

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

THIS PAYMENT IN LIEU OF TAXES AGREEMENT (this "Agreement"), made as of May 1, 2009, by and among GROVE STREET, LP, a limited partnership formed under the laws of the State of New York (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 1100 Franklin Avenue, Suite 300, Garden City, NY 11530 (the "Agency"). Capitalized terms used but not otherwise defined herein shall have the meanings given to them in the Lease (as hereinafter defined).

### **WITNESSETH**

WHEREAS, the Agency is authorized and empowered by the provisions of Chapter 1030 of the 1969 Laws of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "Enabling Act") and Chapter 674 of the 1975 Laws of New York, as amended, constituting Section 922 of said General Municipal Law (said Chapter and the Enabling Act, as amended from time to time, being hereinafter collectively referred to as the "Act") to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial, research, recreation and civic 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, the Agency, which has been created and established pursuant to the Act for the benefit of the County of Nassau and its residents, proposes to undertake the Project described below; and

WHEREAS, the Agency on behalf of the Company intends to undertake a project (the "Project") consisting of the following: (i) the acquisition of an interest in an approximately 3.1 acre parcel of land located at 12, 24 & 36 Grove Street, 115 South Franklin Street, 30 Linden Place, 43 Evans Ave and 90 Maple Ave., Village of Hempstead, County of Nassau, New York and more particularly described on Schedule A hereto (the "Land"), (ii) the renovation of seven (7) existing multifamily housing structures (comprised of approximately 84 affordable housing units) located on the Land, together with related improvements (collectively, the "Building") and (iii) the acquisition and installation therein and thereon of certain furniture, fixtures, machinery and equipment (the "Equipment"), all of the foregoing to continue to constitute a housing complex comprised of approximately 84 affordable housing rental units (collectively, the "Project Facility"); and

WHEREAS, the Agency is or will be the owner of a fee simple interest in the Land and the Building (collectively, the "Facility"); and

WHEREAS, the Agency proposes to undertake the Project as an authorized project under the Act and to lease the interest of the Agency to the Company pursuant to a Lease

Agreement dated as of the date hereof between the Agency, as lessor, and the Company, as lessee (as amended, modified, supplemented or restated from time to time, the "Lease"), and

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

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

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

Section 1. Tax-Exempt Status of Facility.

A. Application. (1) The Company shall complete, and the Agency shall file, an application for tax exemption pursuant to Section 412-a of the RPTL (the "Application"). The Application shall be filed with the assessor for each of the various taxing entities having jurisdiction over the Facility, including, without limitation, the County of Nassau (the "County") and each town, village and school district within which the Facility is located (such taxing entities, and any successors thereto, being hereinafter collectively referred to as the "Taxing Entities" and each individually as a "Taxing Entity"). The Facility shall be entitled to exempt status on the tax rolls of each Taxing Entity commencing on the date that the Agency acquires fee title to the Facility (such date, the "PILOT Commencement Date").

(2) The Company hereby waive any claim or cause of action against the Agency, and release 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 does not entitle the Agency to exemption from special assessments and special ad valorem levies. Pursuant to the Lease 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.

C. Other Charges. If any taxes, assessments, service charges or other governmental charges become payable by the Company or the Agency on the Project or the rents paid pursuant to the Lease 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 owner of 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 thirtieth (30th) fiscal tax year thereafter (such date, the "PILOT Expiration Date"), 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:

(1) for the balance of the 2009 calendar year, payments in lieu of real property taxes and assessments equal to 100% of the unpaid balance of payments in lieu of real property taxes and assessments on the Facility due, for such time period, calculated pursuant the Agreement by and among the County and Linden Court Associates, dated as of December 9, 1980 (the "Prior PILOT");

- (2) for calendar year 2010, \$123,147.00;
- (3) for calendar year 2011 \$126,841.00;
- (4) for calendar year 2012, \$130,646.00;
- (5) for calendar year 2013, \$134,566.00;
- (6) for calendar year 2014, \$138,603.00;
- (7) for calendar year 2015, \$142,761.00;
- (8) for calendar year 2016, \$147,044.00;
- (9) for calendar year 2017, \$151,455.00;
- (10) for calendar year 2018, \$155,999.00;
- (11) for calendar year 2019, \$160,679.00;
- (12) for calendar year 2020, \$165,499.00;

