

Preliminary Resolution Meyer Farm

A regular meeting of the Nassau County Industrial Development Agency (the "Agency") was convened in public session at the offices of the Agency located at 1100 Franklin Avenue, Suite 300, Garden City, County of Nassau, New York on November 15, 2006, at 6:00 p.m., local time.

The meeting was called to order by the _____ and, upon roll being called, the following members of the Agency were:

PRESENT:

Howard Fensterman	Chairman
Gary Weiss	Vice Chairman
John E. Puckhaber	Treasurer
Peter J. Ruffner	Secretary
Mark Goldberg	Asst. Treasurer

ABSENT:

THE FOLLOWING ADDITIONAL PERSONS WERE PRESENT:

Joseph Gioino, Esq.	Executive Director
Gerri-Ann Palermo	Administrative Director
Milan K. Tyler, Esq.	Special Counsel
Paul V. O'Brien, Esq.	Special Counsel

The attached resolution no. 2006-__ was offered by _____, seconded by _____:

RESOLUTION TAKING PRELIMINARY ACTION TOWARD THE
ACQUISITION AND STRAIGHT LEASING OF A CERTAIN PROJECT FOR STELLA
MEYER AND PETER MEYER III (COLLECTIVELY, THE "APPLICANT") AND
AUTHORIZING THE EXECUTION AND DELIVERY OF A PRELIMINARY AGREEMENT
WITH THE APPLICANT WITH RESPECT TO SUCH TRANSACTION

WHEREAS, the Nassau County Industrial Development Agency (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 civic, 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, on or about October 25, 2006, Stella Meyer and Peter Meyer III (collectively, the "Applicant") presented an application for financial assistance (the "Application"), which Application requested that the Agency consider undertaking a project (the "Project") consisting of the following: (A) the acquisition of an interest in an approximately 8.5 acre parcel of land located at 131 Piquet Lane, Woodbury, Town of Oyster Bay, Nassau County, New York (the "Land"), together with the buildings and other improvements thereon, all of the foregoing to constitute a farm (collectively, the "Project Facility"); (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions or partial exemptions from real property taxes (but not including special assessments and ad valorem levies) (collectively, the "Financial Assistance"); and (C) the lease (with an obligation to purchase), license or sale of the Project Facility to the Applicant or such entity(ies) as may be designated by the Applicant and agreed upon by the Agency; and

WHEREAS, the Agency has given due consideration to the Application and to the representations made by the Applicant therein, in certain supplemental documents and at this meeting, including, without limitation, representations of the Applicant that: (A) the granting by the Agency of the Financial Assistance with respect to the Project will be an inducement to the

Applicant to maintain the Project Facility in Nassau County, New York; (B) the completion of the Project and the leasing and operation of the Project Facility by the Applicant will not result in the removal of a facility or plant of the Applicant from one area of the State of New York (the "State") to another area of the State or in the abandonment of one or more plants or facilities of the Applicant; (C) the Project does 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; (D) the Project will serve the public purposes of the Act by preserving permanent, private sector jobs and increasing the overall number of permanent, private sector jobs in the State; and (E) the granting of the Financial Assistance by the Agency will promote the job opportunities, health, general prosperity and economic welfare of the inhabitants of Nassau County, New York, and improve their standard of living, and prevent unemployment and economic deterioration, and thereby serve the public purposes of the Act; and

WHEREAS, the granting of the Financial Assistance would represent a deviation from the Agency's uniform tax exemption policy with respect to the making of payments in lieu of real property taxes; and

WHEREAS, any approval of the Project is contingent upon, among other things, a final determination by the members of the Agency to proceed with the Project following determinations by the Agency that (i) the public hearing and notice requirements and other procedural requirements contained in the Act relating to the Project have been satisfied; and (ii) the undertaking of the Project by the Agency and the granting of the Financial Assistance are and will be in compliance with all other applicable requirements of the Act, Article 8 of the Environmental Conservation Law (the "SEQR Act") and the regulations adopted pursuant thereto (the "Regulations" and together with the SEQR Act, collectively, "SEQRA"), and all other statutes, codes, laws, rules and regulations of any governmental authority having jurisdiction over the Project (collectively, the "Applicable Laws"); and

