumulative sales tax benefit claimed by the Company (and its contractors and subcontractors approved by the Agency as its agents and sub-agents) with respect to the Project for the calendar year.

(D) Pursuant to Section 874(8) of the Act, the Company agrees to file annually, (through the year after the Sales Tax Agency Agreement expires or is earlier terminated), with the New York State Department of Taxation and Finance (the "Department"), no later than January 15<sup>th</sup> of each year, on a form and in such manner as is prescribed by the New York State Commissioner of Taxation and Finance (the "Annual Sales Tax Report"), a statement of the value of all sales and use tax exemptions claimed by the Company (and the contractors and subcontractors engaged by the Company and approved by the Agency as its agents) under the authority granted to the Company pursuant to Section 4.1(E) of this Lease during the preceding calendar year. Pursuant to Section 874(8) of the Act, the penalty for failure to file the Annual Sales Tax Report shall be the termination of authority to act as agent of the Agency. Additionally, if the Company shall fail to comply with the requirements of this subsection (D), the Company shall immediately cease to be the agent of the Agency in connection with the Project.

(E) The Company agrees to furnish to the Agency, simultaneously with its delivery of such report to the Department, a copy of each such Annual Sales Tax Report submitted to the Department by the Company pursuant to Section 874(8) of the Act.

(F) The Company acknowledges that, pursuant to Section 874 (9) of the Act, the Agency shall file within thirty (30) days of the Closing Date with the Department on a form and in such manner as is prescribed by the New York State Commissioner of Taxation and Finance (the "Thirty-Day Sales Tax Report"), statements identifying the Company and its contractors and subcontractors approved by the Agency as agents of the Agency, setting forth the taxpayer identification numbers of such Persons, giving a brief description of the goods and/or services intended to be exempted from sales taxes as a result of such appointment as agent, indicating a rough estimate of the value of the goods and/or services to which such appointment as agent relates, indicating the date when such designation as agent became effective and indicating the date upon which such designation as agent shall cease. The Company agrees to timely provide the foregoing information to the Agency and to otherwise cooperate with the Agency in connection with the preparation and filing of the Thirty-Day Sales Tax Report.

(G) With respect to any period in which the Company (and the contractors and subcontractors engaged by the Company and approved by the Agency as its agents) receives a sales tax exemption benefit under the authority granted to the Company pursuant to this Lease, the Company agrees to furnish to the Agency, on request, an officer's certificate or an opinion of a certified public accountant to the effect that such officer or accountant, as the case may be, has audited the claiming of such exemption from sales and use taxes by the Company (and the contractors and subcontractors engaged by the Company and approved by the Agency as its agents and sub-agents) for the preceding calendar year, and has revised the terms and provisions of the Sales Tax Agency Agreement for the preceding calendar year, and has reviewed the terms and provisions of the Sales Tax Agency Agreement and of this Section 8.12, and has further audited the Quarterly Sales Tax Reports for the preceding calendar year, and that such Quarterly Sales Tax Reports were properly prepared and accurately reflect the matters certified therein.

(H) The Company covenants and agrees that it shall include or cause to be included the following language in and as a part of each contract, agreement, lease, invoice, bill or purchase order entered into by the Company (or a contractor or subcontractor engaged by the Company and proved by the Agency as its agent), as agent of the Agency, in connection with the acquisition,



construction, renovation, installation, and equipping of the Project Facility (including, without limitation, the Initial Work):

“This [contract, agreement, lease, invoice, bill or purchase order] is being entered into by Nassau Steel, LLC (the “Agent”), as approved agent for and on behalf of the Nassau County Industrial Development Agency (the “Agency”) in connection with a certain project (the “Project”) of the Agency for the Agent consisting in part of the acquisition, construction, renovation, installation, and equipping of a commercial building located at 999 South Oyster Bay Road, Town of Oyster Bay, Nassau County, New York (the “Premises”) and the acquisition of certain capital improvements, materials, machinery, equipment, trade fixtures, furniture, furnishings and other tangible personal property necessary for the completion of the Project. The capital improvements, materials, machinery, equipment, trade fixtures, furniture, furnishings and other tangible personal property necessary for completion of the Project which are the subject of this [contract, agreement, lease, invoice, bill or purchase order] shall be exempt from the sales and use taxes levied by the State of New York and the County of Nassau if effected in accordance with the terms and conditions set forth in the attached Sales Tax Agency Agreement of the Agency; and the Agent hereby represents that this [contract agreement, lease, invoice, bill or purchase order] is in compliance with the terms of the Sales Tax Agency Agreement. This [contract agreement, lease, invoice, bill or purchase order] is non-recourse to the Agency, and the Agency shall not be directly, indirectly or contingently liable or obligated hereunder in any manner or to any extent whatsoever. By execution or acceptance of this [contract agreement, lease, invoice, bill or purchase order], the [vendor, lessor, licensor, contractor or subcontractor] hereby acknowledges and agrees to the terms and conditions set forth in this paragraph.”

If the Company fails to include, incorporate by reference or otherwise cause the contract, agreement, lease, invoice, bill or purchase order to be subject to the above provision, then such contract, agreement, lease, invoice, bill or purchase order shall not be an undertaking on behalf of the Agency and shall not be entitled to any of the benefits that may be conferred by the Agency, neither the Company nor any contractor or subcontractor engaged by the Company and approved by the Agency as its agent or sub-agent shall claim any sales or use tax benefits or exemptions with respect thereto, and the Company shall return or cause to be returned to the Agency any such benefits or exemptions so taken, together with interest thereon at the Default Interest Rate, from the date of such taking.

The appointment by the Company of a contractor or subcontractor as an agent of the Agency pursuant to this Section 8.12 shall be subject to the prior written approval of the Agency, which approval shall not be unreasonably withheld, and such appointment shall be subject to all of the provisions of this Section 8.12. Any such appointment approved by the Agency shall not be valid



unless and until the contractor or subcontractor executes and delivers an agency agreement in the form required by the Agency (each, a "Sub-Agent Agency Agreement").

(I) The Company agrees to provide a completed Form ST-123, *IDA Agent or Project Operator Exempt Purchase Certificate* (**attached hereto in form as Exhibit E-1**) to each vendor, lessor, licensor, contractor or subcontractor from which the Company (or a contractor or subcontractor engaged by the Company and approved by the Agency as its agent) purchases and/or leases goods or services or with which the Company (or a contractor or subcontractor engaged by the Company and approved by the Agency as its agent or sub-agent) enters into an improvement or installation contract relating to the acquisition, construction, renovation, installation, and equipping of the Project Facility. The Company acknowledges that, pursuant to Section 875 of the Act, the Certificate must be provided to the vendor, lessor, licensor, contractor or subcontractor in order for the contract, agreement, lease, invoice, bill or purchase order to be exempt from the imposition of sales and/or use taxes pursuant to the authority granted under this Lease. The Company agrees to provide the Agency a copy of each such Form ST-123 within five (5) days after the delivery of such form to the vendor, lessor, licensor, contractor or subcontractor.

(J)(1) Without limitation of any of the Agency's other rights under this Lease, in the event that the Company (or any contractor or subcontractor engaged by the Company and approved by the Agency as its agent or sub-agent) shall utilize the sales or use tax exemption provided pursuant to this Lease (i) in a manner that is not authorized or for which the Company (or any contractor or subcontractor engaged by the Company and approved by the Agency as its agent) is not entitled to claim an exemption, (ii) to claim exemptions in excess of the Maximum Sales Tax Benefit, (iii) to purchase or lease goods or services that are not authorized under this Lease, or (iv) in a manner that violates the provisions of this Section 8.12, or any other provision of this Lease or any provision of the Sales Tax Agency Agreement or Sub-Agent Agency Agreement, then the Company shall promptly deliver notice of same to the Agency, and the Company shall promptly pay or cause to be paid to the Agency a return of sales or use tax exemptions in an amount equal to all such unauthorized sales or use tax exemptions together with interest at the Default Interest Rate from the date and with respect to the dollar amount for which each such unauthorized sales or use tax exemption was used by the Company (or a contractor or subcontractor engaged by the Company and approved by the Agency as its agent or subagent). If the Company fails to promptly pay such return of sales or use tax exemptions when due, the Agency shall have the right, without limitation of any of its other rights under this Lease, to take any action or commence any proceeding at law or in equity which may appear necessary or desirable to the Agency to recover any such amounts and the Agency shall have the right to join the Commissioner as a party in any such action or proceeding. The Company shall cooperate with the Agency in all such actions and proceedings to recover such amounts. The Company acknowledges and agrees that its failure to pay over any such amounts to the Agency shall also be grounds for the Commissioner to assess and determine State Sales and Use Taxes due from the Company under Article 28 or Article 28-A of the New York State Tax Law, together with any applicable penalties and interest due on such amounts.

(2) The Company acknowledges and agrees that, in the event the Agency recovers, receives or otherwise obtains any amount of State Sales and Use Tax from the Company (or a contractor or subcontractor engaged by the Company and approved by the Agency as its agent or subagent) pursuant to the foregoing subsection, the Agency shall have the right to remit same to

the Commissioner, together with such information and report that the Commissioner deems necessary to administer payment over of such amounts, and 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 members, officers, agents (other than the Company), attorneys, servants and employees, past, present and future, against any liability incurred as a result of remitting such amounts to the Commissioner.

(3) Pursuant to Section 875 of the Act, the Agency shall prepare and file an annual compliance report (each, a "Compliance Report") detailing provisions of this Lease and, if applicable, its activities and efforts to recover, receive or otherwise obtain State Sales and Use Taxes pursuant to the terms of this Lease, together with such other information as the Commissioner and/or the Commissioner of Economic Development may require, which Compliance Report will be filed with the Commissioner, the Director of the Division of the Budget, the Commissioner of Economic Development, the State Comptroller and the Nassau County Legislature. The Company acknowledges the provisions of Section 875 of the Act, agrees to timely provide any information required by the Agency in connection with such Compliance Report and agrees to cooperate with the Agency in connection with the preparation and filing of such Compliance Report.

**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 financial statements of the Company prepared and compiled 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 to the Agency that the Company's fiscal year ends on December 31<sup>st</sup>.

**SECTION 8.15 ANTI-TERRORISM LAWS.**

(A) General. Neither the Company nor any director, officer, member, manager or shareholder of the Company, nor any Affiliate of any of the foregoing, is in violation of any Anti-Terrorism Law or engages in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law.

(B) Executive Order No. 13224. Neither the Company, nor any director, officer, member, manager or shareholder of the Company, nor any Affiliate of any of the foregoing, nor their respective agents acting or benefiting in any capacity in connection with the transactions contemplated by the Transaction Documents, is any of the following (each a "Blocked Person"):

(1) a Person that is listed in the annex to, or is otherwise subject to the provisions of, Executive Order No. 13224;

(2) a Person owned or controlled by, or acting for or on behalf of, any Person that is listed in the annex to, or is otherwise subject to the provisions of, Executive Order No. 13224;

(3) a Person or entity with which any lender is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law;

(4) a Person or entity that commits, threatens or conspires to commit or supports “terrorism” as defined in Executive Order No. 13224;

(5) a Person or entity that is named as a “specially designated national” on the most current list published by the U.S. Treasury Department Office of Foreign Asset Control at its official website or any replacement website or other replacement official publication of such list; or

(6) a Person or entity who is affiliated or associated with a person or entity listed above.

(C) Blocked Person or Transactions. Neither the Company, nor any director, officer, member, manager or shareholder of the Company, nor any Affiliate of any of the foregoing, nor to the Company’s knowledge any of its agents acting in any capacity in connection with the transactions contemplated by the Transactions Documents: (i) conducts any business or engages in making or receiving any contribution of funds, goods or services to or for the benefit of any Blocked Person, or (ii) deals in, or otherwise engages in any transaction relating to, any property or interests in property blocked pursuant to Executive Order No. 13224.

(D) Trading with the Enemy. The Company is not engaged, nor does it intend to engage, in any business or activity prohibited by the Trading with the Enemy Act.

(E) OFAC and Patriot Act. The Company represents, warrants, covenants and agrees as follows: (i) the Company, its directors, officers, members, managers, shareholders and Affiliates are in compliance with all Anti-Terrorism Laws; (ii) the Company shall immediately notify the Agency if it obtains knowledge that it or any of its Affiliates has become or been listed as a Restricted Party or has been charged with or has engaged in any violation of any Anti-Terrorism Law; (iii) the Company shall not to receive any funds from a Restricted Party and, in any case, exclude any funds derived from any Restricted Party or from any person or entity involved in the violation of any Anti-Terrorism Law from being used to pay the Indebtedness or any part thereof; (iv) the Company shall not to transfer or permit the transfer of any legal or beneficial ownership interest of any kind in the Company to a Restricted Party or any person or entity involved in the violation of any Anti-Terrorism Law; (v) the Company shall not to acquire, directly or indirectly, ownership interest of any kind in any Restricted Party or any person or entity involved in the violation of any Anti-Terrorism Law; (vi) the Company shall not to form any partnership or joint venture or conduct any business with any Restricted Party or any person or entity involved in the violation of any Anti-Terrorism Law; (vii) the Company shall not to act, directly or indirectly, as the agent or representative of any Restricted Party or any person or entity involved in the violation of any Anti-Terrorism Law; and (viii) the Company shall indemnify, defend (with counsel selected by the Agency and reasonably acceptable to the Company) and hold harmless the Agency from and

against any costs incurred by the Agency, and its members, officers, agents (other than the Company), attorneys, servants and employees, past, present and future, as a result of any violation of an Anti-Terrorism Law by the Company or any of its directors, officers, members, managers, shareholders or Affiliates.

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

SECTION 9.1 ASSIGNMENT OF THIS LEASE. Subject to the Bank's rights under Section 12.21(D), this Lease may not be sold, assigned or 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 and this Lease. 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 consented to by the Agency 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 hereunder and under the other Transaction Documents; 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 (except for the Pre-Closing Licenses), transfer (except for the Bank's right under Section 12.21(D)), convey or otherwise dispose of or permit others to use or occupy the 2011 Project Facility or any portion thereof without the prior written consent of the Agency, which consent may be granted or withheld in the Agency's sole and absolute discretion (provided, however, that from and after the occurrence of the Completion Date, the Agency's consent shall not be unreasonably withheld, delayed or conditioned), except for subleases and other occupancy arrangements approved by the Agency as set forth in Subsection (B), if any.

