

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

THIS THIRD AMENDED AND RESTATED PAYMENT IN LIEU OF TAXES AGREEMENT (this "Agreement"), made as of the 1st day of December, 2008 by and between **NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY**, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation duly organized and existing under the laws of the State of New York, having its principal office at 1100 Franklin Avenue, Suite 300, Garden City, NY 11530 (the "Agency"), and **HEMPSTEAD PROPERTIES LLC**, a limited liability company duly organized and validly existing under the laws of the State of New York, having its principal office c/o Lalezarian Developers, 1999 Marcus Avenue, Lake Success, NY 11042 (the "Obligor"). Capitalized terms used in this Agreement but not defined herein shall have the meanings assigned to such terms in the Lease Agreement referred to below.

WITNESSETH:

WHEREAS, the Agency was created by Chapter 1030 of the Laws of 1969 of the State of New York, being Title I of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 674 of the Laws of 1975 of the State of New York, as amended (collectively, the "Act"); and

WHEREAS, the Agency has issued its Adjustable Rate Demand Revenue Bonds (Clinton Plaza Senior Housing Project), Series 2004, in the aggregate principal amount of \$13,500,000 (the "Bonds") to finance a portion of the costs of the acquisition, construction, installation and equipping of a commercial facility within Nassau County, New York (the "Facility") consisting of (1) the acquisition of an interest in an approximately 2.36 acre parcel of land located at 80 Clinton Street, Village of Hempstead, Town of Hempstead, County of Nassau, New York, more particularly described on Schedule A attached hereto (the "Land"), (2) the renovation and expansion of an existing approximately 110,000 square foot hotel building and the conversion thereof from hotel and ballroom space to residential and retail space, together with related improvements located on the Land, and (3) the acquisition and installation therein and thereon of certain furniture, fixtures, machinery and equipment (the "Equipment"), all of the foregoing to constitute a residential housing facility for persons aged 55 and older, comprised of approximately 105 affordable housing units, together with associated retail space and parking areas (collectively, the "Project"); and

WHEREAS, the Obligor has conveyed fee title to the Facility to the Agency and the Agency has leased the Facility to the Obligor pursuant to a certain Lease Agreement dated September 1, 2004 between the Agency and the Obligor (the "Lease Agreement"); and

WHEREAS, pursuant to Section 874(1) of the Act and Section 412-a of the New York Real Property Tax Law, the Agency is exempt from the payment of all taxes and assessments imposed upon real property and improvements owned by it, other than special ad valorem levies and special assessments; and

WHEREAS, the Agency and the Obligor entered into that certain Payment in Lieu of Taxes Agreement, dated as of September 1, 2004, between the Obligor and the Agency with respect to the Facility, as amended and restated by that certain Amended and Restated Payment in Lieu of Taxes Agreement, dated as of December 1, 2006, between the Obligor and the Agency with respect to the Facility, and as further amended by that certain Second Amendment to Payment in Lieu of Taxes Agreement, dated as of July 1, 2008, between the Obligor and the Agency with respect to the Facility (as amended and restated, the "Existing PILOT Agreement"); and

WHEREAS, the Agency and the Obligor wish to amend and restate the Existing PILOT Agreement in order to amend and restate the terms of the payments to be made thereunder as hereinafter set forth; and

WHEREAS, the payment and performance of the Obligor's obligations under this Agreement is secured by a Mortgage and Assignment of Leases and Rents, dated as of September 1, 2004, as amended by Amendment to Mortgage and Assignment of Leases and Rents dated as of December 1, 2006 (as further amended, modified, supplemented or restated from time to time, the "PILOT Mortgage"), from the Obligor 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 Obligor grant a first mortgage lien on the Facility;

NOW, THEREFORE, in consideration of the issuance of the Bonds by the Agency for the purposes hereinabove stated and in consideration of the covenants herein contained, the parties hereto mutually agree that the Existing PILOT Agreement is hereby amended and restated in its entirety as follows:

1. (a) As long as the Agency shall have title to the Facility, the Obligor agrees to make payments in lieu of all real estate taxes and assessments (in addition to paying all special ad valorem levies, special assessments and service charges against real property located in the Village of Hempstead, New York that are or may be imposed for special improvements or special district improvements) that would be levied upon or with respect to the Facility as if the Facility were owned by the Obligor and not by the Agency (the "Taxes on the Facility"). The amounts of such payments are set forth herein.

(b) Intentionally omitted.