WHEREAS, the Agency desires to encourage the Applicant to preserve and advance the job opportunities, health, general prosperity and economic welfare of the people of Nassau County, New York, and to prevent unemployment and economic deterioration, by undertaking the Project in Nassau County, New York; and

WHEREAS, although a resolution authorizing the undertaking of the Project has not yet been submitted for approval by the Agency, a preliminary agreement (the "Preliminary Agreement") relative to the proposed undertaking of the Project by the Agency has been presented for approval by the Agency.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:

Section 1. The Agency hereby authorizes the Executive Director of the Agency, prior to the granting of any Financial Assistance with respect to the Project: (A) to establish a time, date

and place for a public hearing (the "Public Hearing") of the Agency to hear all persons interested in the location and nature of the Project and the proposed Financial Assistance being contemplated by the Agency with respect to the Project, said Public Hearing to be held in the city, town or village where the Project Facility is or is to be located; (B) to cause notice of said Public Hearing to be given to the public by publishing a notice of said Public Hearing in a newspaper of general circulation available to residents of the governmental units where the Project Facility is or is to be located, such notice to comply with the requirements of Section 859-a of the Act and to be published in accordance with Section 859-a of the Act; (C) to cause notice of said Public Hearing, pursuant to Section 859-a of the Act, to be given to the chief executive officer of Nassau County, New York, and of each city, town, village, school district and other affected tax jurisdiction in which the Project Facility is or is to be located; (D) to establish a time, date and place for a meeting of the Agency (the "IDA Meeting") to consider whether to approve the proposed deviation from the Agency's uniform tax exemption policy pursuant to Section 874(4) of the Act; (E) to cause notice of the proposed deviation from the Agency's uniform tax exemption policy and of the IDA Meeting to be given to the chief executive officer of each affected tax jurisdiction in accordance with Section 874(4) of the Act; (F) to conduct the Public Hearing or to authorize a hearing officer to conduct the Public Hearing; (G) to cause a report of the Public Hearing fairly summarizing the views presented at said Public Hearing to be promptly prepared and cause copies of said report to be made available to the members of the Agency; and (H) to hold the IDA Meeting and to review and respond to any correspondence received from the affected tax jurisdictions regarding the proposed deviation from the Agency's uniform tax exemption policy.

Section 2. The Applicant is hereby authorized to conduct such environmental, engineering, economic, feasibility and other studies and preliminary planning and budgetary processes necessary or convenient to enable the Agency to make its determination whether to proceed with the Project and to grant the Financial Assistance; provided, however, that such authorization shall not entitle or permit the Agency to acquire the Project Facility unless and until the Agency shall determine that all requirements of Applicable Laws have been fulfilled. The officers, agents and employees of the Agency are hereby directed to proceed to do such things or perform such acts as may allow the Agency to proceed to its final consideration of the Project. This Resolution constitutes an authorization to conduct concurrent environmental, engineering, economic, feasibility and other studies and preliminary planning with respect to the Project within the meaning of Section 617.3(c)(2) of the Regulations and a determination of compliance with technical requirements within the meaning of Section 617.3(c)(2) of the Regulations and does not constitute, and shall not be deemed to constitute, either an approval by the Agency of the Project for the purposes of the Act or SEQRA or a commitment by the Agency to approve the Project or to grant the Financial Assistance.

Section 3. Any expenses incurred by the Agency with respect to the Project shall be paid by the Applicant as set forth in the Preliminary Agreement.

Section 4. The findings of the Agency set forth herein are expressly conditioned upon full compliance of the Applicant and the Project with all Applicable Laws, and the Applicant

shall be required to provide evidence of the same satisfactory to the Agency prior to the granting of any Financial Assistance.

