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NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
as sublessor

AND

SEARING AVENUE MINEOLA DEVELOPMENT LLC  
as sublessee

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SUBLEASE AGREEMENT  
(UNIFORM PROJECT AGREEMENT)

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DATED AS OF APRIL 1, 2017

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ADDRESS :	120 Searing Avenue
VILLAGE:	Mineola
TOWN:	North Hempstead
COUNTY:	Nassau
STATE:	New York
SECTION:	9
BLOCK:	456
LOT:	195

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Prepared By:

Phillips Lytle LLP  
1205 Franklin Avenue, Suite 390  
Garden City, NY 11530  
Attention: Paul V. O'Brien, Esq.

TABLE OF CONTENTS

ARTICLE I	DEFINITIONS.....	4
	SECTION 1.1	DEFINITIONS..... 4
	SECTION 1.2	INTERPRETATION..... 13
ARTICLE II	REPRESENTATIONS, WARRANTIES AND COVENANTS .....	13
	SECTION 2.1	REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE AGENCY..... 14
	SECTION 2.2	REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE COMPANY. .... 14
ARTICLE III	CONVEYANCE AND USE OF PROJECT FACILITY .....	19
	SECTION 3.1	CONVEYANCE TO THE AGENCY. (A)..... 19
	SECTION 3.2	USE OF PROJECT FACILITY..... 19
	SECTION 3.3	HAZARDOUS MATERIALS. .... 20
	SECTION 3.4	NON-MERGER..... 20
	SECTION 3.5	TITLE INSURANCE..... 21
ARTICLE IV	UNDERTAKING AND COMPLETION OF THE PROJECT .....	21
	SECTION 4.1	ACQUISITION, CONSTRUCTION, INSTALLATION AND EQUIPPING OF THE PROJECT FACILITY.. 21
	SECTION 4.2	COMPLETION OF THE PROJECT FACILITY; FEES. .... 24
	SECTION 4.3	REMEDIES TO BE PURSUED AGAINST CONTRACTORS, SUBCONTRACTORS, MATERIALMEN AND THEIR SURETIES..... 25
ARTICLE V	DEMISE OF PROJECT FACILITY; RENTAL PAYMENTS AND OTHER AMOUNTS PAYABLE .....	26
	SECTION 5.1	SUBLEASE OF THE PROJECT FACILITY. .... 26
	SECTION 5.2	DURATION OF THE LEASE TERM; QUIET ENJOYMENT..... 26
	SECTION 5.3	RENTAL PAYMENTS AND OTHER AMOUNTS PAYABLE. .... 26
	SECTION 5.4	NATURE OF OBLIGATIONS OF THE COMPANY HEREUNDER. .... 27
	SECTION 5.5	GRANT OF SECURITY INTEREST. .... 28
ARTICLE VI	MAINTENANCE, MODIFICATIONS, TAXES AND INSURANCE .....	28

SECTION 6.1	MAINTENANCE AND MODIFICATIONS OF THE PROJECT FACILITY. ....	28
SECTION 6.2	TAXES, ASSESSMENTS AND UTILITY CHARGES. ....	31
SECTION 6.3	INSURANCE REQUIRED. ....	31
SECTION 6.4	ADDITIONAL PROVISIONS RESPECTING INSURANCE. ....	33
SECTION 6.5	APPLICATION OF NET PROCEEDS OF INSURANCE. ....	34
SECTION 6.6	PAYMENTS IN LIEU OF TAXES. ....	35
ARTICLE VII	DAMAGE, DESTRUCTION AND CONDEMNATION. ....	35
SECTION 7.1	DAMAGE OR DESTRUCTION. ....	35
SECTION 7.2	CONDEMNATION. ....	36
SECTION 7.3	ADDITIONS TO THE PROJECT FACILITY. ....	38
ARTICLE VIII	SPECIAL COVENANTS. ....	38
SECTION 8.1	NO WARRANTY OF CONDITION OR SUITABILITY BY THE AGENCY; ACCEPTANCE "AS IS". ....	38
SECTION 8.2	HOLD HARMLESS PROVISIONS. ....	38
SECTION 8.3	RIGHT OF ACCESS TO THE PROJECT FACILITY. ....	40
SECTION 8.4	COMPANY NOT TO TERMINATE EXISTENCE OR DISPOSE OF ASSETS. ....	40
SECTION 8.5	AGREEMENT TO PROVIDE INFORMATION. ....	40
SECTION 8.6	BOOKS OF RECORD AND ACCOUNT; COMPLIANCE CERTIFICATES. ....	40
SECTION 8.7	COMPLIANCE WITH APPLICABLE LAWS. ....	41
SECTION 8.8	DISCHARGE OF LIENS AND ENCUMBRANCES. ....	41
SECTION 8.9	PERFORMANCE OF THE COMPANY'S OBLIGATIONS. ....	42
SECTION 8.10	DEPRECIATION DEDUCTIONS AND TAX CREDITS. ....	42
SECTION 8.11	EMPLOYMENT OPPORTUNITIES. ....	42
SECTION 8.12	SALES AND USE TAX EXEMPTION. ....	44
SECTION 8.13	IDENTIFICATION OF THE EQUIPMENT. ....	48
SECTION 8.14	FINANCIAL STATEMENTS. ....	48
SECTION 8.15	ANTI-TERRORISM LAWS. ....	49
ARTICLE IX	ASSIGNMENTS; LEASING; MERGER OF THE AGENCY. ....	50
SECTION 9.1	ASSIGNMENT OF THIS LEASE. ....	50
SECTION 9.2	MERGER OF THE AGENCY. ....	51
SECTION 9.3	SALE OR LEASE OF THE PROJECT FACILITY. ....	52

ARTICLE X	EVENTS OF DEFAULT AND REMEDIES .....	53
	SECTION 10.1	EVENTS OF DEFAULT DEFINED..... 53
	SECTION 10.2	REMEDIES ON DEFAULT..... 57
	SECTION 10.3	REMEDIES CUMULATIVE..... 58
	SECTION 10.4	AGREEMENT TO PAY ATTORNEYS' FEES AND EXPENSES..... 58
	SECTION 10.5	NO ADDITIONAL WAIVER IMPLIED BY ONE WAIVER..... 59
ARTICLE XI	EARLY TERMINATION .....	<b>ERROR! BOOKMARK NOT DEFINED.</b>
	SECTION 11.1	EARLY TERMINATION OF THE LEASE..... 59
	SECTION 11.2	OBLIGATION TO TERMINATE THE LEASE. .... 59
	SECTION 11.3	RESERVED..... 60
	SECTION 11.4	RECAPTURE OF AGENCY BENEFITS..... 60
ARTICLE XII	MISCELLANEOUS .....	63
	SECTION 12.1	NOTICES..... 63
	SECTION 12.2	BINDING EFFECT. .... 65
	SECTION 12.3	SEVERABILITY..... 65
	SECTION 12.4	AMENDMENT..... 65
	SECTION 12.5	EXECUTION OF COUNTERPARTS. .... 65
	SECTION 12.6	APPLICABLE LAW. .... 65
	SECTION 12.7	SURVIVAL OF OBLIGATIONS. .... 65
	SECTION 12.8	TABLE OF CONTENTS AND SECTION HEADINGS NOT CONTROLLING..... 66
	SECTION 12.9	NO RECOURSE; SPECIAL OBLIGATION..... 66
	SECTION 12.10	NET LEASE. .... 67
	SECTION 12.11	WAIVER OF JURY TRIAL..... 67
	SECTION 12.12	PRIOR AGREEMENTS..... 67
	SECTION 12.13	SERVICE OF PROCESS. .... 67
	SECTION 12.14	NO MODIFICATION. .... 68
	SECTION 12.15	NON-DISCRIMINATION. .... 68
	SECTION 12.16	DATE OF LEASE. .... 69
	SECTION 12.17	RECORDING AND FILING. .... 69
	SECTION 12.18	SUBORDINATION..... 69

- EXHIBIT A - Description of the Land
- EXHIBIT B - Description of the Equipment
- EXHIBIT C - Form of Termination of Company Lease
- EXHIBIT D - Form of Bill of Sale to Company
- EXHIBIT E - Form of Sales Tax Agency Agreement
- EXHIBIT F - Form of Termination of Sublease Agreement
- EXHIBIT G - Forms of Annual Employment Reports
- EXHIBIT H - Copy of PILOT Agreement

**SUBLEASE AGREEMENT  
(UNIFORM PROJECT AGREEMENT)**

THIS SUBLEASE AGREEMENT (UNIFORM PROJECT AGREEMENT) dated as of April 1, 2017 (this "Lease") by and between the NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State of New York, having an office at 1550 Franklin Avenue, Suite 235, Mineola, NY 11501 (the "Agency"), and SEARING AVENUE MINEOLA DEVELOPMENT LLC, a limited liability company duly 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 address at 135 Route 202/206, 1st floor, Suite 9, Bedminster, NJ 07921 (the "Company").

WITNESSETH:

WHEREAS, the Agency is authorized and empowered by the provisions of Chapter 1030 of the 1969 Laws of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "Enabling Act") and Chapter 674 of the 1975 Laws of New York, as amended, constituting Section 922 of said General Municipal Law (said Chapter and the Enabling Act, as 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, MCRT INVESTMENTS LLC, a limited liability company 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 (the "Applicant"), submitted an application for financial assistance (the "Application") to the Agency requesting that the Agency consider undertaking a project (the "Project") consisting of the following: (A) (1) the acquisition of an interest in an approximately 38,507 square foot parcel of land located on Searing Avenue, Incorporated Village of Mineola, Town of North Hempstead, County of Nassau, New York (Section: 9; Block: 456; Lot: 195, formerly part of Lot 132) (the "120 Parcel" or the "Land"), (2) the construction of a 4-story building on the 120 Parcel, together with underground parking and other related improvements to the 120 Parcel (the "120 Building" or the "Building"), and (3) the acquisition of certain furniture, fixtures, machinery and equipment necessary for the completion thereof (the "120 Equipment" or the "Equipment"), all of the foregoing to constitute a multi-

family residential rental facility consisting of approximately 96 apartment units, at least ten percent (10%) of which units shall be affordable units (collectively, the "120 Project Facility" or the "Project Facility"); (B) (1) the acquisition of an interest in a parcel of land located at 121/127 Searing Avenue, Incorporated Village of Mineola, Town of North Hempstead, County of Nassau, New York (Section: 9; Block: 452; Lots: 4-8) (the "121/127 Parcel" ), (2) the construction of a 4-story building on the 121/127 Parcel, together with underground parking and other related improvements to the 121/127 Parcel (the "121/127 Building"), and (3) the acquisition of certain furniture, fixtures, machinery and equipment necessary for the completion thereof (the "121/127 Equipment") all of the foregoing to constitute a multi-family residential rental facility consisting of approximately 96 apartment units, at least ten percent (10%) of which units shall be affordable units (collectively, the "121/127 Project Facility"); (C) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the General Municipal Law, as amended) with respect to the foregoing; and (D) the lease (with an obligation to purchase), license or sale of the Project Facility to the Applicant or such other entity(ies) as may be designated by the Applicant 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 Financial Assistance (as hereinafter defined) contemplated by the Agency with respect to the Project, to be mailed on May 16, 2016 to the chief executive officer of Nassau County, New York and of each other affected tax jurisdiction within which the Project Facility is or is to be located; (B) caused notice of the Public Hearing to be published on May 16, 2016 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 May 31, 2016, at 10:00 a.m., local time, at Village Hall, 155 Washington Avenue, Incorporated Village of Mineola, Town of North Hempstead, 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 and guidelines to be mailed on September 12, 2016 to the chief executive officer of each affected tax jurisdiction; and (B) the members of the Agency conducted the IDA Meeting on September 27, 2016 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 appropriate personnel of the Agency reviewed the environmental assessment form and other materials submitted by the Applicant and made any necessary comments to members of the Agency, and by resolution of the members of the Agency adopted on September 27, 2016, the Agency acknowledged that it is bound by the Determination of Non-Significance issued by the Board of

Trustees of the Village of Mineola on December 9, 2015 upon the conclusion of its coordinated review of the Project; and

WHEREAS, by resolution adopted by the members of the Agency on September 27, 2016 (the "Authorizing Resolution"), the Agency, following a review of the Report, determined to proceed with the Project, to grant the Financial Assistance and to enter into the "straight lease transaction" (as such quoted term is defined in the Act) contemplated by this Lease and the other Transaction Documents (as hereinafter defined); and

WHEREAS, the Applicant designated the Company to enter into the "straight lease" transaction contemplated by this Lease and the other Transaction Documents and the Agency has accepted such designation; and

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

WHEREAS, the acquisition of an interest in the Project Facility, the straight lease of the Project Facility and the granting of the Financial Assistance by the Agency to the Company are for proper purposes, including, without limitation, the advancement of the job opportunities, health, general prosperity and economic welfare of the inhabitants of the State of New York 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 Financial Assistance by the Agency to the Company is necessary to induce the Company to proceed with the Project, and (B) there is a likelihood that the Project would not be undertaken but for the granting of the Financial Assistance by the Agency to the Company; and

WHEREAS, immediately prior to the execution and delivery of this Lease, the Company will execute and deliver or cause to be executed and delivered to the Agency (A) a certain company lease agreement of even date herewith (the "Company Lease") between the Company and the Agency, which conveys to the Agency a leasehold interest in and to the Premises (as hereinafter defined), and (B) a bill of sale dated the Closing Date (the "Bill of Sale to Agency"), which conveys to the Agency all right, title and interest of the Company in and to the Equipment; and

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



WHEREAS, in order to finance a portion of the costs of the Project, the Bank (as hereinafter defined) has agreed to make a loan to the Company in the aggregate principal amount of up to \$46,568,000.00 (together with any future loans made from time to time to refinance the Project or any portion thereof, the principal amount of which loans may exceed \$46,568,000.00, but which additional or future loans shall not be entitled to an exemption from mortgage recording taxes by virtue of the Agency's involvement in the Project, collectively, the "Bank Loan"), which Bank Loan is evidenced by one (1) or more promissory notes and/or loan agreements (together with any additional promissory notes and/or loan agreements hereafter evidencing the Bank Loan, as the same may be modified, amended, supplemented, split or restated from time to time, collectively, the "Bank Note") dated the Closing Date made by the Company to the Bank in the aggregate principal amount of the Bank Loan; and

WHEREAS, in order to secure the obligations of the Company to the Bank under the Bank Note, the Company has executed and delivered one (1) or more fee, leasehold and subleasehold mortgages dated the Closing Date in favor of the Bank in the maximum aggregate principal amount of the Bank Loan (together with any additional mortgages hereafter securing the Bank Loan, as the same may be modified, amended, supplemented, split, consolidated or restated from time to time, collectively, the "Bank Mortgage"), which Bank Mortgage the Agency has executed for the sole purpose of subjecting to the lien thereof its interest in the Project, and pursuant to which Bank Mortgage the Company and the Agency grant to the Bank a mortgage lien on the Project Facility;

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

#### ARTICLE I DEFINITIONS

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

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

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

"Affiliate" of a Person 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 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 binding upon the Project Facility or any owner or lessee of the Project Facility.

