

PARABIT REALTY, LLC

and

PARABIT SYSTEMS INC.

and

TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY

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

Town of Hempstead Industrial Development Agency
(Parabit Realty, LLC/Parabit Systems Inc. 2014 Facility)

Originally dated as of December 1, 2005

Amended and Restated as of September 1, 2014

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

Property Address: 33-35 Debevoise Avenue, Roosevelt, Town of Hempstead,
Nassau County, New York

Section: 55
Block: 415
Lots: 260 (Lot groups 260-261)

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

THIS AMENDED AND RESTATED PAYMENT-IN-LIEU-OF-TAX AGREEMENT, dated as of September 1, 2014 (this "**Amended and Restated PILOT Agreement**"), is by and among PARABIT REALTY, LLC, a limited liability company duly organized and validly existing under the laws of the State of New York, having an office 35 Debevoise Avenue, Roosevelt, New York 11575 (the "**Company**"), PARABIT SYSTEMS INC., a business corporation organized and existing under the laws of the State of New York, having an office at 35 Debevoise Avenue, Roosevelt, New York 11575 (the "**Sublessee**") and the TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY, a public benefit corporation of the State of New York, having its office at 350 Front Street, 2nd Floor, Hempstead, New York 11550 (the "**Agency**").

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**"); and

WHEREAS, the Agency has previously provided its assistance to the Company, consisting of the acquisition of an approximately 1.45 acre parcel of land located at 33-35 Debevoise Avenue, Roosevelt, Town of Hempstead, Nassau County, New York, and the renovation and equipping of an approximately 25,000 square foot existing building located thereon, and leased by the Agency to the Company, and subleased by the Company to, and used by the Sublessee for the manufacture and servicing of security, telecommunication, kiosks and enclosure equipment (the "**Original Facility**"); and

WHEREAS, the Agency acquired title to the Original Facility pursuant to a Bargain and Sale Deed, dated December 15, 2005 (the "**Deed**"), from the Company to the Agency, which such Deed was recorded in the Nassau County Clerk's office; and

WHEREAS, the Agency is currently leasing the Original Facility to the Company pursuant to a certain Lease Agreement, dated as of December 1, 2005 (the "**Original Lease Agreement**"), between the Agency, as lessor, and the Company, as lessee, and a memorandum of such Original Lease Agreement was recorded in the Nassau County Clerk's office; and

WHEREAS, the Company is currently subleasing the Original Facility to the Sublessee pursuant to a certain Sublease Agreement, dated December 15, 2005, as amended by an Amendment to Sublease dated as of September 16, 2014 (the "**Sublease Agreement**"), between the Company, as sublessor, and the Sublessee, as sublessee; and

WHEREAS, in connection with the leasing and the subleasing of the Original Facility, the Agency, the Company and the Sublessee entered into a Payment-in-Lieu-of-Tax Agreement, dated as of December 1, 2005 (the "**Original PILOT Agreement**"), whereby the Company and the Sublessee agreed to make certain payments-in-lieu-of real property taxes on the Original Facility; and

WHEREAS, the Agency previously consented to join with the Company in executing and delivering to The First National Bank of Long Island (the "**Lender**"), a certain Mortgage and Security Agreement, dated February 16, 2012, securing an aggregate principal amount of \$1,200,000 (the "**2012 Mortgage**"), from the Agency and the Company to the Lender; and

WHEREAS, in connection with the execution and delivery of the 2012 Mortgage and the 2012 Assignment of Leases, the Agency and the Company amended the Lease Agreement pursuant to a certain Amendment of Lease, dated as of February 1, 2012 (the "**Amendment to Lease Agreement**"); and