(B) (1) (a) If at any time during the term of this Lease the Company shall request the Agency's consent to sub-sublet or otherwise permit the use or occupancy of the Project Facility (each, a "Proposed Sublease"), or any portion thereof, the Company shall include with such request (i) a copy of the proposed sub-sublease or other occupancy agreement, which agreement shall be substantially in the form or contain the provisions set forth in one of the sublease agreement forms attached hereto as Exhibits I-1 and I-2 (collectively, the "Sublease Forms"), which Sublease Forms are hereby approved by the Agency, (ii) a proposed sublease "term sheet" in the form attached hereto as Exhibit J (the "Sublease Term Sheet"), setting forth the deal-specific terms of the Proposed Sublease and specifically identifying any proposed changes to the standard terms set forth in the applicable Sublease Form or the exhibits thereto (any such deviations from the Sublease Form, the "Sublease Form Deviations"), and (iii) any other information reasonably requested by the Agency. The Sublease Form attached hereto as Exhibit I-2 shall only be used for proposed subleases or licenses (a) with a duration of one (1) year or less (Exhibit I-2.1A), or (b) for use of the premises demised thereby as a television or movie production studio (Exhibit I-2.2) (each such Proposed Sublease on an Exhibit I-2 form, a "Proposed Short-Term Sublease"). The Sublease Form attached hereto as Exhibit I-1 shall be used for all other Proposed Subleases. Exhibit I is that certain sublease between the Company and FedEx Ground Package Systems, Inc. ("FedEx"), effective date: May 14, 2018, which has been approved by the Agency to form and relates to the Company's covenant in Section 2.2 (N) to facilitate the creation of 190 new, full-time equivalent, private sector jobs by the FedEx at the Project Facility.

(b) The Agency agrees to promptly review and respond to any such request for consent to a Proposed Sublease. If the Agency fails to respond to the Company's written request for such consent within twelve (12) Business Days (or five (5) Business Days with respect to a Proposed Short-Term Sublease) after delivery (or refusal of delivery) of the initial written request to the Agency, then the Agency shall be deemed to have consented to such Proposed Sublease; provided, however, that if such request requires the adoption of a consent resolution by the members of the Agency (as determined by the Agency within said twelve (12) Business Day (or five (5) Business Day) period) because such request involves the granting of additional Financial Assistance or because such request does not meet all of the requirements of Subsection (2) below, then the Agency shall have such reasonable additional period of time as may be required to convene a meeting of the members of the Agency to consider such request.

(c) Notwithstanding anything in this Subsection (1) to the contrary, the Company shall have the right with respect to a request for the Agency's consent under this Subsection (B) to initially submit only the Sublease Term Sheet for the Agency's review and approval. The Agency agrees to promptly review any such Sublease Term Sheet. If the Agency fails to respond to the Company's written request for consent to the terms set forth in such Sublease Term Sheet within twelve (12) Business Days (or five (5) Business Days with respect to a Proposed Short-Term Sublease) after delivery (or refusal of delivery) of the initial written request accompanied by the Sublease Term Sheet, then the Agency shall be deemed to have consented to the terms set forth in such Sublease Term Sheet; provided, however, that if such request requires the adoption of a consent resolution by the members of the Agency (as determined by the Agency within said twelve (12) Business Day (or five (5) Business Day) period) because such request involves the granting of additional Financial Assistance or because such request does not meet all of the requirements of Subsection (2) below, then the Agency shall have such reasonable additional period

of time as may be required to convene a meeting of the members of the Agency to consider such request. If the Agency consents (or is deemed to consent) to the terms of a Sublease Term Sheet pursuant to this Subsection, then the period for the Agency's review of the final form of the Proposed Sublease pursuant to Subsection (b) above shall be reduced to five (5) Business Days and the period for the Agency's review of the final form of the Proposed Short-Term Sublease pursuant to subsection (b) above, which shall be limited to a review of the Sublease Form Deviations, to the extent same might have a material adverse effect on the Agency (as determined by the Agency in its reasonable discretion) and incorporation of the Sublease Term Sheet terms, shall be reduced to three (3) Business Days. The Company shall deliver a copy of any such executed Sublease Agreement within three (3) days after execution thereof.

(2) If the Company does not request that additional Financial Assistance be granted simultaneously with or in connection with a Proposed Sublease, then the Agency agrees that, subject to satisfaction of the requirements of Subsection (C) below, the Executive Director or other Authorized Representative of the Agency shall, on behalf of the Agency, grant the consent of the Agency in writing to the Proposed Sublease, provided that:

(a) neither the Company nor any of its Affiliates nor any Guarantor is then in default, beyond applicable notice and cure periods, under this Lease or any document, instrument or agreement between the Company, such Affiliates or such Guarantor and either the Agency or the County;

(b) the Proposed Sublease will cause the Project Facility to qualify and continue to qualify as a "project" under the Act and will not tend, in the judgment of the Agency, to bring the Project into disrepute as a public project;

(c) the proposed use of the premises demised by the Proposed Sublease (the "Subleased Premises") is a permitted use under Section 3.2 of this Lease;

(d) the proposed lessee, sublessee or occupant (the "Proposed Sublessee") is not a Prohibited Person or Restricted Party, no guarantor (if any) under the Proposed Sublease is a Prohibited Person or Restricted Party and no Affiliate of the Proposed Sublessee or any such guarantor (if any) is a Prohibited Person or Restricted Party and, if the Proposed Sublessee is not a publicly traded company, no partner, member or shareholder, as the case may be, of the Proposed Sublessee, is a Prohibited Person or Restricted Party;

(e) the Agency determines, based on the record before it, that the Proposed Sublease will not result in the removal of a facility or plant of the Proposed Sublessee 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 Proposed Sublessee located in the State (other than in the County), unless the Agency shall first determine that the Proposed Sublease is reasonably necessary to discourage the Proposed Sublessee from removing its plant or facility to a location outside the State or is reasonably necessary to preserve the competitive position of the Proposed Sublessee in its respective industry;



(f) the Agency determines, based on the record before it, that the Proposed Sublease will not result in a relocation of the Proposed Sublessee within the County that would result in the creation of vacant space within the County, unless the Agency shall first determine that the Proposed Sublease is reasonably necessary to discourage the Proposed Sublessee from removing its plant or facility to a location outside the County;

(g) neither the Company, the Proposed Sublessee nor any Affiliate of either of them has employed or retained any appointed or elected governmental official to solicit or secure the Agency's consent to the Proposed Sublease upon an agreement of understanding for a commission or percentage, brokerage or contingent fee;

(h) no funds of the Agency shall, as a result of the Agency's consent to the Proposed Sublease, be given hereunder to any group or organization which is attempting to prevent the establishment of an industrial or manufacturing plant within the State; and

(i) the use of the Sublease Premises as contemplated by the Proposed Sublease would not cause the Project Facility or any part thereof or the operation thereof to be in violation of any Applicable Law.

If the Proposed Sublease does not satisfy each and every condition set forth in clauses (a) through and including (i) above, then the Proposed Sublease shall require the Agency's prior written consent, which consent may be granted or withheld in the Agency's sole and absolute discretion.

(3) If the Company requests that additional Financial Assistance (i.e., additional mortgage recording tax and/or additional sales and use tax exemptions) be granted simultaneously with or in connection with a Proposed Sublease, then the Proposed Sublease shall require the Agency's prior written consent, which consent may be granted or withheld in the Agency's sole and absolute discretion; provided, however, if the proposed use of the portion of the Project Facility to be demised pursuant to the Proposed Sublease is "Class A" office space, as reasonably determined by the Agency, then the Agency's consent shall not be unreasonably withheld, delayed or conditioned.

(C) The Agency shall not be required to grant its consent pursuant to Subsection (B) above unless and until the following conditions are satisfied:

(1) the Company shall have provided the Agency with all information and statements that may be reasonably required to ensure compliance by said entities with SEQRA and, if required, the Agency shall have adopted an appropriate finding or determination under SEQRA with respect to the Proposed Sublease, provided that in the event of a coordinated review of the Proposed Sublease by the Town of Oyster Bay or any other Governmental Authority, the Agency will not seek to become lead agency in said coordinated review;

(2) the Agency shall have complied with all applicable public hearing(s), notice(s) and other procedural requirements required by Applicable Law with respect to the Proposed Sublease;



(3) the Company shall have provided all information reasonably required by the Agency with respect to the economic and fiscal impact of the Proposed Sublease and, if the Company or the Proposed Sublessee is requesting additional Financial Assistance simultaneously with or in connection with the Proposed Sublease, the Agency shall have obtained an addendum to its economic impact report reasonably satisfactory in form and substance to the Agency;

(4) the Proposed Sublease shall be substantially in the form of the applicable Sublease Form and shall provide that the Company (or an Affiliate thereof) shall provide all services and improvements, if any, as set forth in the applicable Sublease Form;

(5) the Agency shall be reasonably satisfied with the Company's calculation of the estimated "Annual Gross Income" under the Proposed Sublease as set forth in the Sublease Term Sheet; provided, that if the Agency shall not be satisfied with such calculation, the consent of the Agency pursuant to Subsection (B) above shall nonetheless not be withheld or delayed;

(6) intentionally omitted; and

(7) the Company shall have paid the Agency's consent fee of \$750 and all reasonable and customary fees and expenses incurred by the Agency in connection with such lease, subletting, sub-subletting, license, transfer, conveyance or use or occupancy by others, including, without limitation, all reasonable attorneys' fees and expenses incurred by the Agency.

(D) Any consent by the Agency to a sale, lease, subletting, sub-subletting, licensing, transfer, conveyance or use or occupancy by others shall be held to apply only to the specific transaction thereby authorized and shall not constitute a waiver of necessity for such consent to any subsequent transaction, including but not limited to a subsequent transaction by any trustee, receiver or liquidator, or personal representative of the sub-subtenant or occupant nor shall the references anywhere in this Lease to subtenants, licensees and concessionaires be construed as a consent by Landlord to a sale, lease, subletting, sub-subletting, license, transfer, conveyance or use or occupancy by others.

(E) Notwithstanding anything to the contrary contained in this Section 9.3, the Company shall have the right to enter into a certain Sub-Sublease Agreement between the Company, as sub-sublessor, and Glenn Lostritto and Joseph J. Lostritto, as sub-sublessees (together, the "Master Lessees"), in the form attached hereto as Exhibit K (collectively, the "Master Lease"), provided that (i) in no event shall the Company authorize or consent to an assignment of the Master Lease (other than pursuant to a collateral assignment of leases in favor of the Bank), in whole or in part, by the Master Lessees nor shall the Company authorize or consent to any subletting or other occupancy of the premises demised by the Master Lease, and (ii) the rental under the Master Lease shall not be less than the fair market rent (on a "gross" rental basis) for the premises demised thereunder. The Company shall promptly deliver a copy of the Master Lease to the Agency upon its execution and delivery (or release from escrow) by the Company and the Master Lessees.

(F) Within thirty (30) days after the end of each fiscal quarter, the Company shall deliver to the Agency a current rent roll and a certificate: (i) listing all leases, subleases, sub-

subleases and other occupancy agreements in effect with respect to the Project Facility, or any portion thereof, during the immediately preceding fiscal quarter, including, without limitation, the name of the tenant, subtenant, sub-subtenant or occupant, the square footage of the space leased, subleased or occupied, the rental and other consideration for such lease, sublease, sub-sublease or agreement, and such other information as the Agency may reasonably require from time to time, and (ii) certifying that such leases, subleases, sub-subleases or other occupancy agreements do not and shall not result in a violation of the terms of this Lease or any other Transaction Document. Notwithstanding the foregoing, failure by the Company to timely deliver the rent roll and certificate for the first, second and/or third fiscal quarters shall not constitute a default hereunder unless such failure continues for thirty (30) days after written notice of same from the Agency.

(G) Notwithstanding anything to the contrary contained in this Section 9.3, in any instance where the Company determines that any item constituting a 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, 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. Notwithstanding the foregoing, the Company shall be permitted to demolish any or all of the South Warehouses, at any time prior to the Scheduled Completion Date, without the prior consent of the Agency but upon reasonable prior written notice to the Agency. 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.

(H) The Company shall use its commercially reasonable efforts to market and lease space within the Project Facility.

## 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 thirty (30) 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 thirty (30) day period, the failure of the Company to commence to cure within such thirty (30) 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 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 thirty (30) 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 thirty (30) 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 thirty (30) 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 member of the Company enters into an agreement or contract to do so, without the prior written consent of the Agency (except for transfers or other conveyances to immediate

family members of the current members of the Company), which consent may be withheld in the Agency's reasonable discretion.

(8) The imposition of a Lien on the Project Facility other than a Permitted Encumbrance and the failure of the Company to remove such Lien, whether by payment of money, the securing of a bond or otherwise within sixty (60) days after the Company receives notice or becomes aware of such imposition.

(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(G) of this Lease.

(10) If any certificate, statement, representation, warranty or financial statement made to the Agency by or on behalf of the Company, any Sublessee or any Guarantor 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 Guarantor, 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 the presence of which and in such quantities as would not result in a violation of any Environmental Law), and the Company is either unable to comply with such Environmental Laws within thirty (30) days of the notification or discovery of such violation or complete all appropriate and lawful remedial containment and clean-up action within thirty (30) days of the notification or discovery of the existence of such Hazardous Materials.

(12) Any loss or impairment of the Agency's or the Company's respective interests in and to the Project Facility, or any portion thereof, not due to the voluntary acts of the Agency.

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

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

(15) An Event of Default shall occur under the Company Lease or under any other Permitted Encumbrance.

(16) If Joseph J. Lostritto and Glenn Lostritto cease to have day-to-day control of the management and operations of the Company for any reason; provided,

however, that the Agency shall not unreasonably withhold its consent to a change of management of the Company after the Completion Date.

(17) A default or an Event of Default shall occur under the Company Lease or under any other Permitted Encumbrance.

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

(19) If the Company shall fail to maintain or cause to be maintained the Minimum Employment Requirement at any time during the term of this Lease.

(20) The Company or any Guarantor 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.

(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 Company shall fail (i) to commence the acquisition, construction, reconstruction, improving maintaining, equipping, and furnishing of the Project Facility as contemplated by Section 4.1 of this Lease within thirty (30) days after the Closing Date, or (ii) to continue with due diligence to renovate, install and equip the Project Facility as contemplated by Section 4.1 of this Lease, or (iii) to substantially complete such renovation, installation and equipping on or before the Scheduled Completion Date.

(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 or a Recapture Event. 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 and be continuing, 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 this Lease; or

(2) re-enter and take possession of the Project Facility, enforce or terminate this Lease, sell or assign 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 (including, without limitation, any Sublease Agreement), evict tenants (including, without limitation, any Sublessee), 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/or terminate the Company Lease and/or 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 Project Facility shall be effected by the execution by the Agency of the Termination of Lease and/or the Termination of Company Lease and/or the delivery of the Bill of Sale to Company, as applicable. The Company hereby agrees to pay all expenses and taxes, if any, applicable to or arising from any such termination and conveyance. The Company hereby waives delivery and acceptance of such termination and bill of sale 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 (and its contractors and subcontractors approved by the Agency as its agents and subagents) 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; 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, reasonable 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 AND OBLIGATION TO PURCHASE



**SECTION 11.1 EARLY TERMINATION OF THE LEASE.** The Company shall have the option to terminate this Lease at any time 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 SELL AND PURCHASE THE PROJECT FACILITY.**

(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. The obligation of the Agency under this Section 11.2 to convey its interest in the Project Facility to the Company will be subject to there being no Event of Default existing hereunder or under any other Transaction Document, and there being no other event which would, but for the passage of time or the giving of notice, or both, be such an Event of Default.

