

FAIRFIELD EAST ROCKAWAY LLC

and

TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY

AMENDED AND RESTATED PAYMENT-IN-LIEU-OF-TAX AGREEMENT

Town of Hempstead Industrial Development Agency
(Fairfield East Rockaway LLC 2014 Facility)

Originally dated as of August 1, 2005

Amended and Restated as of March 19, 2014

Village of East Rockaway, Town of Hempstead, East Rockaway School District

Section: 42

Block: 70

Lot: 4A and 4B

AMENDED AND RESTATED PAYMENT-IN-LIEU-OF-TAX AGREEMENT

THIS AMENDED AND RESTATED PAYMENT-IN-LIEU-OF-TAX AGREEMENT, originally dated as of August 1, 2005 and amended and restated as of March 19, 2014 (this "**Amended and Restated PILOT Agreement**") is by and between FAIRFIELD EAST ROCKAWAY LLC, a limited liability company duly organized and validly existing under the laws of the State of New York, having an office at c/o Fairfield Properties, 538 Broadhollow Road, 3rd Floor, Melville, New York 11747 (the "**Company**"), and TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY, an industrial development agency and a public benefit corporation of the State of New York having its principal office at 350 Front Street, 2nd Floor, Hempstead, New York 11550-4037 (the "**Agency**").

W I T N E S S E T H:

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**");

WHEREAS, the Agency previously assisted Chait Properties, Inc., a New York business corporation (the "**Original Company**") in the acquisition of an approximately 1.116 acre parcel of land located at 60 Front Street, Village of East Rockaway, Town of Hempstead, Nassau County, New York, the demolition of an existing 40,000 square foot building located thereon and the construction and equipping of an approximately 60,000 square foot building of residential space located thereon comprising approximately forty-three (43) senior citizen apartments including HVAC units, plumbing and electrical fixtures and appliances together with one recreation room, used by the Original Company as a senior citizen residential facility (the "**Facility**");

WHEREAS the Agency leased the Facility to the Original Company pursuant to a certain Lease Agreement, dated as of August 1, 2005 (the "**Original Lease Agreement**"), by and between the Agency, as lessor, and the Original Company, as lessee, which was recorded in the Nassau county Clerk's Office on September 28, 2005 in Liber 12015, Page 834, and a memorandum of which Lease Agreement was recorded in the Nassau County Clerk's Office on September 28, 2005 in Liber 12015 of Deeds at Page 828;

WHEREAS, in connection with the leasing of the Facility, the Assignor and the Agency entered into (i) a certain Payment-In-Lieu-of-Tax Agreement, dated as of August 1, 2005 (the "**Original PILOT Agreement**"), whereby the Assignor agreed to make payments in lieu of taxes on the Facility, and (ii) a certain Environmental Compliance and Indemnification Agreement, dated as of August 1, 2005 (the "**Original Environmental Compliance and Indemnification Agreement**"), by and between the Agency and the Assignor, whereby, among other things, the Assignor agreed to comply with all Environmental Laws (as defined therein) applicable to the Facility;

WHEREAS, the Agency and the Original Company entered into a certain Amendment to Lease Agreement, dated September 24, 2008 (the "**Amendment to Lease**")

by and between the Agency and the Original Company, a memorandum of which was recorded in the Nassau County Clerk's Office on October 29, 2008 in Liber 12448, Page 476; and

WHEREAS, the Company has now requested the Agency's consent to the assignment by the Original Company of all of its rights, title, interest and obligations under the Original Lease Agreement and certain other agreements in connection with the Facility to the Company, and the assumption by the Company of all such rights, title, interest and obligations of the Original Company, and the release of the Original Company from any further liability with respect to the Facility under the Original Lease Agreement subject to certain requirements of the Agency;

WHEREAS, pursuant to a certain Assignment, Assumption and Release Agreement, dated as of March 19, 2014 (the "**Assignment, Assumption and Release Agreement**"), by and among the Agency, the Original Company and the Company, the Company will assume all of the right, title, interest, liability, duty and obligations of the Original Company with respect to the Facility, including but not limited to, all of the right, title, interest, liability, duty and obligations of the Original Company under the Original Lease Agreement, subject to the limitations outlined therein;

WHEREAS, the Original Lease Agreement shall be amended and restated pursuant to and in accordance a certain Amended and Restated Lease Agreement, dated as of March 19, 2014 (the "**Amended and Restated Lease Agreement**"); and together with the Original Lease Agreement, the "**Lease Agreement**") by and between the Agency and the Assignee;

WHEREAS, the Original PILOT Agreement shall be amended and restated pursuant to and in accordance with this Amended and Restated Payment-In-Lieu-of-Tax Agreement, (the Original PILOT Agreement and the Amended and Restated PILOT Agreement are collectively referred to herein as, the "**PILOT Agreement**") by and between the Agency and the Assignee;

WHEREAS, in connection with the foregoing, the Agency and the Assignee shall enter into a certain Recapture Agreement, dated as of March 19, 2014 (the "**Recapture Agreement**"), by and between the Agency and the Assignee in order to reflect the repayment obligations of the Assignee upon the occurrence of a Recapture Event (as defined therein);

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 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; and

WHEREAS, the Agency and the Company deem it necessary and proper to enter into an agreement making provision for payments in lieu of taxes and such assessments by the Company to the Village of East Rockaway, 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, Nassau County, East Rockaway School District 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 agrees to make payments in lieu of all real estate taxes and assessments (in addition to paying all special ad valorem levies, special assessments and service charges against real property located in the Village of East Rockaway, 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) Intentionally Omitted.

(c) Commencing with the second half 2013-2014 School Tax Year, the second half 2013-2014 Village Tax Year and the second half 2014 General Tax Year and the Company shall pay, as payments in lieu of taxes and assessments, the amounts set forth on Exhibit A attached hereto and made a part hereof. Notwithstanding anything to the contrary contained herein, the Company shall pay an amount equal to 100% of the taxes and assessments with respect to the Boat Docks.

(d) The Company shall pay, or cause to be paid, the amounts set forth in paragraphs 1(b) and (c) above, as applicable, after receipt of tax bills from the Agency or the Taxing Authorities, as the case may be. Failure to receive a tax bill shall not relieve the Company of its obligation to make all payments provided for hereunder. If, for any reason, the Company does not receive an appropriate tax bill, the Company shall have the responsibility and obligation to make all reasonable inquiries to the Taxing Authorities and to have such a bill issued, and thereafter to make payment of the same no later than the due dates provided herein. Payments shall be made directly to the Taxing Authorities. Payments made after the due date(s) as set forth in the applicable tax bills shall accrue interest (and penalties) at the rates applicable to late payments of taxes for the respective Taxing Authorities and as further provided in the General Municipal Law, including Section 874(5) thereof, which currently provides for an initial penalty of five percent (5%) of the amount due and an additional penalty of one percent (1%) per month on payments more than one month delinquent.

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

(f) In the event that any structural addition shall be made to the building or buildings included in the Facility subsequent to the Completion Date (as such term is defined in the Lease Agreement), or any additional building or improvement shall be constructed on the real property described on Exhibit D hereto (such structural additions, buildings and improvements being referred to hereinafter as “**Additional Facilities**”), the Company agrees to make additional payments in lieu of taxes to the Taxing Authorities in amounts equal to the product of the then current ad valorem tax rates which would be levied upon or with respect to the Additional Facilities by the Taxing Authorities if the Additional Facilities were owned by the Company and not the Agency times the assessment or assessments established for that tax year by the Town of Hempstead. All other provisions of this Agreement shall apply to this obligation for additional payments.

2. In the event that title to the Facility or any part thereof is transferred from the Agency to the Company at such time in reference to any taxable status date as to make it impossible to place such Facility or part thereof on the tax rolls of the Village of East Rockaway, Nassau County, the Town of Hempstead, East Rockaway School District, 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, or appropriate special districts, as the case may be, by such taxable status date, the Company hereby agrees to pay, at the first time taxes or assessments are due following the taxable status date on which such Facility or part thereof is placed on the tax rolls, an amount equal to the taxes or assessments which would have been levied on such Facility or part thereof had it been on the tax rolls from the time the Company took title until the date of the tax rolls following the taxable status date as of which such Facility or part thereof is placed on the tax rolls. There shall be deducted from such amount any amounts previously paid pursuant to this Agreement by the Agency or the Company to the respective Taxing Authorities relating to any period of time after the date of transfer of title to the Company. The provisions of this Paragraph 2 shall survive the termination or expiration of the Lease Agreement.

3. In the event the Facility or any part thereof is declared to be subject to taxation for taxes or assessments by an amendment to the Act or other legislative change or by a final judgment of a court of competent jurisdiction, the obligations of the Company hereunder shall, to such extent, be null and void.

4. In the event the Company shall enter into a subsequent Payment-in-Lieu-of-Tax agreement or agreements with respect to the Taxes on the Facility directly with any or all Taxing Authorities in the jurisdiction of which the Facility is located, the obligations of the Company hereunder, which are inconsistent with such future agreement or agreements, shall be superseded and shall, to such extent, be null and void.

5. As long as this Amended and Restated PILOT Agreement is in effect, the Agency and the Company agree that (i) the Company shall be deemed to be the owner of the Facility and of the Additional Facilities for purposes of instituting, and shall have the right to institute, judicial review of an assessment of the real estate with respect to the Facility and the Additional Facilities pursuant to the provisions of Article 7 of the Real Property Tax Law or any other applicable law, as the same may be amended from time to time, and (ii) the Agency shall request the Assessor of Nassau County, or any other assessor having

jurisdiction to assess the Facility, to take into consideration the value of surrounding properties of like character when assessing the Facility. Notwithstanding the foregoing, in the event that the assessment of the real estate with respect to the Facility and the Additional Facilities is reduced as a result of any such judicial review the amounts due and payable pursuant to Exhibit A hereof shall not be reduced and the Company shall not be entitled to any refund of amounts previously paid under this Amended and Restated PILOT Agreement. The Company hereby agrees that it will notify the Agency if the Company shall have requested a reassessment of the Facility or a reduction in the taxes on the Facility or shall have instituted any tax certiorari proceedings with respect to the Facility. The Company shall deliver to the Agency copies of all notices, correspondence, claims, actions and/or proceedings brought by or against the Company in connection with any reassessment of the Facility, reduction of taxes with respect to the Facility or tax certiorari proceedings with respect to the Facility.

6. The Company, in recognition of the benefits provided under the terms of this Amended and Restated PILOT Agreement, including, but not limited to, the formula for in-lieu-of-taxes payments set forth in Exhibit A hereto, and for as long as the Lease Agreement is in effect, expressly waives any rights it may have for any exemption under Section 485-b of the Real Property Tax Law or any other exemption under any other law or regulation (except, however, for the exemption provided by Title 1 of Article 18-A of the General Municipal Law) with respect to the Facility. The Company, however, reserves any such rights with respect to all special ad valorem levies, special assessments and service charges levied against the Facility as referred to in Paragraph 1(e) and the Additional Facilities as referred to in Paragraph 1(f) and with respect to the assessment and/or exemption of the Additional Facilities.

7. The Company recognizes and agrees that on a yearly basis the Agency shall have the right at its sole discretion to revise and adjust (both upwards and downwards) the formula for payment in lieu of taxes (the "Formula"), prospectively, to be paid by the Company pursuant to Exhibit A hereto:

(a) On an annual basis as verified in writing by the Company beginning on January 15, 2015 and on each January 15th thereafter for as long as the Lease Agreement is in effect, if the Company fails to meet its obligation to rent at least twenty percent (20%) of the apartments at the Facility to persons at fifty percent (50%) or less of the median family income in Nassau County ("Low Income Persons") but the Company has rented between fifteen percent (15%) and twenty percent (20%) of the apartments at the Facility to Low Income Persons then the Agency shall revise and increase the payments set forth on Exhibit A prospectively and the Company shall pay the amounts set forth on Exhibit B attached hereto and made a part hereof in lieu and in place of the amounts set forth on Exhibit A.

(b) On an annual basis as verified in writing by the Company beginning on January 15, 2015 and on each January 15th thereafter for as long as the Lease Agreement is in effect, if the Company fails to meet its obligation to rent at least twenty percent (20%) of the apartments at the Facility to Low Income Persons and if less than fifteen percent (15%) of the apartments at the Facility have been rented to

Low Income Persons then the Agency shall revise and increase the payments set forth on Exhibit A prospectively and the Company shall pay the amounts set forth on Exhibit C attached hereto and made a part hereof in lieu and in place of the amounts set forth on Exhibit A.

(c) On an annual basis as verified in writing by the Company beginning on January 15, 2015 and on each January 15th thereafter for as long as the Lease Agreement is in effect, if the Company fails to meet its obligation to rent at least twenty percent (20%) of the apartments at the Facility to Low Income Persons and if less than fifteen percent (15%) of the apartments at the Facility have been rented to Low Income Persons for two (2) consecutive years then an Event of Default will have occurred under this PILOT Agreement and under Section 10.1(a)(xiii) of the Lease Agreement and the Agency shall terminate this PILOT Agreement, the Lease Agreement and all other applicable documents and the Agency shall reconvey the Facility to the Company.

8. Except as otherwise provided herein, any notice required to be given under this Amended and Restated PILOT Agreement shall be deemed to have been duly given when delivered and, if delivered by mail, shall be sent by certified mail, postage prepaid, return receipt requested, addressed to the respective parties hereto at their respective addresses specified below or such other addresses as either 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

With a copy to:

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

To the Company:

Fairfield East Rockaway LLC
c/o Fairfield Properties
538 Broadhollow Road, 3rd Floor
Melville, New York 11747
Attention: Gary Broxmeyer or Michael Broxmeyer

With a copy to:

Moritt Hock Hamroff & Horowitz
400 Garden City Plaza
Garden City, New York 11530
Attention: Gary Hisiger, 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 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 Amended and Restated PILOT 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 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 Amended and Restated PILOT Agreement or otherwise provided at law or in equity.

10. This Amended and Restated PILOT Agreement shall become effective March 19, 2014. 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 when due. Upon termination of the Lease Agreement and reconveyance of title to the Facility to the Company, this Amended and Restated PILOT Agreement shall terminate.

11. Whenever the Company fails to comply with any provision of this Amended and Restated 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 under this Amended and Restated PILOT Agreement. The Agency agrees to notify the Company in writing of any failure by the Company to comply with any provision of this Agreement within thirty (30) business days after the Agency becomes aware of such failure and shall provide the Company with the opportunity to cure such failure within thirty (30) days after receipt by the Company of such notice.

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

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

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

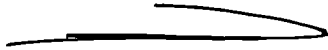
15. This Amended and Restated PILOT Agreement shall be binding upon and inure to the benefit of the parties, their respective successors, heirs, distributees and assigns.

16. If any provision of this Amended and Restated 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 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.

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

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

FAIRFIELD EAST ROCKAWAY LLC

By: 
Name: Gary Broxmeyer
Title: Manager

**TOWN OF HEMPSTEAD INDUSTRIAL
DEVELOPMENT AGENCY**

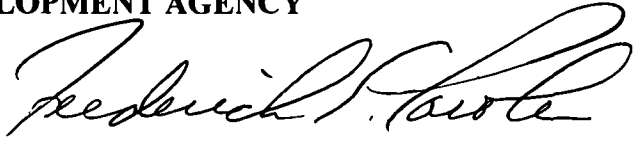
By: 
Name: Frederick E. Parola
Title: Executive Director

EXHIBIT A

Payments-in-Lieu-of-Taxes: Town of Hempstead, (including any existing incorporated village or any village which may be incorporated after the date hereof, within which the Facility is wholly or partially located), East Rockaway School District and Appropriate Special Districts if at least twenty percent (20%) of the apartments at the Facility are rented to Low Income Persons, as defined in Paragraph 7(a) hereof, per Tax Year

School Tax Year/Village Tax Year/General Tax Year	Total PILOT Payment
2013-2014 School/2013-2014 Village/ 2014 General	\$109,484.00
2014-2015 School/2014-2015 Village/ 2015 General	\$113,908.00
2015-2016 School/2015-2016 Village/ 2016 General	\$119,604.00
2016-2017 School/2016-2017 Village/ 2017 General	\$120,000.00
2017-2018 School/2017-2018 Village/ 2018 General	\$121,000.00
2018-2019 School/2018-2019 Village/ 2019 General	\$122,000.00
2019-2020 School/2019-2020 Village/ 2020 General	\$123,000.00
2020-2021 School/2020-2021 Village/ 2021 General	\$124,000.00
2021-2022 School/2021-2022 Village/ 2022 General	\$125,000.00
2022-2023 School/2022-2023 Village/ 2023 General	\$126,000.00

Notwithstanding anything to the contrary contained herein, the Company shall pay an amount equal to 100% of the taxes and assessments with respect to the Boat Docks, as defined in Paragraph 1(c) hereof.

- * Note: This PILOT Agreement shall end on December 31, 2023, and commencing on January 1, 2024 and continuing thereafter, the Company shall pay an amount equal to 100% of the taxes and assessments on the Facility.

EXHIBIT B

Payments-in-Lieu-of-Taxes: Town of Hempstead, (including any existing incorporated village or any village which may be incorporated after the date hereof, within which the Facility is wholly or partially located), East Rockaway School District and Appropriate Special Districts, if less than twenty percent (20%) but more than fifteen percent (15%) of the apartments at the Facility are rented to Low Income Persons, as defined in Paragraph 7(a) hereof, per Tax Year

School Tax Year/Village Tax Year/General Tax Year	Total PILOT Payment
2013-2014 School/2013-2014 Village /2014 General	\$136,930.35
2014-2015 School/2014-2015 Village /2015 General	\$150,623.38
2015-2016 School/2015-2016 Village /2016 General	\$165,685.71
2016-2017 School/2016-2017 Village/ 2017 General	\$169,000.00
2017-2018 School/2017-2018 Village/ 2018 General	\$172,380.00
2018-2019 School/2018-2019 Village/ 2019 General	\$175,828.00
2019-2020 School/2019-2020 Village/ 2020 General	\$179,784.00
2020-2021 School/2020-2021 Village/ 2021 General	\$183,823.00
2021-2022 School/2021-2022 Village/ 2022 General	\$187,959.00
2022-2023 School/2022-2023 Village/ 2023 General	\$192,658.00

Notwithstanding anything to the contrary contained herein, the Company shall pay an amount equal to 100% of the taxes and assessments with respect to the Boat Docks, as defined in Paragraph 1(c) hereof.

- * Note: This PILOT Agreement shall end on December 31, 2023, and commencing on January 1, 2024 and continuing thereafter, the Company shall pay an amount equal to 100% of the taxes and assessments on the Facility.

EXHIBIT C

Payments-in-Lieu-of-Taxes: Town of Hempstead, (including any existing incorporated village or any village which may be incorporated after the date hereof, within which the Facility is wholly or partially located), East Rockaway School District and Appropriate Special Districts, if less than fifteen percent (15%) of the apartments at the Facility are rented to Low Income Persons, as defined in Paragraph 7(a) hereof, per Tax Year

School Tax Year/Village Tax Year/General Tax Year	Total PILOT Payment
2013-2014 School/2013-2014 Village /2014 General	\$170,965.00
2014-2015 School/2014-2015 Village /2015 General	\$196,610.00
2015-2016 School/2015-2016 Village /2016 General	\$226,102.00
2016-2017 School/ 2016-2017 Village/ 2017 General	\$235,146.00
2017-2018 School/ 2017-2018 Village/ 2018 General	\$246,903.00
2018-2019 School/ 2018-2019 Village/ 2019 General	\$261,712.00
2019-2020 School/ 2019-2020 Village/ 2020 General	\$277,514.00
2020-2021 School/ 2020-2021 Village/ 2021 General	\$296,834.00
2021-2022 School/ 2021-2022 Village/ 2022 General	\$317,612.00
2022-2023 School/ 2022-2023 Village/ 2023 General	\$339,845.00

Notwithstanding anything to the contrary contained herein, the Company shall pay an amount equal to 100% of the taxes and assessments with respect to the Boat Docks, as defined in Paragraph 1(c) hereof.

- Note: This PILOT Agreement shall end on December 31, 2023, and commencing on January 1, 2024 and continuing thereafter, the Company shall pay an amount equal to 100% of the taxes and assessments on the Facility.

EXHIBIT D

Legal Description of Real Property

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

BEGINNING at a point on the Easterly side of Front Street 283.30 feet Southerly measured along said Easterly side of Front Street from a monument at the corner formed by the intersection of the Southerly side of Althouse Avenue with the Easterly side of Front Street and from said point of beginning.

RUNNING along land now or formerly of John Peter North 89 degrees 30 minutes East 125.00 feet;

THENCE still along said Peter's Lane North 0 degrees 30 minutes West 50 feet to land of the Town of Hempstead;

THENCE along the same South 80 degrees 07 minutes East 265.20 feet to East Rockaway Creek;

THENCE along the same and along the line of the dock the following seven courses and distances:

South 12 degrees 19 minutes 50 seconds West 48.67 feet;
South 52 degrees 09 minutes 52 seconds West 18.01 feet;
South 62 degrees 36 minutes 48 seconds West 19.72 feet;
South 70 degrees 42 minutes 58 seconds West 102.36 feet;
South 16 degrees 25 minutes 31 seconds East 18.8 feet;
South 63 degrees 25 minutes 32 seconds West 129.79 feet;
South 77 degrees 21 minutes 06 seconds West 137.89 feet;

THENCE along the same North 0 degrees 30 minutes West 202.20 feet to land of Peter at the point or place of BEGINNING.