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

“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 or the Company, as the case may be, by written certificate furnished to the Agency or the Company, 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 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.

“Bank” means The Bank of New York Mellon, together with its successors and/or assigns (including, without limitation, any lender(s) refinancing from time to time the initial Bank Loan or any future Bank Loan), provided that the Agency is given notice of any such succession, assignment or refinancing in accordance with Section 12.1 of this Lease.

“Bank Documents” means, collectively, the Bank Mortgage, the Bank Note and any other documents executed and delivered to the Bank in connection with the Bank Loan.

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

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

“Bank Note” 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.

“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 Searing Avenue Mineola Development LLC, a limited liability company duly organized and existing under the laws of the State of Delaware and qualified to do business in the State of New York, and its successors and assigns, to the extent permitted pursuant to this Lease.

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

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

“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 or other Person acting under a Governmental Authority.

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

“Declaration” means that certain Declaration of Covenants dated the Closing Date made by the Company in favor of the Incorporated Village of Mineola and to be recorded as a Permitted Encumbrance on the Project Facility.

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

“Environmental Indemnification” means the Environmental Compliance and Indemnification Agreement dated of even date herewith from the Company and the Applicant 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 Site Assessment of Modera Searing Avenue, 120, 121 and 127 Searing Avenue, Mineola, Nassau County, New York 11501, dated February 2, 2017 prepared by Property Solutions Inc. for J.P. Morgan Investment Management Inc., the Agency, BNY Mellon-Global Client Management - NYC, and Russell I. Tepper, Senior Managing Director, Mill Creek Residential Trust LLC, with respect to the Premises, Property Solutions Project No. 20152081.100.01.

“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.

“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 having a value not exceeding the Maximum Mortgage Recording Tax Benefit, and (C) an exemption from real property taxes, which exemption from real property taxes the Agency has estimated to have a value of \$30,650,239.

“Financial Institution” means a bank, real estate investment trust, insurance company, pension fund, collateralized mortgage backed securities lender or other regulated financial institution regularly engaged in commercial lending activities.

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

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

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

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

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

“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.

“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.

“Maximum Mortgage Recording Tax Benefit” means \$488,964.00, 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 in the Project.

“Maximum Sales Tax Benefit” means, collectively, \$1,900,087.00 with respect to the Project Facility and the 121/127 Project Facility.

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

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

“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 shall not be unreasonably withheld, conditioned or delayed by the Agency, (E) the Recapture Mortgage, (F) the Bank Mortgage, (G) the Declaration, and (H) an Easement Agreement dated the Closing Date between Corpus Christi Roman Catholic Church at Mineola and the Company. With respect to customary easements or other rights in favor of utility companies, the Agency agrees to provide its approval or disapproval within five (5) Business Days after receipt of a written request for consent accompanied by the proposed easement or other document.

“Permitted Transferee” shall have the meaning assigned to such term in Section 9.1 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 dated 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 PILOT Mortgage.

“Plans and Specifications” means the plans and specifications for the construction, installation and equipping of the Project Facility contemplated by Section 4.1 of this Lease prepared by the Company’s architect and approved by the Agency 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. The Agency hereby confirms that it has approved the Plans and Specifications as of the Closing Date.

“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 (other than the Building pursuant to 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 has 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 has substantial business or other affiliations with an organized crime figure.

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

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

“Recapture Mortgage” means the Mortgage (Recapture) of even date herewith from the Company, as mortgagor, to the Agency, as mortgagee, pursuant to which the Company grants a second lien mortgage on the Premises to the Agency to secure repayment of Recapture of Benefits.

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

“Regulatory Agreement” means that certain Regulatory Agreement of even date herewith between the Agency and the Company, pursuant to which the Company makes certain representations, warranties and covenants with respect to the construction and operation of the Project Facility as a multi-family residential rental housing project (as described in the Declaration).

“Related Sublease” means the Sublease Agreement of even date herewith between the Agency and the Company with respect to the 121/127 Project Facility.

“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.

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

“State” means the State of New York.

“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.

“Sub-Agent Agency Agreement” shall have the meaning assigned to such term in Section 8.12(H) of this Lease.

“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 Recapture Mortgage, the Regulatory Agreement, this Lease, the Environmental Indemnification, the Sales Tax Agency Agreement, any Sub-Agent 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.

“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, 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 of this Lease, (C) the moneys due as payments in lieu of taxes pursuant to Section 6.6 of this Lease and as Recapture of Benefits pursuant to Section 11.4 of this Lease, (D) the right of the Agency in its own behalf to enforce the obligation of the Company to 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 Recapture 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;

(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; and

(G) references in this Lease to the Project Facility mean and refer to the 120 Project Facility unless a different definition is expressly provided with respect to a particular use of the term Project Facility.

## 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 or any other Applicable Law, 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.

(D) The Transaction Documents to which the Agency 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 Agency, enforceable in accordance with their respective terms, except as the enforceability thereof may be limited by bankruptcy, moratorium or insolvency or other laws affecting creditors’ rights generally and is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding at law or in equity).

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 to do business as a foreign limited liability company in the State of New York and all other jurisdictions in which its operations or ownership of its Properties so require, and has the power to enter into this Lease and the other Transaction Documents to which the Company is a party and to carry out its obligations hereunder and thereunder. By proper action of its 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) materially conflict with or result in a breach of any of the material terms, conditions or provisions of the Company's certificate of formation 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 material 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 in any material respect, (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 and the operation thereof by the Company will not result in the removal of a facility or plant of the Company or any other lessee, sublessee or other proposed occupant of the Project Facility, or any part thereof, 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 other lessee, sublessee or other proposed occupant of the Project Facility, or any part thereof, 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 in compliance with 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) 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, except as the enforceability thereof may be limited by bankruptcy, moratorium or insolvency or other laws affecting creditors' rights generally and is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding at law or in equity).

(E) The Project constitutes a commercial facility that the Company believes 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.

(F) The Company shall cause the Project Facility to comply, and shall operate the Project Facility in compliance with, all Applicable Laws, and the Company shall indemnify, defend (with counsel selected by the Agency) and save the Agency and its officers, members, agents (other than the Company), attorneys, servants and employees, past, present and future, harmless from all claims, liabilities, damages (other than consequential damages), fees, reasonable, out-of-pocket expenses, fines and penalties due to failure, or alleged failure, to comply therewith. The Company shall cause all notices as required by all Applicable Laws to be given, and shall comply and shall use its commercially reasonable efforts in good faith to cause others to comply with all Applicable Laws applying to or affecting the conduct of work on the Project or the operation of the Project Facility, and the Company shall indemnify, defend (with counsel selected by the Agency) and save the Agency and its officers, members, agents (other than the Company), attorneys, servants and employees, past, present and future harmless, from all claims, liabilities, damages (other than consequential damages), fees, reasonable, out-of-pocket 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 from the gross negligence or 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 simple (but not gross) 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 (unless such breach constitutes gross negligence or intentional wrongdoing of the Agency).

(G) The Company believes that 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 in the resolution adopted by the Agency on September 27, 2016 under SEQRA applicable to the acquisition, construction, installation, equipping and operation of the Project Facility contemplated by Section 4.1 of this Lease and in any other approvals issued by any other Governmental Authority with respect to the Project Facility. No material changes with respect to any aspect of the Project Facility have arisen between the date of the adoption of such resolution and the Closing Date which would cause the determinations contained therein to be untrue.

(H) 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.

(I) 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.

(J) There is no action, suit, investigation or proceeding pending, or to the best knowledge of the Company after due inquiry, threatened against the Company or any of its Property in or before any Governmental Authority which (i) either in any case or in the aggregate, if adversely determined, would materially, adversely affect the business, operations or financial condition 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.

(K) To the best knowledge of the Company after due inquiry, 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.

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

(M) The Company (i) shall create or shall cause the Applicant, the property manager for the Project Facility and the 121/127 Project Facility or one (1) or more Affiliates of either of them, to create at least six (6) new, full-time equivalent (based upon a 35-hour work week), private sector jobs in the State of New York within one (1) year after the Scheduled Completion Date as described in the Application (i.e., 3 leasing and 3 building maintenance jobs) and maintain such jobs throughout the remainder of the term of this Lease, and (ii) shall cause the general contractor for the Project to cause to be created (directly or through subcontractors) at least two hundred ninety (290) new, full-time equivalent (based on a 35-hour work week and determined on an economic analysis basis), private sector construction jobs during the period from the Closing Date until the Completion Date (but, for purposes of clarity, not all such construction jobs are required to exist at the Project Facility at all times during such period); all of which jobs shall, at all applicable times during the term of this Lease, be located at the Project Facility and/or the 121/127 Project Facility (collectively, the "Minimum Employment Requirement").

(N) The funds available or to be made available to the Company under its operating agreement, pursuant to the Bank Documents and/or derived from the operation of the Project Facility are sufficient to pay all costs in connection with the acquisition, construction, installation and equipping of the Project Facility.

(O) The Company is not a Prohibited Person, the Applicant is not a Prohibited Person, no Affiliate of the Company or the Applicant is a Prohibited Person and no member or manager of the Company or the Applicant, as the case may be, is a Prohibited Person.

(P) Neither this Lease nor any other Transaction Document nor the Application (including all schedules and exhibits thereto) contains any untrue statement of a material fact made by or on behalf of the Company or the Applicant, or omits to state a material fact necessary

in order to make the statements made by the Company or the Applicant contained herein and therein not misleading.

(Q) The Company shall not use or cause to be used any funds of the Agency 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 the Company give any funds of the Agency to any group or organization which is attempting to prevent the establishment of an industrial or manufacturing plant within the State.

(R) Unless the Company has transferred the Project as permitted under Article IX of this Lease, the Company is, and shall at all times during the term of this Lease, continue to be owned solely by MCRT Searing Avenue LLC (the "Managing Member") and Searing Avenue Acquisition LLC ("Acquisition" and together with the Managing Member, collectively, the "Existing Owners"). Unless the Company has transferred the Project, or ownership interests in the Company have been transferred, in either case as permitted under Article IX of this Lease, and except for transactions permitted under Article VIII of the Limited Liability Company Agreement of the Company, the Managing Member is, and shall at all times during the term of this Lease, continue to be owned directly or indirectly solely by Mill Creek Residential Trust LLC. The provisions of this Section 2.2(R) shall not apply from and after the date of any foreclosure (or the granting of a deed in lieu of foreclosure) of the Bank Mortgage, subject to the provisions of Section 12.19 of this Lease.

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

(T) The total cost of the Project is at least \$71,643,000.

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

(V) 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 that prohibits the Company from executing and delivering the Company Lease, this Lease or any other Transaction Document.

(W) Neither the Company, the Applicant nor any Affiliate of the Company or the Applicant 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.

(X) The recording of the Bank Mortgage shall not result in the claiming of an exemption from mortgage recording tax in excess of the Maximum Mortgage Recording Tax Benefit.

(Y) 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. 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), 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 of the Company's other obligations to the Agency under this Lease and the other Transaction Documents.

SECTION 3.2 USE OF PROJECT FACILITY. Subsequent to the Closing Date, the Company shall be entitled to use the Project Facility in any manner not otherwise prohibited by the Transaction Documents, provided such use causes the Project Facility to qualify or continue to qualify as a "project" under the Act and does not tend, in the judgment of the Agency, to bring the Project into disrepute as a public project; provided, further, however, that at no time shall any such use be other than as a 96-unit multi-family residential rental facility, at least ten percent (10%) of which units shall be affordable units in accordance with the requirements set forth in the Regulatory Agreement, together with uses incidental thereto, except with the prior written consent of the Agency, which consent may be withheld in the Agency's sole and absolute discretion. The Company shall not knowingly occupy, use or operate the Project Facility, or any



part thereof, or knowingly allow the Project Facility, or any part thereof, to be occupied, used or operated (1) for any unlawful purpose, or (2) in violation of any certificate of occupancy affecting the Project Facility, or (3) for any use which may constitute a nuisance, public or private, or (4) for any use that would make void or voidable any insurance then in force with respect thereto, or (5) by any tenant, subtenant or occupant whose use, occupancy or operation of the Project Facility would be in violation of Applicable Laws. All permits and licenses necessary for the operation of the Project Facility as contemplated by this Section 3.2 shall be procured promptly by 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.

(A) The Company agrees to comply at all times with the provisions of the Environmental Indemnification, whether or not this Lease or any other Transaction Document is in effect and irrespective of the expiration or earlier termination of this Lease or any other Transaction Document.

(B) In the event this Lease is terminated, the Company shall deliver the Project Facility to the Agency free of any and all Hazardous Materials (except Hazardous Materials the presence of which do not violate any Applicable Law governing the use, storage, treatment, transportation, manufacture, refinement, handling, production or disposal of Hazardous Materials (each, an "Environmental Law" and, collectively, the "Environmental Laws")), so that the condition of the Project Facility shall conform with all Environmental Laws affecting the Project Facility.

(C) If insurance is or shall become available at a reasonable cost to cover the Company's obligations under the Environmental Indemnification, then, at the option of the Agency, the Company shall obtain adequate coverage.

SECTION 3.4 NON-MERGER. During the term of this Lease, there shall be no merger of this Lease 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; (c) a mortgagee title insurance policy insuring the Agency's mortgage interest in the Premises as the holder of the Recapture Mortgage against loss as a result of defects in title, subject only to Permitted Encumbrances, and (d) a current survey of the Premises certified to the Agency, the Company, the PILOT Mortgagee and the title insurance company issuing the Title Policy. Any proceeds of the Title Policy shall be paid to the Company and applied by the Company to remedy the applicable defect in title. If not so capable of being applied or if a balance remains after such application, the Net Proceeds or the remaining balance of the Net Proceeds, as the case may be, shall be applied to the payment of any sums due the Agency under this Lease or under any other Transaction Document, and any balance thereafter may be used by the Company for any lawful corporate purpose.

