

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

**THIS PAYMENT IN LIEU OF TAXES AGREEMENT** (this “Agreement”), made as of December 1, 2016, by and between MICHAEL S. PUNTILLO DEVELOPMENT COMPANY, L.P. a limited partnership organized and existing under the laws of the State of New York, having an address at 277 Northern Boulevard, Suite 203, Great Neck, NY 11021 (the “Company”), and the GLEN COVE 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 9-13 Glen Street, Glen Cove, NY 11542 (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 374 of the 1974 Laws of New York, as amended, constituting Section 919 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**, the Agency on behalf of the Company intends to undertake a project (the “Project”) consisting of the following: (A) the acquisition of an interest in an approximately 1.14-acre parcel of land located at 136 Glen Street, City of Glen Cove, County of Nassau, New York (the “Land”), together with related improvements to the Land, and the acquisition, renovation and installation therein and thereon of certain buildings (together, the “Building”), furniture, fixtures, machinery and equipment (together, the “Equipment”), all of the foregoing for use as an affordable residential housing project (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, mortgage recording taxes and sales and use taxes (collectively, the “Financial Assistance”); and (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Applicant or such other entity as may be designated by the Company and agreed upon by the Agency; and

**WHEREAS**, the Agency is or will be the holder of a leasehold interest in the Land and the Building (collectively, the “Facility”); 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 dated as of the date hereof between the Agency and the Company (as amended, modified, supplemented or restated from time to time, the “Lease Agreement”); 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”). Except as expressly provided in (a) a certain Tax Exemption Agreement between the Company and City of Glen Cove, dated June 18, 1981 and (b) a certain Agreement between the Company and the County of Nassau, dated May 20, 1981 (collectively, the “Prior Exemption”). The Facility shall not be entitled to exempt status on the tax rolls of any Taxing Entity hereunder until the beginning of the 2017 County and City Tax Years and the 2017/18 School Tax Year (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.

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. Except as expressly provided in the Prior Exemption, 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 thirty-fifth (35<sup>th</sup>) fiscal tax year thereafter (such date, the “Abatement Expiration Date”), the Company shall make payments in lieu of real property taxes and assessments levied and/or assessed by the Taxing Entities against the Facility (collectively, the “PILOT Payments”) as follows, subject to the provisions of Section 2(B)(3):

PILOT Year	School Tax Year	County & City Tax Year	PILOT Payment
1	2017/2018	2017	\$ 55,000
2	2018/2019	2018	55,825
3	2019/2020	2019	56,662
4	2020/2021	2020	57,512
5	2021/2022	2021	58,375
6	2022/2023	2022	59,251
7	2023/2024	2023	60,139
8	2024/2025	2024	61,041
9	2025/2026	2025	61,957
10	2026/2027	2026	62,886
11	2027/2028	2027	64,144
12	2028/2029	2028	65,427
13	2029/2030	2029	66,736
14	2030/2031	2030	68,070
15	2031/2032	2031	69,432
16	2032/2033	2032	70,820
17	2033/2034	2033	72,237

18	2034/2035	2034	73,681
19	2035/2036	2035	75,155
20	2036/2037	2036	76,658
21	2037/2038	2037	78,191
22	2038/2039	2038	79,755
23	2039/2040	2039	81,350
24	2040/2041	2040	82,977
25	2041/2042	2041	84,637
26	2042/2043	2042	86,753
27	2043/2044	2043	88,922
28	2044/2045	2044	91,145
29	2045/2046	2045	93,423
30	2046/2047	2046	95,759
31	2047/2048	2047	98,153
32	2048/2049	2048	100,607
33	2049/2050	2049	103,122
34	2050/2051	2050	105,700
35	2051/2052	2051	108,342

(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 (defined above) equal to one hundred percent (100%) of the amount of real property taxes and assessments that would have been levied and/or assessed against or with respect to the Facility as if the Facility were owned by the Company and the Agency were not otherwise involved in the Project.

“PILOT Obligations” shall mean all amounts required to be paid by the Company under this Agreement, including, without limitation, those amounts set forth in Sections 2.A and 2.B hereof.