FOR CONVEYANCING ONLY, IF INTENDED TO BE CONVEYED. TOGETHER WITH ALL RIGHTS, TITLE AND INTEREST OF, IN AND TO ANY STREETS AND ROADS ABUTTING THE ABOVE DESCRIBED PREMISES TO THE CENTER LINE THEREOF.



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

March 20, 2014

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

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

RE: Town of Hempstead Industrial Development Agency
(Fairfield East Rockaway, LLC 2014 Facility)

Dear Mr. Davis:

Enclosed please find a completed Form RP 412-a Application for Real Property Tax Exemption in connection with the above-referenced transaction. The Town of Hempstead Industrial Development Agency (the "**Agency**") has consented to a request by Chait Properties, Inc. ("**Original Company**"), for the assignment of the facility to Fairfield East Rockaway LLC ("**Successor Company**").

Also enclosed are copies of the following:

- (i) Amended and Restated Payment-in-Lieu-of-Tax Agreement (the "**Amended and Restated PILOT Agreement**"), which Amended and Restated PILOT Agreement permits the extension of the PILOT Benefits until December 31, 2023 and the term of the lease has also been extended to December 31, 2023;
- (ii) Recapture Agreement (the "**Recapture Agreement**"), and
- (iii) Assignment Assumption and Release Agreement, dated March 19, 2014 (the "**Assignment, Assumption and Release Agreement**"), by and among the Agency, the Original Company and the Successor Company,

all with respect to the above-referenced straight-lease transaction which originally closed on August 31, 2005, as assigned and assumed on March 19, 2014. A Memorandum of Amended and Restated Lease and the Recapture Agreement have each been presented for recording in the Nassau County Clerk's office.

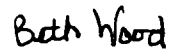
James E. Davis, Acting County Assessor
March 20, 2014
Page 2

Kindly adjust your records to reflect the current owner of the property located at 60 Front Street, Village of East Rockaway, New York (further described as Section 042.00, Block 70.00, Lot 4A and 4B), as follows:

Fairfield East Rockaway, LLC
538 Broadhollow Road, 3rd Floor
Melville, New York 11747
Attention: Gary Broxmeyer, Manager

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

Very truly yours,

A handwritten signature in black ink that reads "Beth 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

Mayor Francis T. Lenahan Jr.
Village of East Rockaway
376 Atlantic Avenue
PO Box 189
East Rockaway, New York 11518

Dr. Roseanne C. Melucci
Superintendent of Schools
East Rockaway UFSD
433 Ocean Avenue
East Rockaway, New York 11518

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

7008 1830 0001 7087 1647

U.S. Postal ServiceTM
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Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 8.45

Postmark Here: MAR 21 2014

Sent To: Mayor Francis L. Lenahan, Jr.
 Village of East Rockaway
 376 Atlantic Avenue
 PO Box 189
 East Rockaway, New York 11518

PS Form 3800, August 2006 See Reverse for Instructions

459T 2802 1000 08RT 9002

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Certified Fee	3.30
Return Receipt Fee (Endorsement Required)	2.70
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 8.45

Postmark Here: MAR 21 2014

Sent To: Dr. Roseanne Melucci
 Superintendent of Schools
 East Rockaway UFSD
 433 Ocean Avenue
 East Rockaway, New York 11518

PS Form 3800, August 2006 See Reverse for Instructions

7008 1830 0001 7087 1647

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Postmark Here: MAR 21 2014

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

459T 2802 1000 08RT 9002

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Return Receipt Fee (Endorsement Required)	2.70
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 8.45

Postmark Here: MAR 21 2014

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

PS Form 3800, August 2006 See Reverse for Instructions

7006 1830 0001 7007 1678

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Certified Fee	3.30
Return Receipt Fee (Endorsement Required)	2.70
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 8.45

Postmark
MAR 21 2014
METRO STATION

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

PS Form 3800, August 2006 See Reverse for Instructions

DEPT 2802 1000 DEPT 9002

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Return Receipt Fee (Endorsement Required)	2.70
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 8.45

Postmark
MAR 21 2014
METRO STATION

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

7006 1830 0001 7007 1678

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Return Receipt Fee (Endorsement Required)	2.70
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 8.45

Postmark
MAR 21 2014
METRO STATION

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

PS Form 3800, August 2006 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- 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.

1. Article Addressed to:

Mayor Francis Lenahan, Jr.
Village of East Rockaway
376 Atlantic Avenue
PO Box 189
East Rockaway, New York 11518

2. Article Number

(Transfer from service label)

7008 1830 0001 7087 1647

PS Form 3811, July 2013

Domestic Return Receipt

0420

70334/210

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

- ☐ Agent
☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

- D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

- ☒ Certified Mail® ☐ Priority Mail Express™
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ Collect on Delivery

4. Restricted Delivery? (Extra Fee)

☐ Yes

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
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1. Article Addressed to:

Dr. Roseanne Melucci
Superintendent of Schools
East Rockaway UFSD
433 Ocean Avenue
East Rockaway, New York 11518

2. Article Number

(Transfer from service)

7008 1830 0001 7087 1654

PS Form 3811, July 2013

Domestic Return Receipt

0420

70334/210

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

- ☐ Agent
☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

- D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3/24/14

3. Service Type

- ☒ Certified Mail® ☐ Priority Mail Express™
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ Collect on Delivery

4. Restricted Delivery? (Extra Fee)

☐ Yes

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
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Thomas Albanese
Wholly Exempt Division Head
Department of Assessment
Nassau County
240 Old Country Road
Mineola, New York 11501-8402

2. Article Number

(Transfer from service)

7008 1830 0001 7087 1661

PS Form 3811, July 2013

Domestic Return Receipt

0420

70334/210

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

- ☐ Agent
☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

- D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

MAR 24 2014

3. Service Type

- ☒ Certified Mail® ☐ Priority Mail Express™
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ Collect on Delivery