(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 Termination of Company Lease (an unexecuted copy of which is attached hereto as Exhibit C), (2) the Bill of Sale to Company (an unexecuted copy of which is attached hereto as Exhibit D) and (3) the Termination of Lease (an unexecuted copy of which is attached hereto as Exhibit F). 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 Termination of Company Lease, the Bill of Sale to Company and/or the Termination of Lease, 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 this Lease is to be terminated and the Agency's interest in that 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.

### 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, an amount as follows (such amount the "Recapture of Benefits"). For the avoidance of doubt, the times relating to the Recapture Event(s) shall be based on the Original Closing Date for those Benefits which pertain to the 2011 Project Facility and the Closing Date for those Benefits which pertain to the 2018 Project Facility. By way of example, if a Recapture Event occurs in 2033, then the Recapture of Benefit shall be 80% of the Benefits related to the 2011 Project Facility and 100% of the Benefits related to the 2018 Project Facility:

(1) one hundred percent (100%) of the Benefits (as defined below) if the Recapture Event occurs on or before the twentieth (20<sup>th</sup>) anniversary of the Original Closing Date for the 2011 Project Facility and the Closing Date for the 2018 Project Facility;

(2) eighty percent (80%) of the Benefits if the Recapture Event occurs after the twentieth (20<sup>th</sup>) anniversary of the Original Closing Date for the 2011 Project Facility or the Closing Date for the 2018 Project Facility but on or before the twenty-fourth (24<sup>th</sup>) anniversary of the Original Closing Date for the 2011 Project Facility or the Closing Date for the 2018 Project Facility;

(3) sixty percent (60%) of the Benefits if the Recapture Event occurs after the twenty-fourth (24<sup>th</sup>) anniversary of the Original Closing Date for the 2011 Project Facility or the Closing Date for the 2018 Project Facility but on or before the twenty-eighth (28<sup>th</sup>) anniversary of the Original Closing Date for the 2011 Project Facility and the Closing Date for the 2018 Project Facility;

(4) forty percent (40%) of the Benefits if the Recapture Event occurs after the twenty-eighth (28<sup>th</sup>) anniversary of the Original Closing Date for the 2011 Project Facility or the Closing Date for the 2018 Project Facility but on or before the thirty-second (32<sup>nd</sup>) anniversary of the Original Closing Date for the 2011 Project Facility and the Closing Date for the 2018 Project Facility;

(5) twenty percent (20%) of the Benefits if the Recapture Event occurs after the thirty-second (32<sup>nd</sup>) anniversary of the Original Closing Date for the 2011 Project Facility or the Closing Date for the 2018 Project Facility but on or before the

thirty-sixth (36<sup>th</sup>) anniversary of the Original Closing Date for the 2011 Project Facility and the Closing Date for the 2018 Project Facility;

(6) ten percent (10%) of the Benefits if the Recapture Event occurs after the thirty-sixth (36<sup>th</sup>) anniversary of the Original Closing Date for the 2011 Project Facility or the Closing Date for the 2018 Project Facility but on or before the forty (40<sup>th</sup>) anniversary of the Original Closing Date for the 2011 Project Facility and the Closing Date for the 2018 Project Facility; or

(7) zero percent (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 (through the date that the Project Facility is returned to the tax rolls as taxable property) 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 been the owner of the Project Facility during such term and the Agency not been involved in the Project and based on the records of the Nassau County Tax Assessor and any applicable municipal tax assessor, 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; provided however that the recapture of the value of any exemption from sales and/or use taxes shall be in the full amount of any exemption taken and shall not be subject to the scheduled percentage reduction set forth in Subsection (A) above.

(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 another location; or

(4) The occurrence and continuance 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, subleased, sub-subleased, 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 shall have subleased, sub-subleased, licensed or otherwise granted an occupancy agreement with respect to any portion of the Project Facility in violation of this Lease; or

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

(9) The Application, or documentation submitted by the Company or any Guarantor 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

(10) The Company shall fail: (i) to commence the Initial Work as contemplated by Section 4.1 of this Lease within thirty (30) days after the Closing Date, or (ii) to continue with due diligence to perform the Initial Work as contemplated by Section 4.1 of this Lease, or (iii) to complete the Initial Work on or before the Scheduled Completion Date.

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.

## 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:

Nassau Steel, LLC  
999 Stewart Avenue, Suite 200  
Bethpage, NY 11714  
Attn: Joseph J. Lostritto

### WITH A COPY TO:

Forchelli Deegan Terrana LLP  
333 Earle Ovington Boulevard, Suite 1010  
Uniondale, NY 11553  
Attn: Daniel P. Deegan, Esq.

### IF TO THE AGENCY:

Nassau County Industrial Development Agency  
One West Street  
Mineola, NY 11501  
Attn: Executive Director

### WITH A COPY TO:

Harris Beach PLLC  
333 Earle Ovington Boulevard, Suite 901  
Uniondale, New York 11553  
Attn: Andrew D. Komaromi, 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 this Lease, including, without limitation Sections 2.2(F), 3.1, 3.3, 4.1, 5.3, 5.4, 6.4 (B), 6.6, 8.2, 8.9, 8.12, 9.1, 9.3, 10.2, 10.4, 11.2 and 11.4 hereof and to provide the indemnity required by this Lease, including, without limitation, 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 the Company and the Guarantor under the Environmental Indemnification, as applicable, 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 reasonably acceptable to the Company) 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 and the other Transaction Documents 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, Daniel P. Deegan, Esq., Forchelli Deegan et al., 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.

## SECTION 12.15 NON-DISCRIMINATION.

(A) At all times during the term of this Lease, the Company shall not (and shall cause its Affiliates not to) discriminate against any customer, occupant, employee or applicant for employment because of race, color, religion, creed, ethnicity, age, gender, pregnancy, sex, sexual orientation, gender identity, national origin, citizenship, marital status, domestic violence victim status, military status, veteran status, disability, familial status, genetic information, genetic predisposition or carrier status, or other characteristic or criteria protected by Applicable Law. The Company shall use reasonable efforts to ensure that employees and applicants for employment with any tenant, subtenant, occupant or user 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, religion, creed, ethnicity, age, gender, pregnancy, sex, sexual orientation, gender identity, national origin, citizenship, marital status, domestic violence victim status, military status, veteran status, disability, familial status, genetic information, genetic predisposition or carrier status, or other characteristic or criteria protected by Applicable Law. 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 (or any of its Affiliates), state that all qualified applicants will be considered for employment without regard to race, color, religion, creed, ethnicity, age, gender, pregnancy, sex, sexual orientation, gender identity, national origin, citizenship, marital status, domestic violence victim status, military status, veteran status, disability, familial status, genetic information, genetic predisposition or carrier status, or other characteristic or criteria protected by Applicable Law.

(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 December 20, 2018.

**SECTION 12.17 RECORDING AND FILING.** A memorandum of this Lease 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 SUBORDINATION.** This Lease and all of the Transaction Documents as it relates to the Project Facility, except for the PILOT Agreement, the 2011 PILOT Mortgage, 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 and the Bank Mortgage Amendment, including all amounts advanced thereunder and all renewals, modifications and replacements thereof. The Bank Mortgage and the Bank Mortgage Amendment (including all amounts advanced thereunder and all

renewals, modifications and replacements thereof) shall be subject and subordinate to the PILOT Agreement, the 2011 PILOT Mortgage, 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, except with regard to the Agency's Unassigned Rights, is subject and subordinate to the lien of the 2011 PILOT Mortgage, PILOT Mortgage and the County Mortgage.

**SECTION 12.19 INCUBATOR SPACE.** The Agency shall have the option, at the election of the Agency, to sub-sublet on a rent-free basis up to 30,000 square feet of occupiable space in the Building for the purpose of establishing a so-called "business incubator" or similar vehicle to promote economic development (the "Incubator Space"). The Agency must exercise the foregoing option, if at all, within five (5) years after the Original Closing Date. If the Agency exercises the foregoing option, the Company, at its sole expense, shall construct walls demising the Incubator Space and shall provide all required building services and systems to the Incubator Space, except that the Agency (or its designee) shall be responsible to pay the cost of utilities used in the Incubator Space (either by direct meter with the applicable utility(ies) or measured by a sub-meter and billed at Landlord's actual cost from the utility(ies)). The exact location of the Incubator Space and the other terms of the sub-subletting shall be set forth in a sub-sublease agreement to be negotiated between the Agency (or its designee) and the Company.

**SECTION 12.20 NAVY PARCEL.** At the written request of the Company, the Agency shall enter into an amendment of this Lease and the other Transaction Documents to incorporate the Navy Parcel into the Project Facility (and, therefore, subject to the PILOT Agreement), subject to the Agency's standard requirements in connection with accepting an interest in property in connection with a Project. The Company agrees that it shall pay, on demand, all reasonable fees and expenses incurred by the Agency in connection with the processing of such request and/or the preparation, execution and delivery of such amendments to the Lease and other Transaction Documents.

**SECTION 12.21 SPECIAL BANK PROVISIONS.** Notwithstanding any provision of this Lease to the contrary:

(A) The Agency shall give to the Bank a copy of each notice of default delivered to the Company under this Lease as it relates to the Project Facility concurrently with the giving of any such notice by the Agency to the Company. The Bank shall, as herein provided, have the right to remedy any such monetary default within the applicable notice, cure or grace period, if any, provided under this Lease with respect to such default and for a period of five (5) Business Days thereafter. The Agency shall accept performance by the Bank of any covenant, condition or agreement on the Company's part to be performed as it relates to the Project Facility hereunder with the same force and effect as though performed by the Company.

(B) Notwithstanding the provisions of subsection (A) of this Section, if a non-monetary default under this Lease as it relates to the Project Facility that is susceptible of cure by the Bank cannot reasonably be cured by the Bank within the notice, cure or grace period applicable to such non-monetary default, if any, the Bank shall have as long as is reasonably required to cure such non-monetary default provided that, within the applicable notice, cure or grace period, if any, the Bank shall have delivered to the Agency its written agreement to take the action described in clause (i) or (ii) below and thereafter, in good faith, shall have commenced promptly either (i) to cure such non-monetary default and to actively prosecute the same with diligence and continuity to

completion, or (ii) if possession of the Project Facility is required to cure such non-monetary default, to institute foreclosure proceedings and obtain possession directly or through a court-appointed receiver, to actively prosecute such proceedings with diligence and continuity and, upon obtaining such possession (subject to the limitations inherent in having a court-appointed receiver in place), to commence promptly to cure such non-monetary default and to prosecute the same to completion with diligence and continuity (and the Bank shall provide the Agency with periodic updates as to the status and progress of same), provided that during the period in which such action as set forth in clause (i) or (ii) is being taken (and any foreclosure proceedings are pending), all of the other obligations of the Company under this Lease, to the extent they are susceptible to being performed by the Bank, are being performed, and during such period the Agency shall not terminate this Lease as it relates to the Project Facility. A "non-monetary default" as such term is used in this Section shall be deemed to mean a default that is not susceptible to cure by the payment of money. By way of illustration and not of limitation, a default by the Company with respect to (a) its obligation to obtain and maintain insurance pursuant to Section 6.3 of this Lease, or (ii) its obligation to indemnify pursuant to Sections 2.2(G), 3.1, 3.3, 4.1(F), 6.1, 8.2 and 12.9(C) of this Lease, shall not constitute a "non-monetary default" hereunder because such default is susceptible of cure by the payment of money.

With respect to clause (i) of Subsection (B) above, the Bank shall not be required to cure any "non-monetary default" under this Lease that is not susceptible of cure by the Bank in order to avail itself of its rights under Subsection (B) above; provided, however, that (i) no default that is susceptible of cure by the payment of money shall constitute a default that is not susceptible of cure by the Bank, and (ii) the Bank shall not be obligated to cure any default under this Lease that is a default hereunder solely because it constitutes a default under the Bank Mortgage or the Bank Mortgage Amendment. The Bank must in any event comply with its other obligations set forth in Subsection (B) above in order to avail itself of its rights thereunder.

(C) The Bank (or its designee or nominee pursuant to Subsection (D) below) shall not become liable under the provisions of this Lease unless and until such time as it becomes, and then only for as long as it remains, the owner of the Project Facility. In the event that the Bank (or such designee or nominee) shall become the owner of the Project Facility, the Bank (and such designee or nominee) shall not be bound by any modification or amendment of this Lease as it relates to the Project Facility made subsequent to the Closing Date unless the Bank shall have consented (which consent shall not be unreasonably withheld, conditioned or delayed) to such modification or amendment. The Bank shall have ten (10) Business Days after its receipt of the proposed amendment or modification to consent or deny consent to any such modification or amendment and the Bank's failure to consent or deny consent in writing within such period shall be deemed to mean that the Bank has consented to the amendment or modification in question, so long as the Bank has been sent and received such amendment or modification.

(D) The Agency shall give prompt notice to the Bank of the termination of this Lease as it relates to the Project Facility by reason of any Event of Default hereunder. In the event of any such termination or in the event the Bank shall foreclose the Company's interest in the Project Facility pursuant to the Bank Mortgage (or shall accept a deed in lieu or assignment thereof), the Agency shall, promptly upon written request of the Bank given within thirty (30) days after the earlier of (x) the giving of notice of termination of this Lease as it relates to the Project Facility by

the Agency or (y) the date of the foreclosure sale or acceptance of the deed in lieu of foreclosure or assignment, as applicable, promptly execute and deliver a new lease of the Project Facility to the Bank (provided that the Bank is not a Prohibited Person) or a Permitted Transferee, for the remainder of the term of this Lease as it relates to the Project Facility upon all the covenants, conditions, limitations and agreements herein contained, provided that the Bank (i) shall pay to the Agency, simultaneously with the delivery of such new lease, all unpaid rents and other charges due and payable under or pursuant to this Lease as it relates to the Project Facility up to and including the date of the commencement of the term of such new lease and all expenses, including, without limitation, reasonable attorneys' fees and disbursements and court costs, incurred by the Agency in connection with such Event of Default, the termination of this Lease as it relates to the Project Facility and the preparation of the new lease, and (ii) shall cure (within the time periods set forth in this Lease) all defaults existing under this Lease as they relate to the Project Facility that are susceptible of cure by the Bank. Any such granting of a new lease, if given, shall be subject to the Agency's then current rules, policies and procedures.