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

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

(A) The Company shall, on behalf of the Agency, promptly acquire, construct, install and equip the Project Facility, or cause the acquisition, construction, installation and equipping of the Project Facility, all in substantial accordance with the Plans and Specifications, in a good and workmanlike manner using commercial-grade materials, free of defects in materials and workmanship. Notwithstanding the foregoing, but subject in all cases to Sections 4.1(B), 6.1 and Article VII of this Lease, the Company shall not, at any time during the term of this Lease, construct any new structure on the Land (other than the Building substantially in accordance with the Plans and Specifications) or construct an addition to or otherwise increase the useable square footage of the Building depicted in the Plans and Specifications or otherwise construct any additional structures on the Land without the prior written consent of the Agency.

(B) The Company may revise the Plans and Specifications from time to time in accordance with the Bank Documents; provided, however, that the Company shall not alter the footprint, the total square footage or the height of the Project Facility or the number or size of apartment units without the prior written consent of the Agency (which consent shall not be unreasonably withheld, conditioned or delayed). Without limitation of the foregoing, the Company shall provide the Agency with copies of all changes to the Plans and Specifications that the Company is required to provide to the Bank.

(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, install and equip the Project Facility, (2) to make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions with any other Persons, and in general to do all things which may be required or proper, all for the acquisition, construction, installation and equipping of the Project Facility, with the same powers and with the same validity as the Agency could do if acting in its own behalf, provided that the liability of the Agency thereunder shall be limited to the moneys made available therefore by the Company and advanced for such purposes by the Company pursuant to Section 4.1(H) of this Lease, (3) to pay all fees, costs and expenses incurred in the acquisition, construction, installation and equipping of the Project Facility from funds made available therefor in accordance with this Lease, and (4) to ask, demand, sue for, levy, recover and receive all such sums of money, debts, dues and other demands whatsoever which may be due, owing and payable to the Agency under the terms of any contract, order, receipt, writing or instruction in connection with the acquisition, construction, 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 in all material respects with all Applicable Laws applying to or affecting the conduct of work on the Project Facility, and the Company will defend (with counsel selected by the Agency), indemnify and save the Agency and its officers, members, agents (other than the Company), attorneys, servants and employees, past, present and future, harmless from all fees, expenses, fines and penalties due to failure, or alleged failure, to comply therewith; provided that such fees, expenses, fines and penalties of the Agency are not incurred or do not result from the gross negligence or intentional wrongdoing 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 (unless such breach constitutes gross negligence or intentional wrongdoing of the Agency). 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 intentionally take any action, or intentionally fail to take any action, including, without limitation, the employment of any contractor, if such action

or inaction results in jurisdictional disputes or strikes or labor disharmony in connection with the Project; provided, however, that the occurrence of any jurisdictional dispute, strike or labor disharmony shall not constitute an Event of Default under this Lease provided that the Company promptly undertakes and thereafter diligently and continuously takes all reasonable action to resolve the jurisdictional dispute, strike or labor disharmony.

(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. Leasehold title to portions of the Project Facility acquired, constructed and installed at the Company's cost shall immediately upon such acquisition, construction or installation vest in the Agency. The Company shall execute, deliver and record or file such instruments as the Agency may request in order to perfect or protect the Agency's leasehold 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 construction, 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 and content and placed in a location reasonably satisfactory to the Agency, and (iii) that the Agency may otherwise publicize the Agency's role in the Project.

(K) The Company agrees to use its commercially reasonable efforts in good faith to solicit bids, or cause bids to be solicited, from at least one (1) qualified contractor or vendor based in the County, if one exists, for each contract entered into with respect to the Project Facility, including, without limitation, contracts for construction (including, without limitation, the initial construction, 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 commercially reasonable efforts in good faith to let such contracts or cause its contractors or subcontractors to let such contracts, where practicable, to contractors or vendors based in the County. Commercially reasonable efforts shall not require the Company to expend additional monies to comply or to suffer a delay in construction

(L) W/MBE Contractors.

(1) The Company will use its commercially reasonable efforts in good faith 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 construction, 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, to the extent reasonably foreseeable: (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.

(4) Commercially reasonable efforts shall not require the Company to expend additional monies to comply or to suffer a delay in construction.

(N) The Company covenants and agrees to make a total investment (including the use of the proceeds of the Bank Loan) in the Project Facility as of the Scheduled Completion Date in an amount not less than \$64,478,700 (which represents the product of (1) 0.90 and (2) the sum of \$71,643,000 being the total project costs as stated in the Application). The Company shall provide written documentation of such investment, in form and substance satisfactory to the Agency, no later than February 11th of the calendar year following the Scheduled Completion Date.

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

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

(A) The Company will proceed with due diligence to commence demolition, construction, installation and equipping of the Project Facility in accordance with Section 4.1 of this Lease within thirty (30) days after the Closing Date and shall proceed with due diligence to substantially complete the demolition, construction, installation and equipping of the Project Facility on or before March 31, 2020 (the “Scheduled Completion Date”) and shall commence occupancy of the Project Facility on or before the Scheduled Completion Date, subject to force majeure as provided in Section 10.1(B) hereof. The Company covenants to diligently prosecute its application for any required building permits for the Project Facility. Completion of the Project Facility shall be evidenced by a certificate signed by an Authorized Representative of the Company delivered to the Agency stating (A) the date of such substantial 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, installation and equipping of the Project Facility has been substantially completed in a good and workmanlike manner, (D) that

the Company and the Agency have good and valid interests in and to all Property constituting a portion of the Project Facility, free and clear of all Liens and encumbrances except Permitted Encumbrances, and (E) that the Project Facility is ready for occupancy, use and operation for its intended purposes. Such certificate shall be accompanied by a temporary or permanent certificate of occupancy for substantially all of the Project Facility and any and all permissions, licenses or consents required of Governmental Authorities for the occupancy, operation and use of the Project Facility for its intended purposes.

(B) The Company shall pay within the time periods required by applicable Governmental Authorities, all construction related and other fees for the Project, including, without limitation, building permit fees, plumbing fixture permit fees, recreation fees, site planning fees, 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, installation and equipping of the Project Facility or in the event of a breach of warranty or other liability with respect to any materials, workmanship or performance guaranty, the Company shall (i) use commercially reasonable efforts 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 such contract in accordance with the terms thereof. The Company may, in its own name or, with the prior written consent of the Agency, which consent shall not be unreasonably withheld, conditioned or delayed, 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 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 acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of the Project Facility 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 SUBLEASE OF THE PROJECT FACILITY. In consideration of the Company's covenant herein to make rental payments hereunder, and in consideration of the other covenants of the Company contained herein, including the covenant to make additional and other payments required hereby, the Agency hereby agrees to demise and sublease to the Company, and the Company hereby agrees to rent and sublease from the Agency, a subleasehold interest in the Project Facility, subject only to the Permitted Encumbrances.

SECTION 5.2 DURATION OF THE LEASE TERM; QUIET ENJOYMENT.

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

(B) Provided that all amounts, costs and expenses payable by the Company to the Agency under this Lease and all other Transaction Documents are paid in full, the subleasehold estate created hereby shall terminate at 12:00 a.m. on the earlier to occur of (1) December 31, 2038 (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, other than as may be caused by the gross negligence or willful misconduct of the Company or its members, managers, officers, agents, attorneys, servants or employees.

SECTION 5.3 RENTAL PAYMENTS AND OTHER AMOUNTS PAYABLE.

(A) The Company shall pay on the date of execution and delivery of this Lease, as the basic sublease payments due hereunder: (1) the sum of \$1.00, (2) all reasonable fees and expenses of counsel to the Agency and Special Counsel to date with respect to the Project, and (3) all other reasonable costs and expenses incurred by the Agency in connection with the transactions contemplated by this Lease and the other Transaction Documents.

(B) The Company agrees to pay to the Agency the following fees: (1) a closing compliance fee in the amount of \$2,500.00, (2) an Agency administrative fee in the amount of \$223,286.00, with respect to the Project, and (3) the Agency's general counsel fee in the amount of \$71,643.00 (collectively, the "Administrative Fee"). The Administrative Fee is due and payable by the Company to the Agency on the Closing Date. The Administrative Fee is non-refundable and is deemed earned in full upon the execution and delivery of this Lease. The Agency acknowledges that the Administrative Fee is payable with respect to the entire Project

and any reference in the Related Sublease to the Administrative Fee shall not result in a duplication of the Administrative Fee.

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

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

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

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

(A) The obligations of the Company to make the payments required by this Lease and to perform and observe any and all of the other covenants and agreements on its part contained herein shall be general obligations of the Company and shall be absolute and unconditional irrespective of any defense or any right of setoff, recoupment, counterclaim or abatement that the Company may otherwise have against the Agency. The Company agrees that it will not suspend, discontinue or abate any payment required by, or fail to observe any of its other covenants or agreements contained in, this Lease, or terminate this Lease (except as set forth in Section 11.1 hereof), for any cause whatsoever, including, without limiting the generality of the foregoing, failure to complete the Project, any defect in the title, design, operation, merchantability, fitness or condition of the Project Facility or any part thereof or in the suitability of the Project Facility or any part thereof for the Company's purposes or needs, failure of consideration for, destruction of or damage to, Condemnation of or the use of all or any part of the Project Facility, any change in the tax or other laws of the United States of America or of the State or any political subdivision thereof, or any failure of the Agency to perform and observe any agreement, whether expressed or implied, or any duty, liability or obligation arising out of or in connection with this Lease.



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

SECTION 5.5 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 using the Sales Tax Agency Agreement and/or any Sub-Agent Agency Agreement, 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 default shall occur under this Lease or any of the other Transaction Documents, 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.

## ARTICLE VI MAINTENANCE, MODIFICATIONS, TAXES AND INSURANCE

SECTION 6.1 MAINTENANCE AND MODIFICATIONS OF THE PROJECT FACILITY.

(A) The Company shall (1) keep the Project Facility in good condition and repair and preserve the same against active waste, loss, and damage, 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) not create, permit or suffer to exist any mortgage, encumbrance, lien, security interest, claim or charge against the Project Facility, or any part thereof, or the interest of the Agency or the Company in the Project Facility or this Lease, except for Permitted Encumbrances. The Agency shall have no obligation to replace, maintain or effect replacements, renewals or repairs of the Project Facility, or to furnish any utilities or services for the Project Facility and the Company hereby agrees to assume full responsibility therefor.

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

(1) the Company shall (a) give or cause to be given all notices in accordance with, and comply or cause compliance with, all Applicable Laws applying to or affecting the conduct of work on such modification or improvement to the Project Facility, or any part thereof, (b) indemnify, defend (with counsel selected by the Agency) and save the Agency and its officers, members, agents (other than the Company), attorneys, servants and employees, past, present and future harmless from all fees, expenses, fines and penalties due to failure to comply therewith, provided that such fees, expenses, fines and penalties of the Agency are not incurred or do not result from the gross negligence or intentional wrongdoing 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 (unless such breach constitutes gross negligence or intentional wrongdoing), and (c) promptly procure all permits and licenses necessary for the prosecution of any work described in this Section 6.1(B);

(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) if the Agency's consent is required with respect to any such alteration, modification or improvement to the Project Facility, the Company shall furnish to the Agency, at least thirty (30) days prior to commencing such alteration, modification or improvement to the Project Facility, detailed plans and specifications therefor; provided,

further, however, that such plans need not be furnished to the Agency for nonstructural modifications or improvements to the Project Facility unless the Agency's consent is required pursuant to subsection (7) below;

(6) to the extent required under the Bank Mortgage while it is in effect, the Company shall have obtained the consent of the Bank with respect to the alteration, modification or improvement;

(7) if the alteration, modification or improvement alters the footprint, the total square footage or the height of the Project Facility or the number or size of apartment units, the Company shall have obtained the consent of the Agency, which consent shall not be unreasonably withheld, conditioned or delayed, and shall be subject to the provisions of subsection (11) below;

(8) as a result of such alterations, modifications or improvements, the structural integrity of the Project Facility would not be impaired in the judgment of the Agency;

(9) intentionally omitted;

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

(11) 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, based on the proportionate increase in assessed value that would have resulted from such alteration, modification or improvement; and

(12) 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.

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 required to convey a leasehold interest in such property 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, to the extent such conveyance and the subjecting of such property is not automatically accomplished pursuant to the terms of this Lease.

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

(C) The Company has given or will give or cause to be given all notices in accordance with, and has complied or will comply or cause compliance with, in all material respects, all Applicable Laws applying to or affecting the operation of the Project Facility, and the Company will defend (with counsel selected by the Agency), indemnify and save the Agency and its officers, members, agents (other than the Company), attorneys, servants and employees, past, present and future, harmless from all fees, expenses, fines and penalties due to failure to comply therewith; provided that such fees, expenses, fines and penalties of the Agency are not incurred or do not result from the gross negligence or intentional wrongdoing 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 (unless such breach constitutes gross negligence or intentional wrongdoing).

(D) Intentionally omitted.

#### SECTION 6.2 TAXES, ASSESSMENTS AND UTILITY CHARGES.

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

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

(C) Notwithstanding the provisions of this Section 6.2, the Company may withhold any such payment and the Company may in good faith actively contest the amount, validity or the applicability of any payment referred to in such subsection (A), provided that (1) the Company shall have first notified the Agency in writing of such contest, (2) the overall operating efficiency of the Project for the purposes for which it is intended is not materially impaired by reason of such proceedings, (3) 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, (4) the Company shall have set aside on its books adequate reserves with respect thereto, and (5) the Company diligently prosecutes such contest to completion. Otherwise, the Company shall promptly make such payment or take such other action with respect thereto as shall be satisfactory to the Agency.

SECTION 6.3 INSURANCE REQUIRED. During the term of this Lease, the Company shall maintain insurance with respect to the Project Facility against such risks and liabilities and

for such amounts as are customarily insured against by businesses of like size and type, paying, as the same become due and payable, all premiums with respect thereto, including, but not necessarily limited to:

(A) Insurance protecting the interests of the Company, as named 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, exclusive of footings, foundations, paving, underground utilities and sitework (such excluded construction work, collectively, the "Underground Construction"), 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 other than Underground Construction, the Company shall maintain Cause of Loss "Special Form" property insurance which provides coverage for builder's risk exposure or a separate non-reporting builder's risk policy, in an amount reasonably satisfactory to the Agency.

(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, installation and equipping of the Project Facility.

(C) Commercial general liability insurance protecting the Company, as named 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, excluding liability imposed upon the Company by any applicable workers' compensation law, and a separate umbrella liability policy protecting the Company, as named insured, and the Agency and the PILOT Mortgagee, as additional insureds, with a limit of not less than \$10,000,000.00, as said amounts may be adjusted by the Agency from time to time in its reasonable discretion for properties of similar type.

(D) During any period of construction, renovation, improvement or reconstruction, to the extent not covered by the general 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 if not covered under the Company's property policy.