Section 5. If, following full compliance with all Applicable Laws, the Agency adopts a future resolution (the "Future Resolution") determining to proceed with the Project and to grant the Financial Assistance with respect thereto and the Applicant complies with all conditions set forth in the Preliminary Agreement and the Future Resolution, then the Agency will (A) acquire an interest in the Project Facility from the Applicant pursuant to a deed, lease agreement, assignment of lease, license, bill of sale and/or other documentation to be negotiated between the Agency and the Applicant (the "Acquisition Agreement"); (B) lease (with the obligation to purchase), license or sell the Project Facility to the Applicant pursuant to a lease agreement or an installment sale agreement (the "Project Agreement") to be negotiated between the Agency and the Applicant; and (C) provide the Financial Assistance with respect to the Project, all as contemplated by the Preliminary Agreement and the Future Resolution.

Section 6. The form, terms and substance of the Preliminary Agreement (in substantially the form presented to this meeting and attached hereto) are in all respects approved, and the Chairman, Vice Chairman and Executive Director of the Agency are each hereby authorized, empowered and directed, acting individually or jointly, to execute and deliver said Preliminary Agreement in the name and on behalf of the Agency, with such changes therein as shall be approved by the officer executing same on behalf of the Agency, the execution thereof by such officer to constitute conclusive evidence of such officer's approval of any and all changes or revisions therein from the form now before this meeting.

Section 7. From and after the execution and delivery of the Preliminary Agreement, the officers, agents and employees of the Agency are hereby authorized, empowered and directed, acting individually or jointly, to proceed with the undertakings provided for therein on the part of the Agency, and are further authorized to do all such acts and things and to execute all such documents as may be necessary or convenient to carry out and comply with the terms and provisions of the Preliminary Agreement as executed.

Section 8. The law firm of Phillips Lytle LLP, Garden City, New York, is hereby appointed Special Counsel to the Agency with respect to all matters in connection with the Project. Special Counsel for the Agency is hereby authorized, at the expense of the Applicant, to work with counsel to the Agency, the Applicant, counsel to the Applicant, and others to prepare, for submission to the Agency, all documents necessary to effect the transactions contemplated by this Resolution.

Section 9. The Chairman, Vice Chairman and Executive Director of the Agency are each hereby authorized and directed to distribute copies of this Resolution to the Applicant and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution.

Section 10. This Resolution shall take effect immediately and shall be effective for twelve (12) months from the date of its adoption.

The question of the adoption of the foregoing Resolution was duly put to a vote on roll call, which resulted as follows:

Howard Fensterman	VOTING
Gary Weiss	VOTING
Peter J. Ruffner	VOTING
John E. Puckhaber	VOTING
Mark Goldberg	VOTING

The foregoing Resolution was thereupon declared duly adopted.

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

I, the undersigned Secretary of the Nassau County Industrial Development Agency (the "Agency"), do hereby certify that I have compared the foregoing extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on November 15, 2006, with the original thereof on file in my office, and that the same is a true and correct copy of said original and of such Resolution set forth therein and of the whole of said original so far as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all members of the Agency had due notice of said meeting; (B) said meeting was in all respects duly held; (C) pursuant to Article 7 of the Public Officers Law (the "Open Meetings Law"), said meeting was open to the general public, and due notice of the time and place of said meeting was duly given in accordance with such Open Meetings Law; and (D) there was a quorum of the members of the Agency present throughout said meeting.

I FURTHER CERTIFY that, as of the date hereof, the attached Resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Agency this ____ day of _____, 2006.

Secretary

(SEAL)

PRELIMINARY AGREEMENT

THIS PRELIMINARY AGREEMENT (this "Preliminary Agreement") dated as of November 15, 2006 between the NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY (the "Agency"), a public benefit corporation organized and existing under the laws of the State of New York, and STELLA MEYER AND PETER MEYER III (collectively, the "Applicant"), each a natural person.