(E) Any such new lease and the leasehold estate created thereby shall, subject to the same conditions contained in this Lease, continue to maintain the same priority as this Lease with regard to any mortgage, including the 2011 PILOT Mortgage and the PILOT Mortgage, encumbering the Project Facility or any part thereof or any other lien, charge or encumbrance thereon whether or not the same shall then be in existence.

(F) For purposes of this Section 12.21, the term "Permitted Transferee" shall mean (i) the Bank, provided that the Bank is not a Prohibited Person, (ii) a single-purpose entity that is a wholly-owned subsidiary of the Bank (an "Affiliated Transferee") the obligations of which to the Agency are unconditionally guaranteed by the Bank or another Person satisfactory to the Agency in its reasonable discretion (provided that neither such subsidiary nor such guarantor is a Prohibited Person or Restricted Party), or (iii) a Person that (a) has a business and financial reputation satisfactory to the Agency in its reasonable discretion, which may include a background check commissioned by the Agency (and with respect to which such Person shall reasonably cooperate), (b) has relevant and comparable qualifications to those of the Company (and its principals) as determined by the Agency in its reasonable discretion, (c) has demonstrated recognized experience in major real estate redevelopments as determined by the Agency in its reasonable discretion, (d) has financial worth satisfactory to the Agency in its reasonable discretion, (e) is not the Company, a principal of the Company, an Affiliate of the Company or a principal of any such Affiliate, and (f) is not a Prohibited Person (such Person, an "Unaffiliated Transferee"). The standards set forth in clause (iii) above shall also apply to a subsequent transfer by either the Bank or an Affiliated Transferee to an Unaffiliated Transferee.

(G) For the avoidance of doubt and notwithstanding any provision to the contrary, this Section 12.21 shall apply only to the 2011 Project Facility until such time as the Bank Mortgage Amendment is duly recorded with the Nassau County Clerk.

(H) The Bank's addresses for notices are as follows:

Wells Fargo Bank, National Association  
Wells Fargo Commercial Mortgage Servicing  
401 S. Tryon Street, 8th Floor

Charlotte, North Carolina 28202  
Facsimile No.: 704-715-0034


and

Meryl P. Diamond, Esq.  
Alston & Bird  
90 Park Avenue, 15<sup>th</sup> Floor  
New York, New York 10016-1387  
Facsimile No.: 212-210-9444

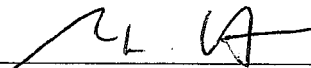
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IN WITNESS WHEREOF, the Agency and the Company have caused this Lease to be executed in their respective names by their respective duly authorized officers, all as of the day and year first above written.

NASSAU COUNTY INDUSTRIAL  
DEVELOPMENT AGENCY

By:   
Name: Colleen Pereira  
Title: Administrative Director

NASSAU STEEL, LLC

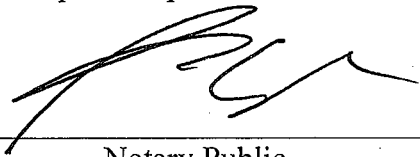
By:   
Name: Glenn Lostritto  
Title: Managing Member



[Acknowledgment Page to Amended and Restated Sublease]

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

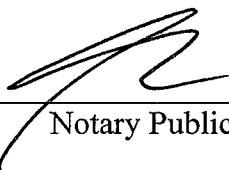
On the 20<sup>th</sup> day of December, in the year 2018, before me, the undersigned, a notary public in and for said state, personally appeared Colleen Pereira, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument 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         )

AMY C. ABBINK  
Notary Public, State of New York  
No. 01AB5057993  
Qualified in Ontario County  
Commission Expires April 1, 2022

On the 20<sup>th</sup> day of December, in the year 2018, before me, the undersigned, a notary public in and for said state, personally appeared Glenn Lostritto, 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

AMY C. ABBINK  
Notary Public, State of New York  
No. 01AB5057993  
Qualified in Ontario County  
Commission Expires April 1, 2022

EXHIBIT A  
DESCRIPTION OF THE LAND

**As to Lot 98:**

ALL that certain piece or parcel of land, situated at Bethpage, Town of Oyster Bay, County of Nassau and State of New York, said parcel being more particularly described as follows:

BEGINNING at the corner of the intersection of the easterly line of South Oyster Bay Road and the southerly line of Cherry Avenue Extension;

RUNNING THENCE along the southerly line of Cherry Avenue Extension, South 80 degrees 52 minutes 46 seconds East, a distance of 1,414.94 feet to a point;

RUNNING THENCE the following five (5) courses:

1. South 09 degrees 07 minutes 14 seconds West, a distance of 342.89 feet; thence
2. South 80 degrees 52 minutes 46 seconds East, a distance of 398.26 feet; thence
3. South 09 degrees 07 minutes 14 seconds West, a distance of 15.33 feet; thence
4. South 80 degrees 52 minutes 46 seconds East, a distance of 402.43 feet; thence
5. North 09 degrees 07 minutes 14 seconds East, a distance of 358.22 feet to the southerly line of the Cherry Avenue Extension;

RUNNING THENCE along said southerly line of Cherry Avenue Extension, South 80 degrees 52 minutes 46 seconds East, a distance of 90.00 feet to a point;

RUNNING THENCE the following five (5) courses:

1. South 09 degrees 07 minutes 14 seconds West, a distance of 358.22 feet; thence
2. South 80 degrees 52 minutes 46 seconds East, a distance of 490.10 feet; thence
3. South 03 degrees 50 minutes 49 seconds West, a distance of 426.86 feet; thence
4. North 79 degrees 20 minutes 20 seconds West, a distance of 483.33 feet; thence
5. North 80 degrees 27 minutes 06 seconds West, a distance of 20.10 feet to the westerly line of 11th Street;

RUNNING THENCE the following twenty (20) courses:

1. North 03 degrees 50 minutes 19 seconds East, a distance of 20.10 feet; thence
2. North 80 degrees 27 minutes 06 seconds West, a distance of 202.34 feet; thence
3. South 78 degrees 32 minutes 49 seconds West, a distance of 123.21 feet; thence

4. North 78 degrees 24 minutes 06 seconds West, a distance of 96.76 feet; thence
5. South 09 degrees 10 minutes 36 seconds West, a distance of 319.89 feet; thence
6. South 80 degrees 50 minutes 46 seconds East, a distance of 106.58 feet; thence
7. South 09 degrees 05 minutes 13 seconds West, a distance of 286.40 feet; thence
8. North 80 degrees 49 minutes 02 seconds West, a distance of 130.35 feet; thence
9. South 09 degrees 15 minutes 02 seconds West, a distance of 25.90 feet; thence
10. North 80 degrees 49 minutes 27 seconds West, a distance of 165.19 feet; thence
11. North 09 degrees 15 minutes 02 seconds East, a distance of 27.90 feet; thence
12. North 80 degrees 49 minutes 36 seconds West, a distance of 247.51 feet; thence
13. South 09 degrees 15 minutes 02 seconds West, a distance of 39.96 feet; thence
14. North 80 degrees 50 minutes 55 seconds West, a distance of 310.02 feet; thence
15. North 04 degrees 41 minutes 41 seconds East, a distance of 33.01 feet; thence
16. North 80 degrees 57 minutes 05 seconds West, a distance of 262.44 feet; thence
17. South 04 degrees 41 minutes 41 seconds West, a distance of 190.01 feet; thence
18. South 83 degrees 01 minute 48 seconds East, a distance of 261.89 feet; thence
19. North 04 degrees 41 minutes 41 seconds East, a distance of 45.34 feet; thence
20. South 86 degrees 06 minutes 24 seconds East, a distance of 1,220.38 feet to the westerly line of 11th Street;

THENCE along said westerly line of 11th Street, South 03 degrees 50 minutes 19 seconds West, a distance of 612.50 feet to the northerly line of Thomas Avenue;

THENCE along the northerly line of Thomas Avenue, North 86 degrees 09 minutes 41 seconds West, a distance of 1,077.83 feet to the northeasterly line of Long Island Railroad;

THENCE along the northeasterly line of said lands, North 49 degrees 41 minutes 36 seconds West, a distance of 1,112.77 feet to the easterly line of South Oyster Bay Road;

THENCE along the easterly line of South Oyster Bay Road, North 06 degrees 07 minutes 46 seconds West, a distance of 1,248.80 feet to a point;

THENCE continuing along the easterly line of South Oyster Bay Road, North 06 degrees 00 minutes 46 seconds West, a distance of 362.63 feet to the southerly line of the Cherry Avenue Extension, the point or place of BEGINNING.

**EXCEPTING THEREFROM** the premises described as Section 46 Block G Lot 5 on the Nassau County Land and Tax Map and being more particularly bounded and described as follows:

**ALL** that certain piece or parcel of land, situate, lying and being at Bethpage, Town of Oyster Bay, County of Nassau, State of New York, and being more particularly described as follows:

BEGINNING at a point located westerly from Point #6 described in Deed recorded in Liber 3344 of Deeds, Page 154, North 68 degrees 14 minutes 00 seconds West, 343.50 feet, and from said point of beginning;

RUNNING THENCE North 78 degrees 24 minutes 06 seconds West, 165.23 feet;

THENCE North 10 degrees 41 minutes 54 seconds East, 64.30 feet;

THENCE South 79 degrees 56 minutes 46 seconds East, 100.14 feet;

THENCE South 78 degrees 24 minutes 06 seconds East, 65.08 feet;

THENCE South 10 degrees 41 minutes 54 seconds West, 67.00 feet to the point or place of BEGINNING.

**TOGETHER WITH** the non-exclusive easement for ingress and egress set forth in that certain Declaration of Roadway Easement made between Northrop Grumman Systems Corporation and County of Nassau, dated as of July 26, 2005 recorded on August 9, 2005 in Liber 11989 of Deeds, Page 562.

[END OF LOT 98; CONTINUED ON NEXT PAGE]

**As to Lot 99:**

**ALL** that certain piece or parcel of land, situated at Bethpage, Town of Oyster Bay, County of Nassau and State of New York, said parcel being more particularly described as follows:

**COMMENCING** at the corner of the intersection along the easterly line of South Oyster Bay Road and the southerly line of Cherry Avenue Extension;

**RUNNING THENCE** along the southerly line of Cherry Avenue Extension South 80 degrees 52 minutes 46 seconds East a distance of 1,414.94 feet to the true point of beginning;

**CONTINUING** from said point of beginning the following six (6) courses, the first course being along the southerly line of Cherry Avenue Extension:

1.    **THENCE** South 80 degrees 52 minutes 46 seconds East a distance of 800.69 feet;
2.    **THENCE** South 9 degrees 07 minutes 14 seconds West a distance of 358.22 feet;
3.    **THENCE** North 80 degrees 52 minutes 46 seconds West a distance of 402.43 feet;
4.    **THENCE** North 09 degrees 07 minutes 14 seconds East a distance of 15.33 feet;
5.    **THENCE** North 80 degrees 52 minutes 46 seconds West a distance of 398.26 feet;
6.    **THENCE** North 09 degrees 07 minutes 14 seconds East a distance of 342.89 feet to the southerly line of Cherry Avenue Extension the point or place of **BEGINNING**.

[END OF LOT 99]

## EXHIBIT B

### DESCRIPTION OF THE EQUIPMENT

All equipment, fixtures, machines, building materials and items of personal property and all appurtenances (A) acquired, constructed and/or intended to be installed and/or to be acquired, constructed or installed in connection with the acquisition, construction, renovation, installation, and equipping of the Nassau Steel, LLC 2011 Project Facility and 2018 Project Facility (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, constructed, renovated and installed by Nassau Steel, LLC (the "Company") as agent of the Agency pursuant to a lease agreement dated as of the date hereof (the "Lease Agreement") by and between the Agency and the Company and (B) now or hereafter attached to, contained in or used in connection with the Land or placed on any part thereof, though not attached thereto, 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

### FORM OF TERMINATION OF COMPANY LEASE

WHEREAS, Nassau Steel, LLC (the "Company"), as landlord, and the Nassau County Industrial Development Agency (the "Agency"), as tenant, entered into a company lease agreement dated as of October 1, 2011 as amended and restated as of December 1, 2018 (the "Company Lease Agreement") pursuant to which, among other things, the Agency leased the Project Facility (as defined in the Lease Agreement) from the Company; and

WHEREAS, pursuant to the Company Lease Agreement, the Company and the Agency agreed that the Company Lease Agreement would terminate on the earlier to occur of (1) December 31, 2052 (the "Stated Expiration Date"), or (2) any earlier date the Lease Agreement would terminate pursuant to the terms thereof; and

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

NOW, THEREFORE, it is hereby agreed that the Company Lease Agreement has terminated as of the dated date hereof; provided, however, that, (i) as provided in the Company Lease Agreement, certain obligations of the Company shall survive the termination of the Company Lease Agreement, and the execution of this termination of company 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 thereof that expressly survive such termination; and (ii) in the event the Company Lease Agreement is being terminated pursuant to Article X or XI of the Lease Agreement, (a) Lessor shall pay to the Agency on the date hereof all fees and expenses of the Agency set forth in the Company Lease Agreement, in the Lease and in the other Transaction Documents, and (b) Lessor shall record on the date hereof a restrictive covenant against the Project Facility in form and substance satisfactory to the Agency prohibiting Lessor (and its successors and assigns) from transferring any interest in the Project Facility to any Person or entity that would otherwise be exempt from any otherwise applicable real property taxes, which restrictive covenant shall be effective until the Stated Expiration Date.



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

NASSAU STEEL, LLC

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 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, NASSAU STEEL, LLC, a limited liability company organized and existing under the laws of the State of Delaware, having an office for the transaction of business at 999 Stewart Avenue, Suite 200, Bethpage, NY 11714 (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 located or intended to be located on a parcel of land (the "Land") located at 999 South Oyster Bay Road, Bethpage, Town of Oyster Bay, Nassau County, New York, 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.

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Notary Public

EXHIBIT E  
FORM OF SALES TAX EXEMPTION LETTER

See Attached

## **SALES TAX AGENCY AGREEMENT**

December 20, 2018

Nassau Steel, LLC  
700 Hicksville Road  
Bethpage, New York 11714

Re: Nassau County Industrial Development Agency  
(2018 Nassau Steel, LLC Project)

Ladies and Gentlemen:

The Nassau County Industrial Development Agency (the "Agency") and **NASSAU STEEL, LLC** (the "Company") agree as follows:

1. The Agency constitutes a corporate governmental agency and a public benefit corporation under the laws of the State of New York, and therefore, in the exercise of its governmental functions, including the acquisition of property, is exempt from the imposition of any New York State or Nassau County sales and use tax. As an exempt governmental entity, no exempt organization identification number has been issued to the Agency nor is one required.