(F) If at any time any part of the improvements on the Project Facility are located in an area identified by the U.S. Department of Housing and Urban Development as having special flood hazards, a policy or policies of flood insurance in an amount not less than the maximum amount of flood insurance available with respect to the Project Facility under the Flood Disaster Protection Act of 1973, as amended.

(G) In addition to the environmental hazard insurance that the Agency may require under the conditions set forth in Section 3.3(C) of this Lease, such other insurance in such amounts and against such insurable hazards and risks as the Agency from time to time may reasonably require.

#### SECTION 6.4 ADDITIONAL PROVISIONS RESPECTING INSURANCE.

(A) All insurance required by Section 6.3 hereof shall be procured and maintained in financially sound and generally recognized responsible insurance companies selected by the Company and authorized to write such insurance in the State and satisfactory and having an A.M. Best rating of "A-" or better. Such insurance may be written with deductible amounts comparable to those on similar policies carried by other companies engaged in businesses similar in size, character and other respects to those in which the Company is engaged and shall provide that such insurance shall be without any right of contribution from any other insurance carried by the Agency. All policies evidencing such insurance shall name the Company, as named insured, and the Agency and the 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 (except for non-payment of premium for which not less than ten (10) days' written notice shall be required), lapse, reduction in policy limits or material change in coverage thereof. All insurance required hereunder shall be in form, content and coverage reasonably satisfactory to the Agency. Certificates in form and substance reasonably satisfactory 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 one (1) or more certificates 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 ten (10) days prior to the expiration of any such policy, the Company shall furnish to the Agency evidence that the policy has been renewed or replaced or is no longer required by this Lease.

(B) All premiums with respect to the insurance required by Section 6.3 hereof shall be paid by the Company; provided, however, that, if the premiums are not timely paid, the Agency may pay such premiums and the Company shall pay immediately upon demand all sums so expended by the Agency, together with interest thereon at the Default Interest Rate 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 all its contractors and subcontractors 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 is outstanding and the Bank Mortgage remains a Lien on the Project Facility, the Agency agrees that (i) the Bank and not the Agency or the PILOT Mortgagee shall be the loss payee with respect to the Net Proceeds of the insurance required by Sections 6.3(A), 6.3(E) and 6.3(F) hereof, and (ii) the provisions of Sections 6.5(A), 7.1(A)(4), 7.1(B), 7.1(C), 7.2(B)(4), 7.2(C) and 7.2(D) hereof, shall be superseded and replaced by the applicable provisions of the Bank Mortgage.

SECTION 6.5 APPLICATION OF NET PROCEEDS OF INSURANCE. The Net Proceeds of the insurance carried pursuant to the provisions of Section 6.3 hereof shall be applied as follows: (A) subject to the provisions of Section 6.4(F) of this Lease, the Net Proceeds of the insurance required by Sections 6.3(A), 6.3(E) and 6.3(F) 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 of 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 units wherein the Project Facility is located having taxing powers (such political units are hereinafter collectively referred to as the "Taxing Entities"), in such amounts and at such times as are required by the PILOT Agreement.

## 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) if the cost to repair such damage or destruction exceeds \$50,000, the Company shall promptly give notice thereof to the Agency; and

(4) except as otherwise provided in subsection (B) of this Section 7.1, if the cost to repair such damage or destruction exceeds \$100,000, (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, to the extent consent is required from the Bank under the Bank Documents, consented to in writing by the Bank if the Bank Mortgage is still in effect, and if the Bank Mortgage is not then in



effect then 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) subject to the provisions of Section 6.4(F) of this Lease (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, (2) if 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, then 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 (3) 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) Subject to the provisions of Section 6.4(F) of this Lease, 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 after due inquiry, 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 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, to the extent consent is required from the Bank under the Bank Documents, consented to in writing by the Bank if the Bank Mortgage is in effect and, if the Bank Mortgage is not then in effect, 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) subject to the provisions of Section 6.4(F) of this Lease, (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, (2) if 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 (3) 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 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 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) Subject to the provisions of Section 6.4(F) of this Lease, 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 and, at any time during the term of this Lease that any portion of the Bank Loan is outstanding and the Bank Mortgage remains a Lien on the Project Facility, the consent of the Bank, which consents shall not be unreasonably withheld or delayed.

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

#### ARTICLE VIII SPECIAL COVENANTS

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

#### SECTION 8.2 HOLD HARMLESS PROVISIONS.

(A) The Company hereby releases the Agency and its members, officers, agents (other than the Company), attorneys, servants and employees, past, present and future, from, agrees that the Agency and its members, officers, agents (other than the Company), attorneys, servants and employees, past, present and future, shall not be liable for and agrees to indemnify, defend (with counsel selected by the Agency) and hold the Agency and its members, officers, agents (other than the Company), attorneys, servants and employees, past, present and future, harmless from and against any and all claims, causes of action, judgments, liabilities, damages (other than consequential damages), actual losses, and reasonable out-of-pocket costs and

expenses arising directly or indirectly as a result of the Agency's undertaking the Project, including, but not limited to: (1) liability for loss or damage to Property or bodily injury to or death of any and all Persons that may be occasioned, directly or indirectly, by any cause whatsoever pertaining to the Project or the Project Facility or arising by reason of or in connection with the occupation or the use thereof or the presence of any Person or Property on, in or about the Project Facility, (2) liability arising from or expense incurred by the Agency's acquiring, constructing, renovating, equipping, installing, owning, leasing, subleasing, 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) 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 (ii) 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, 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) of this Lease, 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 gross negligence or 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 simple (but not gross) 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 (unless such breach constitutes gross negligence or intentional wrongdoing).

(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 (if any) or any contractor of the Company or anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, the obligations of the Company hereunder shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for the Company or such contractor under workers' compensation laws, disability benefits laws or other employee benefit laws.

(C) To effectuate the provisions of this Section 8.2, the Company agrees to provide for and insure, to the extent such insurance is available, 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 during the Company's normal business hours and upon reasonable notice (subject to the rights of tenants) to enter upon and to examine and inspect the Project Facility; provided, however, that no such notice shall be required and the Agency's access shall not be limited to the Company's normal business hours in the event of an emergency or if an Event of Default has occurred and is continuing under this Lease. The Company further agrees that the Agency shall have such rights of access to the Project Facility as may be reasonably necessary to cause the proper maintenance of the Project Facility in the event of failure by the Company to perform its obligations hereunder, but the exercise of such right shall in no event be construed to mean that the Agency has assumed any obligation hereunder to perform such maintenance.

**SECTION 8.4 COMPANY NOT TO TERMINATE EXISTENCE OR DISPOSE OF ASSETS.** The Company agrees that, during the term of this Lease, (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 (except as permitted under Article IX of this Lease), and (C) will not, except as permitted under Article IX of this Lease, 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 consent of the Agency, which consent will not be unreasonably withheld, conditioned or delayed. The Company agrees that it will not change its name or its state of formation without giving prior written notice to the Agency and obtaining the consent of the Agency, which consent shall not be unreasonably withheld, conditioned 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 Applicant or their respective finances, operations and affairs, including any information required to enable the Agency to make any reports required by Applicable Laws or other governmental regulation.

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

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

(B) Within thirty (30) days after the end of each fiscal year of the Company, the Company shall furnish to the Agency a certificate of an Authorized Representative of the Company stating that, to the best knowledge of the Company after due inquiry, no Event of

Default hereunder or under any other Transaction Document has occurred or is continuing or, if any Event of Default exists, specifying the nature and period of existence thereof and what action the Company has taken or proposes to take with respect thereto. The Company represents to the Agency that the Company's fiscal year ends on December 31<sup>st</sup>.

(C) The Agency and the Company shall, at any time and from time to time, within fifteen (15) days following its receipt of a request from the other party, sign, acknowledge and deliver to the requesting party or any other person designated by that party a certification (a) stating whether this Lease is in full force and effect and whether it has been modified (and, if modified, setting forth all modifications), (b) stating whether or not, to its actual knowledge, the other party is in default of its obligations under this Lease and if so, describing the default, including any event that has occurred which, with the serving of notice or the passage of time, or both, would give rise to an Event of Default, and (c) stating to its actual knowledge, any other factual matters reasonably requested by the other party or any person designated by the other party. Any certification delivered pursuant to this Section 8.6(C) may be relied upon by the third party for whom the certification is requested but shall not, as between Landlord and Tenant, affect their respective rights under this Lease and the other Transaction Documents. Any certification delivered by the Agency pursuant to this Section 8.6(C) shall be subject to the provisions of Section 12.9 of this Lease.

#### SECTION 8.7 COMPLIANCE WITH APPLICABLE LAWS.

(A) The Company agrees, for the benefit of the Agency, that it will, during the term of this Lease, promptly comply in all material respects 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 (1) the Company gives the Agency prompt written notice of such contest, (2) the Company shall have set aside adequate reserves for any such requirement, (3) noncompliance with such Applicable Law will not subject the Project Facility or any part thereof to loss or forfeiture, (4) 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 (5) the Company diligently prosecutes such contest to completion. Otherwise, the Company shall promptly take such action with respect thereto as shall be satisfactory to the Agency.

(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 the Company's failure to comply with any Applicable Laws, the Company shall promptly take such action with respect thereto as shall be reasonably 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 (other than the Project Facility) or on any funds of the Agency applicable to or deriving from the Project Facility (other than the proceeds of insurance carried by the Company and the proceeds of condemnation).

(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 after 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 reasonably necessary or appropriate to obtain the discharge in full thereof or remove, bond over 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, and such failure continues beyond all applicable notice and cure periods, 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 (but subject to the Bank's notice and cure rights contained in Section 12.19 of this Lease), make or do the same, including, without limitation, appearing in and defending any action purporting to affect the rights or powers of the Company or the Agency, and paying all fees, costs and expenses, including, without limitation, reasonable attorneys' fees, incurred by the Agency in connection therewith; and the Company shall pay immediately upon demand all sums so incurred or expended by the Agency under the authority hereof, together with interest thereon, at the Default Interest Rate, from the date of payment.

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

#### SECTION 8.11 EMPLOYMENT OPPORTUNITIES.

(A) The Company shall ensure that all employees and applicants for employment with regard to the Project, including, without limitation, the employees of and applicants for employment with the Company, or any of its Affiliates, are afforded equal employment opportunities without unlawful 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 or 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. The Agency acknowledges its receipt of such employment plan.

(D) The Company agrees to file with the Agency on a calendar year basis not later than February 11 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 use reasonable efforts to cause its Affiliates, contractors and agents to provide such reports (and supporting documentation) with respect to their respective employees 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 cooperate with the Agency in connection therewith.

(E) The Company shall, at all times required during the term of this Lease, maintain or cause to be maintained the Minimum Employment Requirement. The Company agrees to give the Agency written notice of the occurrence of any default under this subsection (E) within ten (10) days after the Company becomes aware of the occurrence of such default.

(F) The Company agrees to use reasonable best efforts in good faith to hire or to cause to be hired ninety percent (90%) of workers for the performance of work in connection with the construction of the Project Facility from within Nassau and Suffolk Counties if the cost and skill set of those workers are commensurate with the specific needs of the Company with respect to the Project. The Company further agrees to use reasonable best efforts in good faith to purchase ninety percent (90%) of the building materials used in the construction, installation and equipping of the Project Facility from within Nassau and Suffolk Counties if the cost, quality, quantity and availability of said materials are commensurate with the specific needs of the Company with respect to the Project. So long as the Company has used its reasonable best efforts in good faith to comply with the ninety percent (90%) requirements as set forth in this Section 8.11(F), the Company's failure to achieve either ninety percent (90%) requirement shall not constitute an Event of Default under this Lease.



(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 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.

(H) Intentionally omitted.

## 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, installation and equipping of the Project Facility (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 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) March 31, 2020, 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 engaged by the Company and approved by the Agency as its 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 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 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 approved by the Agency as its 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 15th 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 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 (and its contractors) 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 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 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 Section 4.1(E) of this Lease, the Company agrees to furnish to the Agency, on request, an opinion of a certified public accountant to the effect that such accountant has audited the claiming of such exemption from sales and use taxes by the Company (and the contractors engaged by the Company and approved by the Agency as its agents) 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 or lease entered into by the Company (or a contractor engaged by the Company and approved by the Agency as its agent), as agent of the Agency, in connection with the acquisition, construction, installation and equipping of the Project Facility:

“This [contract, agreement or lease] is being entered into by [ ] (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 Searing Avenue Mineola Development LLC (the “Company”) consisting in part of the acquisition, construction, installation and equipping of a multi-family residential rental facility located at 120 Searing Avenue, Incorporated Village of Mineola, Town of North Hempstead, 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 or lease] 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 or lease] is in compliance with the terms of the Sales Tax Agency Agreement. This [contract, agreement or lease] 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 or lease], the [vendor, lessor or contractor] 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 engaged by the Company and approved by the Agency as its 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 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, conditioned or delayed, 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 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*, to each vendor, lessor or contractor from which the Company (or a contractor 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 engaged by the Company and approved by the Agency as its agent) enters into an improvement or installation contract relating to the acquisition, construction, 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 or contractor 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 Section 4.1(E) of 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 or contractor.

(J) (1) Without limitation of any of the Agency's other rights under this Lease, in the event that the Company (or any contractor engaged by the Company and approved by the Agency as its agent) shall utilize the sales or use tax exemption provided pursuant to Section 4.1(E) of this Lease (i) in a manner that is not authorized or for which the Company (or any contractor 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 engaged by the Company and approved by the Agency as its agent). 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 engaged by the Company and approved by the Agency as its agent) 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 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.

**SECTION 8.15 BANK MORTGAGE.** Except as otherwise provided in the Bank Mortgage, the Company shall 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, as agent of the Agency.

SECTION 8.16 ANTI-TERRORISM LAWS.

(A) General. Neither the Company nor any director, officer, member, manager or shareholder of the Company, nor, to the Company's knowledge after due inquiry, 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, to the Company's knowledge after due inquiry, 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, to the Company's knowledge after due inquiry, 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, shareholders and, to the Company's knowledge after due inquiry, their respective 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 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 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 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 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 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 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, shareholders or Affiliates.

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

SECTION 9.1 ASSIGNMENT OF THIS LEASE. (A) Except as otherwise provided in the other provisions of Article IX of this Lease, this Lease may not be sold, assigned or otherwise transferred by the Company, in whole or in part, without the prior written consent of (i) the Agency, which consent may be granted or withheld in the Agency's sole and absolute discretion prior to the Completion Date and shall not be unreasonably withheld, conditioned or delayed on or after the Completion Date, and (ii) the Bank, if required by the Bank Documents (provided that nothing herein shall obligate the Agency to obtain any such Bank consent or make the Agency liable if the Company fails to obtain such consent); provided, however, the parties agree that assignment, sale or other transfer of this Lease to a Permitted Transferee shall be permitted without the Agency's consent but upon not less than ten (10) days' prior written notice to the Agency. Any such sale, assignment or transfer shall in all events be subject to and conditioned upon the payment of any required fees of the Agency and the satisfaction of all requirements of the Act. Any such sale, assignment or transfer made by the Company without the prior written consent of the Agency, except as permitted without the Agency's consent in this Section 9.1 or in Section 9.3 of this Lease, shall be null and void. Any such sale, assignment or transfer requiring the Agency's consent shall be made pursuant to documentation reasonably 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. The foregoing provisions shall not apply to (i) the granting of the Bank Mortgage by the Company, or

(ii) any transfer made pursuant to and in accordance with the provisions of Section 12.19 of this Lease.

(B) "Permitted Transferee" means (i) a single-purpose entity owned or controlled, directly or indirectly, by a bank, insurance company, pension fund, pension fund adviser or real estate investment trust that (a) has as its sole purpose the ownership and operation of the Project Facility, (b) certifies in writing to the Agency that it will operate the Project Facility for the same use as the use of the Project Facility (i.e., as a multi-family affordable housing facility and not as a multi-family market rate rental facility) immediately prior to the assignment or sublease of this Lease to such entity, (c) assumes all of the Company's obligations under the Transaction Documents in a written agreement reasonably acceptable to the Executive Director of the Agency, and (d) is not a Prohibited Person, or (ii) a single-purpose entity owned or controlled, directly or indirectly, by a real estate operating company or other national, regional or local Person actively engaged in owning or managing multi-family assets that (a) has as its sole purpose the ownership and operation of the Project Facility, (b) certifies in writing to the Agency that it will operate the Project Facility for the same use as the use of the Project Facility (i.e., as a multi-family affordable housing facility and not as a multi-family market rate rental facility) immediately prior to the assignment or sublease of this Lease to such entity, (c) assumes all of the Company's obligations under the Transaction Documents in a written agreement reasonably acceptable to the Agency, (d) is not a Prohibited Person, (e) has a business and financial reputation demonstrating satisfactory ability to comply with the Company's obligations under this Lease and the other Transaction Documents, as determined by the Executive Director of the Agency in his or her reasonable discretion, which may include a background check commissioned by the Agency (and with respect to which such Person shall reasonably cooperate), and (f) has financial worth satisfactory to enable such Person to comply with the Company's obligations under this Lease and the other Transaction Documents, as determined by the Executive Director of the Agency in his or her reasonable discretion.

(C) Upon an assignment to and assumption by an assignee permitted under this Section 9.1 of all of the Company's obligations under the Transaction Documents, the Company will have no further rights (including but not limited to the right to receive all tax benefits under the Transaction Documents) or obligations under the Transaction Documents, except to the extent of any indemnification obligations that are expressly retained by the Company pursuant to the assignment and assumption documents between the Company and its assignee.

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 and to the Bank. The Agency shall promptly furnish to the Company and the Bank such additional information with respect to any such consolidation, merger or assignment as the Company or the Bank may reasonably request.

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

(A) Except as otherwise specifically provided in this Article IX, including but not limited to Section 9.1 and this Section 9.3, the Company shall not lease, sublease, sub-sublease, license or otherwise permit others to use or occupy the 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 prior to the Completion Date and shall not be unreasonably withheld, conditioned or delayed on or after the Completion Date, and the Bank, if required by the Bank Documents (provided, however, that nothing herein shall obligate the Agency to obtain any such Bank consent or make the Agency liable if the Company fails to obtain such consent). The foregoing provisions shall not apply to (i) the granting of the Bank Mortgage by the Company, or (ii) any transfer made pursuant to and in accordance with the provisions of Section 12.19 of this Lease.

(B) The Company may, without the consent of the Agency, sub-sublease portions of the Project Facility in arms' length, bona fide transactions with third parties for use as the residence of such third parties in connection with the operation of the Project as a residential rental facility in substantial accordance with a form of residential lease approved in advance by the Agency, or one containing a series of standard clauses designated by the Agency (the Agency hereby acknowledging that it has approved such form of lease as of the Closing Date); provided that (1) the Company shall nevertheless remain liable to the Agency for the payment of all rent and for the full performance of all of the terms, covenants and conditions of this Lease and the other Transaction Documents, (2) the sub-sublessee shall utilize the demised portion of the Project Facility only as such person's residence (and any other purposes permitted in the form of sub-sublease approved by the Agency) and for no other purpose, (3) such sub-sublease shall not violate any provision of this Lease or any other Transaction Document, and (4) each such sub-sublease contains such other provisions as required pursuant to the form of sub-sublease approved by the Agency.

(C) Notwithstanding any provision of this Lease to the contrary, the sub-subleasing of the Project Facility shall comply with the requirements of the Regulatory Agreement.

(D) In the event of the Company's default in the payment of rent or other amounts due under this Lease or the other Transaction Documents, the Agency may, upon written notice to the Company and subject to the notice and cure rights of the Bank contained in Section 12.19 of this Lease, and is hereby empowered to, collect rent from any sub-sublessee during the continuance of any such default. The Agency may apply the net amount received by it to the rent provided herein, and no such collection shall be deemed a waiver of the covenant herein against assignment, transfer or sublease of the Project Facility, or constitute the

acceptance of the sub-sublessee as tenant, or a release of the Company from the further performance of the covenants herein contained on the part of the Company.

(E) Subject to Subsection (F) of this Section 9.3 of this Lease and except as otherwise provided in the other provisions of Article IX of this Lease and in Section 2.2(R) of this Lease, the Company shall not sell, transfer, convey or otherwise dispose of its interest in the Project Facility in whole or in part, without the prior written consent of (i) the Agency, which consent may be granted or withheld in the Agency's sole and absolute discretion prior to the Completion Date and shall not be unreasonably withheld, conditioned or delayed on or after the Completion Date, and (ii) the Bank, if required by the Bank Documents (provided that nothing herein shall obligate the Agency to obtain any such Bank consent or make the Agency liable if the Company fails to obtain such consent); provided, however, the parties agree that sale, transfer, conveyance or disposition of the Project Facility, in whole or in part, to a Permitted Transferee (as defined in Section 9.1) shall be permitted without the Agency's consent but upon not less than ten (10) days' prior written notice to the Agency. Any such sale, transfer, conveyance or disposition shall in all events be subject to and conditioned upon the payment of any standard required fees of the Agency and the satisfaction of all requirements of the Act. Any such sale, transfer, conveyance or disposition made by the Company without the prior written consent of the Agency, except as permitted without the Agency's consent in this Section 9.1 or in Section 9.3 of this Lease, shall be null and void. Any such sale, transfer, conveyance or disposition requiring the Agency's consent 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, transfer, conveyance or disposition. The foregoing provisions shall not apply to (i) the granting of the Bank Mortgage by the Company, or (ii) any transfer made pursuant to and in accordance with the provisions of Section 12.19 of this Lease.

(F) Notwithstanding anything to the contrary contained in this Section 9.3, in any instance where the Company determines that any portion of the Project Facility has become inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary, the Company may remove such portion of the Project Facility and may sell, trade in, exchange or otherwise dispose of the same, 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 operation of the Project Facility for the purpose for which it was intended or change the nature of the Project Facility so that it does not constitute a "project" under the Act. At the request of the Company, the Agency shall execute and deliver to the Company all instruments reasonably necessary or appropriate to enable the Company to sell or otherwise dispose of any such item of Property free from the Liens of the Transaction Documents. The Company shall pay all reasonable costs and expenses (including reasonable attorneys' fees and expenses) incurred in transferring title to and releasing from the Liens of the Transaction Documents any item of Property removed pursuant to this Section 9.3.

## ARTICLE X EVENTS OF DEFAULT AND REMEDIES

### SECTION 10.1      EVENTS OF DEFAULT DEFINED.

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

(1) A default by the Company in the due and punctual payment of any amount due under this Lease or under any other Transaction Document, and the continuance thereof for a period of ten (10) 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 fifteen (15) days after written notice specifying such default is given by the Agency to the Company, or, if such covenant, condition or agreement is capable of being cured but cannot be cured within such fifteen (15) day period after written notice, the failure of the Company to commence the cure within such fifteen (15) day period or to prosecute the cure to completion with due diligence.

(3) The occurrence and continuance beyond applicable grace or cure periods of a default under or 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 in writing its inability generally to pay its debts as they become due.

(5) The Company shall conceal, remove or knowingly 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 it knows or has reason to believe is fraudulent under any bankruptcy, fraudulent conveyance or similar law; or shall knowingly 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 (meaning that the Company is generally not paying its debts when due), any creditor to obtain a Lien upon any of its Property through legal proceedings or distraint which is not vacated within thirty (30) days from the date thereof.

(6) (a) The filing by the Company (as debtor) of a voluntary petition under Title 11 of the United States Code or any other federal or state bankruptcy or insolvency statute; (b) the failure by the Company within sixty (60) days to lift any execution, garnishment or attachment of such consequence as will impair the Company’s ability to carry out its obligations hereunder; (c) the commencement of a case under Title 11 of the United States Code against the Company as the debtor or commencement under any other federal or state bankruptcy or insolvency statute of a case, action or proceeding against the Company and continuation of such case, action or proceeding without dismissal for a period of one hundred twenty (120) days; (d) the entry of an order for relief by a court of competent jurisdiction under Title 11 of the United States Code or any other federal or state bankruptcy statute with respect to the debts of the Company; or (e) in connection

with any insolvency or bankruptcy case, action or proceeding, appointment by final order, judgment or decree of a court of competent jurisdiction of a receiver, liquidator or trustee of the whole or a substantial portion of the Property of the Company, unless such order, judgment or decree is vacated, dismissed or dissolved within sixty (60) days of such appointment.

(7) Except for transfers expressly permitted by this Lease, if any direct interest in the Company shall be sold, assigned, transferred, conveyed, mortgaged, pledged, hypothecated or alienated, or if any member or shareholder of the Company, as the case may be, enters into an agreement or contract to do so (except as permitted under Article VIII of the Limited Liability Company Agreement of the Company or unless such agreement or contract conditions transfer on obtaining any consent of the Agency that may be required by the Transaction Documents), without the prior written consent of the Agency, which consent may be withheld in the Agency's absolute discretion. The provisions of this subsection (7) shall not apply from and after the date of any foreclosure (or the granting of a deed in lieu of foreclosure) of the Bank Mortgage, subject to the provisions of Section 12.19 of this Lease.

(8) The imposition of a Lien on the Project Facility other than a Permitted Encumbrance, and the failure to remove, bond over or nullify the Lien within thirty (30) days after the Company becomes aware of the Lien.

(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(F) of this Lease.

(10) If any representation, statement or warranty made by or on behalf of the Company or the Applicant to the Agency contained in this Lease, any Transaction Document or the Application (including all schedules and exhibits thereto) shall prove to have been false, misleading or incorrect in any material respect as of the Closing Date, or to have omitted any material liability or claim against the Company or the Applicant, as the case may be, as of the Closing Date.

(11) Intentionally omitted.

(12) Any loss or impairment of the Agency's interest in and to the Project Facility, or any part thereof, intentionally caused by the Company, the Applicant or any Affiliate thereof or any director, member, manager or shareholder of the Company or the Applicant.

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

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

(15) Except for transfers permitted under Article IX of this Lease, if Mill Creek Residential Trust LLC or other entity advised by Mill Creek Residential Trust LLC or J.P. Morgan Investment Management Inc. ceases to have day-to-day control of the management and operations of the Company for any reason. The provisions of this subsection (15) shall not apply from and after the date of any foreclosure (or the granting of a deed in lieu of foreclosure) of the Bank Mortgage, subject to the provisions of Section 12.19 of this Lease.

(16) A default past applicable grace and cure periods shall occur under the Declaration or the Regulatory Agreement.

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

(18) The Bank shall commence foreclosure proceedings or shall accelerate the Bank Loan after declaring a default past all applicable grace or cure periods under the Bank Mortgage or any other Bank Document.

(19) If the Company shall fail to maintain or cause to be maintained the Minimum Employment Requirement when required pursuant to the terms of this Lease and such failure continues for a period of thirty (30) days after written notice thereof is given by the Agency to the Company.

(20) The Company shall have ceased to operate the Project Facility as a residential rental facility or shall have otherwise effected a substantial change in the use of the Project Facility permitted by this Lease.

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

(22) The occurrence of an "Event of Default" under the Related Sublease or under any other document, instrument or agreement between the Agency and the Company with respect to the 121/127 Project Facility.

(B) Notwithstanding the provisions of Section 10.1(A) hereof if by reason of force majeure (as hereinafter defined) either party hereto shall be unable, in whole or in part, to carry out its obligations under this Lease and if such party shall give notice and full particulars of such force majeure event or cause in writing to the other party within a reasonable time after the occurrence of the event or cause relied upon, the obligations under this Lease of the party giving such notice, so far as they are affected by such force majeure, shall be suspended during the continuance of the inability to perform. The suspension of such obligations for such period pursuant to this subsection (B) shall not be deemed an Event of Default under this Section 10.1. Notwithstanding anything to the contrary in this subsection (B), an event of force majeure shall not excuse, delay or in any way diminish the obligations of the Company to make the payments required under this Lease, to obtain and continue in full force and effect the insurance required by Article VI hereof, to provide the indemnity required by Sections 2.2(F), 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(F), 6.6, 8.2, 8.4, 8.5

and 8.7(C) hereof. The term “force majeure” as used herein shall include acts outside of the control of the Agency and the Company, including, but not limited to, acts of God, strikes, lockouts or other industrial disturbances, acts of public enemies, insurrections, riots, epidemics, landslides, lightning, earthquakes, fire, hurricanes, storms, floods, washouts, droughts, restraint of government and people, civil disturbances, breakage or accident to transmission pipes or canals, and failure of utilities.

## SECTION 10.2 REMEDIES ON DEFAULT.

(A) Whenever any Event of Default shall have occurred, the Agency may, to the extent not prohibited 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 then due under this Lease or any of the other Transaction Documents, including, without limitation, any resulting Recapture of Benefits under Section 11.4 of this Lease; or

(2) re-enter and take possession of the Project Facility, enforce or terminate this Lease, sell 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 sublessee pursuant to such lease and the rental payments and other amounts payable by the Company hereunder, cancel or modify leases, evict tenants, bring or defend any suits in connection with the possession of the Project Facility in its own name or in the Company’s name, make repairs as the Agency deems appropriate, and perform such other acts in connection with the management, operation or disposition of the Project Facility, or any portion thereof, as the Agency, in its discretion, may deem proper; or

(3) terminate this Lease and/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. Provided that all sums required to be paid by the Company to the Agency or any other Person pursuant to this Lease and the other Transaction Documents then due and owing at the time of termination or due and owing as a result of such termination (including any applicable Recapture of Benefits) have been paid, the Agency agrees that if the Agency terminates this Lease pursuant to this subsection (3), it shall simultaneously terminate the Company Lease; or

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

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

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

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

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

(C) After an Event of Default shall have occurred, the Company shall have the right upon notice to the Agency to enter the Project Facility with agents or representatives of the Agency to remove any equipment or other personalty owned by the Company and not attached to the Project Facility if such equipment or personalty is not part of the Project Facility.

**SECTION 10.3 REMEDIES CUMULATIVE.** No remedy herein conferred upon or reserved to the Agency is intended to be exclusive of any other available remedy, but each and every such remedy shall be cumulative and in addition to every other remedy given under this Lease or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Agency to exercise any remedy reserved to it in this Article X, it shall not be necessary to give any notice, other than such notice as may be herein expressly required.

**SECTION 10.4 AGREEMENT TO PAY ATTORNEYS' FEES AND EXPENSES.** In the event the Company should default under any of the provisions of this Lease or any other Transaction Document and the Agency should retain attorneys or incur other expenses for the collection of amounts payable hereunder or the enforcement of performance or observance of any obligations or agreements on the part of the Company herein contained, the Company shall,

on demand therefor, pay to the Agency such fees and expenses (including, without limitation, attorneys' fees and expenses) so incurred, whether an action is commenced or not.

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

## ARTICLE XI OPTIONS TO TERMINATE

SECTION 11.1 EARLY TERMINATION OF THE LEASE. The Company shall have the option to terminate this Lease prior to the termination date specified in Section 5.2 hereof by filing with the Agency a certificate signed by an Authorized Representative of the Company stating the Company's intention to do so pursuant to this Section 11.1 and setting forth the effective date of such termination, which effective date shall not be less than thirty (30) days after the delivery of the certificate to the Agency. The exercise of the option to terminate pursuant to this Section 11.1 shall not constitute a "Recapture Event" (as such term is defined in Section 11.4 hereof); provided that, both at the time of the exercise of such option and the effective date of the termination, there shall not exist any Event of Default under this Lease or under any other Transaction Document, or any other event which would, but for the passage of time or the giving of notice, or both, constitute such an Event of Default; and provided further that the exercise of the option to terminate by the Company pursuant to this Section 11.1 shall have no force or effect while the Bank Loan is outstanding unless the Bank shall consent thereto in writing. 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 Article IX of this Lease without the prior written consent of the Agency.

### SECTION 11.2 OBLIGATION TO SELL AND TERMINATE THE LEASE.

(A) Contemporaneously with the termination of this Lease in accordance with Section 5.2 or Section 11.1 hereof, the Company shall pay all sums required to be paid to the Agency or any other Person pursuant to this Lease and the other Transaction Documents then due and owing at the time of termination or due and owing as a result of such termination (including any applicable Recapture of Benefits) and the Agency shall convey its interest in the Project Facility to the Company and terminate this Lease and the Company Lease and take the other actions described in Subsection (B) of this Section 11.2. The obligation of the Agency under this Section 11.2 to convey its interest in the Project Facility to the Company and to terminate this Lease and the Company Lease 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), (3) the Termination of Lease (an unexecuted copy of which is attached hereto as Exhibit F), (4) a satisfaction in recordable form of the Recapture Mortgage (the "Recapture Satisfaction"), and (5) a termination of the Regulatory Agreement. In addition, the Agency shall use commercially reasonable efforts to cause the County to execute and deliver a satisfaction in recordable form of the PILOT Mortgage (the "PILOT Satisfaction" and together with the Recapture Satisfaction, the "Mortgage Satisfaction"). The Company hereby agrees to pay all expenses and taxes, if any, applicable to or arising from such termination, including, without limitation, all of the Agency's reasonable costs and expenses in connection therewith (including reasonable attorneys' fees and expenses).

(C) The Company agrees to prepare the Termination of Company Lease, the Bill of Sale to Company, the Termination of Lease, and the Mortgage Satisfaction, and all schedules thereto, together with all equalization and assessment forms and other necessary documentation, and to forward same to the Agency at least fifteen (15) days prior to the date that 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"):

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

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

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

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

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

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

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

(B) The term "Benefits" shall mean the Agency's calculation of, collectively:

(1) all real estate tax benefits which have accrued to the benefit of the Company during such time as the Agency held an interest in the Project Facility by reason of such interest, such tax benefits to be computed by subtracting the payments in lieu of taxes paid under the PILOT Agreement from those payments which the Company would have been required to pay during the term of this Lease (within the meaning of Section 5.2 hereof) had the Company 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 village 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 ceased to operate the Project Facility as a residential rental facility; or

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

(3) The Company fails to maintain or cause to be maintained the Minimum Employment Requirement when required pursuant to the terms of this Lease beyond applicable notice or cure periods; or

(4) The Application, or documentation in support of the Application, contained a knowingly false or knowingly misleading statement as to any material fact in 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 knowingly false or knowingly misleading statement or such omission was made knowingly and intentionally by the Company or the Applicant for the purpose of obtaining the Financial Assistance; or

(5) The occurrence of a Recapture Event under the Related Sublease; or

(6) The occurrence of a default under the Regulatory Agreement beyond applicable notice, grace and cure periods.

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 part of the Project Facility or any interest therein, or the granting of a deed-in-lieu with respect to the proposed taking or condemnation, or the transfer, loss or termination of this Lease with respect to a taking or condemnation, (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, or (iii) the occurrence of any jurisdiction dispute, strike or labor disharmony provided that the Agency is in compliance with and continues to comply with its obligations under Section 4.1(G) of this Lease.

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

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

(F) The Company's obligation to pay the Recapture of Benefits is secured, inter alia, by the Recapture Mortgage (to which reference is made for a complete description of the Mortgaged Property conveyed and pledged, all the terms, covenants, conditions, provisions and agreements of which Recapture Mortgage are hereby made a part of this Lease to the same extent and with the same force and effect as if fully set forth herein). Upon the occurrence and during the continuance of a Recapture Event, the entire Recapture of Benefits (together with accrued

and accruing interest thereon as aforesaid) shall become immediately due and payable at the option of the Agency, subject to the Bank's cure rights under the Recapture Mortgage. Failure to exercise such option shall not constitute a waiver of the right to exercise the same in the event of any subsequent or continuing Recapture Event or default with respect to the terms, covenants, conditions, provisions and agreements of this Section 11.4 or of the Recapture Mortgage.

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 two (2) Business Days after being sent by nationally recognized overnight courier service, 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:

c/o MCRT Investments LLC  
135 Route 202/206, 1st floor, Suite 9  
Bedminster, NJ 07921  
Attn: Russell I. Tepper

- and -

Searing Avenue Development LLC  
6701 Democracy Blvd., Suite 500  
Bethesda, MD 20817  
Attn: Sheryl A. Brown

- and -

Searing Avenue Acquisition LLC  
c/o JP Morgan Investment Management Inc.  
Real Estate Investment Group  
270 Park Avenue  
New York, NY 10017  
Attn: Donald J. Rederscheid

WITH COPIES TO:

Jaspan Schlesinger LLP

300 Garden City, 5th floor  
Garden City, NY 11530  
Attn: Lisa A. Cairo, Esq.

Stroock & Stroock & Lavan LLP  
180 Maiden Lane  
New York, NY 10038  
Attn: Diana M. Brummer, Esq.

Jones Day  
2727 North Harwood Street  
Dallas, TX 75201  
Attn: Michelle R. Brown, Esq.

IF TO THE AGENCY:

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

WITH A COPY TO:

Phillips Lytle LLP  
1205 Franklin Avenue, Suite 390  
Garden City, NY 11530  
Attn: Paul V. O'Brien, Esq.

IF TO THE BANK:

The Bank of New York Mellon  
225 Liberty Street, 22nd floor  
New York, NY 10286  
Attn: Christopher Hofstedt

WITH A COPY TO:

Riemer & Braunstein LLP  
7 Times Square Tower, Suite 2506  
New York, NY 10036  
Attn: Ronald N. Braunstein, Esq.

(C) The Agency, the Company and the Bank 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, and, while the Bank Loan is outstanding, approved in writing by the Bank.

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

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

SECTION 12.7 SURVIVAL OF OBLIGATIONS.

(A) The obligations of the Company to make the payments required by Sections 2.2(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 (but only to the extent such payment obligations have accrued prior to or as a result of the termination of this Lease) and to provide the indemnity required by Sections 2.2(G), 3.1, 3.3, 4.1(F), 6.1, 8.2 and 12.9(C) hereof and its obligations and those of the Company and the Applicant under the Environmental Indemnification shall survive the termination of this Lease, and all such payments after such termination shall be made upon demand of the party to whom such payment is due.

(B) The obligations of the Company to the Agency with respect to the Unassigned Rights shall survive the termination or expiration of this Lease until the expiration of the period stated in the applicable statute of limitation during which a claim, cause of action or prosecution relating to the Unassigned Rights may be brought and the payment in full or the satisfaction of

such claim, cause of action or prosecution and the payment of all expenses and charges incurred by the Agency, or its officers, members, agents (other than the Company), attorneys, servants or employees, past, present or future, related thereto.

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

SECTION 12.9 NO RECOURSE; SPECIAL OBLIGATION.

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

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

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

Company), attorneys, servants and employees, past, present and future, against any liability incurred as a result of its compliance with such demand, and (b) if requested by the Agency, furnish to the Agency satisfactory security to protect the Agency and its members, officers, agents (other than the Company), servants and employees, past, present and future, against all liability expected to be incurred as a result of compliance with such request.

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

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

SECTION 12.12 PRIOR AGREEMENTS. This Lease 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, Lisa A. Cairo, Esq., Jaspan Schlesinger LLP, 300 Garden City Plaza, Garden City, NY 11530, 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 NO MODIFICATION. This Lease may not be amended, changed, modified, altered or terminated, except by an instrument in writing signed by the parties hereto and, while the Bank Loan is outstanding, to the extent required under the Bank Documents, approved in writing by the Bank.

SECTION 12.15 NON-DISCRIMINATION.

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

(D) The provisions of Section 2.11 of the Regulatory Agreement are hereby incorporated herein.

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 and is effective as of April 7, 2017.

SECTION 12.17 RECORDING AND FILING. A Memorandum of this Lease 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. (A) Except for the terms and provisions of the PILOT Agreement, the PILOT Mortgage and the Recapture Mortgage, and the payment of all amounts owing thereunder or secured thereby, this Lease and the other Transaction Documents shall be subject and subordinate to the lien and the terms and conditions of the Bank Mortgage, including all amounts advanced thereunder.

(B) The Agency agrees that it will not unreasonably withhold its consent to and shall execute and deliver any replacement or supplemental mortgage(s) requested by the Company to secure the Bank Loan, as such Bank Loan may be refinanced from time to time; provided, however, that (i) such replacement or supplemental mortgage(s) shall be in substantially the same form as the Bank Mortgage executed by the Agency on the Closing Date or shall otherwise be in form and substance reasonably satisfactory to the Agency, and (ii) such replacement or supplemental mortgage(s) shall not be entitled to an exemption from mortgage recording tax by virtue of the Agency's involvement in the Project.

SECTION 12.19 SPECIAL BANK PROVISIONS. Notwithstanding any provision of this Lease or any other Transaction Document to the contrary:

(A) The Agency shall simultaneously give to the Bank a copy of each notice of default given to the Company under this Lease or any of the other Transaction Documents 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 such default within the applicable notice, cure or grace period, if any, provided under this Lease or the applicable Transaction Document with respect to such default. 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. For purposes of this Section 12.19, all references to "default" shall be deemed to include, without limitation, a Recapture Event. No notice of default given by the Agency pursuant to this Subsection (A) shall be deemed received by the Company unless a copy thereof is also delivered to the Bank in accordance with this Subsection (A).

(B) Notwithstanding the provisions of Subsection (A) of this Section 12.19, if a non-monetary default under this Lease or any other Transaction Document that is susceptible of cure by the Bank cannot reasonably be cured by the Bank within the applicable notice, cure or grace period, with respect to such non-monetary default for which a notice, cure or grace period is granted, 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 (or, if no notice, cure or grace period shall be provided for such non-monetary default, then within fourteen (14) days), the Bank shall have delivered to the Agency its notice of intention 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 receiver, and to actively prosecute such proceedings with diligence and continuity, provide the Agency with periodic updates as to the status and progress of same, and, upon obtaining such possession, commence promptly to cure such non-monetary default and to prosecute the same to completion with diligence and continuity, 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 and the other Transaction Documents, to the extent they are susceptible of being performed by the Bank, are being performed and during such period the Agency shall not terminate this Lease or any of the other Transaction Documents. A “non-monetary default” as such term is used in this Section shall be deemed to mean a default that is not susceptible of 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 (b) its obligation to indemnify pursuant to Sections 2.2(F), 3.1, 3.3, 4.1(F), 6.1, 8.2, 8.12(J) 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 this Section 12.19; 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. 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 under this Section 12.19.

The foregoing provisions of this Subsection (B) to the contrary notwithstanding, a non-monetary default that constitutes or becomes a Recapture Event under Section 11.4 of this Lease shall be subject to the additional cure period set forth in this Subsection (B). Upon the expiration of such additional cure period, any such non-monetary default shall become and remain a Recapture Event unless waived in writing by the Agency, and the Agency shall be entitled to exercise its right and remedies with respect thereto including, without limitation, its rights and remedies under the Recapture Mortgage.

(C) The Bank (or its designee or nominee pursuant to Subsection (D) below) shall not become liable under the provisions of this Lease or the other Transaction Documents 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 or any other Transaction Document made

subsequent to the Closing Date unless the Bank shall have consented (which consent shall not be unreasonably withheld, conditioned or delayed) in writing to such modification or amendment. The Bank shall have ten (10) Business Days 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.