(c) The Obligor, upon the commencement of the first fiscal tax year of the taxing authorities following January 1, 2009 (such date, the "Abatement Commencement Date") (i.e., the 2010 General Tax and the second half of the 2010/11 School Tax), shall pay, as payments in lieu of taxes and assessments, the amounts set forth below:

<u>Year</u>	<u>PILOT Payment</u>
1	\$214,057
2	\$220,478
3	\$227,093
4	\$233,906

5	\$240,923
6	\$248,150
7	\$255,595
8	\$263,263
9	\$271,161
10	\$279,295
11	\$287,674
12	\$296,305
13	\$305,194
14	\$314,350
15	\$323,780
16	\$333,493
17	\$343,498
18	\$353,803
19	\$364,417
20	\$375,350
21	\$386,610
22	\$398,209
23	\$410,155
24	\$422,459
25	\$435,133
26	\$448,187

After the expiration of the approximately twenty-seven (26) year period of exemption set forth above (i.e., December 31, 2035) (such date, the “Abatement Expiration Date”), the Obligor shall make payments in lieu of taxes and assessments, equal to 100 % of the taxes and assessments that would be levied upon the Facility by the respective taxing authorities computed as if the Facility were owned by the Obligor and not the Agency, until such time as the Agency shall no longer have any estate or title interest in the Facility and the Facility has been returned to the tax rolls as taxable property.

(d) The Obligor shall pay, or cause to be paid, the amounts set forth in Sections 1(a) and 1(c) hereof, as applicable. Failure to receive a tax bill or bills from the appropriate taxing authorities shall not relieve the Obligor of its obligation to make payment of the same no later than the due dates provided herein. Payments shall be made directly to the Treasurer of the County of Nassau (the “Treasurer”). In the event the Obligor shall fail to make any such installments of payments in lieu of real estate taxes, the amount or amounts so in default shall continue as an obligation of the Obligor until fully paid and the Obligor agrees to pay the same to such taxing authorities as the Agency may designate to the Obligor in writing. The Obligor shall pay a late payment penalty of five percent (5%) of any amount which is not paid when due hereunder (subject to the grace period set forth in Section 8 of this Agreement). In addition, for each month or part thereof that a payment hereunder is delinquent beyond the first month, interest shall accrue and be payable by the Obligor on the total amount due as provided above plus a late payment penalty in the amount of one percent (1%) per month for each month or part thereof until the payment is made. Anything contained in this subparagraph (d) to the contrary notwithstanding, the Obligor shall have the obligation to make all annual payments

required by this subparagraph (d) (other than payments of penalties, if any) in two (2) equal semiannual installments on or prior to January 1 and July 1 for the General Tax and April 1 and October 1 for the School Tax and in one (1) annual installment on or prior to June 1 for the Village Tax, as applicable, of each year of the term of the Lease Agreement or on such other due dates as may be established from time to time by the Agency (if permitted by the affected tax jurisdictions) during the term of the Lease Agreement.

(e) During the term of this Agreement the Obligor shall continue to pay all special ad valorem levies, special assessments and service charges levied against the Facility for special improvements or special district improvements.

(f) Intentionally omitted.

(g) Intentionally omitted.

(h) In the event any structural additions shall be made to the building or buildings included in the Facility or any additional building or improvement shall be constructed on the real property (such structural additions, buildings and improvements being referred to hereinafter as "Additional Facilities"), the Obligor hereby agrees to increase its payments in lieu of taxes in an amount equal to the increased tax payments that would have been due and payable on such increase if this Agreement were not in effect. All other provisions of this Agreement shall apply to this obligation for additional payments.

(i) Any provision of this Agreement to the contrary notwithstanding, the amount of the PILOT Payment set forth in paragraph 1(c) 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 Obligor 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 Obligor to receive such bill shall in no event affect the Obligor'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 Obligor 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.

2. In the event that title to the Facility, or any part thereof, is transferred from the Agency to the Obligor at such time, in reference to any taxable status date, as to make it impossible to place the Facility, or part thereof, on the tax rolls of the taxing authorities or appropriate special districts, as the case may be, within which the Facility is, or may be, wholly

or partially located by such taxable status date, the Obligor hereby agrees to pay, at the first instance taxes or assessments are due following the taxable status date at which the Facility, or part thereof, is placed on the tax rolls, an amount equal to the taxes or assessments that would have been levied on the Facility, or part thereof, had it been on the tax rolls from the time the Obligor took title until the date of the tax rolls following the taxable status date as of which the Facility, or part thereof, is placed on the tax rolls. There shall be deducted from such amount any amounts previously paid pursuant to this Agreement by the Agency or the Obligor to the Treasurer relating to any period of time after the date of transfer of the Agency's interest in and to the Obligor. The provisions of this Section 2 shall survive the termination or expiration of the Lease Agreement.