Pursuant to a resolution adopted by the Agency on December 12, 2018 (the "Authorizing Resolution") and an Amended and Restated Sublease Agreement, dated as of December 1, 2018 (as amended, modified, supplemented or restated, the "Lease Agreement"), between the Agency and the Company, the Agency has authorized the Company to act as its agent to acquire, construct, renovate, install and equip a facility in Nassau County, New York, consisting of the following: (1) the acquisition of an interest in a parcel of land known as Section: 46; Block: G; Lot: 99 on the Tax Map of Nassau County, New York (the "Land"), (2) the construction of an approximately 244,483 square foot building on the Land (the "Building"), (3) the acquisition of certain furniture, fixtures, machinery and equipment necessary for the completion

thereof (the "Equipment"), and (4) the retention of the 2011 Project Facility (as the term is defined in the Lease Agreement) (the "Land, Building, the Equipment and the 2011 Project Facility are collectively the "Project Facility").

As agent for the Agency, the Company agrees that each contract, agreement, lease, invoice, bill or purchase order entered into by the Company as agent for the Agency in connection with the acquisition, construction, installation or equipping of the Project Facility shall include language in substantially the following form:

"This [contract, agreement, lease, invoice, bill or purchase order] is being entered into by NASSAU STEEL, LLC (the "Agent"), as approved agent for and on behalf of the Nassau County Industrial Development Agency (the "Agency") in connection with a certain project (the "Project") of the Agency for NASSAU STEEL, LLC (the "Company") consisting in part of the acquisition, construction, renovation, installation and equipping of an approximately 244,483 square-foot building located at 999 South Oyster Bay Road, Town of Oyster Bay, County of Nassau, New York (the "Premises") and the acquisition of certain capital improvements, materials, machinery, equipment, trade fixtures, furniture, furnishings and other tangible personal property necessary for the completion of the Project. The capital improvements, materials, machinery, equipment, trade fixtures, furniture, furnishings and other tangible personal property necessary for completion of the Project which are the subject of this [contract, agreement, lease, invoice, bill or purchase order] shall be exempt from the sales and use taxes levied by the State of New York and the County of Nassau if effected in accordance with the terms and conditions set forth in the attached Sales Tax Agency Agreement of the Agency, and the Agent hereby represents that this [contract, agreement, lease, invoice, bill or purchase order] is in compliance with the terms of the Sales Tax Agency Agreement. This [contract, agreement, lease, invoice, bill or purchase order] is non-recourse to the Agency, and the Agency shall not be directly, indirectly or contingently liable or obligated hereunder in any manner or to any extent whatsoever. By execution or acceptance of this [contract, agreement, lease, invoice, bill or purchase order], the [vendor, lessor, licensor, contractor or subcontractor] hereby acknowledges and agrees to the terms and conditions set forth in this paragraph."

2. The acquisition of capital improvements, materials, machinery, equipment, trade fixtures, furniture, furnishings and other tangible personal property necessary for the completion of the Project Facility (collectively, the "Property") shall be exempt from the sales and use taxes levied by the State of New York and the County of Nassau on the condition that (i) such items of Property are separately identifiable property of the Agency, and (ii) each item of Property shall have a useful life of one year or more, and shall solely be for the use of the Company at and in the Project Facility, and for no other entity and at no other location, and shall



be effected by and at the sole cost of the Company. The exemption provided pursuant to Section 4.1(E) of the Lease Agreement shall not apply to the acquisition of: (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 other similar agency for use on public highways or streets

3. The Agency shall have no liability or performance obligations under any contract, agreement, lease, invoice, bill or purchase order entered into by the Company, as agent for the Agency pursuant to Section 4.1(E) of the Lease Agreement, and in the event liability should arise under any such contract, agreement, lease, invoice, bill, or purchase order, the Agency shall not be liable, either directly or indirectly or contingently, upon any such contract, agreement, lease, invoice, bill or purchase order in any manner and to any extent whatsoever, and the Company shall be the sole party liable thereunder.

4. By execution of its acceptance of the terms of this Agreement, the Company agrees to accept the terms hereof and represents and warrants to the Agency that the use of this Agreement by the Company is and will be strictly for the purposes above stated.

5. Until the earliest of (i) September 30, 2020 (ii) the completion of the Project as provided in the Lease Agreement, (iii) the receipt by the Company of the Maximum Sales Tax Benefit (as defined in the Lease Agreement), and (iv) the termination of the Lease Agreement and/or revocation of the appointment of the Company as agent of the Agency (the earliest to occur of the foregoing, the "Termination Date"), all vendors, lessors, licensors, contractors and subcontractors are hereby authorized to rely on the ST-123 Form prepared by the Company and issued to such vendor, lessor, licensor, contractor or subcontractor pursuant to Paragraph 11 hereof as evidence that purchases and leases of Property, and improvement and installation contracts relating to the acquisition, construction, installation and equipping of the Project Facility (but not the operation thereof), to the extent effected by the Company, as agent for the Agency, are exempt from all New York State and Nassau County sales and use taxes.

8. Any vendor, lessor, licensor, contractor or subcontractor that does not collect otherwise applicable sales or use tax in reliance upon this Agreement and the ST-123 Form issued by the Company to such vendor, lessor, licensor, contractor or subcontractor, shall be deemed to have acknowledged and agreed to the provisions of Paragraph 3 hereof regardless of whether or not the provisions thereof are inserted in the contract, agreement, lease, invoice, bill or purchase order entered into with the Company.

9. This Agreement and the ST-123 Form issued by the Company to a vendor, lessor, licensor, contractor or subcontractor are provided solely for the purposes described herein and therein. No other principal/agent relationship is intended or may be implied or inferred from this Agreement or the issuance of such ST-123 Form.

10. The exemption from sales and use taxes provided under the Lease Agreement is granted subject to the requirements of Section 875 of the General Municipal Law,

which requirements are incorporated herein by reference, and the Company agrees to such requirements as a condition precedent to receiving the exemption from sales and use taxes.

11. The Company agrees to provide a completed Form ST-123, *IDA Agent or Project Operator Exempt Purchase Certificate*, to each vendor, lessor, licensor, contractor or subcontractor from which the Company purchases and/or leases Property, or with which the Company enters into an improvement or installation contract relating to the acquisition, construction, installation and equipping of the Project Facility. All vendors, lessors, licensors, contractors and subcontractors are authorized to rely on such completed Form ST-123 as evidence that purchases and leases of Property, and improvement and installation contracts relating to the acquisition, construction, installation and equipping of the Project Facility (but not the operation thereof), to the extent effected by the Company as agent for the Agency pursuant to Section 4.1(E) of the Lease Agreement, are exempt from all New York State and Nassau County sales and use taxes. The Company agrees to provide the Agency a copy of each such Form ST-123 within five (5) days after the delivery of such form to the vendor, lessor, licensor, contractor or subcontractor.

[The Balance of This Page Intentionally Left Blank]

[Signature Page to Sales Tax Agency Agreement]

The signature of a representative of the Company where indicated below will indicate that the Company has accepted the terms hereof.

**NASSAU COUNTY INDUSTRIAL  
DEVELOPMENT AGENCY**

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

ACCEPTED AND AGREED TO BY:

**NASSAU STEEL, LLC**

By: \_\_\_\_\_  
Joseph J. Lostritto  
Managing Member/Administrator

EXHIBIT E-1

NYS FORM ST-123

FOR USE BY COMPANY



New York State Department of Taxation and Finance

New York State Sales and Use Tax

**IDA Agent or Project Operator  
Exempt Purchase Certificate****Effective for projects beginning on or after June 1, 2014****ST-123**  
(2/14)

This certificate is not valid unless all entries have been completed.

**Note:** To be completed by the purchaser and given to the seller. See TSB-M-14(1.1)S, *Sales Tax Reporting and Recordkeeping Requirements for Industrial Development Agencies and Authorities*, for more information.

Name of seller	Name of agent or project operator <b>Nassau Steel, LLC</b>		
Street address	Street address <b>700 Hicksville Road</b>		
City, town, or village	State	ZIP code	
<b>Bethpage</b>	<b>NY</b>	<b>11714</b>	
Agent or project operator sales tax ID number (see instructions)			

Mark an **X** in one: ☐ Single-purchase certificate ☒ Blanket-purchase certificate (valid only for the project listed below)**To the seller:**

You must identify the project on each bill and invoice for such purchases and indicate on the bill or invoice that the IDA or agent or project operator of the IDA was the purchaser.

**Project information**

I certify that I am a duly appointed agent or project operator of the named IDA and that I am purchasing the tangible personal property or services for use in the following IDA project and that such purchases qualify as exempt from sales and use taxes under my agreement with the IDA.

Name of IDA <b>Nassau County IDA</b>			
Name of project <b>Nassau Steel, LLC 2018 Project</b>		IDA project number (use OSC number) <b>2803-18-18A</b>	
Street address of project site <b>999 South Oyster Bay Road**</b>		**and any lands located in Nassau County and occupied by license or easement during construction or improved by third parties for the benefit of the Project	
City, town, or village <b>Town of Oyster Bay</b>		State <b>NY</b>	ZIP code <b>11714</b>
Enter the date that you were appointed agent or project operator (mm/dd/yy) ..... <b>12 / 20 / 18</b>		Enter the date that agent or project operator status ends (mm/dd/yy) ..... <b>09 / 30 / 20</b>	

**Exempt purchases**(Mark an **X** in boxes that apply)

- ☒ A. Tangible personal property or services (other than utility services and motor vehicles or tangible personal property installed in a qualifying motor vehicle) used to complete the project, but not to operate the completed project
- ☐ B. Certain utility services (gas, propane in containers of 100 pounds or more, electricity, refrigeration, or steam) used to complete the project, but not to operate the completed project
- ☐ C. Motor vehicle or tangible personal property installed in a qualifying motor vehicle

**Certification:** I certify that the above statements are true, complete, and correct, and that no material information has been omitted. I make these statements and issue this exemption certificate with the knowledge that this document provides evidence that state and local sales or use taxes do not apply to a transaction or transactions for which I tendered this document and that willfully issuing this document with the intent to evade any such tax may constitute a felony or other crime under New York State Law, punishable by a substantial fine and a possible jail sentence. I understand that this document is required to be filed with, and delivered to, the vendor as agent for the Tax Department for the purposes of Tax Law section 1838 and is deemed a document required to be filed with the Tax Department for the purpose of prosecution of offenses. I also understand that the Tax Department is authorized to investigate the validity of tax exclusions or exemptions claimed and the accuracy of any information entered on this document.

Signature of purchaser or purchaser's representative (include title and relationship)	Date
Type or print the name, title, and relationship that appear in the signature box	

## Instructions

### To the purchaser

You may use Form ST-123 if you:

- have been appointed as an agent or project operator by an industrial development agency (IDA) and
- the purchases qualify for exemption from sales and use tax as described in the IDA contract.

You may use Form ST-123 as a single-purchase certificate or as a blanket certificate covering the first and subsequent purchases qualifying for the project listed.

**Agent or project operator sales tax ID number** — If you are registered with the Tax Department for sales tax purposes, you must enter your sales tax identification number on this certificate. If you are not required to be registered, enter *N/A*.

*Industrial development agencies and authorities (IDAs)* are public benefit corporations under General Municipal Law Article 18-A and the Public Authorities Law, for the purpose of promoting, developing, encouraging, and assisting in the acquisition, construction, reconstruction, improvement, maintenance, equipping, and furnishing of industrial, manufacturing, warehousing, commercial, research, and recreational facilities in New York State.

IDAs are exempt from the payment of sales and use tax on their purchases, in accordance with Tax Law section 1116(a)(1). However, IDAs do not normally make direct purchases for projects. Commonly, IDAs instead appoint a business enterprise or developer, contractor, or subcontractor as its agent or project operator. Such purchases made by the agent or project operator, acting within the authority granted by the IDA, are deemed to be made by the IDA and therefore exempt from tax.

*Example 1: IDA agreement with its agent or project operator states that contractor X may make all purchases of materials and equipment necessary for completion of the project, as agent for the IDA. Contractor X rents a backhoe and a bulldozer for site preparation, purchases concrete and lumber to construct a building, and purchases machinery to be installed in the building. All these purchases by contractor X as agent of the IDA are exempt from tax.*

*Example 2: IDA agreement with its agent or project operator states that contractor X may make all purchases of materials and equipment to be incorporated into the project, as agent for the IDA. Contractor X makes the same purchases as in Example 1. Since the concrete, lumber, and machinery will actually be incorporated into the project, contractor X may purchase these items exempt from tax. However, rental of the backhoe and bulldozer is not exempt since these transactions are normally taxable and the IDA agreement does not authorize contractor X to make such rentals as agent of the IDA.*

A contractor or subcontractor not appointed as agent or project operator of an IDA must present suppliers with Form ST-120.1, *Contractor Exempt Purchase Certificate*, when making purchases that are ordinarily exempt from tax in accordance with Tax Law sections 1115(a)(15) and 1115(a)(16). For more information, see Form ST-120.1.

### Exempt purchases

To qualify, the purchases must be made within the authority granted by the IDA and used to complete the project (not to operate the completed project).

- Mark box A to indicate you are purchasing tangible personal property and services (other than utility services and motor vehicles or tangible personal property installed in a qualifying motor vehicle) exempt from tax.
- Mark box B to indicate you are purchasing certain consumer utility services used in completing the project exempt from tax. This includes gas, electricity, refrigeration, and steam; and gas, electric, refrigeration, and steam services.
- Mark box C to indicate you are purchasing a motor vehicle or tangible personal property related to a qualifying motor vehicle exempt from tax.

### Misuse of this certificate

Misuse of this exemption certificate may subject you to serious civil and criminal sanctions in addition to the payment of any tax and interest due. These include:

- A penalty equal to 100% of the tax due;
- A \$50 penalty for each fraudulent exemption certificate issued;
- Criminal felony prosecution, punishable by a substantial fine and a possible jail sentence; and
- Revocation of your *Certificate of Authority*, if you are required to be registered as a vendor. See TSB-M-09(17)S, *Amendments that Encourage Compliance with the Tax Law and Enhance the Tax Department's Enforcement Ability*, for more information.

### To the seller

When making purchases as agent or project operator of an IDA, the purchaser must provide you with this exemption certificate with all entries completed to establish the right to the exemption. You **must** identify the project on each bill and invoice for such purchases and indicate on the bill or invoice that the IDA or agent or project operator of the IDA was the purchaser.

As a New York State registered vendor, you may accept an exemption certificate in lieu of collecting tax and be protected from liability for the tax if the certificate is valid. The certificate will be considered valid if it is:

- accepted in good faith;
- in your possession within 90 days of the transaction; and
- properly completed (all required entries were made).

An exemption certificate is accepted in good faith when you have no knowledge that the exemption certificate is false or is fraudulently given, and you exercise reasonable ordinary due care. If you do not receive a properly completed certificate within 90 days after the delivery of the property or service, you will share with the purchaser the burden of proving the sale was exempt.