(3) Any provision of this Agreement to the contrary notwithstanding, the amount of PILOT Payments set forth in Section 2.B(1) hereof for each fiscal tax year from the PILOT Commencement Date through the Abatement Expiration Date, shall be reduced (but not below \$0) by the amount, if any, of special assessments and special ad valorem levies assessed against or levied upon the Facility for such fiscal tax year (collectively, “Special Assessments”), whether by the Nassau County Tax Assessor’s Office or otherwise, which Special Assessments would otherwise be payable by the Company pursuant to this Agreement. The amount of any such reduction of a PILOT Payment shall be set forth on the applicable PILOT bill issued with respect to such fiscal tax year, if any, but the failure of the Company to receive such bill shall in no event affect the Company’s obligation to pay such PILOT Payment. In the event that (i) the amount of Special Assessments for a particular fiscal tax year exceeds the amount of the PILOT Payment for such fiscal tax year (such excess is hereinafter referred to as an “SA Credit”), or (ii) the amount of PILOT Payments for a particular fiscal tax year are not reduced by the amount of Special Assessments for such fiscal tax year (the amount of such Special Assessments is hereinafter referred to as an “SA Reduction”), then the amount of such

SA Credit or SA Reduction, as the case may be, shall be carried over as a credit for the following fiscal tax year(s); provided, however, that if there is an unused SA Credit at the end of the term of the PILOT Payments hereunder, then the Company shall not be entitled to (a) take such SA Credit against any further payments hereunder or against real property taxes assessed against the Facility, or (b) an extension of the term of this Agreement.

C. Payments. (1) Amounts due and payable under this Agreement shall be payable to the Controller of the City of Glen Cove (the "Controller"), 9-13 Glen Street, Glen Cove NY 11542, or at such other address as the Controller may notify the Company of in writing.

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

D. Due Dates; Interest; and Penalties. (1) The Company may be billed for PILOT Payments as if the Facility were on the tax rolls at the time when taxes for each Taxing Entity are due.

(2) If any payment required under this Agreement is not made on or before the due date thereof, such payment shall be delinquent and the 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, and (b) two equal semi-annual installments on or prior to the date which is five (5) Business Days prior to April 1 and October 1 for the School Tax portion of the PILOT Obligations, as applicable, of each year of the term of the Lease Agreement or on such other due dates as may be established by the Agency or the Controller 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, unless the Agency otherwise consents in writing, 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 pursuant to the terms of the Lease Agreement, the transferees thereof will thereafter pay the real property taxes and assessments on such Land and the Building and any Additional Facilities (as hereinafter

defined) located on the Land, or on such portion of the Land, that was sold, transferred, assigned or otherwise disposed of, as may be required by applicable law.

F. Sale; Company's Obligation. In the event that the Agency sells, transfers, assigns or otherwise disposes of its interest in the Facility to any party other than the Company, the Company's obligation for PILOT Obligations shall be prorated to the date of the closing of the transaction and thereupon all obligations of the Company for payment of PILOT Obligations shall cease, but the Agency shall take such steps with the transferee or assignee other than the Company to assure that each of the Taxing Entities shall suffer no loss of revenue until the Facility can be placed back on the tax rolls as fully taxable real property and taxes levied and billed therefor.

Section 3. Effective Date: Duration of Agreement. This Agreement shall become effective upon the execution and delivery of the Lease Agreement by the Company and the Agency and this Agreement by the Company and the Agency and the execution and delivery of the Company Lease from the Company to the Agency and shall continue in effect until the earlier of (i) the termination of this Agreement pursuant to the terms of the Lease Agreement or of this Agreement, or (ii) the date on which the Company Lease and the Lease Agreement are terminated pursuant to the Lease Agreement or this Agreement and the Facility has been placed back on the tax rolls as taxable property.

Section 4. Events of Default. The following shall constitute an "Event of Default" under this Agreement:

A. Failure by the Company to make any payment specified herein and the continuance of such failure for a period of fifteen (15) days after receipt by the Company of written notice from the Agency, the County and/or any Taxing Entity.

B. Failure by the Company to comply with or perform any provision of this Agreement other than the payment provisions hereof and the continuance of such failure for a period of thirty (30) days after receipt by the Company of written notice thereof from the Agency or, if such default is capable of being cured but cannot be cured within such thirty (30) day period, the failure of the Company to commence to cure such default within such thirty (30) day period and to prosecute such cure to completion, provided in no event shall such additional cure period exceed sixty (60) days.

C. An Event of Default 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. Simultaneously with its delivery to the Company, the Agency agrees to give to Greystone Funding Corporation (the "Lender"), or its successors and assigns (of whom the Agency has received written notice) a copy of any notice of default or similar notice given by the Agency to the Company pursuant to this Agreement. Moreover, the Agency hereby agrees that the Lender, upon receipt of such notice or upon actual knowledge, shall have the right (but not the obligation) to cure any default of the Company hereunder with the same force and effect as if

cured by the Company, if such cure is made within cure period provided to Company herein. It is acknowledged and agreed between the parties hereto that the failure of the Agency to furnish a copy of any such notice to the Lender in accordance with the provisions of this paragraph shall not affect the validity or effectiveness of any such notice given to the Company, and shall not give the Company or the Lender any rights against the Agency.