WHEREAS, the Agency has agreed to assist in (a) the acquisition, renovation, installation and equipping of the Original Facility (the "**2014 Facility**"; and together with the Original Facility, the "**Company Facility**") and (b) the acquisition and installation of the Equipment (the "**Equipment**"; and together with the Company Facility, the "**Facility**"), which Equipment is to be leased by the Agency to the Sublessee and which Facility is to be used by the Sublessee for the manufacture and servicing of security, telecommunication, kiosks and enclosure equipment; and

WHEREAS, the Company will convey or cause to be conveyed an interest in the 2014 Facility to the Agency pursuant to a Bill of Sale, dated the Closing Date (the "**2014 Bill of Sale**"), from the Company to the Agency; and

WHEREAS, the Agency has agreed to continue to lease the Company Facility to the Company pursuant to a certain Amended and Restated Lease Agreement, dated as of September 1, 2014 (the "**Amended and Restated Lease Agreement**"; and together with the Original Lease Agreement and the Amendment to Lease Agreement, the "**Lease Agreement**"); and

WHEREAS, the Sublessee has agreed to transfer title to the Equipment to the Agency pursuant to an Equipment Bill of Sale, dated the Closing Date (the "**Equipment Bill of Sale**"); and

WHEREAS, the Agency has agreed to lease the Equipment to the Sublessee pursuant to the terms of a certain Equipment Lease Agreement, dated as of September 1, 2014 (the "**Equipment Lease Agreement**"), by and between the Agency and the Sublessee; and

WHEREAS, the Agency has consented to an extension of payments-in-lieu-of-taxes benefits presently provided under the Original PILOT Agreement; and

WHEREAS, the Agency proposes to provide financial assistance to the Company and the Sublessee in the form of the modification and extension of current abatements of real property taxes on the Facility, in accordance with this Amended and Restated Payment-in-Lieu-of-Tax Agreement (together with the Original PILOT Agreement, the "**PILOT Agreement**"), to be entered into by and among the Company, the Sublessee and the Agency, which extension shall be for an additional period of seven (7) years, consistent with the policies of the Agency;

WHEREAS, the Agency, the Company and the Sublessee have agreed to enter into a Recapture Agreement, dated as of September 1, 2014 (the "**Recapture Agreement**"), pursuant to which the Agency has the right to recapture certain economic benefits and assistance granted to the Company and the Sublessee upon the terms and conditions set forth in the Recapture Agreement; and

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

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

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

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

(b) After the effective date of this PILOT Agreement and until the provisions of paragraph 1(c) become effective, the Company and the Sublessee, jointly and severally, shall pay, as payments in lieu of taxes and assessments, one hundred percent (100%) of the taxes and assessments that would be levied upon the Facility by the respective Taxing Authorities.

(c) Commencing with the 2006/2007 School Tax Year and the 2007 General Tax Year, the Company and the Sublessee have paid and shall continue to pay, as payments in lieu of taxes and assessments, the amounts set forth on Exhibit A attached hereto and made a part hereof, less any amounts payable by the Company and the Sublessee in

connection with any special ad valorem levies, special assessments, or Special District Taxes and service charges levied against the Facility.

(d) The Company and the Sublessee, jointly and severally, shall pay, or cause to be paid, the amounts set forth in paragraphs 1(a), (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 and the Sublessee of their respective obligations to make all payments provided for hereunder. If, for any reason, the Company and the Sublessee do not receive an appropriate tax bill, the Company and the Sublessee 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 in the applicable tax bill. 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 PILOT Agreement, the Company and the Sublessee 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 that increases the footprint or height of the Facility or increases the assessed value of the Facility 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 B hereto (such structural additions, buildings and improvements being referred to hereinafter as “**Additional Facilities**”), the Company and the Sublessee agree 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 subject to a lease to the Agency times the assessment or assessments established for that tax year by the respective Taxing Authorities having appropriate assessing jurisdiction. All other provisions of this PILOT 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 Town of Hempstead, Roosevelt Union Free School District, Nassau County, 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 and the Sublessee jointly and severally, hereby agree 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 to the Facility 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 PILOT Agreement by the Agency or the Company or the Sublessee 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. Any rights the Company or the Sublessees may have against its respective designees are separate and apart from the terms of this paragraph 2.