You must also maintain a method of associating an invoice (or other source document) for an exempt sale with the exemption certificate you have on file from the purchaser. You must keep this certificate at least three years after the due date of your sales tax return to which it relates, or the date the return was filed, if later.

### Privacy notification

The Commissioner of Taxation and Finance may collect and maintain personal information pursuant to the New York State Tax Law, including but not limited to, sections 5-a, 171, 171-a, 287, 308, 429, 475, 505, 697, 1096, 1142, and 1415 of that Law; and may require disclosure of social security numbers pursuant to 42 USC 405(c)(2)(C)(i).

This information will be used to determine and administer tax liabilities and, when authorized by law, for certain tax offset and exchange of tax information programs as well as for any other lawful purpose.

Information concerning quarterly wages paid to employees is provided to certain state agencies for purposes of fraud prevention, support enforcement, evaluation of the effectiveness of certain employment and training programs and other purposes authorized by law.

Failure to provide the required information may subject you to civil or criminal penalties, or both, under the Tax Law.

This information is maintained by the Manager of Document Management, NYS Tax Department, W A Harriman Campus, Albany NY 12227; telephone (518) 457-5181.

### Need help?



Visit our Web site at **[www.tax.ny.gov](http://www.tax.ny.gov)**

- get information and manage your taxes online
- check for new online services and features



**Sales Tax Information Center:** (518) 485-2889

To order forms and publications: (518) 457-5431



**Text Telephone (TTY) Hotline**  
(for persons with hearing and  
speech disabilities using a TTY): (518) 485-5082

EXHIBIT E-2

NYS FORM ST-123

FOR USE BY SUBAGENTS OF COMPANY





New York State Department of Taxation and Finance

New York State Sales and Use Tax

**IDA Agent or Project Operator****Exempt Purchase Certificate****Effective for projects beginning on or after June 1, 2014****ST-123**  
(2/14)

This certificate is not valid unless all entries have been completed.

**Note:** To be completed by the purchaser and given to the seller. See TSB-M-14(1.1)S, *Sales Tax Reporting and Recordkeeping Requirements for Industrial Development Agencies and Authorities*, for more information.

Name of seller	Name of agent or project operator
Street address	Street address
City, town, or village                      State              ZIP code	City, town, or village                      State              ZIP code
Agent or project operator sales tax ID number (see instructions)	

Mark an **X** in one:    ☐ Single-purchase certificate    ☒ Blanket-purchase certificate (valid only for the project listed below)**To the seller:**

You must identify the project on each bill and invoice for such purchases and indicate on the bill or invoice that the IDA or agent or project operator of the IDA was the purchaser.

**Project information**

I certify that I am a duly appointed agent or project operator of the named IDA and that I am purchasing the tangible personal property or services for use in the following IDA project and that such purchases qualify as exempt from sales and use taxes under my agreement with the IDA.

Name of IDA <b>Nassau County IDA</b>		
Name of project <b>Nassau Steel, LLC 2018 Project</b>		IDA project number (use OSC number) <b>2803-18-18A</b>
Street address of project site                      **and any lands located in Nassau County and occupied by license or easement during construction or improved by third parties for the benefit of the Project <b>999 South Oyster Bay Road**</b>		
City, town, or village <b>Town of Oyster Bay</b>	State <b>NY</b>	ZIP code <b>11714</b>
Enter the date that you were appointed agent or project operator (mm/dd/yy) ..... / /		Enter the date that agent or project operator status ends (mm/dd/yy) ..... <b>09 / 30 / 20</b>

**Exempt purchases**(Mark an **X** in boxes that apply)

- ☒ A. Tangible personal property or services (other than utility services and motor vehicles or tangible personal property installed in a qualifying motor vehicle) used to complete the project, but not to operate the completed project
- ☐ B. Certain utility services (gas, propane in containers of 100 pounds or more, electricity, refrigeration, or steam) used to complete the project, but not to operate the completed project
- ☐ C. Motor vehicle or tangible personal property installed in a qualifying motor vehicle

**Certification:** I certify that the above statements are true, complete, and correct, and that no material information has been omitted. I make these statements and issue this exemption certificate with the knowledge that this document provides evidence that state and local sales or use taxes do not apply to a transaction or transactions for which I tendered this document and that willfully issuing this document with the intent to evade any such tax may constitute a felony or other crime under New York State Law, punishable by a substantial fine and a possible jail sentence. I understand that this document is required to be filed with, and delivered to, the vendor as agent for the Tax Department for the purposes of Tax Law section 1838 and is deemed a document required to be filed with the Tax Department for the purpose of prosecution of offenses. I also understand that the Tax Department is authorized to investigate the validity of tax exclusions or exemptions claimed and the accuracy of any information entered on this document.

Signature of purchaser or purchaser's representative (include title and relationship)	Date
Type or print the name, title, and relationship that appear in the signature box	

## Instructions

### To the purchaser

You may use Form ST-123 if you:

- have been appointed as an agent or project operator by an industrial development agency (IDA) and
- the purchases qualify for exemption from sales and use tax as described in the IDA contract.

You may use Form ST-123 as a single-purchase certificate or as a blanket certificate covering the first and subsequent purchases qualifying for the project listed.

**Agent or project operator sales tax ID number** — If you are registered with the Tax Department for sales tax purposes, you must enter your sales tax identification number on this certificate. If you are not required to be registered, enter *N/A*.

*Industrial development agencies and authorities (IDAs)* are public benefit corporations under General Municipal Law Article 18-A and the Public Authorities Law, for the purpose of promoting, developing, encouraging, and assisting in the acquisition, construction, reconstruction, improvement, maintenance, equipping, and furnishing of industrial, manufacturing, warehousing, commercial, research, and recreational facilities in New York State.

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*Example 1: IDA agreement with its agent or project operator states that contractor X may make all purchases of materials and equipment necessary for completion of the project, as agent for the IDA. Contractor X rents a backhoe and a bulldozer for site preparation, purchases concrete and lumber to construct a building, and purchases machinery to be installed in the building. All these purchases by contractor X as agent of the IDA are exempt from tax.*

*Example 2: IDA agreement with its agent or project operator states that contractor X may make all purchases of materials and equipment to be incorporated into the project, as agent for the IDA. Contractor X makes the same purchases as in Example 1. Since the concrete, lumber, and machinery will actually be incorporated into the project, contractor X may purchase these items exempt from tax. However, rental of the backhoe and bulldozer is not exempt since these transactions are normally taxable and the IDA agreement does not authorize contractor X to make such rentals as agent of the IDA.*

A contractor or subcontractor not appointed as agent or project operator of an IDA must present suppliers with Form ST-120.1, *Contractor Exempt Purchase Certificate*, when making purchases that are ordinarily exempt from tax in accordance with Tax Law sections 1115(a)(15) and 1115(a)(16). For more information, see Form ST-120.1.

### Exempt purchases

To qualify, the purchases must be made within the authority granted by the IDA and used to complete the project (not to operate the completed project).

- Mark box A to indicate you are purchasing tangible personal property and services (other than utility services and motor vehicles or tangible personal property installed in a qualifying motor vehicle) exempt from tax.
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- Mark box C to indicate you are purchasing a motor vehicle or tangible personal property related to a qualifying motor vehicle exempt from tax.

### Misuse of this certificate

Misuse of this exemption certificate may subject you to serious civil and criminal sanctions in addition to the payment of any tax and interest due. These include:

- A penalty equal to 100% of the tax due;
- A \$50 penalty for each fraudulent exemption certificate issued;
- Criminal felony prosecution, punishable by a substantial fine and a possible jail sentence; and
- Revocation of your *Certificate of Authority*, if you are required to be registered as a vendor. See TSB-M-09(17)S, *Amendments that Encourage Compliance with the Tax Law and Enhance the Tax Department's Enforcement Ability*, for more information.

### To the seller

When making purchases as agent or project operator of an IDA, the purchaser must provide you with this exemption certificate with all entries completed to establish the right to the exemption. You **must** identify the project on each bill and invoice for such purchases and indicate on the bill or invoice that the IDA or agent or project operator of the IDA was the purchaser.

As a New York State registered vendor, you may accept an exemption certificate in lieu of collecting tax and be protected from liability for the tax if the certificate is valid. The certificate will be considered valid if it is:

- accepted in good faith;
- in your possession within 90 days of the transaction; and
- properly completed (all required entries were made).

An exemption certificate is accepted in good faith when you have no knowledge that the exemption certificate is false or is fraudulently given, and you exercise reasonable ordinary due care. If you do not receive a properly completed certificate within 90 days after the delivery of the property or service, you will share with the purchaser the burden of proving the sale was exempt.

You must also maintain a method of associating an invoice (or other source document) for an exempt sale with the exemption certificate you have on file from the purchaser. You must keep this certificate at least three years after the due date of your sales tax return to which it relates, or the date the return was filed, if later.

### Privacy notification

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This information will be used to determine and administer tax liabilities and, when authorized by law, for certain tax offset and exchange of tax information programs as well as for any other lawful purpose.

Information concerning quarterly wages paid to employees is provided to certain state agencies for purposes of fraud prevention, support enforcement, evaluation of the effectiveness of certain employment and training programs and other purposes authorized by law.

Failure to provide the required information may subject you to civil or criminal penalties, or both, under the Tax Law.

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- check for new online services and features



**Sales Tax Information Center:** (518) 485-2889

To order forms and publications: (518) 457-5431



**Text Telephone (TTY) Hotline**

(for persons with hearing and speech disabilities using a TTY):

(518) 485-5082

## EXHIBIT F

### TERMINATION OF LEASE AGREEMENT

WHEREAS, Nassau Steel, LLC (the "Company"), as subtenant, and the Nassau County Industrial Development Agency (the "Agency"), as sublandlord, entered into a lease agreement dated as of October 1, 2011 and the amended and restated lease agreement dated as of December 1, 2018 (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, 2052 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 \_\_\_\_\_, \_\_\_\_.

NASSAU STEEL, LLC

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

**NASSAU IDA JOB CONFIRMATION FORM 2018**

**1. Sales Tax Abatement Information**

Did your company receive Sales Tax Abatement on your Project during 2018?

Yes\_\_ No\_\_

If so, please provide the amount of sales and use tax exemptions. This would be Actual tax savings; NOT total purchases.

\$ \_\_\_\_\_

**(A copy of the ST-340 sales tax report submitted to New York State for the 2018 reporting period is required to be attached with this report)**

**2. Mortgage Recording Tax Information**

a) Did your company receive Mortgage Tax Abatement on your Project during 2018?

Yes\_\_ No\_\_

(Note this would only be applicable to the year that a mortgage was placed upon the Project, so if you did not close in 2018, the answer should be no)

b) Amount of the mortgage recording tax that was abated during 2018:

\$ \_\_\_\_\_

**3. Job Information**

(NOTE: All job information required herein shall include the employees, independent contractors and employees of independent contractors of all owners, occupants and operators of the Project Facility. Such information of owners, occupants and operators other than the Applicant shall also be separately provided in a certified statement with supporting documentation from each such owner, occupant and operator.)

a) Total number (as of December 31st of 2018) of full time equivalent ("FTE") jobs (including both retained and newly created jobs) at the Project Facility by job category, the average salary or range of salaries, and average fringe benefits or range of fringe benefits for each:

Category	FTE	Average Salary or Range of Salary	Avg. Fringe Benefits or Range of Benefits
Management	_____	_____	_____

Professional	_____	_____	_____
Administrative	_____	_____	_____
Production	_____	_____	_____
Supervisor	_____	_____	_____
Laborer	_____	_____	_____
Independent Contractor <sup>1</sup>	_____	_____	_____
Other	_____	_____	_____
Total	<div style="border: 1px solid black; width: 60px; height: 20px;"></div>		

- b) Number of the foregoing jobs that were (as of 12/31/17) filled by residents of the Local Market Area (i.e., Nassau and Suffolk Counties): \_\_\_\_\_
- c) Please attach (1) the 2018 fourth quarter form NYS-45 (including NYS-45 ATT) filed with New York State Employment Taxation Department indicating number of employees, and (2) the Undersigned's annual payroll report for year ending 12/31/17. *It is not necessary to include Part C.*
- d) Number of FTE construction jobs during 2018 : \_\_\_\_\_
- e) Average Salary of construction jobs during 2018: \_\_\_\_\_
- f) Number of FTE jobs created at the Project Facility during the fiscal year by job category the average salary or range of salaries, and average fringe benefits or range of fringe benefits for each:

Category	FTE	Average Salary or Range of Salary	Avg. Fringe Benefits or Range of Benefits
Management	_____	_____	_____
Professional	_____	_____	_____
Administrative	_____	_____	_____
Production	_____	_____	_____
Supervisor	_____	_____	_____
Laborer	_____	_____	_____
Independent Contractor <sup>2</sup>	_____	_____	_____
Other	_____	_____	_____
Total	<div style="border: 1px solid black; width: 60px; height: 20px;"></div>		

- g) Are the foregoing salary and fringe benefits figures consistent with the figures provided by the company in its application for financial assistance? Yes \_\_\_ No \_\_\_
- h) Number of the foregoing jobs that were (as of 12/31/17) filled by residents of the Local Market Area (i.e., Nassau and Suffolk Counties): \_\_\_\_\_

<sup>1</sup> As used in this form, this category includes employees of independent contractors.

<sup>2</sup> As used in this form, this category includes employees of independent contractors.

i) Number of the foregoing jobs that were filled by Community Services Division applicants: \_\_\_\_\_

j) Number of the foregoing jobs that were filled by Job Training Partnership Act eligible persons: \_\_\_\_\_

k) Total Annual Payroll for 2018: \$ \_\_\_\_\_

#### **4. Project Investment Information**

a) Project Investment for 2018: \$ \_\_\_\_\_  
(attach evidence such as receipts, contracts, invoices etc.)

The undersigned acknowledges that the average salaries or range of salaries and the average benefits or range of benefits for both retained and created jobs set forth in the Application are still accurate. The undersigned acknowledges that the submission of any knowingly false or knowingly misleading information herein may lead to the immediate termination of the financial assistance and/or the recapture of an amount equal to all or part of any tax exemption claimed by reason of the Agency's involvement in the project.

The undersigned hereby confirms that (i) no default under the Transaction Documents has occurred and is continuing, and (ii) no leases, subleases or other arrangements permitting the use or occupancy of the Project Facility are in effect, except those expressly authorized in writing by the Agency.

The undersigned hereby represents and warrants that, to the best of his/her knowledge, the information contained herein is true, accurate and complete.

Signed: \_\_\_\_\_

Company Name: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Title: \_\_\_\_\_

Phone: \_\_\_\_\_

Date: \_\_\_\_\_

Fax: \_\_\_\_\_

Email: \_\_\_\_\_

Acknowledgment 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.