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 civic, 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, on or about October 25, 2006, Stella Meyer and Peter Meyer III (collectively, the "Applicant") presented an application for financial assistance (the "Application"), which Application requested that the Agency consider undertaking a project (the "Project") consisting of the following: (A) the acquisition of an interest in an approximately 8.5 acre parcel of land located at 131 Piquet Lane, Woodbury, Town of Oyster Bay, Nassau County, New York (the "Land"), together with the buildings and other improvements thereon, all of the foregoing to constitute a farm (collectively, the "Project Facility"); (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions or partial exemptions from real property taxes (but not including special assessments and ad valorem levies) (collectively, the "Financial Assistance"); and (C) the lease (with an obligation to purchase), license or sale of the Project Facility to the Applicant or such entity(ies) as may be designated by the Applicant and agreed upon by the Agency; and

WHEREAS, the granting of the Financial Assistance would represent a deviation from the Agency's uniform tax exemption policy with respect to the making of payments in lieu of real property taxes; and

WHEREAS, the members of the Agency adopted a resolution (the "Preliminary Resolution") on the date hereof requiring the execution of this Agreement by the Applicant and authorizing its execution and delivery by the Agency (capitalized terms used herein but not otherwise defined herein shall have the meanings ascribed to them in the Preliminary Resolution);

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the Agency and the Applicant agree as follows:

Article 1. Representations.

Among the representations which have resulted in the execution of this Preliminary Agreement are the following:

Section 1.01. The Applicant hereby represents to the Agency that:

(A) Based on the proposed use of the Project Facility as set forth in the Preliminary Resolution, the economic effects of the Project on the area in which it is situated, the employment reasonably expected to be created by the acquisition of the Project, and an analysis of how the Project contributes to the realization of the public purposes of promoting employment opportunities in Nassau County, New York, and the prevention of economic deterioration in Nassau County, New York, the Project will constitute a commercial facility with a significant impact on the area in which it is situated, and will advance the Agency's purposes by promoting employment opportunities and preventing economic deterioration in Nassau County, New York. Therefore, the Project constitutes a "project" within the meaning of the Act.

(B) The completion of the Project will not result in the removal of a plant or facility of the Applicant from one area of the State of New York to another area of the State of New York or in the abandonment of one or more plants or facilities of the Applicant located in the State of New York.

(C) No funds of the Agency will be used in connection with the Project for the purpose of preventing the establishment of an industrial or manufacturing plant, nor will any funds of the Agency be given in connection with the Project to any group or organization which is attempting to prevent the establishment of an industrial or manufacturing plant within the State of New York, nor will any funds of the Agency be used for advertising or promotional materials which depict elected or appointed government officials in either print or electronic media.

(D) 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.

(E) The Project Facility is located entirely within the boundaries of the Town of Oyster Bay, Nassau County, New York, is not located within the boundaries of any incorporated village, and is located entirely within the _____ School District.

(F) The granting of the Financial Assistance by the Agency with respect to the Project, as further described in the Preliminary Resolution, will encourage and assist the Applicant in maintaining the Project Facility in Nassau County, New York, will promote the job opportunities, health, general prosperity and economic welfare of the inhabitants of Nassau County, New York and the State of New York, improve their standard of living and prevent economic deterioration, and thereby serve the public purposes of the Act.

(G) Intentionally omitted.

(H) The Applicant will ensure that the acquisition of the Project Facility will comply with all applicable federal, state and local laws, ordinances, rules and regulations (the applicability of same to be determined both as if the Agency were the owner of the Project Facility and as if the Applicant and not the Agency were the owner of the Project Facility), and the Applicant will obtain all necessary approvals and permits required thereunder.

(I) The Application is and remains true, accurate and complete in all respects as of the date hereof.

Section 1.02. By the Preliminary Resolution, the Agency has approved the execution of this Preliminary Agreement. The Agency intends this Preliminary Agreement to constitute its binding commitment, subject to the terms hereof, to accept the Application; provided, however, that this Preliminary Agreement shall not commit the Agency to undertake the Project or to grant to the Applicant any Financial Assistance with respect to the Project unless and until the Agency shall decide to undertake the Project and to grant such Financial Assistance following a determination by the Agency that all requirements of Applicable Laws have been fulfilled.

Article 2. Undertakings on the Part of the Agency.