- (13) for calendar year 2021, \$170,464.00;
- (14) for calendar year 2022, \$175,578.00;
- (15) for calendar year 2023, \$180,845.00;
- (16) for calendar year 2024, \$186,271.00;
- (17) for calendar year 2025, \$191,859.00;
- (18) for calendar year 2026, \$197,614.00;
- (19) for calendar year 2027, \$203,543.00;
- (20) for calendar year 2028, \$209,649.00;
- (21) for calendar year 2029 \$215,939.00;
- (22) for calendar year 2030 \$222,417.00;
- (23) for calendar year 2031, \$229,089.00;
- (24) for calendar year 2032, \$235,962.00;
- (25) for calendar year 2033, \$243,041.00;
- (26) for calendar year 2034, \$250,332.00;
- (27) for calendar year 2035, \$257,842.00;
- (28) for calendar year 2036, \$265,577.00;
- (29) for calendar year 2037, \$273,545.00; and
- (30) for calendar year 2038, \$281,751.00.

(2) From and after the PILOT Expiration Date, and until fee title to the Facility is conveyed to the Company pursuant to the terms of the Lease 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 the payments-in-lieu-of-taxes and assessments (each a PILOT Payment, and collectively, the "PILOT Payments") set forth in Section 2.B hereof for each fiscal tax year shall be reduced by the amount, if any, of special assessments and special ad valorem levies assessed against or levied upon the Facility for such fiscal tax year (collectively, "Special Assessments"), whether by the Nassau County Tax Assessor's Office or otherwise, which Special Assessments would otherwise be payable by the Company pursuant to this Agreement. The amount of any such reduction of a PILOT Payment shall be set forth on the applicable PILOT bill issued with respect to such fiscal tax year, if any, but the failure of the Company to receive such bill shall in no event affect the Company's obligation to pay such PILOT Payment. In the event that (i) the amount of Special Assessments for a particular fiscal tax year exceeds the amount of the PILOT Payment for such fiscal tax year (such excess is hereinafter referred to as an "SA Credit"), or (ii) the amount of PILOT Payments for a particular fiscal tax year are not reduced by the amount of Special Assessments for such fiscal tax year (the amount of such Special Assessments is hereinafter referred to as an "SA Reduction"), then the amount of such SA Credit or SA Reduction, as the case may be, shall be carried over as a credit for the following fiscal tax year(s); provided, however, that if there is an unused SA Credit at the end of the term of the PILOT Payments hereunder, then the Company shall not be entitled to (a) take such SA Credit against any further payments hereunder or against real property taxes assessed against the Facility, or (b) an extension of the term of this Agreement.

C. Payments. (1) Amounts due and payable under this Agreement shall be payable to the Treasurer of the County of Nassau (the "Treasurer"), 240 Old Country Road, 3<sup>rd</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.

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 Company shall pay a late charge equal to the greater of (a) five (5%) percent of the payment, and for each month, or part thereof, that the payment is delinquent beyond the first month, the Company shall pay 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.

(3) Anything contained in this subparagraph to the contrary notwithstanding, the Company shall have the obligation to make all payments of PILOT Obligations (other than payments of penalties, if any) in two equal semi-annual installments on

or prior to the date which is five (5) Business Days prior to January 1 and July 1 for the General Tax portion of the PILOT Obligations and April 1 and October 1 for the School Tax portion of the PILOT Obligations, as applicable, of each year of the term of the Lease 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.

E. Partial Sale; Transferee's Obligation; Apportionment of Reduction to Local Taxing Entities. During the term of this Agreement, in the event that the Facility, or any portion thereof or interest therein, is sold, transferred, assigned or otherwise disposed of by the Agency, the transferees thereof will thereafter pay the real property taxes and assessments on such Land and the Building and the Addition 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 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 by the Company and the Agency and this Agreement by both Company and the Agency and the execution and delivery of the deed 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 or of this Agreement, or (ii) the date on which title to the Facility is conveyed to Company by the Agency pursuant to the Lease or this Agreement and 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 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.