NOTARY PUBLIC (Please sign and affix stamp)

---

**RETURN TO:**

**NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
ONE WEST STREET, SUITE 326  
MINEOLA, NY 11501  
ATTN: ADMINISTRATIVE DIRECTOR  
*NO LATER THAN FEBRUARY 12, 20\_\_***

**AMENDED AND RESTATED PAYMENT IN LIEU OF TAXES AGREEMENT**

**THIS AMENDED AND RESTATED PAYMENT IN LIEU OF TAXES AGREEMENT** (this "Agreement"), made as of December 1, 2018, by and between NASSAU STEEL, LLC, a limited liability company organized and existing under the laws of the State of Delaware and qualified to do business in the State of New York as a foreign limited liability company, having an office at 999 Stewart Avenue, Suite 200, Bethpage, NY 11714 (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 One West Street, 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**, in 2011, the Company submitted an application for financial assistance (the "2011 Application") to the Agency requesting that the Agency consider undertaking a project (the "2011 Project") consisting of the following: (A)(1) the acquisition of an interest or interests in an approximately 85.50 acre parcel of land located at 999 South Oyster Bay Road, Bethpage, Town of Oyster Bay, County of Nassau, New York (Section: 46; Block: G; Lot: 98) (the "Existing Land"), (2) the repair and restoration of the base building systems and infrastructure of the existing approximately 1,200,000 square foot building complex on the Land (the "Original Building"), which is limited to repairs of roofing, flooring, electrical and plumbing components and asbestos compliance work, together with related infrastructure improvements to the Existing Land, all to bring the Original Building into compliance with building code regulations; and (3) consistent with item (2) above, the acquisition and installation therein and thereon of certain fixtures, machinery and equipment related to the repair and restoration of the Original Building and related improvements to the Existing Land (the "2011 Equipment" and together with the Existing Land and the Original

Building, collectively, the "2011 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, including exemptions or partial exemptions from real property taxes, sales and use taxes and mortgage recording taxes ("Original Financial Assistance"); and (C) the lease (with an obligation to purchase), license or sale of the 2011 Project Facility to the Company or such other entity as may be designated by the Company and agreed upon by the Agency; and

**WHEREAS**, pursuant to an application for additional financial assistance dated July 20, 2018 (as amended, the "Application"), the Company has requested that the Agency consider undertaking an additional project (the "Project") consisting of the following: (A)(1) the acquisition of an interest in a parcel of land known as Section: 46; Block: G; Lot: 99 on the Tax Map of Nassau County, New York (the "New Land" together with the Existing Land, collectively, the "Land"), (2) the construction of an approximately 244,483 square foot building (the "New Building") on the Land (the New Building together with the Original Building, collectively, the "Building"), (3) the acquisition of certain furniture, fixtures, machinery and equipment necessary for the completion thereof (the "2018 Equipment" together with the 2011 Equipment, collectively, the "Equipment" and the New Land, New Building and 2018 Equipment are, collectively, the "2018 Project Facility"), (4) the retention of the 2011 Project Facility (the Land, Building, and Equipment [which includes the 2011 Project Facility] are 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 (the "Additional Financial Assistance" together with the Original Financial Assistance, collectively, the "Financial Assistance"); and (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

**WHEREAS**, the Agency is or will be the holder of a leasehold interest in the Land and the Building (collectively, the "Facility") pursuant to a certain Amended and Restated Company Lease Agreement of even date herewith (as amended, modified, supplemented or restated from time to time, the "Company Lease"), between the Company and the Agency; 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 an Amended and Restated 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 the 2011 PILOT Mortgage and the PILOT Mortgage pursuant to which the Agency and the Company grant a first mortgage lien on the Facility to the PILOT Mortgagee, including its successors and assigns; 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; and

**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 city, 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 first 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"). **However, notwithstanding any provision to the contrary, the term PILOT Commencement Date as it applies with respect to the 2018 Project Facility shall be the last to occur of (i) the Agency becoming the holder of a leasehold interest in the 2018 Project Facility herein, (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). For the avoidance of doubt, it is the intent of the parties that the PILOT Commencement Date set forth in Section 2(B) with respect to the 2011 Project Facility has been and shall remain January 1, 2012. Assuming timely acceptance of the Application for tax exemption by the appropriate tax assessor(s) and for the avoidance of doubt, the PILOT Commencement Date set forth in Section 2(B) with respect to the 2018 Project Facility shall also be January 1, 2012. Consequently, with respect to the Project Facility, for purposes of illustration only, the PILOT payment due for fiscal tax year 2019 is the greater of 5% Gross Income or \$108,243.**

(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 and the other Transaction Documents, 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) From the PILOT Commencement Date through and including the last day of the fortieth (40th) fiscal tax year thereafter (such date, the "Abatement Expiration Date" and such period, the "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 follows, subject to the provisions of Section 2(B)(3) hereof:

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) above are referred to herein as the "PILOT Payments."

1. for the fiscal tax year commencing on the PILOT Commencement Date: \$0
2. for the fiscal tax year commencing on the 1st anniversary of the PILOT Commencement Date \$0
3. for the fiscal tax year commencing on the 2nd anniversary of the PILOT Commencement Date \$0
4. for the fiscal tax year commencing on the 3rd anniversary of the PILOT Commencement Date the greater of 5% of Gross Income or \$100,000
5. for the fiscal tax year commencing on the 4th anniversary of the PILOT Commencement Date the greater of 5% of Gross Income or \$102,000
6. for the fiscal tax year commencing on the 5th anniversary of the PILOT Commencement Date the greater of 5% of Gross Income or \$104,040

7.	for the fiscal tax year commencing on the 6th anniversary of the PILOT Commencement Date	the greater of 5% of Gross Income	or \$106,121
8.	for the fiscal tax year commencing on the 7th anniversary of the PILOT Commencement Date	the greater of 5% of Gross Income	or \$108,243
9.	for the fiscal tax year commencing on the 8th anniversary of the PILOT Commencement Date	the greater of 5% of Gross Income	or \$110,408
10.	for the fiscal tax year commencing on the 9th anniversary of the PILOT Commencement Date	the greater of 5% of Gross Income	or \$112,616
11.	for the fiscal tax year commencing on the 10th anniversary of the PILOT Commencement Date	the greater of 7.5% of Gross Income	or \$114,869
12.	for the fiscal tax year commencing on the 11th anniversary of the PILOT Commencement Date	the greater of 7.5% of Gross Income	or \$117,166
13.	for the fiscal tax year commencing on the 12th anniversary of the PILOT Commencement Date	the greater of 7.5% of Gross Income	or \$119,509
14.	for the fiscal tax year commencing on the 13th anniversary of the PILOT Commencement Date	the greater of 7.5% of Gross Income	or \$121,899
15.	for the fiscal tax year commencing on the 14th anniversary of the PILOT Commencement Date	the greater of 7.5% of Gross Income	or \$124,337
16.	for the fiscal tax year commencing on the 15th anniversary of the PILOT Commencement Date	the greater of 10% of Gross Income	or \$126,824
17.	for the fiscal tax year commencing on the 16th anniversary of the PILOT Commencement Date	the greater of 10% of Gross Income	or \$129,361
18.	for the fiscal tax year commencing on the 17th anniversary of the PILOT Commencement Date	the greater of 10% of Gross Income	or \$131,948
19.	for the fiscal tax year commencing on the 18th anniversary of the PILOT Commencement Date	the greater of 10% of Gross Income	or \$134,587
20.	for the fiscal tax year commencing on the 19th anniversary of the PILOT Commencement Date	the greater of 10% of Gross Income	or \$137,279
21.	for the fiscal tax year commencing on the 20th anniversary of the PILOT Commencement Date	the greater of 12.5% of Gross Income	or \$140,024
22.	for the fiscal tax year commencing on the	the greater of 12.5% of Gross Income	or \$142,825

	21st anniversary of the PILOT Commencement Date		
23.	for the fiscal tax year commencing on the 22nd anniversary of the PILOT Commencement Date	the greater of 12.5% of Gross Income	or \$145,681
24.	for the fiscal tax year commencing on the 23rd anniversary of the PILOT Commencement Date	the greater of 12.5% of Gross Income	or \$148,595
25.	for the fiscal tax year commencing on the 24th anniversary of the PILOT Commencement Date	the greater of 12.5% of Gross Income	or \$151,567
26.	for the fiscal tax year commencing on the 25th anniversary of the PILOT Commencement Date	the greater of 15% of Gross Income	or \$154,598
27.	for the fiscal tax year commencing on the 26th anniversary of the PILOT Commencement Date	the greater of 15% of Gross Income	or \$157,690
28.	for the fiscal tax year commencing on the 27th anniversary of the PILOT Commencement Date	the greater of 15% of Gross Income	or \$160,844
29.	for the fiscal tax year commencing on the 28th anniversary of the PILOT Commencement Date	the greater of 15% of Gross Income	or \$164,061
30.	for the fiscal tax year commencing on the 29th anniversary of the PILOT Commencement Date	the greater of 15% of Gross Income	or \$167,342
31.	for the fiscal tax year commencing on the 30th anniversary of the PILOT Commencement Date	the greater of 17.5% of Gross Income	or \$170,689
32.	for the fiscal tax year commencing on the 31st anniversary of the PILOT Commencement Date	the greater of 17.5% of Gross Income	or \$174,102
33.	for the fiscal tax year commencing on the 32nd anniversary of the PILOT Commencement Date	the greater of 17.5% of Gross Income	or \$177,584
34.	for the fiscal tax year commencing on the 33rd anniversary of the PILOT Commencement Date	the greater of 17.5% of Gross Income	or \$181,136
35.	for the fiscal tax year commencing on the 34th anniversary of the PILOT Commencement Date	the greater of 17.5% of Gross Income	or \$184,759
36.	for the fiscal tax year commencing on the 35th anniversary of the PILOT Commencement Date	the greater of 17.5% of Gross Income	or \$188,454
37.	for the fiscal tax year commencing on the 36th anniversary of the PILOT	the greater of 17.5% of Gross Income	or \$192,223



- Commencement Date
38. for the fiscal tax year commencing on the 37th anniversary of the PILOT Commencement Date the greater of 17.5% of Gross Income or \$196,068
39. for the fiscal tax year commencing on the 38th anniversary of the PILOT Commencement Date the greater of 17.5% of Gross Income or \$199,989
40. for the fiscal tax year commencing on the 39th anniversary of the PILOT Commencement Date the greater of 17.5% of Gross Income or \$203,989

“Gross Income” means all rents, issues, profits, royalties (including all oil and gas or other hydrocarbon substances), earnings, receipts, revenues (including, without limitation, operating revenues and non-operating revenues determined in accordance with generally accepted accounting principles), accounts, accounts receivable, contract rights, chattel paper, general intangibles, instruments or other rights, security deposits and other deposits (if, as and when retained or applied by the Company) and all other income paid to or received by the Company, any Principal of the Company and/or any Related Party (collectively, the “Company Parties”) as a result of or in connection with the ownership, use, possession, occupancy, maintenance or operation of any portion of the Facility, and all proceeds and products of any of the foregoing, whether now existing or hereafter coming into existence and whether now owned or held or hereafter acquired, as a result of or in connection with any ownership, use, possession, occupancy, maintenance or operation of any portion of the Facility and/or services rendered, goods provided and business conducted in connection therewith, including, without limitation, fixed, additional and percentage rents, and all operating expense reimbursements, reimbursements for increases in taxes (or payments-in-lieu thereof), sums paid by tenants to reimburse or compensate the Company Parties for amounts originally paid or to be paid by the Company Parties for which such tenants were liable, such as, for example, the value of any tenant work letter and tenant improvements costs in excess of any work letter, lease takeover costs, moving expenses and tax and operating expense pass-throughs for which a tenant is liable, parking, maintenance, common area maintenance, tax, insurance, service charges and contributions, proceeds of business interruption, rental or similar insurance, proceeds of sale of electricity, gas heating, air-conditioning and other utilities and services that a tenant must procure from contractors specified by Company Parties, deficiency rents and liquidated damages, and other benefits now or hereafter derived from any portion of the Facility or otherwise paid to or received by a Company Party as a result of any ownership, use, possession, occupancy, maintenance or operation thereof and/or services rendered, goods provided and business conducted in connection therewith (including any payments received pursuant to Section 502(b) of the Bankruptcy Code or otherwise in arrangement, insolvency, dissolution, receivership or similar proceedings, or any assignment for the benefit of creditors, in respect of any tenant or other occupants of any portion of the Facility and all claims as a creditor in connection with any of the foregoing) and all retained cash or security deposits, advance rentals, and all retained deposits or payments of a similar nature relating thereto, now or hereafter, including during any period of redemption, derived from the Facility or any portion thereof and all proceeds from the cancellation, surrender, sale or other disposition of any lease or other occupancy arrangement with respect to the Facility or any part thereof; provided, however, excluded from Gross Income

shall be (i) the Company's actual cost of tenant utilities (i.e., gas, steam, electricity and/or water) included in a tenant's rent and not separately billed to and paid by a tenant to a utility company, and (ii) amounts paid to third parties (i.e., unrelated to Company Parties) by a Company Party on behalf of a tenant for furniture and equipment customarily purchased or leased by and paid for by tenants and included in a tenant's rent and not separately billed to and paid by a tenant to the provider thereof.

A "Principal" shall mean a Person (or an immediate family member of a Person) who owns, either directly or indirectly, at least five percent (5%) of the voting stock or other equity interest of the Company. An "Affiliate" of a Person shall mean a Person (or an immediate family member of 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 five percent (5%) of the voting stock or other equity interest of such Person. For purposes of the foregoing, an "immediate family member" shall mean a parent, grandparent, sibling, child or grandchild of a Person.

(b) The form of tenant lease(s) to be approved by the Agency pursuant to Section 9.3 of the Lease Agreement in connection with a proposed leasing transaction must contain provisions consistent with the foregoing requirement that the Company provide all customary services and improvements. However, (1) subject to the provisions of the Lease Agreement, a Sublessee may make its own improvements to its leased space (i.e., through third parties/contractors unrelated to Company Parties) (hereinafter, "Tenant Controlled Improvements"), either prior to its occupancy or at any time during the term of its Sublease Agreement, and in such event any such Tenant Controlled Improvements (excluding furniture and equipment) shall be converted to "Gross Income" for PILOT Payment calculation purposes as follows: the value of the Tenant Controlled Improvements (as reasonably estimated by the Company and confirmed and approved by the Agency in accordance with Section 2(B)(c)) shall be amortized on a "level payment" basis over a period equal to the firm term of the applicable Sublease Agreement at an interest rate equal to the "Prime Rate" as published in the Wall Street Journal as of the date of execution of the applicable Sublease Agreement, and (2) for up to 750,000 rentable square feet of space used for industrial purposes (including up to ten (10%) percent of any such leased space used for office use), the Sublease Agreement may allow a Sublessee to be responsible for the maintenance of building systems (i.e. electrical, plumbing, HVAC, sprinkler, fire and sewer/septic systems) located in and serving only such Sublessee's space as well as interior janitorial and garbage removal services; otherwise any tenant-provided services shall result in an increase in "Gross Income" for PILOT Payment calculation purposes equal to the reasonable fair value of such services.