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 reasonably acceptable to 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, unless due to the gross negligence or willful misconduct of the Agency.

The Agency and the Company hereby acknowledge the right of the City of Glen Cove (the "City"), 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. The Company shall promptly notify the Agency of any action or proceeding brought, or other measure taken, by a Taxing Entity to recover such payments in default hereunder. It is understood that the right of any Taxing Entity herein acknowledged is in addition to, and shall not impair, the Agency's own rights arising from a breach of this Agreement.

In the event that any interest in and to the Facility is conveyed by the Company or title to the Facility is conveyed by the Company to any other party prior to expiration of the term of the Lease Agreement (other than transfers expressly permitted under the Lease Agreement or otherwise consented to by the Agency in writing), 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 City under this Agreement shall be cumulative and not exclusive of any other right, power or remedy which the Agency or the City 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 City hereunder may be pursued singly, concurrently or otherwise, at such time and in such order as the Agency or the City 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 contemplated as part of the Project), or if any additional buildings or improvements shall be constructed on the Land (other than the initial construction contemplated as part of the Project) (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 and the Prior Exemption) with respect to the Facility.

Section 8. Delivery of PILOT Statement. The Company shall deliver to the Controller, 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, the City, or any city, town, village or school district within which the Facility is located and neither the State of New York, the County, the City, 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:

To the Agency:

Glen Cove Industrial Development Agency  
9 Glen Street  
Glen Cove, NY 11542  
Attention: Barbara A. Peebles, Executive Director

With a courtesy copy to:

Phillips Lytle LLP  
1205 Franklin Avenue, Suite 390  
Garden City, NY 11530  
Attention: Milan K. Tyler, Esq.

To the Company:

Michael S. Puntillo Development Company, L.P.  
277 Northern Boulevard, Suite 203  
Great Neck, NY 11021  
Attention: Michael S. Puntillo

With a courtesy copy to:

Forchelli, Curto, Deegan, Schwartz, Mineo & Terrana, LLP  
333 Earle Ovington Boulevard  
Uniondale, NY 11553  
Attention: Daniel P. Deegan, Esq.

To the Lender:

Greystone Funding Corporation  
419 Belle Air Lane  
Warrenton, VA 20186  
Attention: General Counsel

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 or otherwise expressly permitted under the Lease Agreement. The rights and obligations of the Company hereunder 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 City 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 and the Company.

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

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

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

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

A. The Company represents that it is subject to service of process in the State of New York and covenants that it will remain so subject so long as the Lease Agreement shall

be in effect. If for any reason the Company should cease to be so subject to service of process in the State of New York, the Company hereby designates and appoints, without power of revocation, Daniel P. Deegan, Esq., Forchelli, Curto, Deegan, Schwartz, Mineo & Terrana, LLP, 333 Earle Ovington Boulevard, Uniondale, NY 11553, as agent for service of process, and if such agent shall cease to act or otherwise cease to be subject to service of process in the State of New York, the Secretary of State of the State of New York, as the agents of the Company upon whom may be served all process, pleadings, notices or other papers which may be served upon the Company as a result of any of its obligations under this Agreement; provided, however, that the serving of such process, pleadings, notices or other papers shall not constitute a condition to the Company's obligations hereunder.

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 reasonably acceptable to the Company) and hold harmless the Agency and its officers, members, agents (other than the Company), attorneys, servants and employees, past, present and future, against any liability arising from any default by the

Company in performing its obligations hereunder or any expense incurred hereunder, including, without limitation, any expenses of the Agency and reasonable attorneys' fees and expenses.

[Remainder of this page intentionally left blank]

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

GLEN COVE INDUSTRIAL DEVELOPMENT AGENCY

By: Barbara A. Peebles  
Name: Barbara A. Peebles  
Title: Executive Director

MICHAEL S. PUNTILLO DEVELOPMENT COMPANY,  
L.P.

By: \_\_\_\_\_  
Name: Michael S. Puntillo  
Title: General Partner

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

GLEN COVE INDUSTRIAL DEVELOPMENT AGENCY

By \_\_\_\_\_

Name: Barbara A. Peebles

Title: Executive Director

MICHAEL S. PUNTILLO DEVELOPMENT COMPANY,  
L.P.

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

Name: Michael S. Puntillo

Title: General Partner

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

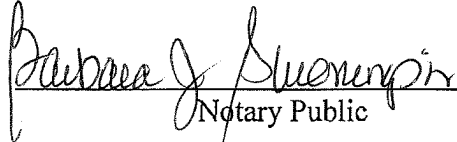
On the \_\_\_\_ day of December, 2016, before me, the undersigned, a Notary Public in and for said State, personally appeared Barbara A. Peebles, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual executed the instrument.

---

Notary Public

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

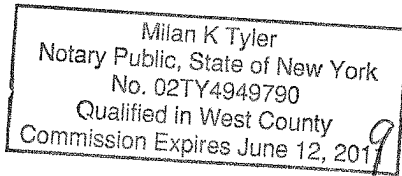
On the 14 day of December, 2016, before me, the undersigned, a Notary Public in and for said State, personally appeared Michael S. Puntillo, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual executed the instrument.

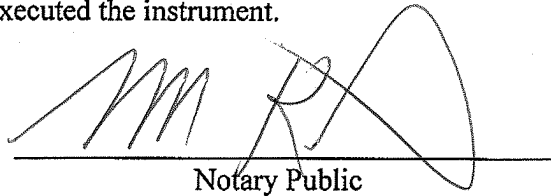
  
\_\_\_\_\_  
Notary Public



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

On the 16<sup>th</sup> day of December, 2016, before me, the undersigned, a Notary Public in and for said State, personally appeared Barbara A. Peebles, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual executed the instrument.



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

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

On the \_\_\_\_ day of December, 2016, before me, the undersigned, a Notary Public in and for said State, personally appeared Michael S. Puntillo, 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

**SCHEDULE A**  
**DESCRIPTION OF THE LAND**

EXHIBIT A

DESCRIPTION OF THE LAND

SECTION 21, BLOCK "B" LOT 655 (NORTHERLY PORTION OF OLD LOT 653)

ALL THAT CERTAIN PLOT, PIECE OR PARCEL OF LAND, SITUATE, LYING AND BEING in the City of Glen Cove, County of Nassau and State of New York, being more particularly bounded and described as follows:

BEGINNING at a point on the southerly side of Glen Street, said point being westerly 254.64 feet as measured along said southerly line from the westerly end of a curve having a radius of 30.00 feet and an arc length of 51.10 feet, connection the westerly line of Town Path Extension with the southerly line of Glen Street; and

RUNNING thence from said point of beginning, South 12 degrees 10 minutes 00 seconds West, 253.62 feet;

THENCE North 58 degrees 21 minutes 54 seconds West, 104.85 feet;

THENCE North 50 degrees 46 minutes 02 seconds West 52.37 feet;

THENCE North 52 degrees 19 minutes 11 seconds West, 114.31 feet;

THENCE North 23 degrees 18 minutes 37 seconds East, 165.20 feet to the southerly line of Glen Street;

THENCE along said southerly line of Glen Street, the following two (2) courses and distances to the point or place of beginning;

1. South 66 degrees 50 minutes 00 seconds East along said southerly line, 33.46 feet;
2. South 74 degrees 41 minutes 30 seconds East along said southerly side line, 184.16 feet.

TOGETHER WITH a permanent easement reserved in a deed recorded in Liber 12089 of Deeds at Page 337 and running in favor of the above parcel over the following described premises for access, ingress and egress:

Commencing at a point on the southerly side of Glen Street 254.64 feet westerly of the northerly end of a curve connecting the westerly side of Tow Path Extension with the southerly side of Glen Street and running thence South 12° 10' 00" West 253.62 feet to the point of beginning;

Thence from said point of beginning South 12° 10' 00" West 30.54 feet to the northerly side of Glen Cove Arterial Highway;

Running thence along said northerly side of Glen Cove Arterial Highway the following courses and distances;

1. North  $72^{\circ} 15' 47''$  West 5.03 feet;
2. North  $58^{\circ} 21' 54''$  West 112.14 feet;
3. North  $50^{\circ} 46' 02''$  West 53.96 feet;
4. North  $52^{\circ} 19' 11''$  West 106.23 feet;
5. North  $23^{\circ} 18' 37''$  East 30.96 feet;
6. South  $52^{\circ} 19' 11''$  East 114.31 feet;
7. South  $50^{\circ} 46' 02''$  East 52.37 feet;
8. South  $58^{\circ} 21' 54''$  East 104.85 feet to the point or place of beginning.