C. Default in the terms of the Lease or any other agreement between the Agency and the Company (beyond any applicable grace or notice period).

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 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, 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, 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. In addition, the Agency shall have the right to terminate the Lease at any time, and the Company shall accept such termination and any tender of reconveyance from the Agency of title to 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 make such payments. The Company hereby agree 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 PILOT Mortgage. The Company shall promptly notify the Agency of any action or proceeding brought, or other measure taken, by a Taxing Entity to recover such payments in default hereunder. It is understood that the right of any Taxing Entity herein acknowledged is in addition to, and shall not impair, the Agency's own rights arising from a breach of this Agreement.

In the event that title to the Facility is conveyed to the Company or any other party prior to expiration of the term of the Lease, this Agreement shall become null and void and any remaining tax abatement hereunder shall be canceled.

Section 5. Additional Facilities. If any structural additions or change in use shall be made to the buildings or other improvements included in the Project subsequent to the date hereof, or if any additional buildings or improvements shall be constructed on the Land (such structural additions, buildings and improvements being referred to hereinafter as "Additional Facilities"), the Company agrees to increase their 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 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 other than the Addition, which the Agency has expressly consented to and approved.

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.

Section 7. Waiver of Tax Exemption. The Company, in recognition of the benefits provided under this Agreement, and for so long as the Lease is in effect, hereby expressly waives any rights they 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.

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, 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, the Town of North Hempstead or any school district within which the Facility is located and neither the State of New York, the County, the Town of North Hempstead nor any such 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:

IF TO THE COMPANY:

Grove Street, LP  
c/o P.J. Alizio Realty Inc.  
1551 Franklin Avenue  
Mineola, New York 11501  
Attn: Peter Alizio

WITH A COPY TO:

Forchelli, Curto, Crowe, Deegan, Schwartz, Mineo & Cohn, LLP  
330 Old Country Road, P.O. Box 31  
Mineola, New York 11501  
Attn: Frank Davis, Esq.

WITH A COPY TO:

Alliant Credit Facility ALP, LLC  
c/o Alliant Asset Management Company, LLC  
21600 Oxnard Street  
Suite 1200  
Woodland Hills, CA 91367  
Attentions: Shawn Horwitz

IF TO THE AGENCY:

Nassau County Industrial Development Agency  
1100 Franklin Avenue, Suite 300  
Garden City, NY 11530  
Attn: Executive Director

WITH A COPY TO:

Troutman Sanders LLP  
The Chrysler Building  
405 Lexington Avenue  
New York, New York 10174  
Attn: Andras D. Komaromi, 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.

Section 14. Independent Agreement. Notwithstanding any other provision of this Agreement, including the recitals hereof, the parties agree that the Lease 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 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 are the only considerations and terms for which the parties thereto have executed this Agreement.

Section 15. Invalidity. If any one or more phrases, sentences, clauses or provisions of this Agreement or the entirety hereof shall be declared invalid or unenforceable by any order, decree or judgment of any court of competent jurisdiction, then such phrase, sentence, clause or provision or the entirety of this Agreement shall be deemed to be reformed in such manner as shall be determined by such court, or in the absence of such a determination then in the reasonable judgment of the Agency, to render such phrase, sentence, clause or provision of this Agreement valid and enforceable under applicable law. The parties hereto agree to enter into such documents, agreements and instruments as the Agency reasonably determines are necessary to effect any such reformation. In the event that any one more of the phrases, sentences, clauses or provisions of this Agreement cannot be reformed to comply with applicable law, then this Agreement shall be construed as if such phrase, sentence, clause or paragraph had not appeared in this Agreement.

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

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

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

Section 19. Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 20. Service of Process; Consent to Jurisdiction; Forum.

A. The Company represents that they are subject to service of process in the State of New York and covenant that they will remain so subject so long as the 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, Peter Alizio as President of the Company, and his successor(s) 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 such Company upon whom may be served all process, pleadings, notices or other papers which may be served upon such Company as a result of any of its obligations under this Agreement; provided, however, that the serving of such process, pleadings, notices or other papers shall not constitute a condition to the Company's obligations hereunder.