(c) On or before March 1, 2013 and March 1 of each year thereafter, the Company shall submit to the Agency its calculation of the Company's Gross Income for the twelve (12) month period ending on the immediately preceding December 31, accompanied by a certification of accuracy by the Company's independent certified public accountant and such other documents as the Agency may reasonably request. Within thirty (30) days after receipt of

same, the Agency shall advise the Company and the Taxing Entities of the PILOT Payment for the upcoming fiscal tax year. The Company hereby represents and warrants that it has complied with Section 2(B)(c) since March 1, 2013.

(d) Notwithstanding the Agency's advising the Company and the Taxing Entities, as aforesaid, the Agency reserves the right to audit, at the Company's expense, the Company's calculation of Gross Income. The Company and the Agency shall attempt to resolve any discrepancies in good faith. If the Company and the Agency are unable to resolve any such discrepancies within ninety (90) days after the initial submission by the Company, either party may submit the issue to binding arbitration before, and pursuant to the rules of, the American Arbitration Association, at the Company's expense. In the event the amount of Gross Income shall change, as a result of audit, consensual resolution or arbitration, the Company shall within thirty (30) days thereafter make an additional PILOT Payment so that the sum of all PILOT Payments made by the Company for such fiscal tax year equals the amount then otherwise due hereunder using said changed Gross Income calculation, and the PILOT Payments for the balance of such fiscal tax year shall be increased accordingly. Pending any such dispute resolution, the Company shall make PILOT Payments based on the Gross Income as initially calculated by the Company.

(2) From and after the Abatement Expiration Date, 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) and 2(B) hereof.

(3) Any provision of this Agreement to the contrary notwithstanding, the amount of PILOT Payments set forth in Section 2(B)(1) hereof for each fiscal tax year from the PILOT Commencement Date through the Abatement Expiration Date, 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 this Agreement, 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, 1<sup>st</sup> 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. This provision constitutes the formula for the calculation of the amounts of the PILOT Payments for each Taxing Entity as required by Section 859-a (6) of the General Municipal Law.

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 agrees to 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 (a) 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 (b) two equal semi-annual installments on or prior to the date which is five (5) Business Days prior to October 1 and April 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 or to prosecute such cure to completion, provided in no event shall such additional cure period exceed sixty (60) days.

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

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 the Company Lease and the Lease Agreement at any time, and the Company shall accept such termination and any tender of re-conveyance from 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.

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 2011 PILOT Mortgage and/or 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 any interest in and to the Facility is conveyed by the Company or 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, at the option of the Agency, 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, or if any additional buildings or improvements shall be constructed on the Land (such change of use, structural additions, 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, with respect to any fiscal tax year from and after the PILOT Commencement Date. Notwithstanding the foregoing, during the final three (3) years of the term of this Agreement, the Company shall have the right to institute judicial or other review of the assessed value 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; provided, however, that no such judicial or other review or settlement thereof shall have any effect on the Company's obligations under this Agreement, including, without limitation, the Company's obligation to make the PILOT Payments when due. Such judicial or other review shall only be for purposes of setting the assessed value of the Facility as though the Facility was on the tax rolls of each Taxing Entity as taxable real property but shall have no effect on this Agreement or the tax-exempt status of the Facility during the term of this Agreement.

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  
One West Street  
Mineola, NY 11501  
Attn: Executive Director

With a courtesy copy to:

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

To the Company:

Nassau Steel, LLC  
999 Stewart Avenue, Suite 200  
Bethpage, NY 11714  
Attn: Glenn Lostritto

With a courtesy copy to:

Forchelli Deegan Terrana LLP  
333 Earle Ovington Boulevard, Suite 1010  
Uniondale, NY 11553  
Attn: Daniel P. Deegan, Esq.

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. This Agreement shall inure to the benefit of a "Permitted Transferee" (as defined in the Lease Agreement) in the event the Agency enters into a new lease pursuant to Section 12.21 of the Lease Agreement.

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 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, Daniel P. Deegan, Esq., Forchelli Deegan & Terrana LLP, 333 Earle Ovington Boulevard, Suite 1010, Uniondale, NY 11553, 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.

A. 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 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.

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. Special Bank Provisions. The Agency shall give to the Bank (as defined in the Lease Agreement) a copy of each notice of default as it relates to the 2011 Project Facility (and the entire Project Facility in the event the Bank Mortgage Amendment is recorded) delivered to the Company under this Agreement concurrently with the giving of any such notice by the Agency to the Company. The Bank shall have the right to remedy any such default within the applicable notice, cure or grace period, if any, provided under this Agreement with respect to such default and for a period of five (5) Business Days thereafter. The Agency shall accept performance by the Bank of any covenant, condition or agreement on the Company's part to be performed hereunder with the same force and effect as though performed by the Company.

The Bank addresses for notice are as follows:

Wells Fargo Bank, National Association  
Wells Fargo Commercial Mortgage Servicing  
401 S. Tryon Street, 8th Floor  
Charlotte, North Carolina 28202  
Facsimile No.: 704-715-0034

and

Meryl P. Diamond, Esq.  
Alston & Bird  
90 Park Avenue  
15th Floor  
New York, NY 10016-1387  
Facsimile No.: 212-210-9444

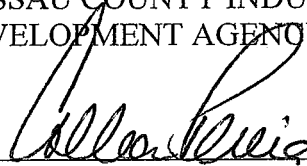
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[Signature Page to PILOT Agreement]

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

NASSAU COUNTY INDUSTRIAL  
DEVELOPMENT AGENCY

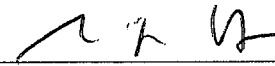
By



Colleen Pereira  
Administrative Director

NASSAU STEEL, LLC

By

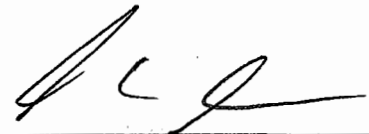


Glenn Lostritto  
Managing Member

[Acknowledgment Page to PILOT Agreement]

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

On the 20<sup>th</sup> day of December, 2018 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 executed the instrument.

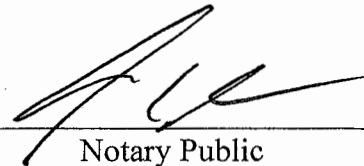


Notary Public

AMY C. ABBINK  
Notary Public, State of New York  
No. 01AB5057993  
Qualified in Ontario County  
Commission Expires April 1, 2022

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

On the 20<sup>th</sup> day of December, 2018 before me, the undersigned, a Notary Public in and for said State, personally appeared Glenn Lostritto, 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

AMY C. ABBINK  
Notary Public, State of New York  
No. 01AB5057993  
Qualified in Ontario County  
Commission Expires April 1, 2022

## **SCHEDULE A**

### **DESCRIPTION OF THE LAND**

#### **As to Lot 98:**

**ALL** that certain piece or parcel of land, situated at Bethpage, Town of Oyster Bay, County of Nassau and State of New York, said parcel being more particularly described as follows:

**BEGINNING** at the corner of the intersection of the easterly line of South Oyster Bay Road and the southerly line of Cherry Avenue Extension;

**RUNNING THENCE** along the southerly line of Cherry Avenue Extension, South 80 degrees 52 minutes 46 seconds East, a distance of 1,414.94 feet to a point;

**RUNNING THENCE** the following five (5) courses:

1. South 09 degrees 07 minutes 14 seconds West, a distance of 342.89 feet; thence
2. South 80 degrees 52 minutes 46 seconds East, a distance of 398.26 feet; thence
3. South 09 degrees 07 minutes 14 seconds West, a distance of 15.33 feet; thence
4. South 80 degrees 52 minutes 46 seconds East, a distance of 402.43 feet; thence
5. North 09 degrees 07 minutes 14 seconds East, a distance of 358.22 feet to the southerly line of the Cherry Avenue Extension;

**RUNNING THENCE** along said southerly line of Cherry Avenue Extension, South 80 degrees 52 minutes 46 seconds East, a distance of 90.00 feet to a point;

**RUNNING THENCE** the following five (5) courses:

1. South 09 degrees 07 minutes 14 seconds West, a distance of 358.22 feet; thence
2. South 80 degrees 52 minutes 46 seconds East, a distance of 490.10 feet; thence
3. South 03 degrees 50 minutes 49 seconds West, a distance of 426.86 feet; thence
4. North 79 degrees 20 minutes 20 seconds West, a distance of 483.33 feet; thence
5. North 80 degrees 27 minutes 06 seconds West, a distance of 20.10 feet to the westerly line of 11th Street;

**RUNNING THENCE** the following twenty (20) courses:

1. North 03 degrees 50 minutes 19 seconds East, a distance of 20.10 feet; thence
2. North 80 degrees 27 minutes 06 seconds West, a distance of 202.34 feet; thence
3. South 78 degrees 32 minutes 49 seconds West, a distance of 123.21 feet; thence

4. North 78 degrees 24 minutes 06 seconds West, a distance of 96.76 feet; thence
5. South 09 degrees 10 minutes 36 seconds West, a distance of 319.89 feet; thence
6. South 80 degrees 50 minutes 46 seconds East, a distance of 106.58 feet; thence
7. South 09 degrees 05 minutes 13 seconds West, a distance of 286.40 feet; thence
8. North 80 degrees 49 minutes 02 seconds West, a distance of 130.35 feet; thence
9. South 09 degrees 15 minutes 02 seconds West, a distance of 25.90 feet; thence
10. North 80 degrees 49 minutes 27 seconds West, a distance of 165.19 feet; thence
11. North 09 degrees 15 minutes 02 seconds East, a distance of 27.90 feet; thence
12. North 80 degrees 49 minutes 36 seconds West, a distance of 247.51 feet; thence
13. South 09 degrees 15 minutes 02 seconds West, a distance of 39.96 feet; thence
14. North 80 degrees 50 minutes 55 seconds West, a distance of 310.02 feet; thence
15. North 04 degrees 41 minutes 41 seconds East, a distance of 33.01 feet; thence
16. North 80 degrees 57 minutes 05 seconds West, a distance of 262.44 feet; thence
17. South 04 degrees 41 minutes 41 seconds West, a distance of 190.01 feet; thence
18. South 83 degrees 01 minute 48 seconds East, a distance of 261.89 feet; thence
19. North 04 degrees 41 minutes 41 seconds East, a distance of 45.34 feet; thence
20. South 86 degrees 06 minutes 24 seconds East, a distance of 1,220.38 feet to the westerly line of 11th Street;

THENCE along said westerly line of 11th Street, South 03 degrees 50 minutes 19 seconds West, a distance of 612.50 feet to the northerly line of Thomas Avenue;

THENCE along the northerly line of Thomas Avenue, North 86 degrees 09 minutes 41 seconds West, a distance of 1,077.83 feet to the northeasterly line of Long Island Railroad;

THENCE along the northeasterly line of said lands, North 49 degrees 41 minutes 36 seconds West, a distance of 1,112.77 feet to the easterly line of South Oyster Bay Road;



THENCE along the easterly line of South Oyster Bay Road, North 06 degrees 07 minutes 46 seconds West, a distance of 1,248.80 feet to a point;

THENCE continuing along the easterly line of South Oyster Bay Road, North 06 degrees 00 minutes 46 seconds West, a distance of 362.63 feet to the southerly line of the Cherry Avenue Extension, the point or place of BEGINNING.

**EXCEPTING THEREFROM** the premises described as Section 46 Block G Lot 5 on the Nassau County Land and Tax Map and being more particularly bounded and described as follows:

ALL that certain piece or parcel of land, situate, lying and being at Bethpage, Town of Oyster Bay, County of Nassau, State of New York, and being more particularly described as follows:

BEGINNING at a point located westerly from Point #6 described in Deed recorded in Liber 3344 of Deeds, Page 154, North 68 degrees 14 minutes 00 seconds West, 343.50 feet, and from said point of beginning;

RUNNING THENCE North 78 degrees 24 minutes 06 seconds West, 165.23 feet;

THENCE North 10 degrees 41 minutes 54 seconds East, 64.30 feet;

THENCE South 79 degrees 56 minutes 46 seconds East, 100.14 feet;

THENCE South 78 degrees 24 minutes 06 seconds East, 65.08 feet;

THENCE South 10 degrees 41 minutes 54 seconds West, 67.00 feet to the point or place of BEGINNING.

**TOGETHER WITH** the non-exclusive easement for ingress and egress set forth in that certain Declaration of Roadway Easement made between Northrop Grumman Systems Corporation and County of Nassau, dated as of July 26, 2005 recorded on August 9, 2005 in Liber 11989 of Deeds, Page 562.

[END OF LOT 98; CONTINUED ON NEXT PAGE]

**As to Lot 99:**

**ALL** that certain piece or parcel of land, situated at Bethpage, Town of Oyster Bay, County of Nassau and State of New York, said parcel being more particularly described as follows:

**COMMENCING** at the corner of the intersection along the easterly line of South Oyster Bay Road and the southerly line of Cherry Avenue Extension;

**RUNNING THENCE** along the southerly line of Cherry Avenue Extension South 80 degrees 52 minutes 46 seconds East a distance of 1,414.94 feet to the true point of beginning;

**CONTINUING** from said point of beginning the following six (6) courses, the first course being along the southerly line of Cherry Avenue Extension:

1. THENCE South 80 degrees 52 minutes 46 seconds East a distance of 800.69 feet;
2. THENCE South 9 degrees 07 minutes 14 seconds West a distance of 358.22 feet;
3. THENCE North 80 degrees 52 minutes 46 seconds West a distance of 402.43 feet;
4. THENCE North 09 degrees 07 minutes 14 seconds East a distance of 15.33 feet;
5. THENCE North 80 degrees 52 minutes 46 seconds West a distance of 398.26 feet;
6. THENCE North 09 degrees 07 minutes 14 seconds East a distance of 342.89 feet to the southerly line of Cherry Avenue Extension the point or place of BEGINNING.

[END OF LOT 99]

EXHIBIT H

COPY OF PILOT AGREEMENT

**ATTACHED NEXT PAGE.**

EXHIBIT I

APPROVED FORMS OF SUBLEASE AGREEMENT

PREVIOUSLY DELIVERED TO AGENCY

EXHIBIT J

PROPOSED SUBLEASE TERM SHEET

PREVIOUSLY DELIVERED TO AGENCY

EXHIBIT K

APPROVED FORM OF MASTER LEASE

PREVIOUSLY DELIVERED TO AGENCY