Based upon the statements, representations and undertakings of the Applicant, and subject to the conditions set forth herein, the Agency agrees as follows:

Section 2.01. If, following full compliance with the requirements of Applicable Laws, including the notice and public hearing requirements set forth in the Act, the Agency adopts a future resolution (the "Future Resolution") determining to proceed with the Project and to grant the Financial Assistance with respect thereto and the Applicant complies with all conditions set forth in this Preliminary Agreement and the Future Resolution, then the Agency will undertake

the Project and will grant the Financial Assistance relating to the Project; PROVIDED, HOWEVER, that the foregoing obligation of the Agency to undertake the Project and to grant the Financial Assistance relating to the Project is subject to the conditions contained in this Preliminary Agreement, including, but not limited to, the following conditions:

(A) The Agency shall have adopted a resolution determining to proceed with the Project after making a determination that all requirements of Applicable Laws that relate to the Project have been fulfilled, including, without limitation, all requirements of the Act and SEQRA;

(B) The Agency shall receive, in form and substance satisfactory to the Agency, such rulings, approvals, resolutions, consents, certificates, opinions of counsel and other instruments and proceedings as shall be specified by the Agency in connection with the Project and the various documents to be executed in connection with the Project, such rulings, approvals, resolutions, consents, certificates, opinions of counsel and other instruments and proceedings to be obtained from Special Counsel, counsel to the Agency and such other governmental and nongovernmental agencies and entities as may have or assert competence or jurisdiction over or interest in matters pertaining thereto;

(C) An interest in the Project Facility shall be acquired by the Agency from the Applicant pursuant to the Acquisition Agreement (as defined in the Preliminary Resolution), and the Applicant shall have executed and delivered the Acquisition Agreement and the Project Agreement (as defined in the Preliminary Resolution), and the Applicant shall have executed and delivered any other documents, certificates, instruments or agreements required by the Agency in connection with the Project or the financing thereof (collectively, the "Project Documents"). The Project Documents shall in all respects comply with the requirements of, and limitations contained in, the Act and all other Applicable Laws, and shall further specifically provide that the obligations of the Agency thereunder are payable solely from the revenues derived by the Agency from the sale, lease or other disposition of the Project Facility; that the obligations of the Agency thereunder shall not be a general obligation of the Agency and shall not constitute an indebtedness or pledge of the general credit of the Agency; that no beneficiary of the obligations of the Agency thereunder shall have the right to compel any exercise of the taxing power of the Agency (if any), or of the State of New York or any political subdivision thereof, including Nassau County, New York; and that the obligations of the Agency thereunder shall not create a debt or loan of credit of Nassau County, New York or the State of New York, but such obligations shall be a special obligation of the Agency secured and payable solely as provided in the Acquisition Agreement or the Project Agreement, as the case may be, and such facts shall be plainly stated in each of such documents;

(D) No event shall have occurred which constitutes (or which after notice or lapse of time or both would constitute) an event of default under the Project Agreement;

(E) The Applicant shall pay all Project costs and shall not be entitled to any reimbursement for any such payment from the Agency;

(F) Agreements shall be made as to (1) payment by the Applicant to or on behalf of the Agency of amounts in lieu of real property taxes, consistent with the terms negotiated by the Agency and the Applicant, (2) indemnity by the Applicant of the Agency and the members, officers, agents, servants and employees of the Agency, (3) minimum job creation requirements and restrictions, (4) recapture of benefits upon the occurrence of certain events under the Project Agreement, (5) payment by the Applicant of the expenses incurred by the Agency in connection with the Project (including counsel fees and disbursements) and payment of the administrative fee, closing compliance fee and annual servicing fee of the Agency, and all such agreements shall be satisfactory in form and substance to the Agency;

(G) The Applicant shall provide the Agency and the other "involved agencies" (as such quoted term is defined in the Regulations) with all information and statements that may be required by said respective entities in order to ensure compliance by said entities with SEQRA; and

(H) The Agency shall have followed the procedures for deviation from the Agency's uniform tax exemption policy set forth in Section 874(4) of the Act prior to granting the portion of the Financial Assistance that is not consistent with the Agency's uniform tax exemption policy.

Section 2.02. Subject to the conditions stated in this Preliminary Agreement, the Agency from time to time will adopt, or cause to be adopted, such proceedings and authorize the execution of such documents as may be necessary or advisable for: (A) the authorization, undertaking and completion of the Project, (B) the granting of the Financial Assistance, and (C) the sale, license or lease of the Project Facility to the Applicant, all as shall be authorized by Applicable Laws and be mutually satisfactory to the Agency and the Applicant.