B. The Company irrevocably and unconditionally (1) agree 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) consent to the jurisdiction of each such court in any such suit, action or proceeding; and (3) waive any objection which they

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 is in effect, the Company's agents designated above shall accept and acknowledge in the Company' 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 waive 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.

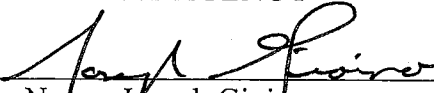
If the Company consists of more than one (1) Person, the obligations of such Persons under this Agreement shall be joint and several.

Section 23. Indemnification. The Company agree 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 liability arising from any default by the Company in performing their obligations hereunder or any expense incurred hereunder, including, without limitation, any expenses of the Agency and attorneys' fees and expenses.

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

NASSAU COUNTY INDUSTRIAL  
DEVELOPMENT AGENCY

By:   
Name: Joseph Gioino  
Title: Executive Director

GROVE STREET, LP,  
a New York limited partnership

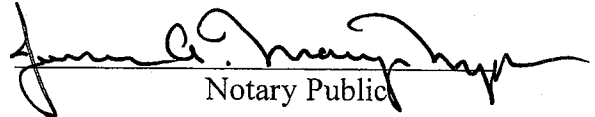
By: Project I Realty, L.L.C.,  
its general partner

By:   
Peter J. Alizio, Member

Joanna A. Mango-Mazza  
Notary Public State of New York  
No. 01MA6183166  
Qualified in Nassau County  
Commission Expires March 10, 2012

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

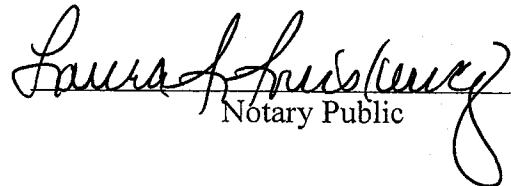
On the 19th day of May, in the year 2009, before me, the undersigned, a Notary Public in and for said State, personally appeared Joseph Gioino, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged 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

STATE OF NEW YORK     )  
                                      : SS.:  
COUNTY OF ~~NASSAU~~ <sup>NEW YORK</sup>     )

On the 21st day of May, in the year 2009, before me, the undersigned, a Notary Public in and for said State, personally appeared Peter J. Alizio, 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.

LAURA A. ANISKEWICZ  
Notary Public, State of New York  
No. 01AN4944185  
Qualified in Queens County  
Commission Expires Nov. 14, 2010

  
Notary Public

## **SCHEDULE A**

### **Land Description**

ALL those certain plots, pieces or parcels of land, situate, lying and being in the Incorporated Village of Hempstead, Town of Hempstead, County of Nassau, State of New York, being more particularly bounded and described as follows:

#### **Parcel 1**

BEGINNING at the corner formed by the intersection of the southerly side of Grove Street and the westerly side of South Franklin Street;

RUNNING THENCE south 10 degrees 48 minutes 04 seconds east along the westerly side of South Franklin Street 349.15 feet to the northerly side of Hastings Place;

THENCE south 84 degrees 19 minutes 56 seconds west along the northerly side of Hastings Place, 131.50 feet;

THENCE north 05 degrees 46 minutes 04 seconds west, 121.94 feet;

THENCE north 78 degrees 22 minutes 00 seconds west, 53.83 feet;

THENCE north 79 degrees 00 minutes 14 seconds west, 32.51 feet;

THENCE north 10 degrees 43 minutes 34 seconds west 180.16 feet to the southerly side of Grove Street;

THENCE north 78 degrees 17 minutes 56 seconds east along the southerly side of Grove Street, 200 feet to the westerly side of South Franklin Street, at the point or place of BEGINNING.

#### **Parcel 2**

BEGINNING at the corner formed by the intersection of the southerly side of Maple Avenue and the easterly side of Linden Place (Avenue);

RUNNING THENCE North 81 degrees 50 minutes 15 seconds East along the southerly side of Maple Avenue, 200 feet to the westerly side of Beech Avenue;

THENCE South 10 degrees 09 minutes 45 seconds East along the westerly side of Beech Avenue, 200 feet;

THENCE South 81 degrees 50 minutes 15 seconds West, 100 feet;

THENCE South 10 degrees 08 minutes 45 seconds East, 100 feet;

THENCE South 81 degrees 50 minutes 15 seconds West, 100 feet to the easterly side of Linden Place;

THENCE North 10 degrees 09 minutes 45 seconds West along the easterly side of Linden Place, 300 feet to the southerly side of Maple Avenue, at the point or place of BEGINNING.