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 and the Sublessee hereunder shall, to such extent, be null and void.

4. In the event the Company and the Sublessee 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 and the Sublessee 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 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, administrative or judicial review of an assessment of the real estate with respect to the Facility and of 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, at the request of the Company, 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 administrative or judicial review so that such complaining party would be entitled to receive a refund or refunds of taxes paid to the respective Taxing Authorities, if such complaining party were the owner of the Facility and the Additional Facilities, such complaining party shall not be entitled to receive a refund or refunds of the payments in lieu of taxes and assessments paid pursuant to this PILOT Agreement. In no event shall the Agency be required to remit to the Company, the Sublessee or any Taxing Authority any moneys otherwise due as a result of a reduction in the assessment of the Facility (or any part thereof) due to a certiorari review. If the Company and the Sublessee receive a reduction in assessment in the last year of the Lease Agreement after it has made its final payments in lieu of taxes, the Company and the Sublessee acknowledge that they shall look solely to the Taxing Authorities for repayment or for a credit against the first payment(s) of Taxes on the Facility which will be due after the Facility is returned to the tax rolls. The Company and the Sublessee hereby agree that they will notify the Agency if the Company or the Sublessee 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 and the Sublessee shall

deliver to the Agency copies of all notices, correspondence, claims, actions and/or proceedings brought by or against the Company or the Sublessee 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 and the Sublessee, in recognition of the benefits provided under the terms of this PILOT Agreement, including, but not limited to, the payments in lieu of taxes set forth in Exhibit A hereto, and for as long as the Lease Agreement is in effect, expressly waive any rights they 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 and the Sublessee, however, reserve any such rights with respect to 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 and the Sublessee recognize and agree that if at any time the Company and/or the Sublessee substantially change, modify or amend their respective proposed method of operations or fail to maintain at all times the number of FTEs at the Facility as required by Section 8.13 of the Lease Agreement so as to effect a Recapture Event in accordance with the provisions of the Recapture Agreement shall occur, then the Company and/or the Sublessees shall (i) pay to the Agency an amount equal to 100% of the Recaptured Benefits, as defined in the Recapture Agreement, due and owing under the Recapture Agreement, or (ii) if applicable, pay an increased PILOT payment in accordance with Section 1(d) of the Recapture Agreement. The Agency shall notify the Company and the Sublessee in writing of the occurrence and continuation of a Recapture Event under the Recapture Agreement and all amounts that are due and owing under the Recapture Agreement. The Company and/or the Sublessee shall remit such additional sums due to the Agency upon demand thereof.

8. Except as otherwise provided herein, any notice required to be given under this PILOT Agreement shall be deemed to have been duly given when delivered and shall be either delivered personally or sent by certified mail, return receipt requested, or delivered by any national overnight express delivery service (in each case, postage or delivery charges paid by the party giving such communication) addressed as follows or to such other address as any party may specify in writing to the other:

The Agency:

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

With a copy to:

Ryan, Brennan & Donnelly LLP
131 Tulip Avenue
Floral Park, New York 11001

Attention: John E. Ryan, Esq.

The Company:

Parabit Realty, LLC
35 Debevoise Avenue
Roosevelt, New York 11575
Attention: David Nation, Vice President

The Sublessee:

Parabit Systems Inc.
35 Debevoise Avenue
Roosevelt, New York 11575
Attention: Robert Leiponis, President and CEO

With a copy to:

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

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

9. Failure by the Agency in any instance to insist upon the strict performance of any one or more of the obligations of the Company and the Sublessee under this PILOT Agreement, or to exercise any election herein contained, shall in no manner be or be deemed to be a waiver by the Agency of any of the Company's or the Sublessee's defaults or breaches hereunder or of any of the rights and remedies of the Agency by reason of such defaults or breaches, or a waiver or relinquishment of any or all of the Company's or the Sublessee's obligations hereunder. No waiver, amendment, release or modification of this PILOT Agreement shall be established by conduct, custom or course of dealing. Further, no payment by the Company or the Sublessee or receipt by the Agency of a lesser amount than or different manner from the correct amount or manner of payment due hereunder shall be deemed to be other than a payment on account, nor shall any endorsement or statement on any check or any letter accompanying any check or payment be deemed to effect or evidence an accord and satisfaction, and the Agency may accept any checks or payments as made without prejudice to the right to recover the balance or pursue any other remedy in this PILOT Agreement or otherwise provided at law or in equity.

10. This Amended and Restated PILOT Agreement shall become effective immediately as of the date of execution hereof. All taxes, assessments, special assessments, service charges, special ad valorem levies or similar tax equivalents due or to become due based upon prior taxable status dates shall be paid by the Company and the Sublessee when due. Upon termination of the Lease Agreement and/or conveyance of title to the Company Facility to the Company, this PILOT Agreement shall terminate.

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

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

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

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

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

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

17. The Agency, the Company and the Sublessee acknowledge and agree that the economic benefits granted hereunder by the Agency to the Company and the Sublessee have been granted to induce and enable the Company and the Sublessee to acquire, renovate and equip the Facility in the Town of Hempstead, Nassau County, New York to provide services that, but for the Facility, would not otherwise be readily available to the residents of the Town of Hempstead, Nassau County, New York.

18. The failure or breach by the Company and the Sublessee to pay amounts due and owing under this PILOT Agreement for a period of thirty (30) days following written notice or to promptly and fully perform any of its obligations hereunder for a period of thirty (30) days after notice shall constitute an Event of Default under this PILOT Agreement, whereupon the Agency may terminate this PILOT Agreement by written notice to the Company. Upon the occurrence and continuation of any Event of Default hereunder, this PILOT Agreement shall terminate and the Agency shall reconvey the Facility to the

Company pursuant to Section 10.2(a)(ii) of the Lease Agreement and subject to the provisions of the Recapture Agreement.

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

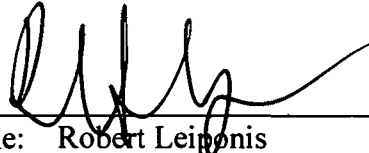
20. This PILOT Agreement shall cover the real property located on Exhibit B attached hereto.

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

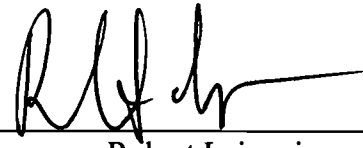
(Remainder of Page Intentionally Left Blank – Signature Page Follows)

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

PARABIT REALTY, LLC

By: 
Name: Robert Leiponis
Title: Chief Executive Manager

PARABIT SYSTEMS INC.

By: 
Name: Robert Leiponis
Title: President and CEO

**TOWN OF HEMPSTEAD INDUSTRIAL
DEVELOPMENT AGENCY**

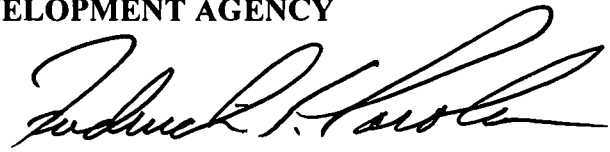
By: 
Name: Frederick E. Parola
Title: Executive Director and
Chief Executive Officer