4. Restricted Delivery? (Extra Fee)

☐ Yes

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>1. Article Addressed to:</p> <p style="margin-left: 40px;">Hon. Edward Mangano County Executive Nassau County 1 West Street Mineola, New York 11501</p>	<p>A. Signature <input type="checkbox"/></p> <p style="text-align: center;"><i>[Signature]</i></p> <p>B. Received by (Printed Name) C. Date 3/2</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> If YES, enter delivery address below: <input type="checkbox"/></p> <p>3. Service Type</p> <p><input type="checkbox"/> Certified Mail® <input type="checkbox"/> Priority Mail Express</p> <p><input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for M</p> <p><input type="checkbox"/> Insured Mail <input type="checkbox"/> Collect on Delivery</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/></p>
<p>2. Article Number 7008 1830 0001 7087 1623</p> <p style="text-align: center;">(Transfer from service label)</p>	
<p>PS Form 3811, July 2013 0420 Domestic Return Receipt 70334/210</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>1. Article Addressed to:</p> <p style="margin-left: 40px;">Daniel Valentino, Esq. Deputy County Attorney Department of Assessment Nassau County 240 Old Country Road Mineola, New York 11501</p>	<p>A. Signature <input type="checkbox"/></p> <p style="text-align: center;">X</p> <p>B. Received by (Printed Name) C. Date</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> If YES, enter delivery address below: <input type="checkbox"/></p> <p style="text-align: center; font-size: 1.2em; margin-top: 20px;">RECEIVED</p> <p style="text-align: center; font-size: 1.2em; margin-top: 10px;">MAR 24 2014</p> <p style="text-align: center; font-size: 0.8em; margin-top: 10px;">DEPARTMENT OF ASSESSMENT COUNTY OF NASSAU</p> <p>3. Service Type</p> <p><input type="checkbox"/> Certified Mail® <input type="checkbox"/> Priority Mail Express</p> <p><input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for</p> <p><input type="checkbox"/> Insured Mail <input type="checkbox"/> Collect on Delivery</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/></p>
<p>2. Article Number 7008 1830 0001 7087 1678</p> <p style="text-align: center;">(Transfer from service label)</p>	
<p>PS Form 3811, July 2013 0420 Domestic Return Receipt 70334/211</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</p> <p>B. Received by (Printed Name) _____ C. _____</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> If YES, enter delivery address below:</p> <div style="border: 1px solid black; padding: 5px; text-align: center; margin: 10px 0;"> RECEIVED MAR 24 2014 DEPARTMENT OF ASSESSMENT COUNTY OF NASSAU </div> <p>3. Service Type <input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Priority Mail Express <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> Collect on Delivery </p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/></p>
<p>1. Article Addressed to:</p> <p>James E. Davis Acting County Assessor Nassau County Department Of Assessment 240 Old Country Road Mineola, New York 11501-8402</p>	
<p>2. Article Number (Transfer from service label) 7008 1830 0001 7087 1616</p>	
<p>PS Form 3811, July 2013 0420 Domestic Return Receipt 70334/210</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 TOWN OF HEMPSTEAD</p> <p>B. Received by (Printed Name) X 350 FRONT STREET E</p> <p>C. HEMPSTEAD, NY 11550</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> If YES, enter delivery address below:</p> <p>3. Service Type <input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Priority Mail Express <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> Collect on Delivery </p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/></p>
<p>1. Article Addressed to:</p> <p>Hon. Kate Murray Town Supervisor Town of Hempstead One Washington Street Hempstead, New York 11550</p>	
<p>2. Article Number (Transfer from service label) 7008 1830 0001 7087 1630</p>	
<p>PS Form 3811, July 2013 2211 Domestic Return Receipt</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)

Fairfield East Rockaway LLC
Name _____
Street c/o Fairfield Properties,
538 Broadhollow Road, 3rd Floor
City Melville 11747
Telephone no. Day (631) 499-6386
Evening () _____
Contact Gary Broxmeyer or Michael Broxmeyer
Title Each a Manager

3. DESCRIPTION OF PARCEL

a. Assessment roll description (tax map no./roll year)
Section 42 Block 70 Lot 4A and 4B

b. Street address 60 Front Street

c. City, Town or Village East Rockaway

d. School District East Rockaway

e. County Nassau

f. Current assessment _____

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

September 28, 2005 in the Office of the Clerk of
Nassau County in Liber 12015, Page 824.

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

a. Brief description (include property use)
renovation and equipping of residential space comprising approximately forty-three (43) senior citizen apartments including HVAC units, plumbing and electrical fixtures and appliances together with one recreation room, used as a senior citizen residential facility

b. Type of construction unavailable

c. Square footage app 60,000 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)
12/31/2023

**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 12/31/2023

c. Municipal corporations to which payments will be made

	Yes	No
County <u>Nassau</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Town/City _____	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Village <u>East Rockaway</u>		
School District <u>East Rockaway</u>	<input checked="" type="checkbox"/>	

d. Person or entity responsible for payment

Name Gary Broxmeyer or Michael Broxmeyer
 Title each, a Manager
c/o Fairfield Properties,
 Address 538 Broadhollow Road, 3rd Floor
Melville, 11747

e. Is the IDA the owner of the property? ☒ Yes/No (circle one)
 If "No" identify owner and explain IDA rights or interest in an attached statement.

Telephone 631-499-6386

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 _____

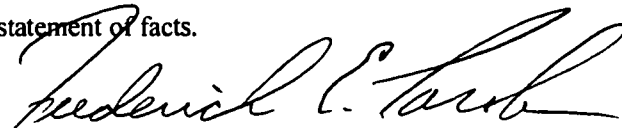
7. A copy of this application, including all attachments, has been mailed or delivered on 03/19/2014 (date) to the chief executive official of each municipality within which the project is located as indicated in Item 3.

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.

March 19, 2014

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 ad valorem levies for which the parcel is liable:

 Date

 Assessor's signature

FAIRFIELD EAST ROCKAWAY LLC

to

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

RECAPTURE AGREEMENT

Dated March 19, 2014

Town of Hempstead Industrial Development Agency
(Fairfield East Rockaway LLC 2014 Facility)

Section: 42
Block: 70
Lot: 4A and 4B

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 March 19, 2014 (this "**Recapture Agreement**"), is from FAIRFIELD EAST ROCKAWAY LLC, a limited liability company duly organized and validly existing under the laws of the State of New York, having an office at c/o Fairfield Properties, 538 Broadhollow Road, 3rd Floor, Melville, New York 11747 (the "**Company**"), to TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY, an industrial development agency and a public benefit corporation of the State of New York having its principal office at 350 Front Street, 2nd Floor, Hempstead, New York 11550-4037 (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 previously assisted Chait Properties, Inc., a New York business corporation (the "**Original Company**") in the acquisition of an approximately 1.116 acre parcel of land located at 60 Front Street, Village of East Rockaway, Town of Hempstead, Nassau County, New York, the demolition of an existing 40,000 square foot building located thereon and the construction and equipping of an approximately 60,000 square foot building of residential space located thereon comprising approximately forty-three (43) senior citizen apartments including HVAC units, plumbing and electrical fixtures and appliances together with one recreation room, used by the Original Company as a senior citizen residential facility (the "**Facility**");

WHEREAS the Agency leased the Facility to the Original Company pursuant to a certain Lease Agreement, dated as of August 1, 2005 (the "**Original Lease Agreement**"), by and between the Agency, as lessor, and the Original Company, as lessee, which was recorded in the Nassau county Clerk's Office on September 28, 2005 in Liber 12015, Page 834, and a memorandum of which Lease Agreement was recorded in the Nassau County Clerk's Office on September 28, 2005 in Liber 12015 of Deeds at Page 828;

WHEREAS, in connection with the leasing of the Facility, the Assignor and the Agency entered into (i) a certain Payment-In-Lieu-of-Tax Agreement, dated as of August 1, 2005 (the "**Original PILOT Agreement**"), whereby the Assignor agreed to make payments in lieu of taxes on the Facility, and (ii) a certain Environmental Compliance and Indemnification Agreement, dated as of August 1, 2005 (the "**Original Environmental Compliance and Indemnification Agreement**"), by and between the Agency and the Assignor, whereby, among other things, the Assignor agreed to comply with all Environmental Laws (as defined therein) applicable to the Facility;

WHEREAS, the Agency and the Original Company entered into a certain Amendment to Lease Agreement, dated September 24, 2008 (the "**Amendment to Lease**") by and between the Agency and the Original Company, a memorandum of which was recorded in the Nassau County Clerk's Office on October 29, 2008 in Liber 12448, Page 476; and

WHEREAS, the Company has now requested the Agency's consent to the assignment by the Original Company of all of its rights, title, interest and obligations under the Original Lease Agreement and certain other agreements in connection with the Facility to the Company, and the assumption by the Company of all such rights, title, interest and obligations of the Original Company, and the release of the Original Company from any further liability with respect to the Facility under the Original Lease Agreement subject to certain requirements of the Agency;

WHEREAS, pursuant to a certain Assignment, Assumption and Release Agreement, dated as of March 19, 2014 (the "**Assignment, Assumption and Release Agreement**"), by and among the Agency, the Original Company and the Company, the Company will assume all of the right, title, interest, liability, duty and obligations of the Original Company with respect to the Facility, including but not limited to, all of the right, title, interest, liability, duty and obligations of the Original Company under the Original Lease Agreement, subject to the limitations outlined therein;

WHEREAS, the Original Lease Agreement shall be amended and restated pursuant to and in accordance a certain Amended and Restated Lease Agreement, dated as of March 19, 2014 (the "**Amended and Restated Lease Agreement**"; and together with the Original Lease Agreement, the "**Lease Agreement**") by and between the Agency and the Assignee;

WHEREAS, the Original PILOT Agreement shall be amended and restated pursuant to and in accordance with a certain Amended and Restated Payment-In-Lieu-of-Tax Agreement, dated as of March 19, 2014 (the "**Amended and Restated PILOT Agreement**";

and together with the Original PILOT Agreement, the “PILOT Agreement”) by and between the Agency and the Assignee;

WHEREAS, the Agency has conferred on the Company 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 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 for the Facility and to accomplish the public purposes of the Act. In consideration therefor, the Company hereby agrees as follows:

- (i) If there shall occur and be declared a Recapture Event on or after March 19, 2014, but on or before December 31, 2015, the Company 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, 2016 but on or before December 31, 2017, the Company 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, 2018 but on or before December 31, 2019, the Company 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, 2020 but on or before December 31, 2021, the Company 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 on or after January 1, 2022, the Company 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, provided to the Company on and after the date hereof and derived solely from the Agency's participation in the transaction contemplated by the PILOT Agreement, the Sales Tax Letter, dated March 19, 2014 delivered by the Agency to the Company (the "**Sales Tax Letter**") and the Lease Agreement including, but not limited to, the amount equal to 100% of:

(i) any exemption from any applicable mortgage recording tax with respect to the Facility on mortgages granted by the Agency on the Facility at the request of the Company (the "**Mortgage Recording Tax Exemption**");

(ii) sales or use tax exemptions with respect to the Facility by reason of the Sales Tax Letter (the "**Sales Tax Benefits**"); and

(iii) real property tax abatements granted under the PILOT Agreement and received by the Company after the date hereof (the "**Real Property Tax Abatements**").

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

(1) A default by the Company 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.

(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 from the Town of Hempstead, except as due to casualty, condemnation or force majeure as provided below.

(5) Failure of the Company 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 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.

(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 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 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 has created or caused to be maintained at least 90% 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 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 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 or any of their respective affiliates so long as the Company 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 and so long as the Lender makes insurance proceeds available to the Company to repair, rebuild or restore; or

(9) Failure to comply with the Agency's Construction Wage Policy attached to the Lease Agreement; or

(10) The Company uses the Sales Tax Letter to make purchases exempt from sales and use tax on the acquisition, renovation and equipping of the Facility exceeding \$250,000, the amount authorized by the Agency; provided, however, that the foregoing shall constitute a Recapture Event with respect to the amount in excess of the approved Sales Tax Benefits only. It is further provided that failure to repay the amount in excess of the approved Sales Tax Benefits within thirty (30) days after the date such payment is due shall constitute a Recapture Event with respect to all Recapture Benefits.

(d) The Company covenants and agrees 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 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 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 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 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.

(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) The Company and the Agency hereby agree that the obligations and liabilities of the Company hereunder are the absolute and unconditional obligations and liabilities of the Company and not the obligations and liabilities of any officer, director or employee of the Company and that no officer, director or employee of the Company 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.

3. Condition to Reconveyance of Facility. The parties hereto agree that the Agency shall have no obligations to terminate and surrender its leasehold interest in the Facility to the Company pursuant to the Lease Agreement until all payments to the Agency and the Taxing Jurisdictions 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 within sixty (60) days of the date when due and owing, then the Agency shall offer its interest in 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 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.

To the Company:

Fairfield East Rockaway LLC
c/o Fairfield Properties
538 Broadhollow Road, 3rd Floor
Melville, New York 11747
Attention: Gary Broxmeyer or Michael Broxmeyer

With a copy to:

Moritt Hock Hamroff & Horowitz
400 Garden City Plaza
Garden City, New York 11530
Attention: Gary Hisiger, 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 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.

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


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

FAIRFIELD EAST ROCKAWAY LLC

By: 
Name: Gary Broxmeyer
Title: Manager

ACCEPTED:

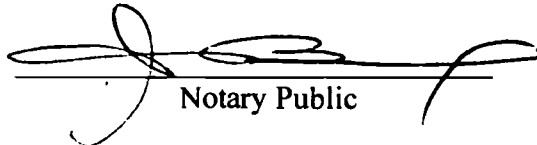
**TOWN OF HEMPSTEAD INDUSTRIAL
DEVELOPMENT AGENCY**

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 19th day of March in the year 2014, before me, the undersigned, personally appeared **Gary Broxmeyer**, 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

EVANGELIA BONIDOURAKIS
Notary Public - State of New York
No. 01BC6115404
Qualified in Queens County
Commission Expires 09/27/20**16**.

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

On the 19th day of March in the year 2014, 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

Recapture Agreement
Signature page 2 of 2

MICHAEL LODATO
Notary Public, State of New York
01LO6226099
Qualified in Suffolk County
Commission Expires Aug. 2, 20**14**

EXHIBIT A

Legal Description of Real Property

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

BEGINNING at a point on the Easterly side of Front Street 283.30 feet Southerly measured along said Easterly side of Front Street from a monument at the corner formed by the intersection of the Southerly side of Althouse Avenue with the Easterly side of Front Street and from said point of beginning.

RUNNING along land now or formerly of John Peter North 89 degrees 30 minutes East 125.00 feet;

THENCE still along said Peter's Lane North 0 degrees 30 minutes West 50 feet to land of the Town of Hempstead;

THENCE along the same South 80 degrees 07 minutes East 265.20 feet to East Rockaway Creek;

THENCE along the same and along the line of the dock the following seven courses and distances:

South 12 degrees 19 minutes 50 seconds West 48.67 feet;
South 52 degrees 09 minutes 52 seconds West 18.01 feet;
South 62 degrees 36 minutes 48 seconds West 19.72 feet;
South 70 degrees 42 minutes 58 seconds West 102.36 feet;
South 16 degrees 25 minutes 31 seconds East 18.8 feet;
South 63 degrees 25 minutes 32 seconds West 129.79 feet;
South 77 degrees 21 minutes 06 seconds West 137.89 feet;

THENCE along the same North 0 degrees 30 minutes West 202.20 feet to land of Peter at the point or place of BEGINNING.

FOR CONVEYANCING ONLY, IF INTENDED TO BE CONVEYED. TOGETHER WITH ALL RIGHTS, TITLE AND INTEREST OF, IN AND TO ANY STREETS AND ROADS ABUTTING THE ABOVE DESCRIBED PREMISES TO THE CENTER LINE THEREOF.

TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY

(TOWN OF HEMPSTEAD, NEW YORK)

and

CHAIT PROPERTIES, INC.

and

FAIRFIELD EAST ROCKAWAY LLC

ASSIGNMENT, ASSUMPTION AND RELEASE AGREEMENT

Dated as of March 19, 2014

Town of Hempstead Industrial Development Agency
(Fairfield East Rockaway LLC 2014 Facility)

ASSIGNMENT, ASSUMPTION AND RELEASE AGREEMENT

THIS ASSIGNMENT, ASSUMPTION AND RELEASE AGREEMENT, dated as of March 19, 2014 (this "**Assignment, Assumption and Release Agreement**"), is by and among 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**"), CHAIT PROPERTIES, INC., a business corporation duly organized and validly existing under the laws of the State of New York, having an office at 2856 Lindenmere Drive, Merrick, New York 11566 (the "**Assignor**" and, before the Effective Date, "**Company**") and FAIRFIELD EAST ROCKAWAY LLC, a limited liability company duly organized and validly existing under the laws of the State of New York, having an office at c/o Fairfield Properties, 538 Broadhollow Road, 3rd Floor, Melville, New York 11747 (the "**Assignee**" and, on or after the Effective Date "**Company**").

RECITALS

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 (the "**State**");

WHEREAS, the aforesaid act authorizes the creation of industrial development agencies for the Public Purposes of 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, civic, 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, as amended (collectively, the "**Act**"), the Agency was created and is empowered to undertake the providing of financing and leasing of the Facility defined below;

WHEREAS, the Agency previously assisted the Assignor in the acquisition of an approximately 1.116 acre parcel of land located at 60 Front Street, Village of East Rockaway, Town of Hempstead, Nassau County, New York, the demolition of an existing 40,000 square foot building located thereon and the construction and equipping of an approximately 60,000 square foot building of residential space located thereon comprising approximately forty-three (43) senior citizen apartments including HVAC units, plumbing and electrical fixtures and appliances together with one recreation room, used by the Assignor as a senior citizen residential facility (the "**Facility**"); and

WHEREAS the Agency leased the Facility to the Assignor pursuant to a certain Lease Agreement, dated as of August 1, 2005 (the "**Original Lease Agreement**"), by and between the Agency, as lessor, and the Original Company, as lessee, which was recorded in the Nassau county Clerk's Office on September 28, 2005 in Liber 12015, Page 834, and a memorandum of which Lease Agreement was recorded in the Nassau County Clerk's Office on September 28, 2005 in Liber 12015 of Deeds at Page 828; and

WHEREAS, in connection with the leasing of the Facility, the Assignor and the Agency entered into (i) a certain Payment-In-Lieu-of-Tax Agreement, dated as of August 1, 2005 (the "**Original PILOT Agreement**"), whereby the Assignor agreed to make payments in lieu of taxes on the Facility, and (ii) a certain Environmental Compliance and Indemnification Agreement, dated as of August 1, 2005 (the "**Original Environmental Compliance and Indemnification Agreement**"), by and between the Agency and the Assignor, whereby, among other things, the Assignor agreed to comply with all Environmental Laws (as defined therein) applicable to the Facility; and

WHEREAS, the Agency and the Assignor entered into a certain Amendment to Lease Agreement, dated September 24, 2008 (the "**Amendment to Lease**") by and between the Agency and the Assignor, a memorandum of which was recorded in the Nassau County Clerk's Office on October 29, 2008 in Liber 12448, Page 476; and

WHEREAS, the Assignee has requested the Agency's consent to the assignment by the Assignor of all of its rights, title, interest and obligations under the Original Lease Agreement, as amended, the Original PILOT Agreement, the Original Environmental Compliance and Indemnification Agreement, and certain other agreements in connection with the Facility to the Assignee, and the assumption by the Assignee of all such rights, title, interest and obligations of the Assignor, and the release of the Assignor from any further liability with respect to the Facility subject to certain requirements of the Agency; and

WHEREAS, pursuant to this Assignment, Assumption and Release Agreement the Assignee will assume all of the right, title, interest, liability, duty and obligations of the Assignor with respect to the Facility, including but not limited to, all of the right, title, interest, liability, duty and obligations of the Assignor under the Original Lease Agreement, as amended, subject to the limitations outlined herein; and

WHEREAS, the Original Lease Agreement shall be amended and restated pursuant to and in accordance with a certain Amended and Restated Lease Agreement, dated as of March 19, 2014 (the "**Amended and Restated Lease Agreement**"; and together with the Original Lease Agreement and the Amendment to Lease, the "**Lease Agreement**") by and between the Agency and the Assignee; and

WHEREAS, the Original PILOT Agreement shall be amended and restated pursuant to and in accordance with a certain Amended and Restated Payment-In-Lieu-of-Tax Agreement, dated as of March 19, 2014 (the "**Amended and Restated PILOT Agreement**"; and together with the Original PILOT Agreement, the "**PILOT Agreement**") by and between the Agency and the Assignee; and

WHEREAS, the Original Environmental Compliance and Indemnification Agreement shall be amended pursuant to and in accordance with a certain Amended and Restated Environmental Compliance and Indemnification Agreement, dated as of March 19, 2014 (the "**Amended and Restated Environmental Compliance and Indemnification Agreement**"; and together with the Original Environmental Compliance and Indemnification Agreement, the "**Environmental Compliance and Indemnification Agreement**"), by and between the Agency and the Assignee; and

WHEREAS, in connection with the foregoing, the Agency and the Assignee shall enter into a certain Recapture Agreement, dated as of March 19, 2014 (the "**Recapture Agreement**"), by and between the Agency and the Assignee in order to reflect the repayment obligations of the Assignee upon the occurrence of a Recapture Event (as defined therein); and

WHEREAS, subject to the Agency's consent, which consent is given pursuant to Section 2.2 hereof, the Assignee shall acquire the Assignor's leasehold estate and reversionary interest in the Facility, created pursuant to the Lease Agreement, and the Assignor shall assign to the Assignee all of the Assignor's rights, title, interest, duties, liabilities and obligations under the Lease Agreement, the PILOT Agreement and the Environmental Compliance and Indemnification Agreement, including, but not limited to, all of the right, title and interest of the Assignor with respect to the Facility and the Assignee shall assume all of the Assignor's rights, title, interest, duties, liabilities and obligations with respect to the Facility including, but not limited to, all of the right, title, interest, liability, duty and obligations of the Assignor under the Lease Agreement, the PILOT Agreement and the Environmental Compliance and Indemnification Agreement, subject to the limitations outlined herein.

AGREEMENT

For and in consideration of the premises and the mutual covenants hereinafter contained, the parties hereto do hereby mutually agree as follows:

ARTICLE I DEFINITIONS

All capitalized terms used in this Assignment, Assumption and Release Agreement and not otherwise defined herein shall have the meanings assigned thereto in the Schedule of Definitions attached to the Lease Agreement, as amended and assigned, as Schedule A.

ARTICLE II ASSIGNMENT AND ASSUMPTION

Section 2.1 Effective Date, Assignment and Assumption, Agency Certification, Consents.

- (a) As used herein, the "Effective Date" shall mean March 19, 2014.