EXCEPTING THEREFROM the following portion of said premises conveyed to the County of Nassau by Deed recorded June 23, 1961 in Liber 6873 cp 280:

BEGINNING at the point of intersection of the dividing line between the property of Incorporated Village of Hempstead and the property of Mattie L. Heckstall with the present southerly line of Maple Avenue;

RUNNING THENCE along said last mentioned southerly line of Maple Avenue North 71 degrees 02 minutes 30 seconds East 50.00 feet to a point on the dividing line between the property of Mytis L. Green and the property of Mattie L. Heckstall;

RUNNING THENCE along said last mentioned dividing line South 18 degrees 27 minutes 30 seconds East 10 feet, plus or minus, to a point;

RUNNING THENCE South 71 degrees 02 minutes 30 seconds West 50 feet to a point on the dividing line between the property of Incorporated Village of Hempstead and the property of Mattie L. Heckstall;

RUNNING THENCE along said last mentioned dividing line North 18 degrees 27 minutes 30 seconds West 10 feet, plus or minus, to the point or place of BEGINNING.

### **Parcel 3**

BEGINNING at a point on the southerly side of Grove Street, distant 200.00 feet westerly from the corner formed by the intersection of the southerly side of Grove Street and the westerly side of South Franklin Street;

RUNNING THENCE south 10 degrees 43 minutes 34 seconds east, 180.16 feet;

THENCE north 79 degrees 00 minutes 14 seconds west, 19.87 feet;

THENCE north 80 degrees 20 minutes 46 seconds west, 2.37 feet;

THENCE north 78 degrees 52 minutes 34 seconds west, 30 feet;

THENCE south 80 degrees 58 minutes 56 seconds west, 46.18 feet;

THENCE south 79 degrees 28 minutes 02 seconds west, 23.57 feet;

THENCE south 81 degrees 27 minutes 46 seconds west, 26.53 feet;

THENCE south 80 degrees 24 minutes 56 seconds west, 23.18 feet;

THENCE south 79 degrees 41 minutes 03 seconds west, 55.02 feet;

THENCE south 84 degrees 19 minutes 56 seconds west, 20.74 feet;

THENCE north 11 degrees 37 minutes 04 seconds west, 151.49 feet (actual) 150 feet (deed) to the southerly side of Grove Street;

THENCE north 78 degrees 17 minutes 56 seconds east along the southerly side of Grove Street, 246.02 feet, to the point or place of BEGINNING.

IN THE EVENT THAT that certain 500 square foot strip of land (10ft. x 50ft.) located at 90 Maple Avenue in Hempstead, New York, adjacent to Section 34, Block 387, Lot 286 of the Nassau County Land and Tax Map near the intersection of Maple Avenue and Evans (a/k/a Beech Avenue) is conveyed by deed to the Agency, Parcel 2 shall be amended to read as follows:

**Parcel 2**

BEGINNING at the corner formed by the intersection of the southerly side of Maple Avenue and the easterly side of Linden Place (Avenue);

RUNNING THENCE North 81 degrees 50 minutes 15 seconds East along the southerly side of Maple Avenue, 200 feet to the westerly side of Beech Avenue;

THENCE South 10 degrees 09 minutes 45 seconds East along the westerly side of Beech Avenue, 200 feet;

THENCE South 81 degrees 50 minutes 15 seconds West, 100 feet;

THENCE South 10 degrees 09 minutes 45 seconds East, 100 feet;

THENCE South 81 degrees 50 minutes 15 seconds West, 100 feet to the easterly side of Linden Place;

THENCE North 10 degrees 09 minutes 45 seconds West along the easterly side of Linden Place, 300 feet to the southerly side of Maple Avenue, at the point or place of BEGINNING.