Transcript Document No. 6

800 CHETTIC AVENUE, LLC

and

NORTH SHORE LINEN, INC.

and

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

PAYMENT-IN-LIEU-OF-TAX AGREEMENT

Town of Hempstead Industrial Development Agency
(800 Chettic Avenue, LLC/North Shore Linen, Inc. 2012 Facility)

Dated as of August 1, 2012
Village of Freeport, Town of Hempstead,
Freeport Union Free School District, Nassau County

Tax Account Number

Section:	62
Block:	230
Lot:	63

PAYMENT-IN-LIEU-OF-TAX AGREEMENT

THIS PAYMENT-IN-LIEU-OF-TAX AGREEMENT, dated as of August 1, 2012 (this "**PILOT Agreement**"), is by and between 800 CHETTIC AVENUE, LLC, a New York limited liability company, having its principal office at 129 Hanse Avenue, Freeport, New York 11572 ("**Company**"), NORTH SHORE LINEN, INC., a New York business corporation, having its principal office at 129 Hanse Avenue, Freeport, New York 11572 ("**Sublessee**" and "**Equipment Lessee**"), 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 agreed to acquire a title interest to certain real property consisting of the acquisition of an approximately 1.2 acre parcel of land located at 129 Hanse Avenue, Town of Hempstead, Village of Freeport, Nassau County, New York (the "**Land**"), the renovation and equipping thereon of an existing building totaling approximately 44,068 square feet together with improvements, structures and other related facilities (i) attached to the Land and (ii) not part of the Equipment (the "**Improvements**", and together with the Land, the "**Company Facility**"), which Land and Improvements are to be leased by the Agency to the Company, for further sublease by the Company to Sublessee, and which Equipment is to be leased by the Agency to the Equipment Lessee (the "**Equipment Lessee Facility**" and together with the Land and Improvements, collectively referred to herein as the "**Facility**"), all to be used by the Equipment Lessee as an industrial facility for the processing and rental of textile and laundry services, including the following as they relate to the acquisition, renovation and equipping of such Facility, whether or not any materials or supplies described below are incorporated into or become an integral part of such Facility: (i) all purchases, leases, rentals and other uses of tools, machinery and equipment in connection with the acquisition, renovation and equipping of the Facility, (ii) all purchases, rentals, uses or consumption of supplies, materials and services of every kind and description used in connection with the acquisition, renovation and equipping of the Facility, and (iii) all purchases, leases, rentals and uses of equipment, machinery and other tangible personal property (including installation costs with respect thereto) installed or placed in, upon or under such Facility; and

WHEREAS, the Agency has acquired fee title to the Facility pursuant to that certain Bargain and Sale Deed, dated August 23, 2012 (the "**Deed**"), from the Company to the Agency, that certain Bill of Sale, dated August 23, 2012 (the "**Bill of Sale**"), from the Company to the Agency, and the Equipment Bill of Sale, dated August 23, 2012 (the "**Equipment Bill of Sale**") from the Sublessee to the Agency; and

WHEREAS, the Agency has agreed to lease the Company Facility to the Company pursuant to a Lease Agreement, dated as of August 1, 2012 (the "**Lease Agreement**"), by and between the Agency, as lessor, and the Company, as lessee, such that title will remain in the Agency throughout the Lease Term (as such term is defined in the Lease Agreement); and

WHEREAS, further, the Company has agreed to sublease the Company Facility to the Sublessee pursuant to a certain Sublease Agreement, dated as of August 23, 2012 (the "**Sublease Agreement**"), by and between the Company and the Sublessee; and

WHEREAS, the Agency, the Company and the Sublessee have entered into a Recapture Agreement, dated as of August 1, 2012 (the "**Recapture Agreement**"), pursuant to which the Agency has the right to recapture certain economic benefits and assistance granted to the Company and the Sublessee upon the terms and conditions set forth in the Recapture Agreement; and

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

WHEREAS, the Agency, the Company and the Sublessee deem it necessary and proper to enter into an agreement making provision for payments in lieu of taxes and such assessments by the Company and 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, Freeport Union Free School District, Nassau County and appropriate special districts (hereinafter the "**Taxing Authorities**") in which any part of the Facility is or is to be located.

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

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

(b) After the effective date of this PILOT Agreement and until the provisions of paragraph 1(c) become effective, the Company and the Sublessee 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 2013/2014 School Tax Year, the 2013/2014 Village Tax Year and the 2014 General Tax Year, the Company and the Sublessee shall 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 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 or the Sublessee of their obligation to make all payments provided for hereunder. If, for any reason, the Company or 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 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 PILOT Agreement, the Company and 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 renovated and/or installed 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 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 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, Freeport 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 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 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 Sublessee may have against its designees are separate and apart from the terms of this paragraph 2, and this paragraph 2 shall survive any transfer from the Agency to the Company.

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 or 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, the Company and the Sublessee 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 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 or the Sublessee, 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 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 Agreement. In no event shall the Agency be required to remit to the Company 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

receives 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 acknowledges that it 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 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 and Sublessee, in recognition of the benefits provided under the terms of this Agreement, including, but not limited to, the formula for 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 Sublessee, however, reserve any such rights with respect to all special ad valorem levies, special assessments, or Special District Taxes 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 and Sublessee recognize and agree that if at any time a Recapture Event in accordance with the provisions of the Recapture Agreement shall occur, then the Company and Sublessee shall 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. The Agency shall notify the Company and 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 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, 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:

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:

800 Chettic Avenue, LLC
129 Hanse Avenue
Freeport, New York 11572
Attention: Lawrence Gentile, President

To the Sublessee:

North Shore Linen, Inc.
129 Hanse Avenue
Freeport, New York 11572
Attention: Lawrence Gentile, President

With a copy to:

Donohue, Kretz & Garabrant
36 East Montauk Highway
Lindenhurst, New York 11757
Attention: Stephen W. Kretz, 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 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 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 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 Sublessee or receipt by the Agency of a lesser amount than or different manner from the correct amount or manner of payment due hereunder shall be deemed to be other than a payment on account, nor shall any endorsement or statement on any check or any letter accompanying any check or payment be deemed to effect or evidence an accord and satisfaction, and the Agency may accept any checks or payments as made without prejudice to the right to recover the balance or pursue any other remedy in this PILOT Agreement or otherwise provided at law or in equity.

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

11. Whenever the Company or 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 Sublessee under this Agreement. The Agency agrees to notify the Company and Sublessee in writing of any failure by the Company or Sublessee 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 and Sublessee with the opportunity to cure such failure within thirty (30) days after receipt by the Company and 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 Sublessee agree to hold the Agency harmless from and against any liability arising from any default by the Company or 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 have been granted to induce and enable the Company and 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 or Sublessee to pay amounts due and owing under this PILOT Agreement for a period of fifteen (15) days following written notice or to promptly and fully perform any of its obligations hereunder for a period of thirty (30) days after notice (unless such failure is of a nature that is cannot be cured within such time period, provided the Company and Sublessee are using diligent efforts to remedy same) shall constitute an Event of Default under this PILOT Agreement, whereupon the Agency may terminate this PILOT Agreement by written notice to the Company and Sublessee. Upon the occurrence and continuation of any Event of Default hereunder, this PILOT Agreement shall terminate and the Agency shall reconvey the Facility to the Company pursuant to Section 10.2(a)(iv) of the Lease Agreement and subject to the provisions of the Recapture Agreement.

19. The Company, Sublessee and the Agency hereby agree that the obligations and liabilities of the Company and Sublessee hereunder are the absolute and unconditional obligations and liabilities of the Company and 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, the Sublessee or the Sub-Sublessees 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 or the Sublessee.

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

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

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

800 CHETTIC AVENUE, LLC

By:_____
Name: Lawrence Gentile
Title: Member

NORTH SHORE LINEN, INC.

By:_____
Name: Lawrence Gentile
Title: President

TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY

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

[Signature Page to PILOT Agreement]

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 Town of Hempstead, the Village of Freeport and the Freeport Union Free School District and Appropriate Special Districts:

General Tax Year/Village Tax Year/School Tax Year	Total PILOT Payments
2014 General/2013/2014 Village/2013/2014 School	$132,180.00
2015 General/2014/2015 Village/2014/2015 School	$132,180.00
2016 General/2015/2016 Village/2015/2016 School	$132,180.00
2017 General/2016/2017 Village/2016/2017 School	$134,825,00
2018 General/2017/2018 Village/2017/2018 School	$137,520.00
2019 General/2018/2019 Village/2018/2019 School	$140,960.00
2020 General/2019/2020 Village/2019/2020 School	$145,200.00
2021 General/2020/2021 Village/2020/2021 School	$149,560.00
2022 General/2021/2022 Village/2021/2022 School	$154,800.00
2023 General/2022/2023 Village/2022/2023 School	$160,600.00

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

First American Title

Title No. 3001-367147

SCHEDULE "A"

ALL THAT CERTAIN PLOT, PIECE OR PARCEL OF LAND, SITUATE, LYING AND BEING IN THE INCORPORATED VILLAGE OF FREEPORT, NASSAU COUNTY, NEW YORK, KNOWN AND DESCRIBED AS PART OF LOT NO. 3, BLOCK 230 ON A CERTAIN MAP ENTITLED "MAP OF TOWN OF HEMPSTEAD INDUSTRIAL PARK OF FREEPORT, SITUATED AT FREEPORT, NASSAU COUNTY, NEW YORK" AND FILED IN THE NASSAU COUNTY CLERK'S OFFICE ON AUGUST 21, 1967 AS MAP NO. 8087 BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE EASTERLY LINE OF HANSE AVENUE DISTANT 212.37 FEET SOUTHERLY FROM THE CORNER FORMED BY THE INTERSECTION OF THE EASTERLY LINE OF HANSE AVENUE AND THE SOUTHERLY LINE OF RIDER PLACE;

THENCE NORTH 53°, 54', 50" EAST, 55.37 FEET;

THENCE NORTH 87°, 50', 50" EAST, 410.35 FEET;

THENCE SOUTH 02°, 59', 35" WEST, 27.56 FEET;

THENCE SOUTH 04°, 34', 25" WEST, 92.65 FEET;

THENCE SOUTH 86°, 35', 55" WEST, 433.89 (434.12 FEET SURVEY) FEET TO THE EASTERLY LINE OF HANSE AVENUE;

THENCE IN A NORTHERLY DIRECTION AND ALONG THE EASTERLY LINE OF HANSE AVENUE AND ALONG A CURVE BEARING TO THE LEFT, THE RADIUS OF WHICH IS 324.75 FEET, A DISTANCE OF 98.83 FEET TO THE POINT OR PLACE OF BEGINNING.

THE policy to be issued under this report will insure the title to such buildings and improvements erected on the premises, which by law constitute real property.

FOR CONVEYANCING ONLY: TOGETHER with all the right, title and interest of the party of the first part, of in and to the land lying in the street in front of and adjoining said premises.

INSUR

Transcript Document No. 1

BARGAIN AND SALE DEED

THIS INDENTURE, made the 23rd day of August, 2012, between 800 CHETTIC AVENUE, LLC, a limited liability company duly organized and existing under the laws of the State of New York, having its principal office at 129 Hanse Avenue, Freeport, New York 11572, grantor, and TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY, a public benefit corporation duly organized and validly existing under the laws of the State of New York, having its principal office at 350 Front Street, 2nd Floor, Hempstead, New York 11550-4037, grantee,

WITNESSETH that the grantor, in consideration of One Dollar ($1.00) and other good and valuable consideration paid by the grantee, hereby grants and releases unto the grantee, the heirs or successors and assigns of the grantee forever,

(See Schedule A attached hereto)

Property Address:	129 Hanse Avenue, Village of Freeport, Town of Hempstead, Nassau County, New York
Tax Mailing Address:	129 Hanse Avenue, Freeport, New York 11520
Tax Account Number:	Section: 62 Block: 230 Lot: 63

TOGETHER with the appurtenances and all the estate and rights of the grantor in and to said premises,

TO HAVE AND TO HOLD the premises herein granted unto the grantee, the heirs or successors and assigns of the grantee forever.

BEING AND INTENDED to be the same premises described in that certain Deed into SRDG, LLC dated December 21, 2007 and recorded in the Nassau County Clerk's Office on January 25, 2008 in Liber 12361 of Deeds at Page 531, all of which was conveyed to the Grantor herein by Bargain and Sale Deed dated August 23, 2012, and which is intended to be recorded immediately prior to the within Deed in the Nassau County Clerk's Office.

Record and Return to:

William F. Weir, Esq.
Nixon Peabody LLP
1300 Clinton Square
Rochester, New York 14604

AND the said grantor covenants that the grantor has not done or suffered anything whereby the said premises have been encumbered in any way whatever. This deed is subject to the trust provisions of Section 13 of the Lien Law.

The words "grantor" and "grantee" shall be construed to read in the plural whenever the sense of this deed so requires.

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

IN WITNESS WHEREOF, the grantor has executed this deed the day and year first above written.

800 CHETTIC AVENUE, LLC

By: _____
Name: Lawrence Gentile
Title: Member

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

On the 23rd day of August in the year 2012, before me, the undersigned, personally appeared **Lawrence Gentile**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument, and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person or entity on behalf of which the individual acted, executed the instrument.

_____
Notary Public

YOUSEF M. HATTAR
Notary Public, State of New York
No. 01HA6192472
Qualified in Nassau County
Commission Expires September 2, 2012

SCHEDULE A

Legal Description of Real Property

First American Title

Title No. 3001-367147

SCHEDULE "A"

ALL THAT CERTAIN PLOT, PIECE OR PARCEL OF LAND, SITUATE, LYING AND BEING IN THE INCORPORATED VILLAGE OF FREEPORT, NASSAU COUNTY, NEW YORK, KNOWN AND DESCRIBED AS PART OF LOT NO. 3, BLOCK 230 ON A CERTAIN MAP ENTITLED "MAP OF TOWN OF HEMPSTEAD INDUSTRIAL PARK OF FREEPORT, SITUATED AT FREEPORT, NASSAU COUNTY, NEW YORK" AND FILED IN THE NASSAU COUNTY CLERK'S OFFICE ON AUGUST 21, 1967 AS MAP NO. 8087 BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE EASTERLY LINE OF HANSE AVENUE DISTANT 212.37 FEET SOUTHERLY FROM THE CORNER FORMED BY THE INTERSECTION OF THE EASTERLY LINE OF HANSE AVENUE AND THE SOUTHERLY LINE OF RIDER PLACE;

THENCE NORTH 53°, 54', 50" EAST, 55.37 FEET;

THENCE NORTH 87°, 50', 50" EAST, 410.35 FEET;

THENCE SOUTH 02°, 59', 35" WEST, 27.56 FEET;

THENCE SOUTH 04°, 34', 25" WEST, 92.65 FEET;

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THE policy to be issued under this report will insure the title to such buildings and improvements erected on the premises, which by law constitute real property.

FOR CONVEYANCING ONLY: TOGETHER with all the right, title and interest of the party of the first part, of in and to the land lying in the street in front of and adjoining said premises.

INSUR

NIXON PEABODY LLP

1300 Clinton Square
Rochester, New York 14604

Elizabeth A. Wood, Paralegal
Direct Dial: (585) 263-1391
E-Mail: ewood@nixonpeabody.com

August 24, 2012

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
800 Chettic Avenue, LLC/North Shore Linen, Inc. 2012 Facility

Dear Mr. Davis:

Enclosed please find a completed Form RP 412-a Application for Real Property Tax Exemption, together with a copy of the Payment-in-Lieu-of-Tax Agreement, in connection with the above-referenced transaction which closed on August 23, 2012.

Also enclosed are copies of the Bargain and Sale Deed, and the Recapture Agreement, both of these documents are being recorded in the Nassau County Clerk's office.

Please feel free to contact us if you should have questions. Thank you.

Very truly yours,

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
One West Street
Mineola, New York 11501

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

Hon. Andrew Hardwick
Village of Freeport
46 North Ocean Avenue
Freeport, New York 11520

Dr. Kishore Kuncham
Freeport Union Free School District
235 North Ocean Avenue
Freeport, New York 11520

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

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Sent To: Hon. Kate Murray
Town Supervisor
Street, Apt. No.; or PO Box No.: Town of Hempstead
City, State, ZIP+4: One Washington Street
Hempstead, New York 11550

PS Form 3800, August 2006 — See Reverse for Instructions

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Total Postage & Fees	$ 7.40

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070334/186

Sent To: Hon. Andrew Hardwick
Street, Apt. No.; or PO Box No.: Village of Freeport
46 North Ocean Avenue
City, State, ZIP+4: Freeport, New York 11520

PS Form 3800, August 2006 — See Reverse for Instructions

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Total Postage & Fees	$ 7.40

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Sent To: Dr. Kishore Kuncham
Street, Apt. No.; or PO Box No.: Freeport Union Free School District
235 North Ocean Avenue
City, State, ZIP+4: Freeport, New York 11520

PS Form 3800, August 2006 — See Reverse for Instructions

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Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	$ 7.40

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070334/186

Sent To: Mr. Thomas Albanese
Wholly Exempt Division Head
Street, Apt. No.; or PO Box No.: Department of Assessment
Nassau County
City, State, ZIP+4: 240 Old Country Road
Mineola, New York 11501-8402

PS Form 3800, August 2006 — See Reverse for Instructions

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Total Postage & Fees	$ 7.40

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70334186

Sent To: Mr. Daniel Valentino, Esq.
Counsel to the Assessor
Street, Apt. No.; or PO Box No.: Department of Assessment
Nassau County
City, State, ZIP+4: 240 Old Country Road
Mineola, New York 11501

PS Form 3800, August 2006 See Reverse for Instructions

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Restricted Delivery Fee (Endorsement Required)	$0.00
Total Postage & Fees	$ 7.40

B. Wood
16
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08/24/2012

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

PS Form 3800, August 2006 See Reverse for Instructions

7008 3230 0002 4649 7122

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Certified Fee	2.95
Return Receipt Fee (Endorsement Required)	2.35
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	$ 7.40

B. Wood
Postmark Here
70334186

Sent To: Hon. Edward Mangano
County Executive
Street, Apt. No.; or PO Box No.: Nassau County
City, State, ZIP+4: One West Street
Mineola, New York 11501

PS Form 3800, August 2006 See Reverse for Instructions

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1. Article Addressed to:

Hon. Andrew Hardwick
Village of Freeport
46 North Ocean Avenue
Freeport, New York 11520

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X [signature] ☑ Agent ☐ Addressee

B. Received by (Printed Name) M. GIACOMARA C. Date of Delivery 8-27-12

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

2. Article Number (Transfer from service label) 7008 3230 0002 4649 7146

PS Form 3811, February 2004 0420 Domestic Return Receipt 070334/186 102595-02-M-1540

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- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

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

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X ☐ Agent ☐ Addres

B. Received by (Printed Name) C. Date of Deliv

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No
AUG 27 2012

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

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number (Transfer from service label) 7008 3230 0002 4649 7160

PS Form 3811, February 2004 0420 Domestic Return Receipt 70334/186 102595-02-M-

SENDER: COMPLETE THIS SECTION

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1. Article Addressed to:

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

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X TOWN OF HEMPSTEAD 350 FRONT STREET HEMPSTEAD, NY ☐ Agent ☐ Addressee

B. Received by (Printed Name) C. Date of Delivery 8/28/12

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

2. Article Number (Transfer from servic 7008 3230 0002 4649 7139

PS Form 3811, February 2004 0420 Domestic Return Receipt 70334/186 102595-02-M-1540

SENDER: COMPLETE THIS SECTION

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- 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. Kishore Kuncham
Freeport Union Free School District
235 North Ocean Avenue
Freeport, New York 11520

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X Darrell Byrd ☑ Agent ☐ Addres

B. Received by (Printed Name) Darrell Byrd C. Date of Deli 8/27/1

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 Merchan
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number (Transfer from service 7008 3230 0002 4649 7153

PS Form 3811, February 2004 0420 Domestic Return Receipt 70334/186 102595-02-M

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- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

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

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

AUG 27 2012
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

2. Article Number (Transfer from service lat 7008 3230 0002 4649 7115

PS Form 3811, February 2004 0420 Domestic Return Receipt 70334|18p 102595-02-M-1540

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- 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:

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

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

AUG 27 2012
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

2. Article Number (Transfer from service label) 7008 3230 0002 4649 7177

PS Form 3811, February 2004 0420 Domestic Return Receipt 70334|18p 102595-02-M-1540

SENDER: COMPLETE THIS SECTION

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- 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 Mangano
County Executive
Nassau County
One West Street
Mineola, New York 11501

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X ☐ Agent ☐ Addre

B. Received by (Printed Name) | C. Date of Deli

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 Merchan
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number (Transfer from service lat 7008 3230 0002 4649 7122

PS Form 3811, February 2004 0420 Domestic Return Receipt 70334|18p 102595-02-M

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 Industrial 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)

Name 800 Chettic Avenue, LLC/North Shore Linen, Inc.
Street 126 Hanse Avenue
City Freeport 11572
Telephone no. Day ____(631) 842-8200
Evening _(___)
Contact Lawrence Gentile
Title Member/President

3. DESCRIPTION OF PARCEL

a. Assessment roll description (tax map no.,/roll year)
Section: 62 Block: 230 Lot: 63

b. Street address 129 Hanse Avenue

c. City, Town or Village Freeport

d. School District Freeport Union Free

e. County Nassau

f. Current assessment

g. Deed to IDA (date recorded; liber and page)
Deed to IDA dated 08/__/2012, being recording in
Nassau County Clerk's office, liber & page unavailable

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

a. Brief description (include property use)
renovation and equipping of an existing building used as an industrial facility for the processing and rental of textile and laundry services

b. Type of construction unavailable

c. Square footage app. 44,068 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 "PILOT Agreement"

b. Projected expiration date of agreement 12/31/2023

c. Municipal corporations to which payments will be made

	Yes	No
County Nassau	✔	☐
Town/City	☐	☐
Village Freeport	✔	
School District Freeport Union Free	✔	

d. Person or entity responsible for payment

Name Lawrence Gentile
Title Member/President

Address 129 Hanse Avenue
Freeport NY 11572

Telephone 631-842-8200

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.

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 08/ /12 (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.

August , 2012
Date

Signature

FOR USE BY ASSESSOR

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

_____

_____

Date

Assessor's signature

Transcript Document No. 7

800 CHETTIC AVENUE, LLC

and

NORTH SHORE LINEN, INC.

to

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

RECAPTURE AGREEMENT

Dated as of August 1, 2012

Town of Hempstead Industrial Development Agency
(800 Chettic Avenue, LLC/North Shore Linen, Inc. 2012 Facility)

Tax Account Number: Section: 62 Block: 230 Lot: 63

Record and return to:
Nixon Peabody LLP
1300 Clinton Square
Rochester, New York 14604
Attention: Barry Carrigan, Esq.

RECAPTURE AGREEMENT

THIS RECAPTURE AGREEMENT, made and entered into as of August 1, 2012 (this "**Recapture Agreement**"), is from 800 CHETTIC AVENUE, LLC, a New York limited liability company, having its principal office at 129 Hanse Avenue, Freeport, New York 11572 ("**Company**"), and NORTH SHORE LINEN, INC., a New York business corporation, having its principal office at 129 Hanse Avenue, Freeport, New York 11572 ("**Sublessee**" and "**Equipment Lessee**"), to the **TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY**, a public benefit corporation of the State of New York, having its office at 350 Front Street, 2nd Floor, Hempstead, New York 11550 (the "**Agency**").

WITNESSETH:

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

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

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

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

WHEREAS, the Agency has agreed to provide its assistance with a certain industrial development facility consisting of the acquisition of an approximately 1.2 acre parcel of land located at 129 Hanse Avenue, Town of Hempstead, Village of Freeport, Nassau County, New York (the "**Land**"), the renovation and equipping thereon of an existing building totaling approximately 44,068 square feet together with improvements, structures and other related facilities (i) attached to the Land and (ii) not part of the Equipment (the "**Improvements**", and together with the Land, the "**Company Facility**"), which Land and Improvements are to be leased by the Agency to the Company, for further sublease by the Company to Sublessee, and which Equipment is to be leased by the Agency to the Equipment Lessee (the "**Equipment Lessee Facility**" and together with the Land and Improvements, collectively referred to herein as the "**Facility**") all to be used by the Equipment Lessee as an industrial facility for the processing and rental of textile and laundry services; and

WHEREAS, the Agency has agreed to lease the Company Facility to the Company pursuant to a Lease Agreement, dated as of August 1, 2012 (the "**Lease Agreement**"), by and between the Agency, as lessor, and the Company, as lessee;

WHEREAS, further, the Company has agreed to sublease the Company Facility to the Sublessee pursuant to a certain Sublease Agreement, dated as of August 23, 2012 (the "**Sublease Agreement**"), by and between the Company and the Sublessee;

WHEREAS, in order to define the Company's and Sublessee's obligations regarding payments-in-lieu-of taxes with respect to the Facility, the Agency, the Company and the Sublessee will enter into a Payment-in-Lieu-of-Tax Agreement, dated as of August 1, 2012 (the "**PILOT Agreement**"), by and among the Agency, the Company and the Sublessee;

WHEREAS, the Agency has conferred on the Company and the Sublessee in connection with the acquisition, demolition, construction, renovation, equipping, financing and leasing of the Company 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 and equipping of the Company Facility and real property tax abatements (pursuant to the PILOT Agreement), and, if requested, mortgage recording tax exemptions;

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

AGREEMENT

1. Recapture of Agency Benefits.

(a) It is understood and agreed by the parties hereto that the Agency is entering into the PILOT Agreement and the Lease Agreement in order to provide financial assistance to the Company and the Sublessee for the Company 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 after August 23, 2012, but on or before December 31, 2016, the Company and/or the Sublessee shall pay to the Agency, or to the State of New York, if so directed by the Agency (except as otherwise specified below) as a return of public benefits conferred by the Agency, one hundred percent (100%) of the Recaptured Benefits (as defined below);

(ii) If there shall occur and be declared a Recapture Event after January 1, 2017 but on or before December 31, 2018, the Company and/or the Sublessee shall pay to the Agency, or to the State of New York, if so directed by the Agency

(except as otherwise specified below) as a return of public benefits conferred by the Agency, seventy-five percent (75%) of the Recaptured Benefits;

(iii) If there shall occur and be declared a Recapture Event after January 1, 2019 but on or before December 31, 2020, the Company and/or the Sublessee shall pay to the Agency, or to the State of New York, if so directed by the Agency (except as otherwise specified below) as a return of public benefits conferred by the Agency, fifty percent (50%) of the Recaptured Benefits;

(iv) If there shall occur and be declared a Recapture Event after January 1, 2021 but on or before December 31, 2022, the Company and/or the Sublessee shall pay to the Agency, or to the State of New York, if so directed by the Agency (except as otherwise specified below) as a return of public benefits conferred by the Agency, twenty-five percent (25%) of the Recaptured Benefits; and

(v) If there shall occur and be declared a Recapture Event after January 1, 2023, the Company and/or the Sublessee shall not be obligated to pay to the Agency, or to the State of New York, any of the Recaptured Benefits; and

(b) The term "Recaptured Benefits" shall mean all direct monetary benefits, tax exemptions and abatements and other financial assistance, if any, derived solely from the Agency's participation in the transaction contemplated by the PILOT Agreement, the Sales Tax Letter, dated August 23, 2012 delivered by the Agency to the Company and the Sublessee (the "**Sales Tax Letter**") and the Lease Agreement including, but not limited to, the amount equal to 100% of: any exemption from any applicable mortgage recording tax with respect to the Facility on mortgages granted by the Agency, sales or use tax exemptions and real property tax abatements granted under the PILOT Agreement which amounts from time to time shall be payable directly to the Agency.

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

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

(2) The occurrence and continuation of an Event of Default under the Lease 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

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

(4) The sale of the Facility (excluding any sale provided for in Section 8.4 of the Lease Agreement) or closure of the Facility and/or departure of the Company and/or the Sublessee from the Town of Hempstead, except as due to casualty, condemnation or force majeure as provided below; or

(5) Failure of the Company and/or the Sublessee to create or cause to be maintained one hundred fifteen (115) FTE jobs at the Facility within two years of the Completion Date, which failure is not reflective of the business conditions of the Company and/or the Sublessee or the subtenants of the Company, including without limitation loss of major sales, revenues, distribution or other adverse business developments and/or local, national or international economic conditions, trade issues or industry wide conditions; or

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

(7) [RESERVED]; 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 or failure of the Company and/or the Sublessee after the Facility shall have been destroyed or damaged in whole or in part (such occurrence a "**Loss Event**") to rebuild, repair, restore or replace the Facility to substantially its condition prior to such Loss Event, which inability or failure shall have arisen in good faith on the part of the Company and/or the Sublessee or any of their respective affiliates so long as the Company and/or the Sublessee or any of their respective affiliates have diligently and in good faith using commercially reasonable efforts pursued the rebuilding, repair, restoration or replacement of the Facility or part thereof; or

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

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

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

2. Obligations Unconditional.

(a) The obligations of the Company and the Sublessee under this Recapture Agreement shall be absolute and unconditional and shall remain in full force and effect until the PILOT Agreement and the Lease Agreement have expired or been terminated, 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) It is hereby expressly agreed that the Sublessee's obligations under this Recapture Agreement are not limited in any manner, and the Sublessee shall be liable for the payment of all recapture amounts with respect to the entire Facility.

(d) The Company, the Sublessee and the Agency hereby agree that the obligations and liabilities of the Company and the 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 or employee of the Company or the Sublessee, and that no officer, director or employee of the Company or the Sublessee shall have any obligation or liability hereunder, except arising in connection with the gross negligence, recklessness, willful, misconduct or criminal activity of such officer, director or employee of the Company or the Sublessee.

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

4. Recordation of Recapture Agreement. The parties hereto agree that this Recapture Agreement shall be recorded as a lien against the Facility and as a covenant and restriction running with the Land until this Recapture Agreement has been discharged by the Agency. The lien of this Recapture Agreement shall be subordinate to the lien of any mortgage to be placed against the facility, and to all modifications, amendments, renewals, and extensions thereof, with respect to all amounts due to the Agency under the Recapture Agreement other than the additional amounts which otherwise would have been due for real estate taxes in the absence of the PILOT Agreement.

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

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

7. Survival. All warranties, representations, and covenants made by the Company and the Sublessee 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 Company:

800 Chettic Avenue, LLC
129 Hanse Avenue
Freeport, New York 11572
Attention: Lawrence Gentile, President

To the Sublessee:

North Shore Linen, Inc.
129 Hanse Avenue
Freeport, New York 11572
Attention: Lawrence Gentile, President

With a copy to:

Donohue, Kretz & Garabrant
36 East Montauk Highway
Lindenhurst, New York 11757
Attention: Stephen W. Kretz, Esq.

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.

10. Entire Understanding; Counterparts. This Recapture Agreement constitutes the entire agreement and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof and may be executed simultaneously in several counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

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

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

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

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

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

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

800 CHETTIC AVENUE, LLC

By: _____
Name: Lawrence Gentile
Title: Member

NORTH SHORE LINEN, INC.

By: _____
Name: Lawrence Gentile
Title: President

ACCEPTED:

TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY

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

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

On the 23rd day of August in the year 2012, before me, the undersigned, personally appeared **Lawrence Gentile** 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

YOUSEF M. HATTAR
Notary Public, State of New York
No. 01HA6192472
Qualified in Nassau County
Commission Expires September 2, 2012

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

On the 23rd day of August in the year 2012, 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

YOUSEF M. HATTAR
Notary Public, State of New York
No. 01HA6192472
Qualified in Nassau County
Commission Expires September 2, 2012

Exhibit A

Real Property Description

First American Title

Title No. 3001-367147

SCHEDULE "A"

ALL THAT CERTAIN PLOT, PIECE OR PARCEL OF LAND, SITUATE, LYING AND BEING IN THE INCORPORATED VILLAGE OF FREEPORT, NASSAU COUNTY, NEW YORK, KNOWN AND DESCRIBED AS PART OF LOT NO. 3, BLOCK 230 ON A CERTAIN MAP ENTITLED "MAP OF TOWN OF HEMPSTEAD INDUSTRIAL PARK OF FREEPORT, SITUATED AT FREEPORT, NASSAU COUNTY, NEW YORK" AND FILED IN THE NASSAU COUNTY CLERK'S OFFICE ON AUGUST 21, 1967 AS MAP NO. 8087 BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE EASTERLY LINE OF HANSE AVENUE DISTANT 212.37 FEET SOUTHERLY FROM THE CORNER FORMED BY THE INTERSECTION OF THE EASTERLY LINE OF HANSE AVENUE AND THE SOUTHERLY LINE OF RIDER PLACE;

THENCE NORTH 53°, 54', 50" EAST, 55.37 FEET;

THENCE NORTH 87°, 50', 50" EAST, 410.35 FEET;

THENCE SOUTH 02°, 59', 35" WEST, 27.56 FEET;

THENCE SOUTH 04°, 34', 25" WEST, 92.65 FEET;

THENCE SOUTH 86°, 35', 55" WEST, 433.89 (434.12 FEET SURVEY) FEET TO THE EASTERLY LINE OF HANSE AVENUE;

THENCE IN A NORTHERLY DIRECTION AND ALONG THE EASTERLY LINE OF HANSE AVENUE AND ALONG A CURVE BEARING TO THE LEFT, THE RADIUS OF WHICH IS 324.75 FEET, A DISTANCE OF 98.83 FEET TO THE POINT OR PLACE OF BEGINNING.

THE policy to be issued under this report will insure the title to such buildings and improvements erected on the premises, which by law constitute real property.

FOR CONVEYANCING ONLY: TOGETHER with all the right, title and interest of the party of the first part, of in and to the land lying in the street in front of and adjoining said premises.

INSUR