EXHIBIT A

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

General Tax Year/Village Tax Year/School Tax Year	Total PILOT Payments
2006-2007 School/2007 General	\$53,363.00
2007-2008 School/2008 General	\$53,363.00
2008-2009 School/2009 General	\$53,363.00
2009-2010 School/2010 General	\$54,964.00
2010-2011 School/2011 General	\$56,613.00
2011-2012 School/2012 General	\$58,876.00
2012-2013 School/2013 General	\$61,231.00
2013-2014 School/2014 General	\$64,293.00
2014-2015 School/2015 General	\$67,508.00
2016 General/2015-2016 School	\$66,269.00
2017 General/2016-2017 School	\$68,417.00
2018 General/2017-2018 School	\$70,640.00
2019 General/2018-2019 School	\$72,935.00
2020 General/2019-2020 School	\$75,488.00
2021 General/2020-2021 School	\$78,319.00
2022 General/2021-2022 School	\$81,451.00
2023 General/2022-2023 School	\$84,709.00

NOTE: This PILOT Agreement shall expire on December 31, 2023. All payments for the 2022-2023 School Tax Year and the 2023 General Tax Year must be paid in full prior to the expiration of this PILOT Agreement. The above calculation is for the total tax on the Land, existing Improvements and any proposed renovations to the Improvements. Full taxes will go into effect in 2024.

EXHIBIT B

Legal Description of Real Property

Legal Description of Real Property

ALL that certain plot, piece or parcel of land situate lying and being in Roosevelt, Town of Hempstead, County of Nassau and State of New York, more particularly bounded and particularly bounded and described as follows:

BEGINNING at a point on the southerly side of Debevoise Avenue, distant 242.91 feet westerly from the corner formed by the intersection of the southerly side of Debevoise Avenue and the westerly side of Nassau Road, as same existed on 9/12/67;

RUNNING THENCE south 5 degrees 28 minutes east, 149.24 feet;

THENCE north 83 degrees 47 minutes east, 0.95 feet;

THENCE south 6 degrees 08 minutes 40 seconds east, 91.80 feet;

THENCE north 84 degrees 02 minutes east, 19.10 feet;

THENCE south 2 degrees 39 minutes 00 seconds West 66.59 feet;

THENCE north 86 degrees 49 minutes 00 seconds West 100.00 feet;

THENCE south 2 degrees 39 minutes 00 seconds west, 40 feet, said point being distant 100 feet northerly when measured along the same bearing from the northerly side of Centennial Avenue;

THENCE north 86 degrees 49 minutes west 114.10 feet;

THENCE north 3 degrees 11 minutes 00 seconds east 116.70 feet;

THENCE north 83 degrees 39 minutes 00 seconds west 9.12 feet;

THENCE north 5 degrees 28 minutes 00 seconds west 193.38 feet to the southerly side of Debevoise Avenue;

THENCE north 83 degrees 30 minutes east along the southerly side of Debevoise Avenue 197 feet to the point or place of BEGINNING.



NIXON PEABODY LLP
ATTORNEYS AT LAW

NIXONPEABODY.COM
@NIXONPEABODYLLP

James L. Smith
Paralegal
T 585-263-1146
F 855-861-4879
jlsmith@nixonpeabody.com

Nixon Peabody LLP
1300 Clinton Square
Rochester, NY 14604-1792
585-263-1000

September 19, 2014

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

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

RE: Town of Hempstead Industrial Development Agency
(Parabit Realty, LLC/Parabit Systems Inc. 2014 Facility)

Dear Mr. Davis:

Enclosed please find a completed Form RP 412-a Application for Real Property Tax Exemption, together with a copy of the Amended and Restated Payment-in-Lieu-of-Tax Agreement, in connection with the above-referenced transaction which closed on September 16, 2014.

Also enclosed is a copy of the Recapture Agreement, dated as of September 1, 2014. The Recapture Agreement has been presented for recording in the Nassau County Clerk's office.

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

Very truly yours,

James L. Smith
Paralegal

Enclosures

cc: Attached Distribution List (w/encl.)

