

S&J 615 SOUTH REALTY, LLC

and

ARROW LINEN SUPPLY CO., INC.

and

TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY

PAYMENT-IN-LIEU-OF-TAX AGREEMENT

Town of Hempstead Industrial Development Agency
(S&J 615 South Realty, LLC/Arrow Linen Supply Co., Inc. 2013 Facility)

Dated as of December 1, 2013

Town of Hempstead, Uniondale Union Free School District, Nassau County

Section: 44
Block: 77
Lots: 39, 40, 41, 42 & 43

PAYMENT-IN-LIEU-OF-TAX AGREEMENT

THIS PAYMENT-IN-LIEU-OF-TAX AGREEMENT, dated as of December 1, 2013 (this "**PILOT Agreement**"), is by and among S&J 615 SOUTH REALTY, LLC, a limited liability company duly organized and validly existing under the laws of the State of New York, having an office at 615 South Street, Garden City, New York 11530 (the "**Company**"), ARROW LINEN SUPPLY CO., INC., a business corporation organized and existing under the laws of the State of New York, having an office at 467 Prospect Avenue, Brooklyn, New York 11215 (the "**Sublessee**") and the TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY, a public benefit corporation of the State of New York, having its office at 350 Front Street, 2nd Floor, Hempstead, New York 11550 (the "**Agency**").

WITNESSETH:

WHEREAS, the Agency was created by Chapter 529 of the Laws of 1971 of the State of New York, as amended, pursuant to Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended (collectively, the "**Act**"); and

WHEREAS, the Agency has agreed to acquire a leasehold interest in and to certain real property consisting of (a) the acquisition of an approximately 3.2 acre parcel of land located at 615 South Street, Town of Hempstead, Garden City, Nassau County, New York (the "**Land**"), the renovation and equipping thereon of an existing building totaling approximately 72,000 square feet together with improvements, structures and other related facilities (i) attached to the Land, and (ii) not part of the Equipment (the "**Improvements**") and the acquisition and installation of certain equipment not part of the Equipment (as such term is defined in Exhibit A to the Equipment Lease Agreement, dated as of December 1, 2013 (the "**Equipment Lease Agreement**") between the Agency and the Sublessee) (the "**Facility Equipment**"); and, together with the Land and Improvements, the "**Company Facility**", all to be leased by the Agency to the Company, for further sublease by the Company to, and use by the Sublessee; and (b) the acquisition and installation of the Equipment (the "**Equipment**"), which Equipment is to be leased by the Agency to the Sublessee for use as an industrial facility for the processing and rental of textile and laundry services (the Company Facility and the Equipment collectively referred to herein as the "**Facility**"), and

WHEREAS, the Company has leased the Company Facility to the Agency pursuant to a Company Lease Agreement, dated as of December 1, 2013 (the "**Company Lease**"), by and between the Company, as lessor and the Agency, as lessee; and

WHEREAS, the Agency has subleased the Company Facility to the Company pursuant to a Lease Agreement, dated as of December 1, 2013 (the "**Lease Agreement**"), by and between the Agency, as sublessor, and the Company, as sublessee; and

WHEREAS, further, the Company has subleased the Company Facility to the Sublessee pursuant to a certain Sublease Agreement, dated as of December 3, 2013 (the "**Sublease Agreement**"), by and between the Company and the Sublessee; and

WHEREAS, the Agency and the Sublessee have entered into a certain Tenant Agency Compliance Agreement, dated as of December 1, 2013 (the "**Tenant Agency Compliance Agreement**") by and between the Agency and the Sublessee; and

WHEREAS, the Agency proposes to lease the Equipment to the Sublessee, and the Sublessee desires to rent the Equipment from the Agency, upon the terms and conditions set forth in the Equipment Lease Agreement; and

WHEREAS, the Agency, the Company and the Sublessee have entered into a Recapture Agreement, dated as of December 1, 2013 (the "**Recapture Agreement**"), pursuant to which the Agency has the right to recapture certain economic benefits and assistance granted to the Company and the Sublessee upon the terms and conditions set forth in the Recapture Agreement; and

WHEREAS, pursuant to Section 874(1) of the Act, the Agency is exempt from the payment of taxes and assessments imposed upon real property owned by it, other than special ad valorem levies, special assessments or Special District Taxes and service charges against real property located in the Town of Hempstead, New York (including any existing incorporated village or any village which may be incorporated after the date hereof, within which the Facility is or may be wholly or partially located) which are or may be imposed for special improvements or special district improvements; and

WHEREAS, the Agency, the Company and the Sublessee deem it necessary and proper to enter into an agreement making provision for payments in lieu of taxes and such assessments by the Company and the Sublessee to the Town of Hempstead, any existing incorporated village or any village which may be incorporated after the date hereof, within which the Facility is or may be wholly or partially located, Uniondale Union Free School District, Nassau County and appropriate special districts (hereinafter the "**Taxing Authorities**") in which any part of the Facility is or is to be located.

NOW, THEREFORE, in consideration of the foregoing and in consideration of the covenants herein contained, it is mutually agreed as follows:

1. (a) As long as the Lease Agreement is in effect, the Company and the Sublessee, jointly and severally, agree to make payments in lieu of all real estate taxes and assessments (in addition to paying all special ad valorem levies, special assessments or Special District Taxes and service charges against real property located in the Town of Hempstead (including any existing incorporated village or any village which may be incorporated after the date hereof, within which the Facility is or may be wholly or partially located) which are or may be imposed for special improvements or special district improvements) which would be levied upon or with respect to the Facility if the Facility were owned by the Company and not by the Agency (the "**Taxes on the Facility**"). The amounts of such payments and method for calculation are set forth herein.

(b) After the effective date of this PILOT Agreement and until the provisions of paragraph 1(c) become effective, the Company and the Sublessee, jointly and severally, shall pay, as payments in lieu of taxes and assessments, one hundred percent

The Agency:

Town of Hempstead Industrial Development Agency
350 Front Street, 2nd Floor
Hempstead, New York 11550-4037
Attention: Executive Director and Chief Executive Officer

With a copy to:

Ryan, Brennan & Donnelly LLP
131 Tulip Avenue
Floral Park, New York 11001
Attention: John E. Ryan, Esq.

The Company:

S&J 615 South Realty, LLC
615 South Street
Garden City, New York 11530
Attention: John A. Magliocco, Jr., President

The Sublessee:

Arrow Linen Supply Co., Inc.
467 Prospect Avenue
Brooklyn, New York 11215
Attention: John A. Magliocco, Jr., President

With a copy to:

Farrell Fritz, P.C.
1320 RXR Plaza
Uniondale, New York 11556
Attention: Peter Curry, Esq.

Notice by mail shall be effective when delivered but if not yet delivered shall be deemed effective at 12:00 p.m. on the third business day after mailing.

9. Failure by the Agency in any instance to insist upon the strict performance of any one or more of the obligations of the Company and the Sublessee under this PILOT 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 or the Sublessee'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 or all of the Company's or the Sublessee's obligations hereunder. No waiver, amendment, release or modification of this PILOT Agreement shall be established by conduct, custom or course of dealing. Further, no payment by the Company or the Sublessee or receipt by the Agency of a lesser amount than or different manner from 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 checks or payments as made without prejudice to the right to recover the balance or pursue any other remedy in this PILOT Agreement or otherwise provided at law or in equity.

10. This PILOT Agreement shall become effective as of the first taxable status date of the Town of Hempstead after the date the Agency acquires a leasehold interest in the Facility. All taxes, assessments, special assessments, service charges, special ad valorem levies or similar tax equivalents due or to become due based upon prior taxable status dates shall be paid by the Company and the Sublessee when due. Upon termination of the Lease Agreement, this PILOT Agreement shall terminate.