Section 2.03. The Agency will take or cause to be taken such other acts and adopt such further proceedings as the Agency may deem necessary to implement the aforesaid undertakings or as it may deem appropriate in pursuance thereof.

Article 3. Undertakings on the Part of the Applicant.

Based upon the statements, representations and undertakings of the Agency and subject to the conditions set forth herein, the Applicant agrees as follows:

Section 3.01. Contemporaneously with the execution and delivery by the Agency of the Acquisition Agreement, the Applicant will enter into the Project Agreement with the Agency containing, among other things, the terms and conditions described in Section 2.01 hereof. The Applicant agrees, jointly and severally, to pay all Project costs and agrees that the Applicant shall not be entitled to any reimbursement for any such payment from the Agency.

Section 3.02. THE APPLICANT ACKNOWLEDGES THAT THE AGENCY HAS NOT MADE AND MAKES NO REPRESENTATION OR WARRANTY WHATSOEVER,

EITHER EXPRESS OR IMPLIED, WITH RESPECT TO THE MERCHANTABILITY, CONDITION, ENVIRONMENTAL STATUS, FITNESS, DESIGN, OPERATION OR WORKMANSHIP OF THE PROJECT, THE PROJECT FACILITY OR ANY PART THEREOF, OR THE SUITABILITY OF THE PROJECT, THE PROJECT FACILITY OR ANY PART THEREOF FOR THE APPLICANT'S PURPOSES OR NEEDS.

Section 3.03. The Applicant hereby agrees, jointly or severally, to indemnify, defend (with counsel selected by the Agency) and hold the Agency (and its members, officers, agents, attorneys and employees) harmless from all losses, expenses, claims and liabilities arising out of or based on labor, services, materials and supplies, including equipment, ordered or used in connection with the Project, including any expenses incurred by the Agency (and its members, officers, agents, attorneys and employees) in defending any claims, suits or actions which may arise as a result of any of the foregoing. The Applicant shall not permit to stand, and will, at its own expense, take steps reasonably necessary to remove, any mechanic's or other liens against the Project Facility, for labor or material furnished in connection with the Project Facility.

Section 3.04. The Applicant hereby agrees, jointly or severally, to indemnify, defend (with counsel selected by the Agency) and hold the Agency (and its members, officers, agents, attorneys and employees) harmless from any and all (A) claims and liabilities for the loss or damage to property or any injury to or death of any person that may be occasioned subsequent to the date hereof by any cause whatsoever in relation to the Project and/or the Project Facility, including any expenses incurred by the Agency (and its members, officers, agents, attorneys and employees) in defending any claims, suits or actions which may arise as a result of the foregoing; and (B) claims and liability arising from or expenses incurred in connection with the Project or the Agency's acquisition, owning, leasing and/or sale of the Project Facility, or the granting of the Financial Assistance, including all causes of action and attorneys' fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing. The Applicant shall include the Agency (and its members, officers, agents, attorneys and employees) as a named insured under all public liability insurance policies obtained by the Applicant with respect to the Project.

Section 3.05. The Applicant will take such further action and adopt such further proceedings as the Agency may deem necessary to implement its aforesaid undertakings or as the Agency may deem appropriate in pursuance thereof.

Section 3.06. Intentionally omitted.

Section 3.07. (A) The Applicant agrees to pay to the Agency the Agency's current scheduled administrative fee ("Agency Fee"), which Agency Fee shall be due and payable on or before the execution of the Project Agreement and shall be deemed fully earned and shall be non-refundable upon execution of the Project Agreement.

(B) The Applicant has paid to the Agency an application fee in the amount of \$1,000.00 ("Application Fee"). The Application Fee was deemed earned upon submission of the Application and is non-refundable.

Article 4. General Provisions.