(b) Upon the Effective Date, the Assignor hereby assigns to the Assignee all of its rights, title, interest, obligations, liabilities and duties (including its reversionary rights under the Lease Agreement) under the Lease Agreement, the PILOT Agreement and the Environmental Compliance and Indemnification Agreement, subject to the limitations outlined herein.

(c) Upon the Effective Date the Assignee hereby assumes all of the Assignor's rights, title, interest, obligations, liabilities and duties relating to the Facility arising on and after the Effective Date, including, but not limited to, all of its rights, title, interest, obligations, liabilities and duties under the Lease Agreement, the PILOT Agreement and the Environmental Compliance and Indemnification Agreement, subject to the limitations outlined herein.

Section 2.2 Consent by Agency. The Agency hereby consents to the assignment by the Assignor to the Assignee subject to Section 3.1(b) hereof and the assumption by the Assignee pursuant to the terms, conditions and limitations described herein.

Section 2.3 Certification of Agency. The Agency hereby certifies to Assignee that to the best of its knowledge, the Assignor is not in default under the Agency Documents, and that there are no unpaid but due sums by Assignor under the Agency Documents.

ARTICLE III RELEASE

Section 3.1 Release of the Assignor by the Agency.

(a) On and after the Effective Date but only upon receipt by the Agency of an opinion of counsel to the Assignee that this Assignment, Assumption and Release Agreement has been duly authorized, executed and delivered by the Assignee, the receipt of which opinion the Agency hereby confirms, the Agency hereby releases the Assignor from all of its obligations, liabilities and duties relating to the Facility, including, but not limited to, all of its rights, title interest, obligation, liabilities and duties under the Lease Agreement, the PILOT Agreement and the Environmental Compliance and Indemnification Agreement, except as stated below in paragraph (b) of this Section 3.1.

(b) Notwithstanding anything herein to the contrary, the Assignor is hereby not released from any obligations, liabilities or duties under the Lease Agreement, the PILOT Agreement and the Environmental Compliance and Indemnification Agreement arising prior to the Effective Date (the "**Prior Obligations**"), including, without limiting the generality of the foregoing, the obligations of the Assignor to indemnify and defend the Agency and to hold the Agency harmless under the Lease Agreement, the PILOT Agreement and the Environmental Compliance and Indemnification Agreement and irrespective of whether a particular cause of action in connection with such Prior Obligations was commenced or commences before or after such Effective Date.

ARTICLE IV INDEMNIFICATION

Section 4.1 Assignee's Indemnification of Agency. The Assignee shall and does indemnify the Agency against, and agrees to defend and hold the Agency harmless from, all liabilities, obligations, actions, suits, proceedings or claims and all costs and expenses (including, without limitation, reasonable attorneys' fees) incurred in connection with the Lease Agreement, the PILOT Agreement and the Environmental Compliance and Indemnification Agreement by the Assignee occurring or alleged to have occurred on or after the Effective Date.

Section 4.2 Assignor's Indemnification of Agency. The Assignor shall and does indemnify the Agency against, and agrees to defend and hold the Agency harmless from, all liabilities, obligations, actions, suits, proceedings or claims and all costs and expenses (including, without limitation, reasonable attorneys' fees) incurred in connection with the Lease Agreement, the PILOT Agreement and the Environmental Compliance and Indemnification Agreement by the Assignor occurring or alleged to have occurred prior to the Effective Date.

ARTICLE V MISCELLANEOUS

Section 5.1 Notices. All notices, certificates and other communications hereunder shall be in writing and shall be either delivered personally or sent by certified mail, postage prepaid, return receipt requested, addressed as follows or to such other address as any party may specify in writing to the others:

To the Agency:

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

To Assignor:

Chait Properties, Inc.
2856 Lindenmere Drive
Merrick, New York 11566
Attention: President

To the Assignee:

Fairfield East Rockaway LLC
c/o Fairfield Properties
538 Broadhollow Road, 3rd Floor
Melville, New York 11747
Attn: Gary Broxmeyer or Michael Broxmeyer

Section 5.2 Binding Effect This Assignment, Assumption and Release Agreement shall inure to the benefit of and shall be binding upon the parties and their respective successors and assigns.

Section 5.3 Severability. In the event any provision of this Assignment, Assumption and Release Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 5.4 Amendments, Changes and Modifications. This Assignment, Assumption and Release Agreement may not be amended, changed, modified, altered or terminated except in a writing executed by the parties hereto.

Section 5.5 Execution of Counterparts. This Assignment, Assumption and Release 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.

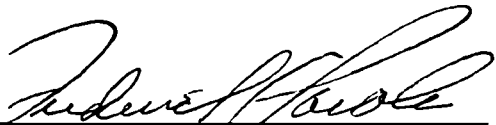
Section 5.6 Applicable Law. This Assignment, Assumption and Release Agreement shall be governed exclusively by the applicable laws of the State without regard or reference to its conflict of laws principles.

Section 5.7 Table of Contents and Section Headings Not Controlling. The Table of Contents and the headings of the several Sections in this Assignment, Assumption and Release Agreement have been prepared for convenience of reference only and shall not control or affect the meaning of or be taken as an interpretation of any provision of this Assignment, Assumption and Release Agreement.

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

IN WITNESS WHEREOF, the Agency, the Assignor and the Assignee have caused this Assignment, Assumption and Release Agreement to be executed in their respective names by their duly authorized representatives, all as of the date first written above.

**TOWN OF HEMPSTEAD INDUSTRIAL
DEVELOPMENT AGENCY**

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

CHAIT PROPERTIES, INC.

By: 
Name: David Chait
Title: President

FAIRFIELD EAST ROCKAWAY LLC

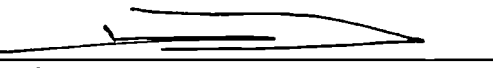
By: 
Name: Gary Broxmeyer
Title: Manager

EXHIBIT A

Legal Description of Real Property

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

BEGINNING at a point on the Easterly side of Front Street 283.30 feet Southerly measured along said Easterly side of Front Street from a monument at the corner formed by the intersection of the Southerly side of Althouse Avenue with the Easterly side of Front Street and from said point of beginning.

RUNNING along land now or formerly of John Peter North 89 degrees 30 minutes East 125.00 feet;

THENCE still along said Peter's Lane North 0 degrees 30 minutes West 50 feet to land of the Town of Hempstead;

THENCE along the same South 80 degrees 07 minutes East 265.20 feet to East Rockaway Creek;

THENCE along the same and along the line of the dock the following seven courses and distances:

South 12 degrees 19 minutes 50 seconds West 48.67 feet;
South 52 degrees 09 minutes 52 seconds West 18.01 feet;
South 62 degrees 36 minutes 48 seconds West 19.72 feet;
South 70 degrees 42 minutes 58 seconds West 102.36 feet;
South 16 degrees 25 minutes 31 seconds East 18.8 feet;
South 63 degrees 25 minutes 32 seconds West 129.79 feet;
South 77 degrees 21 minutes 06 seconds West 137.89 feet;

THENCE along the same North 0 degrees 30 minutes West 202.20 feet to land of Peter at the point or place of BEGINNING.

FOR CONVEYANCING ONLY, IF INTENDED TO BE CONVEYED. TOGETHER WITH ALL RIGHTS, TITLE AND INTEREST OF, IN AND TO ANY STREETS AND ROADS ABUTTING THE ABOVE DESCRIBED PREMISES TO THE CENTER LINE THEREOF.