11. Whenever the Company or the Sublessee fails to comply with any provision of this PILOT Agreement, the Agency may, but shall not be obligated to, take whatever action at law or in equity may appear necessary or desirable to collect the amount then in default or to enforce the performance and observance of the obligations, agreements and covenants of the Company and the Sublessee under this PILOT Agreement. The Agency agrees to notify the Company and the Sublessee in writing of any failure by the Company and the Sublessee to comply with any provision of this PILOT Agreement within thirty (30) business days after the Agency becomes aware of such failure and shall provide the Company and the Sublessee with the opportunity to cure such failure within thirty (30) days after receipt by the Company and the Sublessee of such notice.

12. This PILOT Agreement shall be governed by and construed in accordance with the internal laws of the State of New York.

13. The Company and the Sublessee agree to hold the Agency harmless from and against any liability arising from any default by the Company or the Sublessee in performing their respective obligations hereunder or any expense incurred under this PILOT Agreement, including any expenses of the Agency, including without limitation reasonable attorneys' fees.

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

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

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

17. The Agency, the Company and the Sublessee acknowledge and agree that the economic benefits granted hereunder by the Agency to the Company and the Sublessee have been granted to induce and enable the Company and the Sublessee to acquire, renovate and

equip the Facility in the Town of Hempstead, Nassau County, New York to provide services that, but for the Facility, would not otherwise be readily available to the residents of the Town of Hempstead, Nassau County, New York.

18. The failure or breach by the Company and the Sublessee to pay amounts due and owing under this PILOT Agreement for a period of fifteen (15) days following written notice or to promptly and fully perform any of its obligations hereunder for a period of thirty (30) days after notice (unless such failure is of a nature that cannot be cured within such time period, provided the Company is using diligent efforts to remedy same) shall constitute an Event of Default under this PILOT Agreement, whereupon the Agency may terminate this PILOT Agreement by written notice to the Company. Upon the occurrence and continuation of any Event of Default hereunder, this PILOT Agreement shall terminate and the Agency shall reconvey the Facility to the Company pursuant to Section 10.2(a)(iv) of the Lease Agreement and subject to the provisions of the Recapture Agreement.

19. The Company, the Sublessee and the Agency hereby agree that the obligations and liabilities of the Company and the Sublessee hereunder are the absolute and unconditional obligations and liabilities of the Company and the Sublessee and not the obligations and liabilities of any officer, director, shareholder or employee of the Company or the Sublessee, and that no officer, director, shareholder or employee of the Company and the Sublessee shall have any obligation or liability hereunder, except arising in connection with the gross negligence, recklessness, willful, misconduct or criminal activity of such officer, director or employee of the Company and the Sublessee.

20. This PILOT Agreement shall cover the real property located on Exhibit B attached hereto.


(Remainder of Page Intentionally Left Blank – Signature Page Follows)

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

S&J 615 SOUTH REALTY, LLC

By: 
Name: John A. Magliocco, Jr.
Title: Member

ARROW LINEN SUPPLY CO., INC.

By: 
Name: John A. Magliocco, Jr.
Title: President

**TOWN OF HEMPSTEAD INDUSTRIAL
DEVELOPMENT AGENCY**

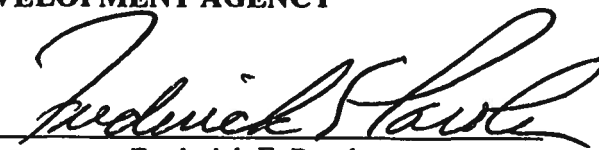
By: 
Name: Frederick E. Parola
Title: Executive Director and
Chief Executive Officer

EXHIBIT A

Schedule of In-Lieu-of-Taxes Payment less any amounts payable by the Company in connection with any special ad valorem levies, special assessments or Special District Taxes and service charges levied against the Facility to the Town of Hempstead, Uniondale Union Free School District and Appropriate Special Districts:

General Tax Year/School Tax Year	Total PILOT Payments
2015 General/2014-2015 School	\$235,600.00
2016 General/2015-2016 School	235,600.00
2017 General/2016-2017 School	235,600.00
2018 General/2017-2018 School	240,900.00
2019 General/2018-2019 School	247,000.00
2020 General/2019-2020 School	253,170.00
2021 General/2020-2021 School	260,132.00
2022 General/2021-2022 School	267,285.00
2023 General/2022-2023 School	275,305.00
2024 General/2023-2024 School	285,000.00

NOTE: This PILOT Agreement shall expire on December 31, 2024. All payments for the 2023-2024 School Tax Year and the 2024 General Tax Year must be paid in full prior to the expiration of this PILOT Agreement. The above calculation is for the total tax on the Land, existing Improvements and any proposed renovations to the Improvements. Full taxes will go into effect in 2025.

Exhibit A

Legal Description of Real Property

Stewart Title Insurance Company
SCHEDULE A – LOAN POLICY

AS TO TAX LOT 39

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

BEGINNING at a point which is the intersection of the present Northerly line of Long Island Motor Parkway with the dividing line between the property of Margaret A. Mascioli and the property of Nassau County;

RUNNING THENCE along said dividing line, North 4 degrees 35 minutes 24 seconds West, 500.00 feet to the Southerly line of Meadowbrook Parkway;

THENCE along the Southerly line of Meadowbrook Parkway, North 85 degrees 24 minutes 36 seconds - deed (44 seconds - actual) East, 82.30 feet to its intersection with the proposed line of acquisition;

THENCE along the proposed line of acquisition, South 6 degrees 05 minutes 39 seconds - deed (47 seconds - actual) West, 264.62 feet to an angle point;

THENCE still along the proposed line of acquisition, South 6 degrees 11 minutes 37 seconds - deed (29 seconds - actual) East, 240.06 feet to the present Northerly line of the Long Island Motor Parkway;

THENCE along the said Northerly line of the Long Island Motor Parkway, South 85 degrees 24 minutes 36 seconds West, 39.96 feet (40.00 feet survey) to the point or place of **BEGINNING**.

Stewart Title Insurance Company
SCHEDULE A – LOAN POLICY (CONT.)

AS TO TAX LOTS 40-43

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

BEGINNING at the corner formed by the intersection of the Northerly side of Commercial Avenue with the Easterly side of Commercial Avenue;

RUNNING THENCE Westerly along with the Northerly side of Commercial Avenue, South 85 degrees 24 minutes 36 seconds West, 100.04 feet to the Easterly lines of land reputed to be now or formerly of Long Island Rail Road;

THENCE along said lands, North 4 degrees 35 minutes 24 seconds East, 116.67 feet;

THENCE still Northerly along said lands and along the arc of a curve bearing to the right having a radius of 500 feet, a distance of 96.37 feet;

THENCE still along said land, North 6 degrees 27 minutes 10 seconds East, 132.39 feet;

THENCE still along said lands and along the arc of a curve bearing to the right having a radius of 500 feet - deed (499.77 feet - actual), a distance of 112.47 feet to a point on the Southwesterly side of Meadowbrook State Parkway extension;

THENCE along said parkway and along the arc of a curve bearing to the left having a radius of 2370 feet, a distance of 269.16 feet;

THENCE South 4 degrees 35 minutes 24 seconds East, 347.04 feet;

THENCE South 85 degrees 24 minutes 36 seconds West, 185 feet;

THENCE North 51 degrees 38 minutes 55 seconds West, 8.66 feet to a point on the Easterly side of Commercial Avenue;

THENCE along said Easterly side of Commercial Avenue, North 4 degrees 35 minutes 24 seconds West, 39.00 feet to a point on the Northerly side of Commercial Avenue to the point or place of **BEGINNING**.



ATTORNEYS AT LAW

NIXONPEABODY.COM
NIXONPEABODYLLP

1300 Clinton Square
Rochester, New York 14604

Elizabeth A. Wood, Paralegal
Direct Dial: (585) 263-1394
E-Mail: ewood@nixonpeabody.com

December 5, 2013

**VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

James Davis, Acting Assessor
Nassau County Department of Assessment
240 Old Country Road
Mineola, New York 11501-8402

RE: Town of Hempstead Industrial Development Agency
(S&J 615 South Realty, LLC/Arrow Linen Supply Co., Inc. 2013 Facility)

Dear Mr. Davis:

Enclosed please find a completed Form RP 412-a Application for Real Property Tax Exemption, together with a copy of the Payment-in-Lieu-of-Tax Agreement, in connection with the above-referenced transaction which closed on December 3, 2013.

Also enclosed are copies of the Company Lease Agreement and the Recapture Agreement, each dated as of December 1, 2013, a Memorandum of Company Lease and the Recapture Agreement have each been presented for recording in the Nassau County Clerk's office.

Please feel free to contact our office should you have any questions. Thank you.

Very truly yours,

Elizabeth A. Wood

Elizabeth A. Wood
Paralegal

Enclosures

cc: Attached Distribution List (w/encl.)

Distribution List

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

Hon. Edward P. Mangano
County Executive
Nassau County
1 West Street
Mineola, New York 11501

Hon. Kate Murray
Town Supervisor
Town of Hempstead
One Washington Street
Hempstead, New York 11550

Dr. William K. Lloyd
Superintendent of Schools
Uniondale School District
933 Goodrich Street
Uniondale, New York 11553

Thomas Albanese, Wholly Exempt Division Head
Department of Assessment
Nassau County
240 Old Country Road
Mineola, New York 11501-8402

Daniel Valentino, Esq.
Deputy County Attorney
Department of Assessment
Nassau County
240 Old Country Road
Mineola, New York 11501

VIA REGULAR MAIL

Frederick E. Parola
Executive Director and Chief Executive Officer
Town of Hempstead Industrial Development Agency
350 Front Street, 2nd Floor
Hempstead, New York 11550

John E. Ryan, Esq.
Ryan, Brennan & Donnelly LLP
131 Tulip Avenue
Floral Park, New York 11001

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
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For delivery information visit our website at www.usps.com

Postage	\$ 2.32
Certified Fee	3.60
Return Receipt Fee (Endorsement Required)	2.55
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 7.97

Postmark Here
DEC 5 2012

Sent To: James Davis, Acting Assessor
 Nassau County Department of Assessment
 240 Old Country Road
 Mineola, New York 11501-8402

PS Form 3800, August 2006 See Reverse for Instructions

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

Postage	\$ 2.32
Certified Fee	3.60
Return Receipt Fee (Endorsement Required)	2.55
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 7.97

Postmark Here
DEC 5 2012

Sent To: Hon. Edward P. Mangano
 County Executive
 Nassau County
 1 West Street
 Mineola, New York 11501

PS Form 3800, August 2006 See Reverse for Instructions

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

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Certified Fee	3.60
Return Receipt Fee (Endorsement Required)	2.55
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 7.97

Postmark Here
DEC 5 2012

Sent To: Hon. Kate Murray
 Town Supervisor
 Town of Hempstead
 One Washington Street
 Hempstead, New York 11550

PS Form 3800, August 2006 See Reverse for Instructions

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
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Certified Fee	3.60
Return Receipt Fee (Endorsement Required)	2.55
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 7.97

Postmark Here
DEC 5 2012

Sent To: Thomas Albanese, Wholly Exempt
 Division Head
 Department of Assessment
 Nassau County
 240 Old Country Road
 Mineola, New York 11501-8402

PS Form 3800, August 2006 See Reverse for Instructions

U.S. Postal Service™
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For delivery information visit our website at www.usps.com

Postage	\$ 2.32
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Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 7.97

Postmark Here
DEC 5 2012

Sent To: Daniel Valentino, Esq.
 Deputy County Attorney
 Department of Assessment
 Nassau County
 240 Old Country Road
 Mineola, New York 11501

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CERTIFIED MAIL™ RECEIPT
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Certified Fee	3.60
Return Receipt Fee (Endorsement Required)	2.55
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 7.97

Postmark Here
DEC 5 2012

Sent To: Dr. William K. Lloyd
 Superintendent of Schools
 Uniondale School District
 933 Goodrich Street
 Uniondale, New York 11553

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<p>■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p>	<p>A. Signature <input type="checkbox"/> Agent <input type="checkbox"/> Addressee X</p>
<p>1. Article Addressed to:</p> <p style="margin-left: 40px;">James Davis, Acting Assessor Nassau County Department of Assessment 240 Old Country Road Mineola, New York 11501-8402</p>	<p>B. Received by (Printed Name) C. Date of Delivery</p> <div style="border: 1px solid black; padding: 5px; text-align: center; margin: 5px 0;"> RECEIVED DEC 12 2013 DEPARTMENT OF ASSESSMENT COUNTY OF NASSAU </div>
<p>2. Article Number (Transfer from service label) 7013 1090 0000 0460 4047</p>	<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No If YES, enter delivery address below:</p>
<p>PS Form 3811, February 2004</p>	<p>3. Service Type <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise</p> <p><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> C.O.D. <input type="checkbox"/> Registered <input type="checkbox"/> <input type="checkbox"/> Insured Mail</p>
<p>Domestic Return Receipt</p>	<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<p>■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p>	<p>A. Signature <input type="checkbox"/> Agent <input type="checkbox"/> Addressee X</p>
<p>1. Article Addressed to:</p> <p style="margin-left: 40px;">Hon. Edward P. Mangano County Executive Nassau County 1 West Street Mineola, New York 11501</p>	<p>B. Received by (Printed Name) C. Date of Delivery</p> <div style="border: 1px solid black; padding: 5px; text-align: center; margin: 5px 0;"> RECEIVED 12/9/13 </div>
<p>2. Article Number (Transfer from service label) 7013 1090 0000 0460 3996</p>	<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No If YES, enter delivery address below:</p>
<p>PS Form 3811, February 2004</p>	<p>3. Service Type <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise</p> <p><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> C.O.D. <input type="checkbox"/> Registered <input type="checkbox"/> <input type="checkbox"/> Insured Mail</p>
<p>Domestic Return Receipt</p>	<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<p>■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p>	<p>A. Signature <input type="checkbox"/> Agent <input type="checkbox"/> Addressee X</p>
<p>1. Article Addressed to:</p> <p style="margin-left: 40px;">Hon. Kate Murray Town Supervisor Town of Hempstead One Washington Street Hempstead, New York 11550</p>	<p>B. Received by (Printed Name) C. Date of Delivery</p> <div style="border: 1px solid black; padding: 5px; text-align: center; margin: 5px 0;"> RECEIVED 12/9/13 </div>
<p>2. Article Number (Transfer from service label) 7013 1090 0000 0460 4009</p>	<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No If YES, enter delivery address below:</p>
<p>PS Form 3811, February 2004</p>	<p>3. Service Type <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise</p> <p><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> C.O.D. <input type="checkbox"/> Registered <input type="checkbox"/> <input type="checkbox"/> Insured Mail</p>
<p>Domestic Return Receipt</p>	<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> ■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. ■ Print your name and address on the reverse so that we can return the card to you. ■ Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature X <u>D. Vassan</u> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <u>D. Vassan</u> C. Date of Delivery <u>12/9/13</u></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>
<p>1. Article Addressed to:</p> <p style="text-align: center;">Dr. William K. Lloyd Superintendent of Schools Uniondale School District 933 Goodrich Street Uniondale, New York 11553</p>	<p>3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number (Transfer from service label) <u>7013 1090 0000 0460 4016</u></p>	
<p>PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540</p>	

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> ■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. ■ Print your name and address on the reverse so that we can return the card to you. ■ Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature X <u>[Signature]</u> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) C. Date of Delivery</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>
<p>1. Article Addressed to:</p> <p style="text-align: center;">Thomas Albanese, Wholly Exempt Division Head Department of Assessment Nassau County 240 Old Country Road Mineola, New York 11501-8402</p>	<p>3. Service Type <u>COUNTY OF NASSAU</u> <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number (Transfer from service label) <u>7013 1090 0000 0460 4023</u></p>	
<p>PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540</p>	

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> ■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. ■ Print your name and address on the reverse so that we can return the card to you. ■ Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature X <u>[Signature]</u> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) C. Date of Delivery</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>
<p>1. Article Addressed to:</p> <p style="text-align: center;">Daniël Valentino, Esq. Deputy County Attorney Department of Assessment Nassau County 240 Old Country Road Mineola, New York 11501</p>	<p>3. Service Type <u>COUNTY OF NASSAU</u> <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number (Transfer from service label) <u>7013 1090 0000 0460 4030</u></p>	
<p>PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540</p>	



NYS BOARD OF REAL PROPERTY SERVICES

RP-412-a (1/95)

INDUSTRIAL DEVELOPMENT AGENCIES
APPLICATION FOR REAL PROPERTY TAX EXEMPTION
(Real Property Tax Law, Section 412-a and General Municipal Law, Section 874)

1. INDUSTRIAL DEVELOPMENT AGENCY (IDA)

Name Town of Hempstead Industria Development Agency
Street 350 Front Street, 2nd Floor
City Hempstead
Telephone no. Day (516) 812-3122
Evening () _____
Contact Frederick E. Parola
Title Executive Director and Chief Executive Officer

2. OCCUPANT (IF OTHER THAN IDA)

(If more than one occupant attach separate listing)

S&J 615 South Realty, LLC
Name Arrow Linen Supply Co., Inc.
Street 615 South Street
City Garden City 11530
Telephone no. Day (718) 788-2000
Evening () _____
Contact John A. Magliocco, Jr.
Title President

3. DESCRIPTION OF PARCEL

- a. Assessment roll description (tax map no./roll year)
Section 44 Block 77 Lots 39, 40, 41, 42 and 43
- b. Street address 615 South Street
- c. City, Town or Village Garden City

d. School District Uniondale Union Free

e. County Nassau

f. Current assessment _____

g. Deed to IDA (date recorded; liber and page)

N/A - see 5f

4. GENERAL DESCRIPTION OF PROPERTY (if necessary, attach plans or specifications)

- a. Brief description (include property use)
renovation and equipping of an existing building together with improvements, structures and other related facilities area for use as an industrial facility for the processing and rental of textile and laundry services
- b. Type of construction unavailable
- c. Square footage app. 72,000 sq ft
- d. Total cost unavailable
- e. Date construction commenced unavailable
- f. Projected expiration of exemption (i.e. date when property is no longer possessed, controlled, supervised or under the jurisdiction of IDA)
12/31/2024

5. SUMMARIZE AGREEMENT (IF ANY) AND METHOD TO BE USED FOR PAYMENTS TO BE MADE TO MUNICIPALITY REGARDLESS OF STATUTORY EXEMPTION

(Attach copy of the agreement or extract of the terms relating to the project).

- a. Formula for payment see attached "PILOT Agreement"

- b. Projected expiration date of agreement 12/31/2024

c. Municipal corporations to which payments will be made

	Yes	No
County <u>Nassau</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Town/City <u>Garden City</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Village _____		
School District <u>Uniondale Union Free</u>	<input checked="" type="checkbox"/>	

d. Person or entity responsible for payment

Name John A. Magliocco, Jr.
 Title President
 Address 615 South Street
Garden City 11530

e. Is the IDA the owner of the property? Yes/No (circle one)

If "No" identify owner and explain IDA rights or interest

Telephone 718-788-2000

in an attached statement. The IDA has acquired a leasehold interest in the real property pursuant to a Company Lease Agreement (copy of agreement attached)

6. Is the property receiving or has the property ever received any other exemption from real property taxation? (check one) Yes ☒ No

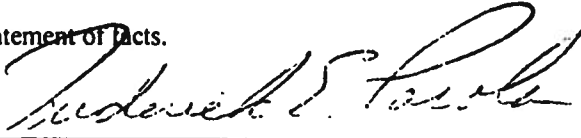
If yes, list the statutory exemption reference and assessment roll year on which granted:
 exemption _____ assessment roll year _____

7. A copy of this application, including all attachments, has been mailed or delivered on 12/05/2013 (date) to the chief executive official of each municipality within which the project is located as indicated in Item 3.

CERTIFICATION

I, Frederick E. Parola Executive Director and Chief Executive Officer of _____
 Name Title
Town of Hempstead Industrial Development Agency hereby certify that the information
 Organization
 on this application and accompanying papers constitutes a true statement of facts.

12/03/2013
 Date


 Signature

FOR USE BY ASSESSOR

1. Date application filed _____
2. Applicable taxable status date _____
- 3a. Agreement (or extract) date _____
- 3b. Projected exemption expiration (year) _____
4. Assessed valuation of parcel in first year of exemption \$ _____
5. Special assessments and special as valorem levies for which the parcel is liable:

 Date

 Assessor's signature

COMPANY LEASE AGREEMENT

between

S&J 615 SOUTH REALTY, LLC

and

TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY

Dated as of December 1, 2013

Town of Hempstead Industrial Development Agency
(S&J 615 South Realty, LLC/Arrow Linen Supply Co., Inc. 2013 Facility)

THIS COMPANY LEASE AGREEMENT, dated as of December 1, 2013 (this "Company Lease Agreement"), is between S&J 615 SOUTH REALTY, LLC, a limited liability company duly organized and validly existing under the laws of the State of New York, having an office at 615 South Street, Garden City, New York 11530 (the "Company") and the TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY, a public benefit corporation of the State of New York, having its office at 350 Front Street, 2nd Floor, Hempstead, New York 11550 (the "Agency").

RECITALS

WHEREAS, Title I of Article 18-A of the General Municipal Law of the State of New York was duly enacted into law as Chapter 1030 of the Laws of 1969 of the State of New York; and

WHEREAS, the aforesaid act authorizes the creation of industrial development agencies for the Public Purposes of the State of New York (the "State"); and

WHEREAS, pursuant to and in accordance with the provisions of the aforesaid act, as amended, and Chapter 529 of the Laws of 1971 of the State, as amended (collectively, the "Act"), the Agency was created and is empowered to undertake the acquisition, renovation, equipping and leasing of the Facility defined below; and

WHEREAS, the Facility shall consist of (a) the acquisition of an approximately 3.2 acre parcel of land located at 615 South Street, Town of Hempstead, Garden City, Nassau County, New York (the "Land"), the renovation and equipping thereon of an existing building totaling approximately 72,000 square feet together with improvements, structures and other related facilities (i) attached to the Land, and (ii) not part of the Equipment (the "Improvements") and the acquisition and installation of certain equipment not part of the Equipment (as such term is defined in Exhibit A to the Equipment Lease Agreement, dated as of December 1, 2013 (the "Equipment Lease") between the Agency and Arrow Linen Supply Co., Inc., a business corporation organized and existing under the laws of the State of New York (the "Sublessee")) (the "Facility Equipment"; and, together with the Land and Improvements, the "Company Facility"), all to be leased by the Agency to the Company, for further sublease by the Company to, and used by the Sublessee; and (b) the acquisition and installation of the Equipment (the "Equipment"), which Equipment is to be leased by the Agency to the Sublessee for use as an industrial facility for the processing and rental of textile and laundry services (the Company Facility and the Equipment collectively referred to herein as the "Facility"); and

WHEREAS, the Company has agreed to lease the Land and the Improvements to the Agency pursuant to this Company Lease Agreement; and

WHEREAS, the Agency has agreed to sublease the Land and the Improvements to the Company pursuant to a certain Lease Agreement, dated as of December 1, 2013 (the "Lease Agreement"), by and between the Agency, as lessor and the Company, as sublessee; and

WHEREAS, further, the Company has agreed to sublease the Company Facility to the Sublessee pursuant to a certain Sublease Agreement, dated as of December 3, 2013 (the "Sublease Agreement"), by and between the Company and the Sublessee; and

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, the parties mutually agree as follows:

The Company hereby leases the Company Facility (described in Exhibit A attached hereto) to the Agency for the annual rent of \$1.00 for a term commencing on the Closing Date and terminating at 11:59 p.m. on December 31, 2024 (the "Termination Date").

This Company Lease shall terminate on the earliest of (i) the Termination Date, (ii) the termination of the Lease Agreement pursuant to Article X or Article XI thereof; and (iii) any other termination of the Lease Agreement.

The Company agrees to keep, perform and observe, from and after the date hereof, all of the terms, covenants, conditions, obligations and other provisions contained in the Lease Agreement. The Company agrees further that it shall indemnify, defend and hold harmless the Agency from and against all liabilities, damages, claims, demands, judgments, losses, costs, expenses, suits, actions or proceedings and attorneys' fees arising out of or in connection with the Lease Agreement or this Company Lease and shall defend the Agency in any suit, action or proceeding, including appeals, for personal injury to, or death of, any person or persons, or for any loss of or damage to property of persons, or for other claims arising out of the acts or omissions of the Company or any of its members, officers, directors, agents or employees. The foregoing indemnitees shall include all expenses incurred by the Agency, including, without limitation, reasonable attorneys' fees to enforce this Company Lease, the Lease Agreement or any other document to which the Company and the Agency are parties, and with respect to third party claims.

The Agency, for itself and its successors and assigns, hereby agrees to lease the Company Facility from the Company on the terms and conditions contained herein.

The Company and the Agency acknowledge that the Agency will sublease the Company Facility to the Company pursuant to the Lease Agreement. The Company and the Agency agree that while this Company Lease and the Lease Agreement remain in full force and effect, (i) there shall be no merger of the Company's fee simple absolute estate in the Land and Improvements and the Company's subleasehold estate in the Land and Improvements created under the Lease Agreement; and (ii) the Agency shall continue to have, use and enjoy the leasehold estate in the Land and Improvements created under this Company Lease.

All notices, requests or consents provided for or permitted to be given under this Company Lease must be in writing and shall be effective (i) on actual receipt by the addressee if personally delivered (including delivery against a written receipt by an internationally recognized courier) to the addresses below, or (ii) on transmission (with written confirmation of receipt, whether from the transmitter's equipment or otherwise) to the addressee if transmitted by facsimile during normal business hours of the addressee on a

Business Day (or if transmitted outside of such hours, as of the opening of business of the addressee on the next Business Day):

To the Agency:

Town of Hempstead Industrial Development Agency
350 Front Street, 2nd Floor
Hempstead, New York 11550-4037
Attention: Executive Director and Chief Executive Officer

With a copy to:

Ryan, Brennan & Donnelly LLP
131 Tulip Avenue
Floral Park, New York 11001
Attention: John E. Ryan, Esq.

The Company:

S&J 615 South Realty, LLC
615 South Street
Garden City, New York 11530
Attention: John A. Magliocco, Jr., President

With a copy to:

Farrell Fritz, P.C.
1320 RXR Plaza
Uniondale, New York 11556
Attention: Peter Curry, Esq.

Either party may change the address, telephone number or fax number to which notices are to be directed by notice to the other party in the manner specified above.

If a party hereto determines in its reasonable discretion that any further instruments or other actions are necessary or desirable to carry out the terms of this Company Lease, the other party shall, at the Company's sole cost and expense, execute and deliver all such instruments and take all such actions, without additional consideration.

Capitalized terms used in this Company Lease and not otherwise defined in this Company Lease shall have the meanings assigned thereto in Schedule A to the Lease Agreement.

This Company 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.

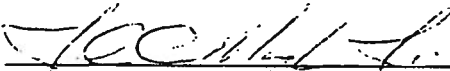
This Company Lease shall be governed exclusively by the applicable laws of the State of New York, without regard or reference to its conflict of laws principles.

This Company Lease and the conveyance made hereby shall be subject to the trust fund provisions of Section 13 of the Lien Law of the State.

(Remainder of Page Intentionally Left Blank – Signature Pages Follow)

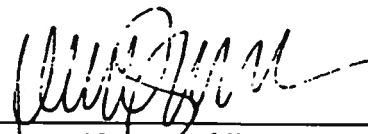
IN WITNESS WHEREOF, the parties hereto have executed this instrument as of the day and year first above written.

S&J 615 SOUTH REALTY, LLC

By: 
Name: John A. Magliocco, Jr.
Title: Member

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

On the 3rd day of December in the year 2013, before me, the undersigned, personally appeared **John A. Magliocco, Jr.**, 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 within instrument, the individual, or the person or entity on behalf of which the individual acted, executed the instrument.

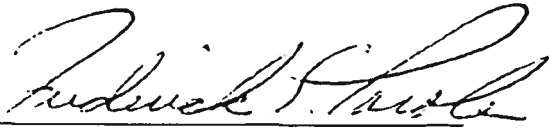


Notary Public

ELLEN JERI SCHULMAN
NOTARY PUBLIC STATE OF NEW YORK
NO. 01SC8049673
QUALIFIED IN NASSAU COUNTY
COMMISSION EXPIRES 9/18/17

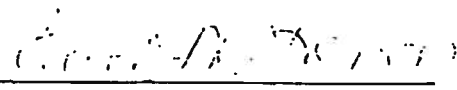
Company Lease Agreement
Signature Page 1 of 2

**TOWN OF HEMPSTEAD INDUSTRIAL
DEVELOPMENT AGENCY**

By: 
Name: Frederick E. Parola
Title: Executive Director and
Chief Executive officer

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

On the 3rd day of December in the year 2013, before me, the undersigned, personally appeared **Frederick E. Parola**, 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 within instrument, the individual, or the person or entity on behalf of which the individual acted, executed the instrument.


Notary Public

EDITH M. LONGO
Notary Public, State of New York
NJ 01: 65063512
Qualified in Nassau County
Commission Expires September 10, 2017

Company Lease Agreement
Signature Page 2 of 2

Exhibit A

Legal Description of Real Property

Stewart Title Insurance Company
SCHEDULE A - LOAN POLICY

AS TO TAX LOT 39

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

BEGINNING at a point which is the intersection of the present Northerly line of Long Island Motor Parkway with the dividing line between the property of Margaret A. Mascioli and the property of Nassau County;

RUNNING THENCE along said dividing line, North 4 degrees 35 minutes 24 seconds West, 500.00 feet to the Southerly line of Meadowbrook Parkway;

THENCE along the Southerly line of Meadowbrook Parkway, North 85 degrees 24 minutes 36 seconds - deed (44 seconds - actual) East, 82.30 feet to its intersection with the proposed line of acquisition;

THENCE along the proposed line of acquisition, South 6 degrees 05 minutes 39 seconds - deed (47 seconds - actual) West, 264.62 feet to an angle point;

THENCE still along the proposed line of acquisition, South 6 degrees 11 minutes 37 seconds - deed (29 seconds - actual) East, 240.06 feet to the present Northerly line of the Long Island Motor Parkway;

THENCE along the said Northerly line of the Long Island Motor Parkway, South 95 degrees 24 minutes 36 seconds West, 39.96 feet (40.00 feet survey) to the point or place of **BEGINNING**.

Stewart Title Insurance Company
SCHEDULE A - LOAN POLICY (CONT.)

AS TO TAX LOTS 40-43

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

BEGINNING at the corner formed by the intersection of the Northerly side of Commercial Avenue with the Easterly side of Commercial Avenue;

RUNNING THENCE Westerly along with the Northerly side of Commercial Avenue, South 85 degrees 24 minutes 36 seconds West, 100.04 feet to the Easterly lines of land reputed to be now or formerly of Long Island Rail Road;

THENCE along said lands, North 4 degrees 35 minutes 24 seconds East, 116.67 feet;

THENCE still Northerly along said lands and along the arc of a curve bearing to the right having a radius of 500 feet, a distance of 96.37 feet;

THENCE still along said land, North 6 degrees 27 minutes 10 seconds East, 132.39 feet;

THENCE still along said lands and along the arc of a curve bearing to the right having a radius of 500 feet - deed (499.77 feet - actual), a distance of 112.47 feet to a point on the Southwesterly side of Meadowbrook State Parkway extension;

THENCE along said parkway and along the arc of a curve bearing to the left having a radius of 2370 feet, a distance of 269.16 feet;

THENCE South 4 degrees 35 minutes 24 seconds East, 347.04 feet;

THENCE South 85 degrees 24 minutes 36 seconds West, 185 feet;

THENCE North 51 degrees 38 minutes 55 seconds West, 8.66 feet to a point on the Easterly side of Commercial Avenue;

THENCE along said Easterly side of Commercial Avenue, North 4 degrees 35 minutes 24 seconds West, 39.00 feet to a point on the Northerly side of Commercial Avenue to the point or place of BEGINNING.

S&J 615 SOUTH REALTY, LLC

and

ARROW LINEN SUPPLY CO., INC.

to

TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY
(TOWN OF HEMPSTEAD, NEW YORK)

RECAPTURE AGREEMENT

Dated as of December 1, 2013

Town of Hempstead Industrial Development Agency
(S&J 615 South Realty, LLC/Arrow Linen Supply Co., Inc. 2013 Facility)

Section. 44
Block: 77
Lots: 39, 40, 41, 42 & 43

Record and return to:
Nixon Peabody LLP
1300 Clinton Square
Rochester, New York 14604
Attention: William F. Weir, Esq.

RECAPTURE AGREEMENT

THIS RECAPTURE AGREEMENT, made and entered into as of December 1, 2013 (this "**Recapture Agreement**"), is from S&J 615 SOUTH REALTY, LLC, a limited liability company duly organized and validly existing under the laws of the State of New York, having an office at 615 South Street, Garden City, New York 11530 (the "**Company**") and ARROW LINEN SUPPLY CO., INC., a business corporation organized and existing under the laws of the State of New York, having an office at 467 Prospect Avenue, Brooklyn, New York 11215 (the "**Sublessee**") to the TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY, a public benefit corporation of the State of New York, having its office at 350 Front Street, 2nd Floor, Hempstead, New York 11550 (the "**Agency**").

W I T N E S S E T H :

WHEREAS, Title 1 of Article 18-A of the General Municipal Law of the State of New York was duly enacted into law as Chapter 1030 of the Laws of 1969 of the State of New York;

WHEREAS, the aforesaid act authorizes the creation of industrial development agencies for the Public Purposes of the State of New York (the "**State**");

WHEREAS, the aforesaid act further authorizes the creation of industrial development agencies for the benefit of the several counties, cities, villages and towns in the State and empowers such agencies, among other things, to acquire, reconstruct, renovate, refurbish, equip, lease, sell and dispose of land and any building or other improvement, and all real and personal property, including but not limited to, machinery and equipment deemed necessary in connection therewith, whether now in existence or under construction, which shall be suitable for manufacturing, warehousing, research, commercial, recreation or industrial facilities, in order to advance job opportunities, health, general prosperity and the economic welfare of the people of the State and to improve their standard of living;

WHEREAS, pursuant to and in accordance with the provisions of the aforesaid act and Chapter 529 of the Laws of 1971 of the State, as amended (collectively, the "**Act**"), the Agency was created and is empowered to undertake the providing, financing and leasing of the Facility defined below;

WHEREAS, the Agency has agreed to provide its assistance with a certain industrial development facility consisting of (a) the acquisition of an approximately 3.2 acre parcel of land located at 615 South Street, Town of Hempstead, Garden City, Nassau County, New York (the "**Land**"), the renovation and equipping thereon of an existing building totaling approximately 72,000 square feet together with improvements, structures and other related facilities (i) attached to the Land, and (ii) not part of the Equipment (the "**Improvements**") and the acquisition and installation of certain equipment not part of the Equipment (as such term is defined in Exhibit A to the Equipment Lease Agreement, dated as of December 1, 2013 (the "**Equipment Lease Agreement**") between the Agency and the Sublessee) (the "**Facility Equipment**"; and, together with the Land and Improvements, the "**Company Facility**"), all to be leased by the Agency to the Company, for further sublease by the

Company to, and use by the Sublessee; and (b) the acquisition and installation of the Equipment (the "**Equipment**"), which Equipment is to be leased by the Agency to the Sublessee for use as an industrial facility for the processing and rental of textile and laundry services (the Company Facility and the Equipment collectively referred to herein as the "**Facility**"); and

WHEREAS, the Company has leased the Company Facility to the Agency pursuant to a Company Lease Agreement, dated as of December 1, 2013 (the "**Company Lease**"), by and between the Company, as lessor and the Agency, as lessee; and

WHEREAS, the Agency has subleased the Company Facility to the Company pursuant to a Lease Agreement, dated as of December 1, 2013 (the "**Lease Agreement**"), by and between the Agency, as sublessor, and the Company, as sublessee; and

WHEREAS, further, the Company has subleased the Company Facility to the Sublessee pursuant to a certain Sublease Agreement, dated as of December 3, 2013 (the "**Sublease Agreement**"), by and between the Company and the Sublessee; and

WHEREAS, the Agency and the Sublessee have entered into a certain Tenant Agency Compliance Agreement, dated as of December 1, 2013 (the "**Tenant Agency Compliance Agreement**") by and between the Agency and Sublessee; and

WHEREAS, the Agency proposes to lease the Equipment to the Sublessee, and the Sublessee desires to rent the Equipment from the Agency, upon the terms and conditions set forth in the Equipment Lease Agreement; and

WHEREAS, in order to define the Company's and the Sublessee's obligations regarding payments-in-lieu-of taxes with respect to the Facility, the Agency, the Company and the Sublessee will enter into a Payment-in-Lieu-of-Tax Agreement, dated as of December 1, 2013 (the "**PILOT Agreement**"), by and among the Agency, the Company and the Sublessee;

WHEREAS, the Agency has conferred on the Company and the Sublessee in connection with the acquisition, renovation, equipping, financing and lease of the Facility certain benefits, tax exemptions and other financial assistance more particularly described in Section 1(c) hereof, consisting of, among other things, sales and use tax exemptions on the acquisition, renovation, rehabilitation and equipping of the Facility and real property tax abatements (pursuant to the PILOT Agreement), and mortgage recording tax exemptions; and

WHEREAS, the Agency requires, as a condition and as an inducement for it to enter into the transactions contemplated by the PILOT Agreement and the Lease Agreement, that the Company and the Sublessee provide assurances with respect to the recapture of benefits granted under the PILOT Agreement, the Lease Agreement and the other Agency agreements on the terms herein set forth.

AGREEMENT

1. Recapture of Agency Benefits (a) It is understood and agreed by the parties hereto that the Agency is entering into the PILOT Agreement and the Lease Agreement in order to provide financial assistance to the Company and the Sublessee for the Facility and to accomplish the public purposes of the Act. In consideration therefor, the Company and the Sublessee hereby agree as follows:

- (i) If there shall occur and be declared a Recapture Event on or after December 3, 2013, but on or before December 31, 2016, the Company and/or the Sublessee shall pay to the Agency, or to the State of New York, if so directed by the Agency (except as otherwise specified below) as a return of public benefits conferred by the Agency, one hundred percent (100%) of the Recaptured Benefits (as defined below);
- (ii) If there shall occur and be declared a Recapture Event on or after January 1, 2017 but on or before December 31, 2018, the Company and/or the Sublessee shall pay to the Agency, or to the State of New York, if so directed by the Agency (except as otherwise specified below) as a return of public benefits conferred by the Agency, seventy-five percent (75%) of the Recaptured Benefits;
- (iii) If there shall occur and be declared a Recapture Event on or after January 1, 2019 but on or before December 31, 2020, the Company and/or the Sublessees shall pay to the Agency, or to the State of New York, if so directed by the Agency (except as otherwise specified below) as a return of public benefits conferred by the Agency, fifty percent (50%) of the Recaptured Benefits;
- (iv) If there shall occur and be declared a Recapture Event on or after January 1, 2021 but on or before December 31, 2023, the Company and/or the Sublessees shall pay to the Agency, or to the State of New York, if so directed by the Agency (except as otherwise specified below) as a return of public benefits conferred by the Agency, twenty-five percent (25%) of the Recaptured Benefits; and
- (v) If there shall occur and be declared a Recapture Event after December 31, 2023, the Company and/or the Sublessees shall not be obligated to pay to the Agency, or to the State of New York, any of the Recaptured Benefits; and

(b) The term "Recaptured Benefits" shall mean all direct monetary benefits, tax exemptions and abatements and other financial assistance, if any, derived solely from the Agency's participation in the transaction contemplated by the PILOT Agreement, the Sales Tax Letter, dated December 3, 2013 delivered by the Agency to the Company and the Sublessee (the "Sales Tax Letter") and the Lease Agreement including, but not limited to, the amount equal to 100% of: any exemption from any applicable mortgage recording tax with respect to the Facility on mortgages granted by the Agency, sales or use tax exemptions

and real property tax abatements granted under the PILOT Agreement which amounts from time to time shall be payable directly to the Agency.

(c) The term "Recapture Event" shall mean any of the following events:

(1) A default by the Company and/or the Sublessee under the PILOT Agreement (other than as described in clause 8 below) which remains uncured beyond any applicable notice and/or grace period, if any, provided thereunder; or

(2) A default by the Company under the Lease Agreement (other than as described in clause 8 below) or the occurrence and continuation of an Event of Default under the Lease Agreement which remains uncured beyond any applicable notice and/or grace period, if any, provided thereunder; or

(3) The Facility shall cease to be a "project" within the meaning of the Act, as in effect on the Closing Date through the act or omission of the Company and/or the Sublessee.

(4) The sale (other than pursuant to an assignment of the Lease Agreement as approved by the Agency pursuant to Section 9.3 of the Lease Agreement) or closure of the Facility and/or departure of the Company and/or the Sublessee from the Town of Hempstead, except as due to casualty, condemnation or force majeure as provided below.

(5) Failure of the Company and/or the Sublessee to create or cause to be maintained the number of FTE jobs at the Facility as defined in Section 8.13 of the Lease Agreement, which failure is not reflective of the business conditions of the Company and/or the Sublessee or the subtenants of the Company, including without limitation loss of major sales, revenues, distribution or other adverse business developments and/or local, national or international economic conditions, trade issues or industry wide conditions. It is further provided that the Company may not actually provide the FTEs at the Facility, but rather shall sublease the Facility to the Sublessee, and that the Company's obligation with regard to creating or causing to be maintained FTEs includes (a) using all reasonable efforts to lease up the Facility, and (b) including provisions in all subleases requiring any subtenants to comply with the provisions of the Lease Agreement applicable to them. Notwithstanding anything to the contrary provided herein, it is further provided that the failure of the Sublessee to create or maintain the number of FTEs at the Facility will result in a Recapture Event.

(6) Any significant deviations from the information and data provided to the Agency in the Company's application for assistance which would constitute a significant diminution of the Company and/or the Sublessee activities in, or commitment to, the Town of Hempstead.

(7) Provided, however, except as provided in clause 1(c)(5) above, if a Recapture Event has occurred due solely to the failure of the Company and/or the Sublessee to create or cause to be maintained the number of FTEs at the Facility as provided in Section 8.13 to the Lease Agreement in any Tax Year but the Company and/or the Sublessee has created or caused to be maintained at least 80% of such required number of FTEs for such Tax Year, then in lieu of recovering the Recaptured Benefits provided above, the Agency

may, in its sole discretion, adjust the payments due under the PILOT Agreement on a pro rata basis so that the amount payable under the PILOT Agreement will be adjusted upward retroactively for such Tax Year by the same percentage as the percentage of FTEs that are below the required FTE level for such Tax Year. Such adjustments to payments due under the PILOT Agreement may be made each Tax Year, until such time as the Company and/or the Sublessee has complied with the required number of FTEs, pursuant to Exhibit A to the PILOT Agreement; or

(8) 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 taking or condemnation by governmental authority of all or part of the Facility, or (ii) the inability of the Company and/or the Sublessee after the Facility shall have been destroyed or damaged in whole or in part (such occurrence a "Loss Event") to rebuild, repair, restore or replace the Facility to substantially its condition prior to such Loss Event, which inability shall have arisen in good faith on the part of the Company and/or the Sublessees or any of their respective affiliates so long as the Company and/or the Sublessee or any of their respective affiliates have diligently and in good faith using commercially reasonable efforts pursued the rebuilding, repair, restoration or replacement of the Facility or part thereof.

(d) The Company and the Sublessee covenant and agree to furnish the Agency with written notification (i) within thirty (30) days of the end of each Tax Year the number of FTEs located at the Facility for such Tax Year, and (ii) within thirty (30) days of actual notice of any facts or circumstances which would materially likely lead to a Recapture Event or constitute a Recapture Event hereunder. The Agency shall notify the Company and the Sublessee within thirty (30) days of the occurrence of a Recapture Event hereunder, which notification shall set forth the terms of such Recapture Event.

(e) In the event any payment owing by the Company and/or the Sublessee under this Section shall not be paid on demand by the Agency, such payment shall bear interest from the date of such demand at a rate equal to one percent (1%) plus the Prime Rate, but in no event at a rate higher than the maximum lawful prevailing rate, until the Company and/or the Sublessee shall have made such payment in full, together with such accrued interest to the date of payment, to the Agency (except as otherwise specified above).

(f) The Agency shall be entitled to deduct all reasonable out of pocket expenses of the Agency, including without limitation, legal fees, incurred with the recovery of all amounts due under this Recapture Agreement, from amounts received by the Agency pursuant to this Recapture Agreement.

2. Obligations Unconditional.

(a) The obligations of the Company and the Sublessee under this Recapture Agreement shall be absolute and unconditional and shall remain in full force and effect until the PILOT Agreement and the Lease Agreement have expired or been terminated or the Lease Agreement has been assigned with the consent of the Agency, and such obligations shall not be affected, modified or impaired by any state of facts or the happening from time

to time of any event, whether or not with notice to or the consent of the Company or the Sublessee.

(b) It is hereby expressly agreed that the Company's obligations under this Recapture Agreement are not limited in any manner, and the Company shall be liable for the payment of all recapture amounts with respect to the entire Facility.

(c) It is hereby expressly agreed that the Sublessee's obligations under this Recapture Agreement are not limited in any manner, and the Sublessee shall be liable for the payment of all recapture amounts with respect to the entire Facility.

(d) The Company, the Sublessee and the Agency hereby agree that the obligations and liabilities of the Company and the Sublessees hereunder are the absolute and unconditional obligations and liabilities of the Company and the Sublessee and not the obligations and liabilities of any officer, director or employee of the Company or the Sublessee and that no officer, director or employee of the Company or the Sublessee shall have any obligation or liability hereunder, except arising in connection with the gross negligence, recklessness, willful, misconduct or criminal activity of such officer, director or employee of the Company and/or the Sublessee.

3. Condition to Reconveyance of Facility. The parties hereto agree that the Agency shall have no obligations to re-convey the Facility to the Company pursuant to the Lease Agreement until all payments to the Agency and the Town under Sections 5.3, 11.2 and 11.3 of the Lease Agreement, under the PILOT Agreement and hereunder have been paid in full. If such payments are not paid in full by the Company and/or the Sublessee within sixty (60) days of the date when due and owing, then the Agency shall offer the Facility for sale pursuant to the Agency's Real Property Disposition Policy adopted pursuant to the Public Authorities Accountability Act.

4. Recordation of Recapture Agreement. The parties hereto agree that this Recapture Agreement shall be recorded as a lien against the Facility and as a covenant and restriction running with the Land until this Recapture Agreement has been discharged by the Agency or the Facility re-conveyed to the Company.

5. Terms Defined. All of the capitalized terms used in this Recapture Agreement and not otherwise defined herein shall have the meanings assigned thereto in the Schedule of Definitions attached to the Lease Agreement as Schedule A.

6. Directly or Indirectly. Where any provision in this Recapture Agreement refers to action to be taken by any Person, or which such Person is prohibited from taking, such provision shall be applicable whether such action is taken directly or indirectly by such Person.

7. Survival. All warranties, representations, and covenants made by the Company and the Sublessees herein shall be deemed to have been relied upon by the Agency and shall survive the delivery of this Recapture Agreement to the Agency regardless of any investigation made by the Agency.

8. Binding Effect. This Recapture Agreement shall inure to the benefit of and be binding upon the successors and assigns of each of the parties.

9. Notices. All notices, certificates and other communications under this Recapture Agreement shall be in writing and shall be deemed given when delivered personally or when sent by certified mail, postage prepaid, return receipt requested, or by Federal Express, addressed as follows or to such other address as any party may specify in writing to the other:

To the Agency:

Town of Hempstead Industrial Development Agency
350 Front Street, 2nd Floor
Hempstead, New York 11550-4037
Attention: Executive Director and Chief Executive Officer

With a copy to:

Ryan, Brennan & Donnelly LLP
131 Tulip Avenue
Floral Park, New York 11001
Attention: John E. Ryan, Esq.

The Company:

S&J 615 South Realty, LLC
615 South Street
Garden City, New York 11530
Attention: John A. Magliocco, Jr., President

The Sublessee:

Arrow Linen Supply Co., Inc.
467 Prospect Avenue
Brooklyn, New York 11215
Attention: John A. Magliocco, Jr., President

With a copy to:

Farrell Fritz, P.C.
1320 RXR Plaza
Uniondale, New York 11556
Attention: Peter Curry, Esq.

A duplicate copy of each communication hereunder by the Company or the Agency shall be given to the Agency and the Lender, if any.

10. Entire Understanding: Counterparts. This Recapture Agreement constitutes the entire agreement and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof and may be executed

simultaneously in several counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

11. Amendments. No amendment, change, modification, alteration or termination of this Recapture Agreement shall be made except in writing upon the written consent of the Company, the Sublessee and the Agency.

12. Severability. The invalidity or unenforceability of any one or more phrases, sentences, clauses or sections in this Recapture Agreement or the application thereof shall not affect the validity or enforceability of the remaining portions of this Recapture Agreement or any part thereof.

13. Governing Law. This Recapture Agreement shall be governed by, and construed in accordance with, the laws of the State, without regard or reference to its conflict of laws principles.

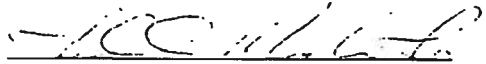
14. Section Headings. The headings of the several Sections in this Recapture Agreement have been prepared for convenience of reference only and shall not control, affect the meaning of or be taken as an interpretation of any provision of this Recapture Agreement.

15. Consent. Where the consent of the Agency is required, such consent shall not be unreasonably withheld, delayed or conditioned.


(Remainder of Page Intentionally Left Blank – Signature Pages Follow)

IN WITNESS WHEREOF, the Company and the Sublessee have caused this Recapture Agreement to be duly executed and delivered as of the day and year first above written.

S&J 615 SOUTH REALTY, LLC

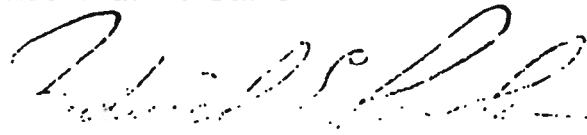
By: 
Name: John A. Maglioeco, Jr.
Title: Member

ARROW LINEN SUPPLY CO., INC.

By: 
Name: John A. Maglioeco, Jr.
Title: President

ACCEPTED:

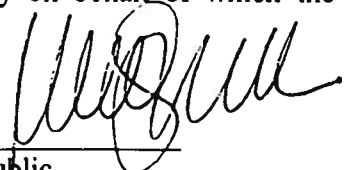
**TOWN OF HEMPSTEAD INDUSTRIAL
DEVELOPMENT AGENCY**

By: 
Name: Frederick E. Parola
Title: Executive Director and
Chief Executive Officer

Recapture Agreement
Signature Page 1 of 2

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

On the 3rd day of December in the year 2013, before me, the undersigned, personally appeared **John A. Magliocco, Jr.**, 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 within instrument, the individual, or the person or entity on behalf of which the individual acted, executed the instrument.



Notary Public

ELLEN JERI SCHULMAN
NOTARY PUBLIC STATE OF NEW YORK
NO. 01SC5049873
QUALIFIED IN NASSAU COUNTY
COMMISSION EXPIRES 9/18/17

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

On the 3rd day of December in the year 2013, before me, the undersigned, personally appeared **Frederick E. Parola**, 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 within instrument, the individual, or the person or entity on behalf of which the individual acted, executed the instrument.



Notary Public

MICHAEL LODATO
Notary Public, State of New York
01108206039
Qualified in Suffolk County
Commission Expires Aug. 2, 2011

Recapture Agreement
Signature page 2 of 2

Exhibit A

Legal Description of Real Property

Stewart Title Insurance Company
SCHEDULE A - LOAN POLICY

AS TO TAX LOT 39

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

BEGINNING at a point which is the intersection of the present Northerly line of Long Island Motor Parkway with the dividing line between the property of Margaret A. Mascioli and the property of Nassau County;

RUNNING THENCE along said dividing line, North 4 degrees 35 minutes 24 seconds West, 500.00 feet to the Southerly line of Meadowbrook Parkway;

THENCE along the Southerly line of Meadowbrook Parkway, North 85 degrees 24 minutes 36 seconds - deed (44 seconds - actual) East, 82.30 feet to its intersection with the proposed line of acquisition;

THENCE along the proposed line of acquisition, South 6 degrees 05 minutes 39 seconds - deed (47 seconds - actual) West, 264.62 feet to an angle point;

THENCE still along the proposed line of acquisition, South 6 degrees 11 minutes 37 seconds - deed (29 seconds - actual) East, 240.06 feet to the present Northerly line of the Long Island Motor Parkway;

THENCE along the said Northerly line of the Long Island Motor Parkway, South 85 degrees 24 minutes 36 seconds West, 30.06 feet (40.00 feet survey) to the point or place of BEGINNING.

Stewart Title Insurance Company
SCHEDULE A - LOAN POLICY (CONT.)

AS TO TAX LOTS 40-43

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

BEGINNING at the corner formed by the intersection of the Northerly side of Commercial Avenue with the Easterly side of Commercial Avenue;

RUNNING THENCE Westerly along with the Northerly side of Commercial Avenue, South 85 degrees 24 minutes 36 seconds West, 100.04 feet to the Easterly lines of land reputed to be now or formerly of Long Island Rail Road;

THENCE along said lands, North 4 degrees 35 minutes 24 seconds East, 116.67 feet;

THENCE still Northerly along said lands and along the arc of a curve bearing to the right having a radius of 500 feet, a distance of 96.37 feet;

THENCE still along said land, North 6 degrees 27 minutes 10 seconds East, 132.39 feet;

THENCE still along said lands and along the arc of a curve bearing to the right having a radius of 500 feet - deed (499.77 feet - actual), a distance of 112.47 feet to a point on the Southwesterly side of Meadowbrook State Parkway extension;

THENCE along said parkway and along the arc of a curve bearing to the left having a radius of 2370 feet, a distance of 269.16 feet;

THENCE South 4 degrees 35 minutes 24 seconds East, 347.04 feet;

THENCE South 85 degrees 24 minutes 36 seconds West, 185 feet;

THENCE North 51 degrees 38 minutes 55 seconds West, 8.66 feet to a point on the Easterly side of Commercial Avenue;

THENCE along said Easterly side of Commercial Avenue, North 4 degrees 35 minutes 24 seconds West, 39.00 feet to a point on the Northerly side of Commercial Avenue to the point or place of BEGINNING.