Distribution List

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

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

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

Dr. Deborah Wortham
Superintendent of Schools
Roosevelt Union Free School District
240 Denton Place
Roosevelt, New York 11575

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

Daniel Valentino, Esq.
Counsel to the Assessor
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



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)

Parabit Realty, LLC
Name Parabit Systems Inc.
Street 35 Debevoise Avenue
City Roosevelt 11575
Telephone no. Day (516) 378-4800
Evening () _____
Contact Robert Leiponis
Title President and CEO

3. DESCRIPTION OF PARCEL

- a. Assessment roll description (tax map no./roll year)
Section 56.00 Block 283.00 Lot 163.00
- b. Street address 33-35 Debevoise Avenue
- c. City, Town or Village Roosevelt/Hempstead
- d. School District Roosevelt Union Free
- e. County Nassau
- f. Current assessment _____
- g. Deed to IDA (date recorded; liber and page)
N/A - see 5f

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

- a. Brief description (include property use)
renovation and equipping of an existing building together with improvements, structures and other related facilities area for the manufacture and servicing of security, telecommunication, kiosks and enclosure equipment
- b. Type of construction unavailable
- c. Square footage app. 25,000 sq ft
- d. Total cost app \$
- 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 "Amended and Restated 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 <u>Roosevelt</u>	<input type="checkbox"/>	<input type="checkbox"/>
Village _____	<input checked="" type="checkbox"/>	
School District <u>Roosevelt Union Free</u>	<input checked="" type="checkbox"/>	

d. Person or entity responsible for payment

Name Robert Leiponis
 Title President and CEO
 Address 35 Debevoise Avenue
Roosevelt 11575

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

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

Telephone 516-378-4800

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

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

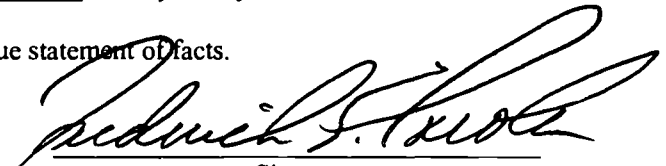
If yes, list the statutory exemption reference and assessment roll year on which granted:
 exemption _____ assessment roll year _____

7. A copy of this application, including all attachments, has been mailed or delivered on 09/19/2014 (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.

September 16, 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

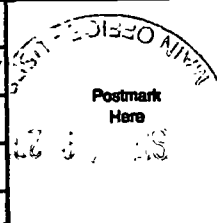
 Assessor's signature

7008 1830 0001 7087 2644

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Return Receipt Fee (Endorsement Required)	2.70	
Restricted Delivery Fee (Endorsement Required)	8.45	
Total Postage & Fees	\$ 14.90	

Sent To **James Davis, Acting Assessor**
Nassau County Department of
Assessment
 Street, Apt. No. or PO Box No. **240 Old Country Road**
 City, State, ZIP+4[®] **Mineola, New York 11501-8402**


PS Form 3800, August 2006

See Reverse for Instructions

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Return Receipt Fee (Endorsement Required)	2.70	
Restricted Delivery Fee (Endorsement Required)	8.45	
Total Postage & Fees	\$ 16.90	

Sent To **Hon. Edward P. Mangano**
County Executive
Nassau County
 Street, Apt. No. or PO Box No. **1 West Street**
 City, State, ZIP+4[®] **Mineola, New York 11501**

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:

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

2. Article Number
 (Transfer from service label)

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PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature ☐ 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

SEP 22 2014

DEPARTMENT OF ASSESSMENT

COUNTY OF NASSAU

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

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.
- 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:

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

2. Article Number
 (from service label)

7008 1830 0001 7087 2637

PS Form 3811, February 2004

Domestic Return

1 02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature ☐ 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 ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

7008 1830 0001 7087 2620

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OFFICIAL USE

Postage	\$ 2.45
Certified Fee	3.30
Return Receipt Fee (Endorsement Required)	2.70
Restricted Delivery Fee (Endorsement Required)	8.45
Total Postage & Fees	\$