3. In the event the Facility, or any part thereof, is declared to be subject to taxation for 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 Obligor hereunder shall, to such extent, be null and void.

4. No provision, covenant or agreement contained in this Agreement or any obligation herein imposed upon the Agency or the breach thereof, shall constitute or give rise to or impose upon the Agency a pecuniary liability or a charge upon its general credit.

All covenants, stipulations, promises, agreements and obligations of the Agency contained herein shall be deemed to be covenants, stipulations, promises, agreements and obligations of the Agency and not of any member, director, officer, employee or agent of the Agency in his individual capacity, and no recourse shall be had for the payment thereof or for any claim based thereon or hereunder against any member, director, officer, employee or agent of the Agency or any natural person executing this Agreement on behalf of the Agency.

5. The Obligor in recognition of the benefits provided under the terms of this Agreement, and from the date hereof through the Abatement Expiration Date, hereby expressly waives the right to institute judicial review of an assessment of the real estate with respect to the Facility and the Additional Facilities pursuant to the provisions of Article 7 of the Real Property Tax Law or any other applicable law, as the same may be amended from time to time.

6. The Obligor, in recognition of the benefits provided under the terms of this Agreement, and for so long as the Agency shall have title to the Facility or any part thereof, hereby expressly waives any rights it may have for any exemption under Section 485-b of the Real Property Tax Law or any other exemption under any other law or regulation (except, however, for the exemption provided by Article 18-A of the General Municipal Law) with respect to the Facility. The Obligor, however, reserves any such rights with respect to all special ad valorem levies, special assessments and service charges levied against the Facility referred to in Section 1(e) hereof and against the Additional Facilities referred to in Section 1(h) hereof and with respect to the assessment and/or exemption of the Additional Facilities.

7. (a) Failure by the Agency in any instance to insist upon the strict performance of any one or more of the obligations of the Obligor 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 Obligor'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 Obligor'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 Obligor 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.

(b) In the event the Obligor should fail to make any payments in lieu of taxes required to be made hereunder within any applicable grace period, the amount or amounts so in default shall continue as an obligation of the Obligor until fully paid, and the Obligor agrees to pay the same with interest thereon as provided in Section 1(d) hereof. The Obligor and the Agency agree that the respective taxing authorities and their officials shall be deemed third party beneficiaries of this Section 7 and are authorized by the parties hereto to enforce the provisions hereof relating to amount and payment of taxes and payments in lieu of taxes. However, the respective taxing authorities are not authorized to enforce any other provisions of this Agreement

(c) In the event title to the Facility is conveyed to the Obligor or any other entity prior to the Abatement Expiration Date, this Agreement shall become null and void and any remaining tax abatement shall be canceled, subject to the provisions of Section 9.23(d) and (e) of the Lease Agreement.

8. Amounts due and payable for a calendar year under subparagraphs (a) and (c) of Section 1 hereof shall be due and payable to the Treasurer of the County of Nassau, 240 Old Country Road, 3rd Floor, Mineola, NY 11501, on or before January 1 and July 1 for the General Tax and April 1 and October 1 for the School Tax and June 1 for the Village Tax, as applicable, such amounts to be payable without penalty within forty (40) days of said due date, or such other dates and grace period as would apply if the Facility were owned by the Obligor and not by the Agency.

9. This Agreement constitutes the entire agreement, and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof, and may be executed simultaneously in several counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

10. Whenever the Obligor fails to comply with any provision of this Agreement, the Agency may, but shall not be obligated to, take whatever action at law or in equity as may appear necessary or desirable to collect the amount then in default or to enforce the performance and observance of the obligations, agreements and covenants of the Obligor under this Agreement.

11. This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York, as the same may be in effect from time to time, without regard to its principles of conflicts of laws.

12. The Obligor agrees to hold the Agency harmless from and against any liability arising from any default by the Obligor in performing its obligations hereunder or any expense incurred hereunder, including, without limitation, any expenses of the Agency and attorneys' fees and disbursements.

13. This Agreement may be modified only by written instrument duly executed by the parties hereto.

14. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors, heirs, distributees and assigns.

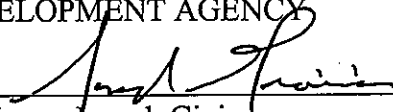
15. If any provision of this Agreement shall for any reason be held or adjudged to be invalid, illegal or unenforceable by any court of competent jurisdiction, such provision so adjudged invalid, illegal or unenforceable shall be deemed separate, distinct and independent, and the remainder of this Agreement shall be and remain in full force and effect and shall not be invalidated or rendered illegal or unenforceable or otherwise affected by such holding or adjudication.

16. If the Obligor fails to make any payment when due, the Agency, in addition to any remedy or right it or any taxing authority may have pursuant to this Agreement shall have the rights and remedies set forth in the Lease Agreement.

17. This Agreement is given in renewal, amendment and restatement of, and not in extinguishment, termination or replacement of; the Existing PILOT Agreement. The Obligor represents and warrants to the Agency that the Obligor has no right of setoff, defense, claim or counterclaim with respect to its obligations under the Existing PILOT Agreement. The Obligor represents, warrants, acknowledges and agrees that this Agreement is secured by the PILOT Mortgage and that the PILOT Mortgage is and remains a first mortgage lien on the Facility.

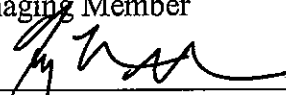
IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

NASSAU COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

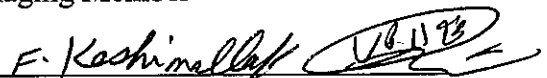
By 
Name: Joseph Gioino
Title: Executive Director

HEMPSTEAD PROPERTIES LLC

By: HEMPSTEAD HOLDINGS LLC,
Managing Member

By 
Name: Kevin Lalezarian
Title: Member

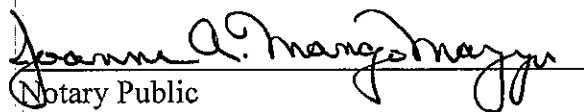
By: B.F.J. PROPERTIES LLC,
Managing Member

By 
Name: Farajollah Kashimallak
Title: Member

*3rd Amended and Restated
Payment in Lieu of Taxes
Agreement*

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

On the 29th day of December in the year 2008 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, or the person or entity on behalf of which the individual acted, executed the instrument.


Notary Public

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

SCHEDULE A

ALL that certain plot, piece or parcel of land, situate, lying and being in the Incorporated Village of Hempstead, Town of Hempstead, County of Nassau and State of New York, bounded and described as follows:

BEGINNING at a point at the easterly terminus of the arc forming the southeasterly corner of Clinton Street and Fulton Avenue;

RUNNING THENCE from said point or place of beginning along the southerly side of Fulton Avenue, South 83 degrees 39 minutes 41 seconds east 397.25 feet to a point;

RUNNING THENCE South 6 degrees 14 minutes 02 seconds west 144.44 feet to a point;

RUNNING THENCE North 83 degrees 45 minutes 58 seconds west 60.00 feet to a point;

RUNNING THENCE South 11 degrees 38 minutes west 117.37 feet to a point;

RUNNING THENCE South 84 degrees 47 minutes 04 seconds west 85.28 feet to a point on the easterly side of the Column line at Plaza Level;

RUNNING THENCE along the last mentioned line, North 5 degrees 12 minutes 56 seconds west 28.42 feet to a point on the south wall face at Plaza Level;

RUNNING THENCE along the last mentioned line, South 84 degrees 47 minutes 04 seconds west 13.19 feet to a point on the easterly wall face at Plaza Level;

RUNNING THENCE along the last mentioned line, South 5 degrees 12 minutes 56 seconds east 8.55 feet to a point on the exterior face of projected concrete wall at upper staircase level of the Hotel;

RUNNING THENCE along the last mentioned line, South 84 degrees 47 minutes 04 seconds west 15.39 feet to a point on the exterior line of concrete staircase of the Hotel;

RUNNING THENCE along the last mentioned line, North 14 degrees 16 minutes 20 seconds west 12.05 feet and South 84 degrees 47 minutes 04 seconds west 2.00 feet and North 5 degrees 12 minutes 56 seconds west 2.67 feet to a point on the projected line of the south wall of the Hotel above Plaza Level;

RUNNING THENCE along the last mentioned line, South 84 degrees 47 minutes 04 seconds west 40.25 feet to a point on the westerly face of the wall line of arcade at Plaza Level;

RUNNING THENCE along the last mentioned line, South 5 degrees 12 minutes 56 seconds east 34.42 feet to a point;

RUNNING THENCE South 84 degrees 47 minutes 04 seconds west 136.00 feet to a point on the easterly new line of Clinton Street;

RUNNING THENCE along the last mentioned line, North 5 degrees 12 minutes 56 seconds west 300.00 feet to the southerly terminus of the arc forming the southeasterly corner of Clinton Street and Fulton Avenue;

RUNNING THENCE northeasterly on a curve to the right having a radius of 22.00 feet an arc distance of 38.99 feet to the point or place of BEGINNING.