Section 4.01. All commitments of the Agency under Article 2 hereof and of the Applicant under Article 3 hereof (excepting the obligations of the Applicant set forth in Sections 3.03 and 3.04 hereof, which shall survive the termination of this Preliminary Agreement) are subject to the condition that the following events shall have occurred not later than January 1, 2007 (or such other date as shall be mutually satisfactory to the Agency and the Applicant):

(A) The Agency and the Applicant shall have agreed on mutually acceptable terms and conditions of the Acquisition Agreement, the Project Agreement and the other Project Documents (as defined in the Preliminary Resolution) and the closing shall have occurred thereunder,

(B) All necessary governmental approvals for the Project shall have been obtained, and

(C) All other conditions expressed in this Preliminary Agreement shall have been satisfied.

Section 4.02. Subject to the terms and conditions of Section 4.03 hereof, the Applicant shall have the right to unilaterally cancel this Preliminary Agreement at any time prior to the time that the Acquisition Agreement is signed by the Agency upon thirty (30) days prior written notice of cancellation delivered to the Agency at the address set forth in Section 4.04 hereof.

Section 4.03. If the events set forth in Section 4.01 hereof do not take place within the time set forth in said Section 4.01, or any extension thereof by the Agency, or if the Applicant exercises its right of cancellation as set forth in Section 4.02 hereof, the Applicant agrees that (A) it will promptly reimburse the Agency (and its officers, members, agents, attorneys and employees) for all expenses (including legal fees and disbursements) which the Agency (or its officers, members, agents, attorneys or employees) may incur with respect to the execution of this Preliminary Agreement and the performance of its obligations hereunder; and (B) the obligations of the Applicant set forth in Section 3.03 and 3.04 hereof shall survive the termination of this Preliminary Agreement.

Section 4.04. (A) All notices and other communications hereunder shall be in writing and shall be deemed given (i) when mailed by United States registered or certified mail, postage prepaid, return receipt requested, (ii) when delivered by hand delivery to the undersigned, or (iii) one (1) day after deposit with Federal Express or other nationally recognized overnight courier for delivery, addressed as follows:

(1) To the Agency: Nassau County Industrial Development Agency
1100 Franklin Avenue, Suite 300
Garden City, NY 11530
Attention: Executive Director

with a copy to: Phillips Lytle LLP
1100 Franklin Avenue, 4th floor
Garden City, NY 11530
Attention: Milan K. Tyler, Esq.

(2) To the Applicant: Stella Meyer and Peter Meyer III
131 Piquet Lane
Woodbury, NY 11797

with a copy to: Olsen & Olsen, L.L.P.
32495 Main Road, P.O. Box 706
Cutchogue, NY 11935-0706
Attention: Gary Flanner Olsen, Esq.

(B) The Agency and the Applicant may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates and other communications shall be sent.

Section 4.05. All covenants and agreements herein contained by or on behalf of the Agency and the Applicant shall bind and inure to the benefit of the respective permitted successors and assigns of the Agency and the Applicant whether so expressed or not.

Section 4.06. The obligations and agreements of the Agency contained herein shall be deemed the obligations and agreements of the Agency, and not of any member, officer, agent or employee of the Agency in his individual capacity, and the members, officers, agents and employees of the Agency shall not be liable personally hereon or be subject to any personal liability or accountability based upon or in respect hereof or of any transaction contemplated hereby. The obligations and agreements of the Agency contained herein shall not constitute or give rise to an obligation of the State of New York or of Nassau County, New York and neither the State of New York nor Nassau County, New York shall be liable 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 Project Facility.

Section 4.07. Notwithstanding any provision of this Preliminary Agreement to the contrary, the Agency shall not be obligated to take any action pursuant to any provision hereof unless (A) the Agency shall have been requested to do so in writing by the Applicant; and (B) if

compliance with such request is reasonably expected to result in the incurrence by the Agency (or any member, officer, agent or employee of the Agency) of any liability, fees, expenses or other costs, the Agency shall have received from the Applicant security or indemnity satisfactory to the Agency for protection against all such liability and for the reimbursement of all such fees, expenses and other costs.

IN WITNESS WHEREOF, the parties hereto have entered into this Preliminary Agreement as of the day and date first written above.

<hr/> <p>STELLA MEYER</p> <hr/> <p>PETER MEYER III</p>	<p>NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY</p> <p>By: _____</p> <p>Name: Joseph Gioino Title: Executive Director</p>
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