(D) The Agency shall give prompt notice to the Bank of the termination of this Lease and/or any of the other Transaction Documents by reason of any Event of Default hereunder or thereunder after the expiration of applicable notice and cure periods. In the event of any such termination or in the event the Bank shall foreclose on the Company's interest in the Project Facility pursuant to the Bank Mortgage (or shall accept a deed in lieu thereof), the Agency shall, promptly upon request of the Bank given within thirty (30) days after the earlier of (x) the giving of notice of termination by the Agency or (y) the date of the foreclosure sale or acceptance of the deed in lieu thereof, as applicable, (i) promptly execute and deliver to the Bank, to a wholly-owned subsidiary of the Bank the obligations of which to the Agency are unconditionally guaranteed by the Bank, to a Financial Institution that is a member of the lending syndicate that makes the Bank Loan, or to a wholly-owned subsidiary of such Financial Institution the obligations of which to the Agency are unconditionally guaranteed by such Financial Institution, or to a joint venture entity that is owned solely by the Bank and one (1) or more Financial Institutions that are members of the lending syndicate that makes the Bank Loan provided that the obligations of such joint venture entity are unconditionally guaranteed by the Bank and such other Financial Institution(s) (provided that none of the Bank, such other Financial Institution(s) or any such subsidiary(ies) is a Prohibited Person), a new lease of the Project Facility and other applicable Transaction Documents, or (ii) not unreasonably withhold its consent to a written request of the Bank (accompanied by such information and documentation as the Agency shall reasonably request), that the Agency promptly execute and deliver a new lease of the Project Facility and other applicable Transaction Documents to the Bank's designee or nominee who is not a Prohibited Person, in either case such new lease and other applicable Transaction Documents shall be for the remainder of the term of this Lease upon all the covenants, conditions, limitations and agreements herein and therein contained, provided that the Bank (a) 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 and the other Transaction Documents up to and including the date of the commencement of the term of such new lease (excluding any Recapture of Benefits; provided, however, that any Recapture of Benefits shall remain a lien upon the Project Facility secured by and subject to the exercise of rights and remedies under the Recapture Mortgage) and all reasonable expenses, including, without limitation, attorneys' fees and disbursements and court costs, incurred by the Agency in connection with such Event of Default, the termination of this Lease and/or other Transaction Documents and the preparation of the new lease and/or other transaction documents, and (b) shall cure (within the time periods set forth in this Lease) all defaults existing under this Lease and/or the other Transaction Documents (other than defaults not susceptible of cure by the Bank or its designee or nominee). Any such consent, 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 and/or other transaction documents shall, subject to the same conditions contained in this Lease and/or other Transaction Documents, continue to maintain the same priority as this Lease and/or other Transaction Documents with regard to any mortgage, including the PILOT Mortgage and the Recapture 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) The Agency covenants and agrees that it shall not cause or permit the PILOT Mortgage to amend or modify any of the terms of the PILOT Agreement in any manner that would impair the lien of the Bank Mortgage or that would otherwise adversely affect the interests of the Bank under the Bank Mortgage or any document, instrument or agreement executed by the Company or the Agency in connection therewith, without the prior written consent of the Bank.

(G) The Agency and the Company agree that they will not amend or modify the provisions of this Section 12.19 in any manner that would impair or subordinate the lien of the Bank Mortgage or that would otherwise have an adverse effect on the interests of the Bank with respect to the Project Facility, in each instance without the prior written consent of the Bank.

(H) The Bank is an intended beneficiary of this Section 12.19 and shall have the right to enforce same against the Agency and the Company, subject to the provisions of this Lease.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

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

NASSAU COUNTY INDUSTRIAL  
DEVELOPMENT AGENCY


By: \_\_\_\_\_

  
Joseph J. Kearney  
Executive Director

SEARING AVENUE MINEOLA  
DEVELOPMENT LLC, a Delaware limited liability  
company

By: MCRT SEARING AVENUE LLC, a  
Delaware limited liability company, its  
Managing Member

By: \_\_\_\_\_

  
Russell Tepper  
Senior Managing Director

[SIGNATURE PAGE TO SUBLEASE AGREEMENT]

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

On the 30<sup>th</sup> day of March, 2017, before me, the undersigned, a notary public in and for said state, personally appeared Joseph J. Kearney, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

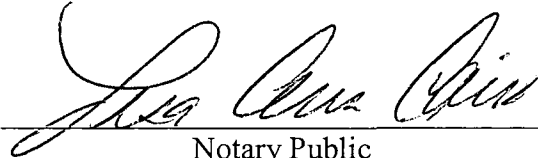


Notary Public

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

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

On the 31<sup>st</sup> day of March, 2017, before me, the undersigned, a notary public in and for said state, personally appeared Russell Tepper, 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

LISA ANN CAIRO  
Notary Public, State of New York  
No. 02CA6098015  
Qualified in Nassau County  
Commission Expires 9/02/2019

## EXHIBIT A

### DESCRIPTION OF THE LAND

#### PARCEL III- Lot 195

ALL those certain lots, pieces or parcels of land with the buildings and improvements thereon erected, situate, lying and being in the Incorporated Village of Mineola, Town of North Hempstead, County of Nassau and State of New York, known as and by the lot numbers 29, 30, 31, 32 and the eastern 5.4 feet of Lot 33 on a certain map entitled, "Map No. 1 of Property belonging to Samuel V. Searing, of Mineola, Queens Co., L.I., dated November 5, 1883 by W.E. Hawxhurst, surveyor" and filed in the Office of the Clerk of the County of Queens on February 4, 1893, under File No. 1187 and filed in the Office of the Clerk of the County of Nassau under Map No. 208, New No. 1685. Formerly known and designated as part of Lot 132 on a certain map entitled the Nassau County Department of Assessment Land and Tax Map, Section 9, Block 456, last revised March 13, 2003, and more particularly described as follows:

BEGINNING at a point on the northerly side of Searing Avenue, being North 88 degrees 21 minutes 10 seconds East 338.60 feet easterly from the corner formed by the intersection of the northerly side of Searing Avenue with the easterly side of Willis Avenue;

RUNNING THENCE North 01 degrees 38 minutes 50 seconds West, at right angles to Searing Avenue, 175.00 feet;

THENCE North 88 degrees 21 minutes 10 seconds East, parallel with Searing Avenue, 207.15 feet to the westerly side of land of the Long Island Railroad Company;

THENCE South 10 degrees 01 minutes 40 seconds East, along the westerly side of land of the Long Island Railroad Company, 176.89 feet to the northerly side of Searing Avenue;

THENCE South 88 degrees 21 minutes 10 seconds West, along the northerly side of Searing Avenue, 232.93 feet to the point or place of BEGINNING.

SECTION 9 BLOCK 456 LOT 195



## 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 and installation of the 2017 MCRT Searing Avenue Project (the "Project") of the Nassau County Industrial Development Agency (the "Agency") located on the real property described on Exhibit A hereto (the "Land"), said Project to be acquired, constructed and installed by Searing Avenue Mineola Development LLC (the "Company") as agent of the Agency pursuant to a sublease agreement dated as of April 1, 2017 (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, SEARING AVENUE MINEOLA DEVELOPMENT 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 April 1, 2017 (the "Company Lease Agreement") pursuant to which, among other things, the Agency leased the Project Facility (as defined in the Company 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, 2038 (the "Stated Expiration Date"), or (2) any earlier date the Company Lease Agreement would terminate pursuant to the terms thereof; and

WHEREAS, the Company and the Agency now desire 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 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, the Company 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.

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

SEARING AVENUE MINEOLA  
DEVELOPMENT LLC, a Delaware limited liability  
company

By: MCRT SEARING AVENUE LLC, a  
Delaware limited liability company, its  
Managing Member

By: \_\_\_\_\_  
Russell Tepper  
Senior Managing Director

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 SEARING AVENUE MINEOLA DEVELOPMENT LLC, a limited liability company organized and existing under the laws of the State of New York, having an office for the transaction of business at 135 Route 202/206, 1st floor, Suite 9, Bedminster, NJ 07921 (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 120 Searing Avenue, Incorporated Village of Mineola, Town of North Hempstead, 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.

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

EXHIBIT A

DESCRIPTION OF THE LAND

PARCEL III- Lot 195

ALL those certain lots, pieces or parcels of land with the buildings and improvements thereon erected, situate, lying and being in the Incorporated Village of Mineola, Town of North Hempstead, County of Nassau and State of New York, known as and by the lot numbers 29, 30, 31, 32 and the eastern 5.4 feet of Lot 33 on a certain map entitled, "Map No. 1 of Property belonging to Samuel V. Searing, of Mineola, Queens Co., L.I., dated November 5, 1883 by W.E. Hawxhurst, surveyor" and filed in the Office of the Clerk of the County of Queens on February 4, 1893, under File No. 1187 and filed in the Office of the Clerk of the County of Nassau under Map No. 208, New No. 1685. Formerly known and designated as part of Lot 132 on a certain map entitled the Nassau County Department of Assessment Land and Tax Map, Section 9, Block 456, last revised March 13, 2003, and more particularly described as follows:

BEGINNING at a point on the northerly side of Searing Avenue, being North 88 degrees 21 minutes 10 seconds East 338.60 feet easterly from the corner formed by the intersection of the northerly side of Searing Avenue with the easterly side of Willis Avenue;

RUNNING THENCE North 01 degrees 38 minutes 50 seconds West, at right angles to Searing Avenue, 175.00 feet;

THENCE North 88 degrees 21 minutes 10 seconds East, parallel with Searing Avenue, 207.15 feet to the westerly side of land of the Long Island Railroad Company;

THENCE South 10 degrees 01 minutes 40 seconds East, along the westerly side of land of the Long Island Railroad Company, 176.89 feet to the northerly side of Searing Avenue;

THENCE South 88 degrees 21 minutes 10 seconds West, along the northerly side of Searing Avenue, 232.93 feet to the point or place of BEGINNING.

Together with the benefits of that certain Easement Agreement made by and between Corpus Christi Roman Catholic Church at Mineola and Searing Avenue Mineola Development LLC dated on or about the date hereof.

SECTION 9 BLOCK 456 LOT 195

## 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, installation and equipping of the 2017 MCRT Searing Avenue Project (the "Project") of the Nassau County Industrial Development Agency (the "Agency") located on the real property described on Exhibit A hereto (the "Land"), said Project to be acquired, constructed and installed by Searing Avenue Mineola Development LLC (the "Company") as agent of the Agency pursuant to a sublease agreement dated as of April 1, 2017 (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 E  
FORM OF SALES TAX AGENCY AGREEMENT

See Attached

## SALES TAX AGENCY AGREEMENT

April [\_\_], 2017

Searing Avenue Mineola Development LLC  
135 Route 202/206, 1st floor, Suite 9  
Bedminster, NJ 07921

Re: Nassau County Industrial Development Agency  
(2017 MCRT Searing Avenue Project)

Ladies and Gentlemen:

The Nassau County Industrial Development Agency (the "Agency") and Searing Avenue Mineola Development 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.

2. Pursuant to a resolution adopted by the Agency on September 27, 2016 (the "Authorizing Resolution") and a Sublease Agreement, dated as of April 1, 2017 (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, install and equip a commercial facility in Nassau County, New York, consisting of: (1) the acquisition of an interest in an approximately 38,507 square foot parcel of land located on Searing Avenue, Incorporated Village of Mineola, Town of North Hempstead, County of Nassau, New York (Section: 9; Block: 456; Lot: 195, formerly part of Lot 132) (the "120 Parcel"

or the "Land"), (2) the construction of a 4-story building on the 120 Parcel, together with underground parking and other related improvements to the 120 Parcel (the "120 Building" or the "Building"), and (3) the acquisition of certain furniture, fixtures, machinery and equipment necessary for the completion thereof (the "120 Equipment" or the "Equipment"), all of the foregoing to constitute a multi-family residential rental facility consisting of approximately 96 apartment units, at least ten percent (10%) of which units shall be affordable units (collectively, the "120 Project Facility" or the "Project Facility").

3. As agent for the Agency, the Company agrees that each contract, agreement or lease 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 or lease] is being entered into by SEARING AVENUE MINEOLA DEVELOPMENT 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 Searing Avenue Mineola Development LLC (the "Company") consisting in part of the acquisition, construction, installation and equipping of a multi-family residential rental facility located at 120 Searing Avenue, Incorporated Village of Mineola, Town of North Hempstead, 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 or lease] 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 or lease] is in compliance with the terms of the Sales Tax Agency Agreement. This [contract, agreement or lease] 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 or lease], the [vendor, lessor or contractor] hereby acknowledges and agrees to the terms and conditions set forth in this paragraph."

4. 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.

5. The Agency shall have no liability or performance obligations under any contract, agreement or lease 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 or lease, the Agency shall not be liable, either directly or indirectly or contingently, upon any such contract, agreement or lease in any manner and to any extent whatsoever, and the Company shall be the sole party liable thereunder.

6. 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.

7. Until the earliest of (i) March 31, 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 and contractors are hereby authorized to rely on the ST-123 Form prepared by the Company and issued to such vendor, lessor or contractor 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 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, or contractor, 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 or lease entered into with the Company.

9. This Agreement and the ST-123 Form issued by the Company to a vendor, lessor or contractor 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 or contractor 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, and contractors 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 or contractor.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

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: Joseph J. Kearney

Title: Executive Director

ACCEPTED AND AGREED TO BY:

**SEARING AVENUE MINEOLA DEVELOPMENT LLC,**  
a Delaware limited liability company

By: MCRT SEARING AVENUE LLC, a Delaware  
limited liability company, its Managing Member

By: \_\_\_\_\_

Russell Tepper  
Senior Managing Director

EXHIBIT F

TERMINATION OF SUBLEASE AGREEMENT

WHEREAS, SEARING AVENUE MINEOLA DEVELOPMENT LLC (the "Company"), as subtenant, and the Nassau County Industrial Development Agency (the "Agency"), as sublandlord, entered into a Sublease Agreement dated as of April 1, 2017 (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, 2038 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 desire 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 Sublease 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 Sublease Agreement and caused same to be dated as of the \_\_\_ day of \_\_\_\_\_, \_\_\_\_.

SEARING AVENUE MINEOLA  
DEVELOPMENT LLC, a Delaware limited liability  
company

By: MCRT SEARING AVENUE LLC, a  
Delaware limited liability company, its  
Managing Member

By: \_\_\_\_\_  
Russell Tepper  
Senior Managing Director

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

EMPLOYMENT PLAN STATUS REPORT

COMPANY NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

TYPE OF BUSINESS: \_\_\_\_\_

CONTACT PERSON: \_\_\_\_\_

TELEPHONE NUMBER: \_\_\_\_\_

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

AGENCY WILL PROVIDE THEN CURRENT FORM  
OF ANNUAL EMPLOYMENT REPORT

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

EXHIBIT H  
COPY OF PILOT AGREEMENT

See Attached

## PAYMENT IN LIEU OF TAXES AGREEMENT

**THIS PAYMENT IN LIEU OF TAXES AGREEMENT** (this "Agreement"), made as of April 1, 2017, by and between SEARING AVENUE MINEOLA DEVELOPMENT 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 135 Route 202/206, 1st floor, Suite 9, Bedminster, NJ 07921 (the "Company") and the NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State of New York, having an office at 1550 Franklin Avenue, Suite 235, Mineola, NY 11501 (the "Agency"). Capitalized terms used but not otherwise defined herein shall have the meanings given to them in the Lease Agreement (as hereinafter defined).

### WITNESSETH

**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**, MCRT INVESTMENTS LLC, a limited liability company 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 (the "Applicant"), submitted an application for financial assistance (the "Application") to the Agency requesting that the Agency consider undertaking a project (the "Project") consisting of, *inter alia*, the following: (A) (1) the acquisition of an interest in an approximately 38,507 square foot parcel of land located on Searing Avenue, Incorporated Village of Mineola, Town of North Hempstead, County of Nassau, New York (Section: 9; Block: 456; Lot: 195, formerly part of Lot 132) (the "120 Parcel" or the "Land"), which Land is more particularly described on Schedule A attached hereto, (2) the construction of a 4-story building on the 120 Parcel, together with underground parking and other related improvements to the 120 Parcel (the "120 Building" or the "Building"), and (3) the acquisition of certain furniture, fixtures, machinery and equipment necessary for the completion thereof (the "120 Equipment" or the "Equipment"), all of the foregoing to constitute a multi-

family residential rental facility consisting of approximately 96 apartment units, at least ten percent (10%) of which units shall be affordable units (collectively, the "120 Project Facility" or the "Project Facility"); (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the General Municipal Law, as amended) with respect to the foregoing; and (C) the lease (with an obligation to purchase), license or sale of the Project Facility to the Applicant or such other entity(ies) as may be designated by the Applicant and agreed upon by the Agency; and

**WHEREAS**, the Applicant proposed that the Company, which is an affiliate of the Applicant and the owner of fee title to the Land and the Building (collectively, the "Facility"), be the sublessee of the Facility and the Agency has approved such proposal; and

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

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

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

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

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

Section 1. Tax-Exempt Status of Facility.

A. Application. (1) The Company shall complete, and the Agency shall file, an application for tax exemption pursuant to Section 412-a of the RPTL (the "Application"). The Application shall be filed with the assessor for each of the various taxing entities having jurisdiction over the Facility, including, without limitation, the County of Nassau (the "County") and each 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").

(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 and subject to the Company's right to seek exemption from such assessments and levies other than pursuant to Section 874 of the General Municipal Law or Section 412-a of the RPTL.

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 twentieth (20th) 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 set forth on Schedule B hereto, 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."

(2) From and after the Abatement Expiration Date, and until the Agency's interest in and to 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 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 Section 2(B)(1) 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 the PILOT Payments under 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, 1st floor, Mineola, NY 11501, or at such other address as the Treasurer may notify the Company of in writing.

(2) All PILOT Payments hereunder shall be allocated among the affected tax jurisdictions in proportion to the amount of real property and other taxes and assessments that would have been received by each Taxing Entity had the Project not been tax exempt due to the status of the Agency. 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 shall pay all such late charges, interest and penalties when due.

(3) Anything contained in this subparagraph to the contrary notwithstanding, the Company shall have the obligation to make all payments of PILOT Obligations (other than payments of penalties, if any) in (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, (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 and (c) one (1) annual installment on or prior to the date which is five (5) Business Days prior to June 1 for the Village 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; provided, further, for the avoidance of doubt, that so long as such transferee(s) are not the Company or an Affiliate of the Company, the Company shall bear no real property tax or assessment obligation under this Section 2.E.

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, the execution and delivery of this Agreement by the Company and the Agency and the execution and delivery of the Company Lease from the Company to the Agency. This Agreement 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 failure is capable of being cured but cannot be cured within such thirty (30) day period after written notice, the failure of the Company to commence the cure within such thirty (30) day period and to prosecute the cure to completion with due diligence.

C. An Event of Default (beyond the expiration of any applicable cure period) under the Company Lease, the Lease Agreement, the Regulatory 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 reconveyance 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 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.

If title to the Facility is conveyed by the Company to any other party prior to expiration of the term of the Lease Agreement (except for a transfer of title (i) to a Permitted Transferee pursuant to Section 9.3 of the Lease Agreement, (ii) otherwise expressly permitted under the Lease Agreement, or (iii) otherwise consented to by the Agency in writing), then 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 (other than the initial construction of the Building in connection with the Project), or if any additional buildings or improvements shall be constructed on the Land other than the Building (such change of use, new structures, 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, subject to the Company's right to seek exemption from special assessments and special ad valorem levies levied and/or assessed against or with respect to the Facility (other than pursuant to Section 874 of the General Municipal Law or Section 412-a of the RPTL).

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 during the Term of this Agreement, whether pursuant to the provisions of Article 7 of the RPTL or other applicable law, as the same

may be amended from time to time. In addition, the Company hereby represents and warrants that it has stipulated to the discontinuance (with prejudice) of all pending tax certiorari proceedings, if any, with respect to the Facility on or before the date hereof. Notwithstanding the foregoing, during the last five (5) 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 hereunder, 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.

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 two (2) Business Days after being sent by nationally recognized

overnight courier service, 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:

c/o MCRT Investments LLC  
135 Route 202/206, 1st floor, Suite 9  
Bedminster, NJ 07921  
Attn: Russell I. Tepper

- and -

Searing Avenue Development LLC  
6701 Democracy Blvd., Suite 500  
Bethesda, MD 20817  
Attn: Sheryl A. Brown

- and -

Searing Avenue Acquisition LLC  
c/o JP Morgan Investment Management Inc.  
Real Estate Investment Group  
270 Park Avenue  
New York, NY 10017  
Attn: Donald J. Rederscheid

WITH COPIES TO:

Jaspan Schlesinger LLP  
300 Garden City, 5th floor  
Garden City, NY 11530  
Attn: Lisa A. Cairo, Esq.

Stroock & Stroock & Lavan LLP  
180 Maiden Lane  
New York, NY 10038  
Attn: Diana M. Brummer, Esq.

Jones Day  
2727 North Harwood Street  
Dallas, TX 75201  
Attn: Michelle R. Brown, Esq.

IF TO THE AGENCY:

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

WITH A COPY TO:

Phillips Lytle LLP  
1205 Franklin Avenue, Suite 390  
Garden City, NY 11530  
Attn: Paul V. O'Brien, Esq.

IF TO THE BANK:

The Bank of New York Mellon  
225 Liberty Street, 22nd floor  
New York, NY 10286  
Attn: Christopher Hofstedt

WITH A COPY TO:

Riemer & Braunstein LLP  
Seven Times Square, Suite 2506  
New York, NY 10036  
Attn: Ronald N. Braunstein, 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. The rights and obligations of the Company herein may not be assigned except in connection with a permitted assignment of the Company's interest in and to the Lease Agreement.

Nothing herein is intended to be for, or to inure to, the benefit of any Person other than the parties hereto, the County and the other Taxing Entities.

Section 14. Independent Agreement. Notwithstanding any other provision of this Agreement, including the recitals hereof, the parties agree that the Lease Agreement executed between the parties thereto shall be a separate and independent document from this Agreement, and irrespective of whether any provision of this Agreement or the entirety hereof

shall be held invalid or unenforceable by any court of competent jurisdiction, the Lease Agreement shall be construed, interpreted, and otherwise regarded separate and apart from this Agreement. The parties hereto specifically note that the considerations and terms provided for in this Agreement and provided for in the Lease Agreement are the only considerations and terms for which the parties thereto have executed this Agreement.

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

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

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

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

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

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

A. The Company represents that it is subject to service of process in the State of New York and covenants that it will remain so subject so long as the Lease Agreement shall be in effect. If for any reason the Company should cease to be so subject to service of process in the State of New York, the Company hereby designates and appoints, without power of revocation, Lisa A. Cairo, Esq., Jaspan Schlesinger LLP, 300 Garden City Plaza, Garden City, NY 11530, as agent for service of process, and if such agent shall cease to act or otherwise cease to be subject to service of process in the State of New York, the Secretary of State of the State of New York, as the agents of the Company upon whom may be served all process, pleadings, notices or other papers which may be served upon the Company as a result of any of its obligations under this Agreement; provided, however, that the serving of such process,

pleadings, notices or other papers shall not constitute a condition to the Company's obligations hereunder.

B. The Company irrevocably and unconditionally (1) agrees that any suit, action or other legal proceeding arising out of this Agreement or the other Transaction Documents may be brought in the courts of record of the State of New York in Nassau County or the courts of the United States, Eastern District of New York; (2) consents to the jurisdiction of each such court in any such suit, action or proceeding; and (3) waives any objection which it may have to the laying of venue of any such suit, action or proceeding in any of such courts. For such time as the Lease Agreement is in effect, the Company's agents designated above shall accept and acknowledge in the Company's behalf service of any and all process in any such suit, action or proceeding brought in any such court. The Company agrees and consents that any such service of process upon such agents and written notice of such service to the Company in the manner set forth in Section 11 hereof shall be taken and held to be valid personal service upon the Company whether or not the Company shall then be doing, or at any time shall have done, business within the State of New York and that any such service of process shall be of the same force and validity as if service were made upon the Company according to the laws governing the validity and requirements of such service in the State of New York, and waives all claim of error by reason of any such service. Such agents shall not have any power or authority to enter into any appearance or to file any pleadings in connection with any suit, action or other legal proceedings against the Company or to conduct the defense of any such suit, action or any other legal proceeding except as expressly authorized by the Company.

Section 21. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, as the same may be in effect from time to time, without regard to principles of conflicts of laws.

Section 22. Nature of Obligations. This Agreement shall remain in full force and effect until 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 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 reasonable, out-of-pocket expense incurred hereunder, including, without limitation, any reasonable, out-of-pocket expenses of the Agency and reasonable attorneys' fees and expenses..

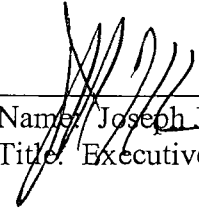
Section 24. Certain Lease Agreement Provisions. The provisions of Section 12.19 of the Lease Agreement are hereby incorporated in this Agreement by this reference as if fully set forth herein.

[Remainder of this page intentionally left blank]

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

NASSAU COUNTY INDUSTRIAL  
DEVELOPMENT AGENCY


By \_\_\_\_\_

  
Name: Joseph J. Kearney  
Title: Executive Director

SEARING AVENUE MINEOLA  
DEVELOPMENT LLC, a Delaware limited  
liability company

By: MCRT SEARING AVENUE LLC, a  
Delaware limited liability company,  
its Managing Member

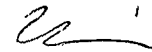
By: \_\_\_\_\_

  
Russell Tepper  
Senior Managing Director



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

On the 30th day of March, 2017, before me, the undersigned, a Notary Public in and for said State, personally appeared Joseph J. Kearney, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual executed the instrument.

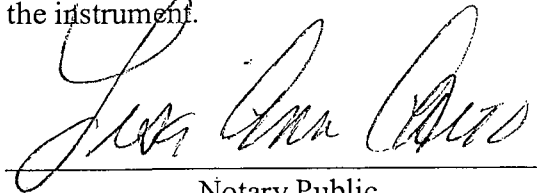


Notary Public

Paul V O'Brien  
Notary Public State of New York  
No. 02OB6235944  
Qualified in Nassau County  
Commission Expires February 14, 2018

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

On the 31st day of March, 2017, before me, the undersigned, a Notary Public in and for said State, personally appeared Russell Tepper, 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

LISA ANN CAIRO  
Notary Public, State of New York  
No. 02CA6098015  
Qualified in Nassau County  
Commission Expires 9/02/2019

## SCHEDULE A

### DESCRIPTION OF THE LAND

#### PARCEL III- Lot 195

ALL those certain lots, pieces or parcels of land with the buildings and improvements thereon erected, situate, lying and being in the Incorporated Village of Mineola, Town of North Hempstead, County of Nassau and State of New York, known as and by the lot numbers 29, 30, 31, 32 and the eastern 5.4 feet of Lot 33 on a certain map entitled, "Map No. 1 of Property belonging to Samuel V. Searing, of Mineola, Queens Co., L.I., dated November 5, 1883 by W.E. Hawxhurst, surveyor" and filed in the Office of the Clerk of the County of Queens on February 4, 1893, under File No. 1187 and filed in the Office of the Clerk of the County of Nassau under Map No. 208, New No. 1685. Formerly known and designated as part of Lot 132 on a certain map entitled the Nassau County Department of Assessment Land and Tax Map, Section 9, Block 456, last revised March 13, 2003, and more particularly described as follows:

BEGINNING at a point on the northerly side of Searing Avenue, being North 88 degrees 21 minutes 10 seconds East 338.60 feet easterly from the corner formed by the intersection of the northerly side of Searing Avenue with the easterly side of Willis Avenue;

RUNNING THENCE North 01 degrees 38 minutes 50 seconds West, at right angles to Searing Avenue, 175.00 feet;

THENCE North 88 degrees 21 minutes 10 seconds East, parallel with Searing Avenue, 207.15 feet to the westerly side of land of the Long Island Railroad Company;

THENCE South 10 degrees 01 minutes 40 seconds East, along the westerly side of land of the Long Island Railroad Company, 176.89 feet to the northerly side of Searing Avenue;

THENCE South 88 degrees 21 minutes 10 seconds West, along the northerly side of Searing Avenue, 232.93 feet to the point or place of BEGINNING.

Together with the benefits of that certain Easement Agreement made by and between Corpus Christi Roman Catholic Church at Mineola and Searing Avenue Mineola Development LLC dated on or about the date hereof.

SECTION 9 BLOCK 456 LOT 195

## SCHEDULE B

### PILOT PAYMENT SCHEDULE

**Term:**

<u>Tax Year</u> <sup>1</sup>	<u>Total PILOT Payment</u>
2019 General / 2018/19 School/Village	\$56,145
2020 General / 2019/20 School/Village	\$57,829
2021 General / 2020/21 School/Village	\$59,564
2022 General / 2021/22 School/Village	\$260,672
2023 General / 2022/23 School/Village	\$268,492
2024 General / 2023/24 School/Village	\$276,547
2025 General / 2024/25 School/Village	\$284,844
2026 General / 2025/26 School/Village	\$293,389
2027 General / 2026/27 School/Village	\$302,191
2028 General / 2027/28 School/Village	\$311,257
2029 General / 2028/29 School/Village	\$320,594
2030 General / 2029/30 School/Village	\$330,212
2031 General / 2030/31 School/Village	\$340,118
2032 General / 2031/32 School/Village	\$350,322
2033 General / 2032/33 School/Village	\$360,832
2034 General / 2033/34 School/Village	\$371,656
2035 General / 2034/35 School/Village	\$382,806
2036 General / 2035/36 School/Village	\$394,290
2037 General / 2036/37 School/Village	\$406,119
2038 General / 2037/38 School/Village	\$418,303

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