Postmark
Here

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

PS Form 3800, August 2006

See Reverse for Instructions

U.S. Postal Service
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OFFICIAL USE

Postage	\$ 2.24
Certified Fee	3.30
Return Receipt Fee (Endorsement Required)	2.70
Restricted Delivery Fee (Endorsement Required)	8.24
Total Postage & Fees	\$

Postmark
Here

Sent To
Dr. Deborah Wortham
Superintendent of Schools
Roosevelt Union Free School District
240 Denton Place
Roosevelt, New York 11575

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:

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

2. Article Number
 (Transfer from service label)

7008 1830 0001 7087 2620

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature
TOWN OF HEMPSTEAD
350 FRONT STREET
HEMPSTEAD, NY
 B. Received by (Printed Name)
HEMPSTEAD, NY
 C. Date of Delivery
9/22/14

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

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

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.
- 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:

Dr. Deborah Wortham
Superintendent of Schools
Roosevelt Union Free School District
240 Denton Place
Roosevelt, New York 11575

2. Article Number
 (Transfer from service label)

7008 1830 0001 7087 2675

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Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature
Dr. Deborah Wortham
 B. Received by (Printed Name)
Dr. Deborah Wortham
 C. Date of Delivery
9/22/14

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

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

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Postage	\$ 2.45	Postmark Here
Certified Fee	3.30	
Return Receipt Fee (Endorsement Required)	2.70	
Restricted Delivery Fee (Endorsement Required)	8.45	
Total Postage & Fees	\$ 16.90	
Sent To: Thomas Albanese, Wholly Exempt Division Head Department of Assessment Nassau County 240 Old Country Road Mineola, New York 11501-8407		

PS Form 3800, August 2005 See Reverse for Instructions

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OFFICIAL USE

Postage	\$ 2.45	Postmark Here
Certified Fee	3.30	
Return Receipt Fee (Endorsement Required)	2.70	
Restricted Delivery Fee (Endorsement Required)	8.45	
Total Postage & Fees	\$ 16.90	
Sent To: Daniel Valentino, Esq. Counsel to the Assessor Department of Assessment Nassau County 240 Old Country Road Mineola, New York 11501		

PS Form 3800, August 2005 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:

Thomas Albanese, Wholly Exempt
 Division Head
 Department of Assessment
 Nassau County
 240 Old Country Road
 Mineola, New York 11501-8407

2. Article Number

(Transfer from service label)

7008 1830 0001 7087 2606

PS Form 3811, February 2004

Domestic Return Receipt

102585-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

- A. Signature ☒ Agent ☐ Addressee
- B. Received by (Printed Name)
- C. Date of Delivery
- D. Is delivery address different from item 1? ☐ Yes ☒ No
 If YES, enter delivery address below:

SEP 22 2014

DEPARTMENT OF ASSESSMENT

3. Service Type
- ☒ Certified Mail ☐ Express Mail
- ☒ Registered ☐ Return Receipt for Merchandise
- ☐ Insured Mail ☐ C.O.D.

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.
- 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:

Daniel Valentino, Esq.
 Counsel to the Assessor
 Department of Assessment
 Nassau County
 240 Old Country Road
 Mineola, New York 11501

2. Article Number

(Transfer from service label)

7008 1830 0001 7087 2590

PS Form 3811, February 2004

Domestic Return

pt

1

M-1540

COMPLETE THIS SECTION ON DELIVERY

- A. Signature ☒ Agent ☐ Addressee
- B. Received by (Printed Name)
- C. Date of Delivery
- D. Is delivery address different from item 1? ☐ Yes ☒ No
 If YES, enter delivery address below:

SEP 22 2014

DEPARTMENT OF ASSESSMENT
 COUNTY OF NASSAU

3. Service Type
- ☒ Certified Mail ☐ Express Mail
- ☐ Registered ☐ Return Receipt for Merchandise
- ☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes