

**TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY
BOARD MEETING
AGENDA
Old Courtroom, 2nd Floor, 350 Front Street Hempstead, NY
Tuesday, August 22, 2023, 9:00 AM**

- A livestream of the meeting may also be viewed at www.tohida.org .
Select "Meeting Information" and then "YouTube – Live Streams and Recorded Meetings".

The Agenda will include but not be limited to:

AGENDA:

- Confirm the presence of a Quorum
- Public Comment with respect to Agenda items

VILLAGE BUSINESS:

Village of Freeport:

- Consideration of an Inducement Resolution for **The Gardens at Buffalo**, 80-84 Albany Avenue, Freeport

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Village of Hempstead:

- Consideration of a Termination of Benefits for **Fad Henry Street Food Corp.**, 216-228 Henry Street, Hempstead
- Update **Alphamore LLC**, 50 Clinton Street, Hempstead

NEW BUSINESS - Applications, Transaction Resolutions and Presentations:

- Consideration of a Tenant Consent for **Mamma Mia Gelato** for **Valley Stream Green Acres**, 2034 Green Acres Mall, Valley Stream
- Consideration of a Tenant Consent for **National Financial** for **900 Stewart Avenue Holdings**, 900 Stewart Avenue, Garden City

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NEW BUSINESS - Other:

- CEO's Report
- Consideration of an Amended Recurring Expenses Resolution

OLD BUSINESS: *None*

READING AND APPROVAL OF MINUTES OF PREVIOUS MEETING(s):

- Consideration and Adoption of the Minutes of July 18, 2023

REPORT OF THE TREASURER:

- Financial Statements and Expenditure List: July 12, 2023 – August 15, 2023
- Preliminary 2024 Budget (discussion only)

EXECUTIVE SESSION:

ADJOURNMENT

PROJECT ABSTRACT
TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY

The Gardens at Buffalo, LLC
Project: 2802-23-03A

Application Date: 4/28/23

Contact: Aron@bosfamangement.com

Applicant Name and Address: 301A Central Avenue
Lawrence, NY 11559

Project Address: 80-84 Albany Avenue
17-33 Buffalo Avenue
Freeport, NY 11520

Project:

The current property consists of an approximately 2.5355-acre parcel with a warehouse, small one-story office building and three 3-story residential apartment buildings. The applicant seeks to add a story addition to the three 3-story buildings and will construct an additional two 5-story structures attaching to the existing residential structures for a total of 200 rental apartment units. The warehouse will be demolished, and the office building will be renovated for the purpose of community amenities. Upon completion the project will be approximately 165,936 square feet. The 5 constructed and renovated buildings will consist of with the following breakdown: 10 studio apartments, 100 1-bedroom units, 70 two-bedroom and 20 3-bedroom units. There will be a 10% set aside for workforce housing. The parking will be as follows: 132 within the stacked parking structure, plus 45 on-site parking spots, for a total of 177.

Project Costs:

Land and/or building acquisition	\$ 17,500,000
Building(s) demolition/construction	\$ 12,550,000
Building Renovation	\$8,420,000
Machinery and Equipment	\$8,045,000
Legal Fees	\$ 250,000
Architectural/Engineering Fees	\$ 350,000
Financial Charges	\$350,000
Other	\$1,845,825
Total	\$ 49,310,825

Employment:

	Full	Part
Present	0	0
1 st Year	3	1
2 nd Year	4	1

LMA : 100%

Creation: of 4.5 FTE

Average Salary of Wage Earners : \$55,000

Approx. 100 Construction Jobs

Benefits Sought: 25 Year PILOT, Sales Tax Exemption, MRT

Benefit Analysis:

Sales Tax Exemption Renovation, Furnishing and Fixture:

\$12,015,000 x 8.625% = \$1,036,293.75

Mortgage \$30,586,495 x .75% = \$ 229,398.71

Current Tax Information:

Section; 55, Block: 190, Lots: 51 (51-55) and 63

Parcels: 2

SD- Freeport #9

Full Value: 12,035,700

Total Assessment: 120,357

Was owned by The Village of Freeport

Total Current Taxes \$0

If it had not been owned by The Village of Freeport, taxes would be: \$1,383,943.60

23 General: \$ 15,433.46

22-23 School: \$ 376,424.14

Village: \$992,086

Estimated Taxes Once partial demolished: \$108,995.66

Estimated Taxes Once Built: \$708,887.14

Applicant Attorney: Jack Martins

IDA Transaction Counsel: Paul O'Brien

The Gardens at Buffalo, LLC
DRAFT PILOT

80-84 Albany Avenue

17-33 Buffalo Avenue

Freeport, NY 11520

Current Tax Information:

Section; 55, Block: 190, Lots: 51 (51-55) and 63

Parcels: 2

SD- Freeport

Total Current Taxes if it had not been owned by The Village of Freeport: \$1,383,943.60

Total Taxes when owned by the Village: \$0

Once Demolished Taxes: \$108,995.66

Estimated Taxes Once Built: \$708,887.14

Year	Total
1	\$108,995.66
2	\$108,995.66
3	\$108,995.66
4	\$300,000.00
5	\$315,000.00
6	\$330,000.00
7	\$350,000.00
8	\$375,000.00
9	\$390,000.00
10	\$420,000.00
11	\$450,000.00
12	\$470,000.00
13	\$495,000.00
14	\$525,000.00
15	\$550,000.00
16	\$600,000.00
17	\$640,000.00
18	\$680,000.00
19	\$720,000.00
20	\$755,000.00
21	\$790,000.00
22	\$840,000.00
23	\$900,000.00
24	\$975,000.00
25	\$1,140,000.00

7/27/23 – DRAFT

8/1/23 – SECOND DRAFT

8/3/23 – THIRD DRAFT

This Pilot has NOT been approved by the Hempstead IDA Board

PREPARED FOR:

Town of Hempstead Industrial Development Agency
350 Front Street, Room 234-A
Hempstead, NY 11550

Economic and Fiscal Impact

THE GARDENS AT BUFFALO

Town of Hempstead
Industrial Development Agency

AUGUST 14, 2023

PREPARED BY:



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Saratoga Springs, NY 12866
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CAMOIN ASSOCIATES

ABOUT THE STUDY

Camoin Associates was retained by the Town of Hempstead Industrial Development Agency to measure the potential economic and fiscal impacts of a project proposed by The Gardens at Buffalo LLC. The proposed project involves the renovation and construction of 200-total-unit residential apartment buildings at 80 & 84 Albany Ave, Freeport NY 11520 & 17-33 Buffalo Ave, Freeport NY 11520. The goal of this analysis is to provide a complete assessment of the total economic, employment, and tax impact of the project on the Town of Hempstead and Village of Freeport that result from the new household spending and on-site operations.

The primary tool used in this analysis is the input-output model developed by Lightcast. Primary data used in this study was obtained from the developer's application for financial assistance to the Town of Hempstead Industrial Development Agency and included the following data points: on-site jobs, exemptions, and PILOT schedule. Secondary data was collected by Camoin Associates and used to estimate spending by new households.

The economic impacts are presented in four categories: direct impact, indirect impact, induced impact, and total impact. The indirect and induced impacts are commonly referred to as the "multiplier effect." Note that previous impact reports commissioned by the Town of Hempstead Industrial Development Agency were presented in only three categories: direct impact, indirect impact, and total impact. Prior to 2020, Camoin Associates included both the indirect and induced impacts in the "indirect impact" category. Beginning in 2020, the indirect and induced impacts will be reported separately to allow for more accurate interpretation of results.

STUDY INFORMATION

Data Source:

The Gardens at Buffalo LLC
Application for Assistance and the
Town of Hempstead Industrial
Development Agency

Geography:

Town of Hempstead
Village of Freeport

Study Period:

2023

Modeling Tool:

Lightcast

DIRECT IMPACTS

This initial round of impacts is generated as a result of spending on operations and new household spending at town businesses.

INDIRECT IMPACTS

The direct impacts have ripple effects through business-to-business spending. This spending results from the increase in demand for goods and services in industry sectors that supply both the facility and the businesses receiving the new household spending.

INDUCED IMPACTS

Impacts that result from spending by facility employees, employees of town businesses, and employees of suppliers. Earnings of these employees enter the economy as employees spend their paychecks in the town on food, clothing, and other goods and services.

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EXECUTIVE SUMMARY

The Town of Hempstead Industrial Development Agency (the "Agency") received an application for financial assistance from The Gardens at Buffalo, LLC (the "Applicant") for the renovation and construction of three 3-story and two five-story buildings totaling 200-units (the "Project") at 80 & 84 Albany Ave, Freeport, NY 11520 & 17-33 Buffalo Ave, Freeport, NY 11520 (the "Site"). The development will consist of 10 studio units, 100 1-bedroom units, 70 2-bedroom units, and 20 3-bedroom units along with on-site parking. Among the units, at least 10% will be reserved for workforce pursuant to the Long Island Workforce Housing Units. The Applicant is seeking a sales tax exemption, mortgage recording tax exemption, and a 25-year PILOT from the Agency. The Agency commissioned Camoin Associates to conduct an economic and limited fiscal impact analysis of the Project on the Town of Hempstead (the Town) and the Village of Freeport (the Village).

Camoin Associates conducted a market analysis and determined 79% of the market rate units (or 142 units) would be considered as providing "net new" households to the town as they allow households to exist in the town that would otherwise locate elsewhere. Among the workforce units, 100% (or 20 units) would be considered "net new" households. We then computed the total spending associated with these households to derive job creation resulting from the Project. The following is a summary of our findings from this study, with details below and in the following sections.

Table 1

Summary of Benefits to Town

Total Jobs	52
Direct Jobs	37
Total Earnings	\$ 2,900,631
Direct Earnings	\$ 1,908,213
Annual Sales Tax Revenue to County	\$ 91,872
Annual Sales Tax Revenue to Town	\$ 8,106
Average Annual PILOT Payment	\$ 533,479
Average Annual PILOT Payment to Town	\$ 1,487
Average Annual PILOT Benefit	\$ 533,479
Average Annual PILOT Benefit to Town	\$ 1,487
Average Annual Net Benefit to Town	\$ 9,594

Table 2

Summary of Benefits to Village

Total Jobs	20
Direct Jobs	18
Total Earnings	\$ 1,028,090
Direct Earnings	\$ 907,214
Average Annual PILOT Payment	\$ 533,479
Average Annual PILOT Payment to Village	\$ 382,427
Average Annual PILOT Benefit	\$ 533,479
Average Annual PILOT Benefit to Village	\$ 382,427
Average Annual Net Benefit to Village	\$ 382,427

CAMOIN ASSOCIATES

- ♦ The Project supports 52 net new jobs in the town and 20 net new jobs in the village, with over \$2.9 million and \$1.0 million in associated earnings, respectfully. These figures include net new jobs resulting from both maintenance and operation of the facility as well as economic activity that results from new household spending.
- ♦ The Applicant has negotiated terms of a proposed PILOT agreement for a term of 25 years with the Agency, where the Applicant would pay an average of \$533,479 each year, of which \$1,487 are estimated to be allocated to the Town and \$382,427 are estimated to be allocated to the village. All of the pilot payments represent a benefit to the jurisdiction as prior to the project, no taxes were collected on the site.
- ♦ Through negotiations with the Agency the Applicant could have access to a sales tax exemption valued at up to \$1,036,294 and a mortgage recording tax exemption valued at up to \$229,399. However, if we assume that the Project would not occur absent IDA benefits, this is not actually a "cost" to the state and county since no future revenue stream would exist without the exemptions.

Table 3

Summary of Costs to Affected Jurisdictions

	State and County	
Sales Tax Exemption	\$	1,036,294
Mortgage Tax Exemption	\$	229,399

Source: Applicant, Camoin Associates

ECONOMIC IMPACT ANALYSIS

The estimates of direct economic activity generated by facility operation and new resident spending as provided by the Applicant were used as the direct inputs for the economic impact model. Camoin Associates uses the input-output model designed by Lightcast (formerly Emsi) to calculate total economic impacts. Lightcast allows the analyst to input the amount of new direct economic activity (spending or jobs) occurring within the town and uses the direct inputs to estimate the spillover effects that the net new spending or jobs have as these new dollars circulate through the region's economy. This is captured in the indirect and induced impacts and is commonly referred to as the "multiplier effect." See Attachment A for more information on economic impact analysis.

The Project would have economic impacts upon the Town of Hempstead and the Village of Freeport as a result of Project operation, new permanent jobs, and spending by new tenant households.

CONSTRUCTION PHASE IMPACTS

The Applicant estimates that private sector investment in the construction of the Project would cost approximately \$31.2 million¹, of which 70%² is assumed to be sourced from within the town. This means that there will be nearly \$21.8 million in net new spending in the town associated with the construction phase of the Project.

Table 4

Construction Phase Spending - Town

Total Construction Cost	\$ 31,210,825
Percent Sourced from Town	70%
Net New Constuction Spending	\$ 21,847,578

Source: Applicant, Camoin Associates

Based on over \$21.8 million worth of net new direct spending associated with the construction phase of the Project, Camoin Associates determined that there would be over \$27.9 million in total one-time construction related spending supporting 112 total jobs and an associated over \$10.6 million in earnings over the construction period throughout the town. Table 5 outlines the economic impacts of construction.

¹ Includes project costs as provided by the Applicant, excluding acquisition, legal charges, and financial charges.

² According to Lightcast, approximately 70% of construction industry demand is met within the town.

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Table 5

Town Economic Impact - Construction Phase

	Jobs		Earnings		Sales
Direct	83	\$	8,547,056	\$	21,847,578
Indirect	14	\$	1,004,848	\$	3,251,277
Induced	15	\$	1,075,180	\$	2,791,133
Total	112	\$	10,627,084	\$	27,889,988

Source: Lightcast, Camoin Associates

Of the total construction cost, 30%³ is assumed to be sourced from within the village. This means that there will be over \$9.3 million in net new spending in the village associated with the construction phase of the Project.

Table 6

Construction Phase Spending - Village

Total Construction Cost	\$	31,210,825
Percent Sourced from Village		30%
Net New Constnction Spending	\$	9,363,248

Source: Applicant, Camoin Associates

Based on over \$9.3 million worth of net new direct spending associated with the construction phase of the Project, Camoin Associates determined that there would be nearly \$9.8 million in total one-time construction related spending supporting 78 jobs and an associated nearly \$3.8 million in earnings over the construction period throughout the village. Table 7 **Error! Reference source not found.** outlines the economic impacts of construction.

Table 7

Village Economic Impact - Construction Phase

	Jobs		Earnings		Sales
Direct	76	\$	3,663,024	\$	9,363,248
Indirect	1	\$	97,475	\$	349,584
Induced	1	\$	48,960	\$	140,254
Total	78	\$	3,809,460	\$	9,853,086

Source: Lightcast, Camoin Associates

³ According to Emsi, approximately 30% of construction industry demand is met within the village.

CAMOIN ASSOCIATES

IMPACTS OF NEW HOUSEHOLD SPENDING

To determine the annual economic impact of the Project on the town and village, the first step is to calculate the number of households that can be considered "net new" to the economy. In other words, the number of households that, but for the Project, would not exist in the Town of Hempstead. With respect to this Project, net new households consist of those who are able to live in the jurisdictions as a result of the Project and would otherwise choose to live elsewhere. See Attachment B for more information on this methodology.

The Applicant proposes to construct 200 market rate units. Camoin Associates conducted a rental demand analysis for the Project site and found that 81% of the units, or 162 units, are net new to the town (Table). This is based on a review of the data and an understanding of the proposed Project as detailed above.

Table 8

Net New Households

	Total Households	Percent Net New	Net New Households
Market Rate Units	180	79%	142
Workforce Units	20	100%	20
Total	200	81%	162

Source: Esri, Camoin Associates

SPENDING BY NEW TENANTS

These residents make purchases in the town, thereby adding new dollars to the Town of Hempstead's economy. For this analysis, we researched spending patterns by household income to determine the spending by tenants.

The 142 net new market rate units, which are typically affordable to households making at least 150% of the area median income. The Town of Hempstead AMI is \$122,805. Therefore, we will consider spending for tenants to be in the \$150,000 to \$199,999 spending basket, per the Bureau of Labor Statistics' 2020 Consumer Expenditure Survey.

The 20 net new workforce units, which are slated to be affordable to households making at least 130% of the area median income⁴, are considered to be affordable for households in the \$100,000 to \$149,999 spending basket, per the Bureau of Labor Statistics' 2020 Consumer Expenditure Survey.

Using a spending basket for the region which details household spending in individual consumer categories by income level, we analyzed likely tenant spending. According to the 2020 Consumer Expenditure Survey, households in workforce units have annual expenditures (excluding housing and utility costs) of \$44,188. While households in the market rate units have annual expenditures (excluding housing and utility costs) of \$49,665.

It is assumed that 60%⁵ of total expenditures would occur within the Town of Hempstead and, therefore, have an impact on the town's economy and that 25% of expenditures would occur within the village⁶. The total net new spending columns show the total amount spent in the town and village, based on the number of net new units.

⁴ In Compliance with the Long Island Workforce Housing Act

⁵ According to Lightcast, 60% of demand for industries in a typical household spending basket is met within the Town of Hempstead.

⁶ According to Lightcast, 25% of demand for industries in a typical household spending basket is met within the Village of Freeport.

Table 9

Tenant Town Spending Basket

Category	Workforce Units		
	\$100,000 to \$149,999 Annual Household Income		
	Annual per Unit Spending Basket	Amount Spent in Town (60%)	Total Net New Town Spending (20 net new units)
Food	\$ 9,901	\$ 5,941	\$ 118,812
Household furnishings and equipment	\$ 2,909	\$ 1,745	\$ 34,908
Apparel and services	\$ 2,037	\$ 1,222	\$ 24,444
Transportation	\$ 14,888	\$ 8,933	\$ 178,656
Health care	\$ 6,508	\$ 3,905	\$ 78,096
Entertainment	\$ 4,331	\$ 2,599	\$ 51,972
Personal care products and services	\$ 934	\$ 560	\$ 11,208
Education	\$ 1,494	\$ 896	\$ 17,928
Miscellaneous	\$ 1,186	\$ 712	\$ 14,232
Subtotal	\$ 44,188	\$ 26,513	\$ 530,256
Category	Market Rate Units		
	\$150,000 to \$199,999 Annual Household Income		
	Annual per Unit Spending Basket	Amount Spent in Town (60%)	Total Net New Town Spending (142 net new units)
Food	\$ 11,002	\$ 6,601	\$ 937,370
Household furnishings and equipment	\$ 4,042	\$ 2,425	\$ 344,378
Apparel and services	\$ 2,276	\$ 1,366	\$ 193,915
Transportation	\$ 14,404	\$ 8,642	\$ 1,227,221
Health care	\$ 7,662	\$ 4,597	\$ 652,802
Entertainment	\$ 5,236	\$ 3,142	\$ 446,107
Personal care products and services	\$ 961	\$ 577	\$ 81,877
Education	\$ 2,426	\$ 1,456	\$ 206,695
Miscellaneous	\$ 1,656	\$ 994	\$ 141,091
Subtotal	\$ 49,665	\$ 29,799	\$ 4,231,458
Total Tenant Spending			\$ 4,761,714

Source: 2020 Consumer Expenditure Survey, Bureau of Labor Statistics

Table 10

Tenant Village Spending Basket

Category	Workforce Units		
	\$100,000 to \$149,999 Annual Household Income		
	Annual per Unit Spending Basket	Amount Spent In Village (25%)	Total Net New Village Spending (20 net new units)
Food	\$ 9,901	\$ 2,475	\$ 49,505
Household furnishings and equipment	\$ 2,909	\$ 727	\$ 14,545
Apparel and services	\$ 2,037	\$ 509	\$ 10,185
Transportation	\$ 14,888	\$ 3,722	\$ 74,440
Health care	\$ 6,508	\$ 1,627	\$ 32,540
Entertainment	\$ 4,331	\$ 1,083	\$ 21,655
Personal care products and services	\$ 934	\$ 234	\$ 4,670
Education	\$ 1,494	\$ 374	\$ 7,470
Miscellaneous	\$ 1,186	\$ 297	\$ 5,930
Subtotal	\$ 44,188	\$ 11,047	\$ 220,940
Category	Market Rate Units		
	\$150,000 to \$199,999 Annual Household Income		
	Annual per Unit Spending Basket	Amount Spent In Village (25%)	Total Net New Village Spending (142 net new units)
Food	\$ 11,002	\$ 2,751	\$ 390,571
Household furnishings and equipment	\$ 4,042	\$ 1,011	\$ 143,491
Apparel and services	\$ 2,276	\$ 569	\$ 80,798
Transportation	\$ 14,404	\$ 3,601	\$ 511,342
Health care	\$ 7,662	\$ 1,916	\$ 272,001
Entertainment	\$ 5,236	\$ 1,309	\$ 185,878
Personal care products and services	\$ 961	\$ 240	\$ 34,116
Education	\$ 2,426	\$ 607	\$ 86,123
Miscellaneous	\$ 1,656	\$ 414	\$ 58,788
Subtotal	\$ 49,665	\$ 12,416	\$ 1,763,108
Total Tenant Spending			\$ 1,984,048

Source: 2020 Consumer Expenditure Survey, Bureau of Labor Statistics

The total net new spending in the town and the village was calculated by multiplying the amount spent in each region by the number of net new units. As shown in the table above, spending in the town by all new households would total nearly \$4.7 million per year of which \$1.9 million would occur within the village. We used the above spending basket amounts to calculate the direct, indirect, and total impact of the Project on the town and the village.

CAMOIN ASSOCIATES

Using \$4.7 million as the new sales input, Camoin Associates employed Lightcast to determine the indirect, induced, and total impact of the Project on the Town of Hempstead.⁷ Table 11 outlines the findings of this analysis.

Table 11

Town Economic Impact - Household Spending

	Jobs		Earnings		Sales
Direct	33	\$	1,696,161	\$	4,761,714
Indirect	7	\$	417,316	\$	1,152,000
Induced	5	\$	419,239	\$	1,077,283
Total	45	\$	2,532,716	\$	6,990,996

Source: Lightcast, Camoin Associates

The following table outlines the impact of the Project on the Village of Freeport using the \$1.9 million as the new sales input.

Table 12

Village Economic Impact - Household Spending

	Jobs		Earnings		Sales
Direct	14	\$	706,734	\$	1,984,048
Indirect	1	\$	31,909	\$	84,348
Induced	0	\$	49,239	\$	159,317
Total	15	\$	787,883	\$	2,227,714

Source: Lightcast, Camoin Associates

IMPACTS OF ON-SITE EMPLOYMENT

The Applicant anticipates that 5 total jobs will be on-site within two years following Project completion. Since 81% of the housing units are considered net new to the town, 81% of the jobs are considered to be net new. The table below detail the impact that these 4 net new jobs will have on the Town of Hempstead (Table 13).

Table 13

Town Economic Impact - On-Site Operations

	Jobs		Earnings		Sales
Direct	4	\$	212,052	\$	724,560
Indirect	2	\$	109,683	\$	316,786
Induced	1	\$	46,179	\$	119,210
Total	7	\$	367,915	\$	1,160,557

Source: Lightcast, Camoin Associates

⁷ Analysis uses the 34 zip codes that are predominantly located within the Town of Hempstead (see Attachment C).

CAMOIN ASSOCIATES

The following table shows the impact on the village from the four on-site jobs.

Table 14

Village Economic Impact - On-Site Operations

	Jobs		Earnings		Sales
Direct	4	\$	200,479	\$	685,017
Indirect	1	\$	32,702	\$	83,837
Induced	0	\$	7,027	\$	22,399
Total	5	\$	240,208	\$	791,253

Source: Lightcast, Camoin Associates

TOTAL ANNUAL ECONOMIC IMPACT

The complete economic impact of both new household spending as well as on-site operation and maintenance of the Project on the Town of Hempstead in Table.

Table 15

Town Total Annual Economic Impact

	Jobs		Earnings		Sales
Direct	37	\$	1,908,213	\$	5,486,274
Indirect	9	\$	526,999	\$	1,468,785
Induced	5	\$	465,419	\$	1,196,493
Total	52	\$	2,900,631	\$	8,151,553

Source: Lightcast, Camoin Associates

Table 16 shows the complete annual economic impact of the Project on the Village of Freeport.

Table 16

Village Total Annual Economic Impact

	Jobs		Earnings		Sales
Direct	18	\$	907,214	\$	2,669,065
Indirect	2	\$	64,611	\$	168,185
Induced	0	\$	56,266	\$	181,716
Total	20	\$	1,028,090	\$	3,018,966

Source: Lightcast, Camoin Associates

Note that town impacts are inclusive of village impacts. Town and village impacts should not be added together.

CAMOIN ASSOCIATES

FISCAL IMPACT ANALYSIS

In addition to the economic impact of the Project on the local economies (outlined above), there would also be a fiscal impact in terms of annual property tax and sales tax generation. The following section of the analysis outlines the impact of the completion of the Project on the local taxing jurisdictions in terms of the cost and/or benefit to municipal budgets.

PAYMENT IN LIEU OF TAXES (PILOT)

The Applicant has applied to the Agency for a Payment In Lieu of Taxes (PILOT) agreement. The Applicant has proposed a PILOT (25 years) payment schedule based on the current tax rate, taxable value, and assessed value of the Project. Based on the terms of the PILOT as proposed, Camoin Associates calculated the potential impact on the Town of Hempstead and other applicable jurisdictions.⁸

Table 17

Tax Payments with PILOT

Year	Total		Portion of Payment by Jurisdiction				
	PILOT Payments		Town	County	School District	Village	
1	\$ 108,996	\$	304	\$ 912	\$ 29,646	\$	78,134
2	\$ 108,996	\$	304	\$ 912	\$ 29,646	\$	78,134
3	\$ 108,996	\$	304	\$ 912	\$ 29,646	\$	78,134
4	\$ 300,000	\$	836	\$ 2,509	\$ 81,598	\$	215,056
5	\$ 315,000	\$	878	\$ 2,635	\$ 85,678	\$	225,809
6	\$ 330,000	\$	920	\$ 2,760	\$ 89,758	\$	236,562
7	\$ 350,000	\$	976	\$ 2,927	\$ 95,198	\$	250,899
8	\$ 375,000	\$	1,045	\$ 3,136	\$ 101,998	\$	268,820
9	\$ 390,000	\$	1,087	\$ 3,262	\$ 106,078	\$	279,573
10	\$ 420,000	\$	1,171	\$ 3,513	\$ 114,237	\$	301,079
11	\$ 450,000	\$	1,255	\$ 3,764	\$ 122,397	\$	322,584
12	\$ 470,000	\$	1,310	\$ 3,931	\$ 127,837	\$	336,922
13	\$ 495,000	\$	1,380	\$ 4,140	\$ 134,637	\$	354,843
14	\$ 525,000	\$	1,464	\$ 4,391	\$ 142,797	\$	376,349
15	\$ 550,000	\$	1,533	\$ 4,600	\$ 149,597	\$	394,270
16	\$ 600,000	\$	1,673	\$ 5,018	\$ 163,196	\$	430,113
17	\$ 640,000	\$	1,784	\$ 5,353	\$ 174,076	\$	458,787
18	\$ 680,000	\$	1,896	\$ 5,687	\$ 184,956	\$	487,461
19	\$ 720,000	\$	2,007	\$ 6,022	\$ 195,836	\$	516,135
20	\$ 755,000	\$	2,105	\$ 6,315	\$ 205,355	\$	541,225
21	\$ 790,000	\$	2,202	\$ 6,607	\$ 214,875	\$	566,315
22	\$ 840,000	\$	2,342	\$ 7,026	\$ 228,475	\$	602,158
23	\$ 900,000	\$	2,509	\$ 7,527	\$ 244,794	\$	645,169
24	\$ 975,000	\$	2,718	\$ 8,155	\$ 265,194	\$	698,933
25	\$ 1,140,000	\$	3,178	\$ 9,535	\$ 310,073	\$	817,214
Total	\$ 13,336,987	\$	37,183	\$ 111,549	\$ 3,627,578	\$	9,560,677
Average	\$ 533,479	\$	1,487	\$ 4,462	\$ 145,103	\$	382,427

Source: Town of Hempstead IDA, Camoin Associates

⁸ It is assumed that the jurisdictions will continue to receive the same portion of the PILOT payments as they do from the property's full tax bill.

CAMOIN ASSOCIATES

TAX POLICY COMPARISON

Without the Agency's preliminary inducement to provide financial assistance, Camoin Associates assumes the Applicant would not have acquired the Property and would not undertake the Project. Prior to the inducement the site was owned by the Village of Freeport and no taxes were collected at the site meaning any taxes collected through the pilot represent a new benefit to the jurisdiction.

Table 28 calculates the benefit to the affected taxing jurisdictions as the difference between the PILOT payments associated with the Project and the lack of property tax payments without the Project. The total benefit would be \$13.3 million over the 25-year period.

Table 28

Tax Policy Comparison (All Jurisdictions)

Year	Property Tax Payment Without Project	PILOT Payment	Benefit (Cost) of Project
1	\$ -	\$ 108,996	\$ 108,996
2	\$ -	\$ 108,996	\$ 108,996
3	\$ -	\$ 108,996	\$ 108,996
4	\$ -	\$ 300,000	\$ 300,000
5	\$ -	\$ 315,000	\$ 315,000
6	\$ -	\$ 330,000	\$ 330,000
7	\$ -	\$ 350,000	\$ 350,000
8	\$ -	\$ 375,000	\$ 375,000
9	\$ -	\$ 390,000	\$ 390,000
10	\$ -	\$ 420,000	\$ 420,000
11	\$ -	\$ 450,000	\$ 450,000
12	\$ -	\$ 470,000	\$ 470,000
13	\$ -	\$ 495,000	\$ 495,000
14	\$ -	\$ 525,000	\$ 525,000
15	\$ -	\$ 550,000	\$ 550,000
16	\$ -	\$ 600,000	\$ 600,000
17	\$ -	\$ 640,000	\$ 640,000
18	\$ -	\$ 680,000	\$ 680,000
19	\$ -	\$ 720,000	\$ 720,000
20	\$ -	\$ 755,000	\$ 755,000
21	\$ -	\$ 790,000	\$ 790,000
22	\$ -	\$ 840,000	\$ 840,000
23	\$ -	\$ 900,000	\$ 900,000
24	\$ -	\$ 975,000	\$ 975,000
25	\$ -	\$ 1,140,000	\$ 1,140,000
Total	\$ -	\$ 13,336,987	\$ 13,336,987
Average	\$ -	\$ 533,479	\$ 533,479

Source: Town of Hempstead IDA, Camoin Associates

CAMOIN ASSOCIATES

TOWN

Table 39 calculates the benefit to the Town. The Town would receive approximately \$1,487 more in PILOT revenue annually than it would without the Project. The total benefit to the Town would be over \$37,183 over the 25-year period.

Table 39

Tax Policy Comparison for Town

Year	Property Tax Payment Without Project		PILOT Payment	Benefit (Cost) of Project	
1	\$	-	\$ 304	\$	304
2	\$	-	\$ 304	\$	304
3	\$	-	\$ 304	\$	304
4	\$	-	\$ 836	\$	836
5	\$	-	\$ 878	\$	878
6	\$	-	\$ 920	\$	920
7	\$	-	\$ 976	\$	976
8	\$	-	\$ 1,045	\$	1,045
9	\$	-	\$ 1,087	\$	1,087
10	\$	-	\$ 1,171	\$	1,171
11	\$	-	\$ 1,255	\$	1,255
12	\$	-	\$ 1,310	\$	1,310
13	\$	-	\$ 1,380	\$	1,380
14	\$	-	\$ 1,464	\$	1,464
15	\$	-	\$ 1,533	\$	1,533
16	\$	-	\$ 1,673	\$	1,673
17	\$	-	\$ 1,784	\$	1,784
18	\$	-	\$ 1,896	\$	1,896
19	\$	-	\$ 2,007	\$	2,007
20	\$	-	\$ 2,105	\$	2,105
21	\$	-	\$ 2,202	\$	2,202
22	\$	-	\$ 2,342	\$	2,342
23	\$	-	\$ 2,509	\$	2,509
24	\$	-	\$ 2,718	\$	2,718
25	\$	-	\$ 3,178	\$	3,178
Total	\$	-	\$ 37,183	\$	37,183
Average	\$	-	\$ 1,487	\$	1,487

Source: Town of Hempstead IDA, Camoin Associates

CAMOIN ASSOCIATES

COUNTY

Table 320 calculates the benefit to the County. The County would receive approximately \$4,462 more in PILOT revenue annually than it would without the Project. The total benefit to the County would be over \$111,549 over the 25-year period.

Table 20

Tax Policy Comparison for County

Year	Property Tax Payment Without Project		PILOT Payment	Benefit (Cost) of Project
1	\$	-	\$ 912	\$ 912
2	\$	-	\$ 912	\$ 912
3	\$	-	\$ 912	\$ 912
4	\$	-	\$ 2,509	\$ 2,509
5	\$	-	\$ 2,635	\$ 2,635
6	\$	-	\$ 2,760	\$ 2,760
7	\$	-	\$ 2,927	\$ 2,927
8	\$	-	\$ 3,136	\$ 3,136
9	\$	-	\$ 3,262	\$ 3,262
10	\$	-	\$ 3,513	\$ 3,513
11	\$	-	\$ 3,764	\$ 3,764
12	\$	-	\$ 3,931	\$ 3,931
13	\$	-	\$ 4,140	\$ 4,140
14	\$	-	\$ 4,391	\$ 4,391
15	\$	-	\$ 4,600	\$ 4,600
16	\$	-	\$ 5,018	\$ 5,018
17	\$	-	\$ 5,353	\$ 5,353
18	\$	-	\$ 5,687	\$ 5,687
19	\$	-	\$ 6,022	\$ 6,022
20	\$	-	\$ 6,315	\$ 6,315
21	\$	-	\$ 6,607	\$ 6,607
22	\$	-	\$ 7,026	\$ 7,026
23	\$	-	\$ 7,527	\$ 7,527
24	\$	-	\$ 8,155	\$ 8,155
25	\$	-	\$ 9,535	\$ 9,535
Total	\$	-	\$ 111,549	\$ 111,549
Average	\$	-	\$ 4,462	\$ 4,462

Source: Town of Hempstead IDA, Camoin Associates

CAMOIN ASSOCIATES

SCHOOL DISTRICT

Table 321 calculates the benefit to the School District. The School District would receive approximately \$145,103 more in PILOT revenue annually than it would without the Project. The total benefit to the School District would be over \$3.6 million over the 25-year period.

Table 21

Tax Policy Comparison for School District

Year	Property Tax Payment Without Project		PILOT Payment	Benefit (Cost) of Project
1	\$	-	\$ 29,646	\$ 29,646
2	\$	-	\$ 29,646	\$ 29,646
3	\$	-	\$ 29,646	\$ 29,646
4	\$	-	\$ 81,598	\$ 81,598
5	\$	-	\$ 85,678	\$ 85,678
6	\$	-	\$ 89,758	\$ 89,758
7	\$	-	\$ 95,198	\$ 95,198
8	\$	-	\$ 101,998	\$ 101,998
9	\$	-	\$ 106,078	\$ 106,078
10	\$	-	\$ 114,237	\$ 114,237
11	\$	-	\$ 122,397	\$ 122,397
12	\$	-	\$ 127,837	\$ 127,837
13	\$	-	\$ 134,637	\$ 134,637
14	\$	-	\$ 142,797	\$ 142,797
15	\$	-	\$ 149,597	\$ 149,597
16	\$	-	\$ 163,196	\$ 163,196
17	\$	-	\$ 174,076	\$ 174,076
18	\$	-	\$ 184,956	\$ 184,956
19	\$	-	\$ 195,836	\$ 195,836
20	\$	-	\$ 205,355	\$ 205,355
21	\$	-	\$ 214,875	\$ 214,875
22	\$	-	\$ 228,475	\$ 228,475
23	\$	-	\$ 244,794	\$ 244,794
24	\$	-	\$ 265,194	\$ 265,194
25	\$	-	\$ 310,073	\$ 310,073
Total	\$	-	\$ 3,627,578	\$ 3,627,578
Average	\$	-	\$ 145,103	\$ 145,103

Source: Town of Hempstead IDA, Camoin Associates

CAMOIN ASSOCIATES

VILLAGE

Table 322 calculates the benefit to the Village. The Village would receive approximately \$382,427 more in PILOT revenue annually than it would without the Project. The total benefit to the Village would be over \$9.5 million over the 25-year period.

Table 22

Tax Policy Comparison for Village

Year	Property Tax Payment Without Project		PILOT Payment	Benefit (Cost) of Project
1	\$	-	\$ 78,134	\$ 78,134
2	\$	-	\$ 78,134	\$ 78,134
3	\$	-	\$ 78,134	\$ 78,134
4	\$	-	\$ 215,056	\$ 215,056
5	\$	-	\$ 225,809	\$ 225,809
6	\$	-	\$ 236,562	\$ 236,562
7	\$	-	\$ 250,899	\$ 250,899
8	\$	-	\$ 268,820	\$ 268,820
9	\$	-	\$ 279,573	\$ 279,573
10	\$	-	\$ 301,079	\$ 301,079
11	\$	-	\$ 322,584	\$ 322,584
12	\$	-	\$ 336,922	\$ 336,922
13	\$	-	\$ 354,843	\$ 354,843
14	\$	-	\$ 376,349	\$ 376,349
15	\$	-	\$ 394,270	\$ 394,270
16	\$	-	\$ 430,113	\$ 430,113
17	\$	-	\$ 458,787	\$ 458,787
18	\$	-	\$ 487,461	\$ 487,461
19	\$	-	\$ 516,135	\$ 516,135
20	\$	-	\$ 541,225	\$ 541,225
21	\$	-	\$ 566,315	\$ 566,315
22	\$	-	\$ 602,158	\$ 602,158
23	\$	-	\$ 645,169	\$ 645,169
24	\$	-	\$ 698,933	\$ 698,933
25	\$	-	\$ 817,214	\$ 817,214
Total	\$	-	\$ 9,560,677	\$ 9,560,677
Average	\$	-	\$ 382,427	\$ 382,427

Source: Town of Hempstead IDA, Camoin Associates

CAMOIN ASSOCIATES

OTHER EXEMPTIONS

There are additional benefits to working with the Agency including a one-time sales tax exemption on renovation materials and furniture, fixtures, and equipment as well as a mortgage recording tax exemption. Tax exemptions are for the state and county taxes and are not applicable to the town.

Table 23

Summary of Costs to Affected Jurisdictions

	State and County	
Sales Tax Exemption	\$	1,036,294
Mortgage Tax Exemption	\$	229,399

Source: Applicant, Camoin Associates

The additional incentives offered by the Agency will benefit the Applicant but will not negatively affect the taxing jurisdictions because, without the Project, the Town by definition would not be receiving any associated sales tax or mortgage tax revenue.

SALES TAX REVENUE**SALES TAX REVENUE – CONSTRUCTION PHASE**

The one-time construction phase earnings described by the total economic impact of the construction work (described in the above section) would lead to additional sales tax revenue for the Town. It is assumed that 70%⁹ of the construction phase earnings would be spent within the county and that 25% of those purchases would be taxable.

Table 24

One-Time Sales Tax Revenue, Construction Phase

Total New Earnings	\$	10,627,084
Amount Spent in County (70%)	\$	7,438,959
Amount Taxable (25%)	\$	1,859,740
Nassau County Sales Tax Revenue (4.25%)	\$	79,039
New Town Sales Tax Revenue Portion*		0.375%
New Town Sales Tax Revenue	\$	6,974

Source: Town of Hempstead IDA, Camoin Associates

***Note:** Nassau County's sales tax rate is 4.25%, of which 0.75% is allocated to the towns and cities within the county. For this analysis we assume half of the 0.75% is allocated to the Town of Hempstead.

⁹ According to Lightcast, 70% demand for industries in a typical household spending basket is met within Nassau County.

CAMOIN ASSOCIATES

SALES TAX REVENUE – NEW HOUSEHOLD SPENDING

As a result of the Project, the Town would receive sales tax revenue from the purchases made by the households. Table 25 displays the new sales tax revenue that the Town of Hempstead would receive annually based on in-town spending by new households.

Table 25

Annual Sales Tax Revenue, Household Spending	
Total New Spending	\$ 6,990,996
Amount Taxable (30%)	\$ 2,097,299
Nassau County Sales Tax Revenue (4.25%)	\$ 89,135
New Town Sales Tax Revenue Portion*	0.375%
New Town Tax Revenue	\$ 7,865

Source: Town of Hempstead IDA, Camoin Associates

***Note:** Nassau County's sales tax rate is 4.25%, of which 0.75% is allocated to the towns and cities within the county. For this analysis we assume half of the 0.75% is allocated to the Town of Hempstead.

Note that the household spending figure has already been adjusted to account for 60% of total spending occurring within the town (see table entitled "Tenant Spending Baskets"). It is assumed that 30% of purchases will be taxable, based on the spending baskets of tenants and the understanding that certain non-taxable items (related to housing expenses) have been removed from the total spending line, this increasing the remaining portion taxable.

SALES TAX REVENUE – EMPLOYEE EARNINGS

The earnings generated by on-site jobs that will occur as a result of building operation at the Project (described under Impacts of On-Site Employment) would lead to additional annual sales tax revenue for the town. It is assumed that 70% of the earnings would be spent within Nassau County and that 25% of those purchases will be taxable. Table 46 displays the annual tax revenue that the Town will receive.

Table 46

Annual Sales Tax Revenue, On-Site Operations	
Total New Earnings	\$ 367,915
Amount Spent in County (70%)	\$ 257,541
Amount Taxable (25%)	\$ 64,385
Nassau County Sales Tax Revenue (4.25%)	\$ 2,736
New Town Sales Tax Revenue Portion*	0.375%
New Town Tax Revenue	\$ 241

Source: Town of Hempstead IDA, Camoin Associates

***Note:** Nassau County's sales tax rate is 4.25%, of which 0.75% is allocated to the towns and cities within the county. For this analysis we assume half of the 0.75% is allocated to the Town of Hempstead.

CAMOIN ASSOCIATES

TOTAL ANNUAL SALES TAX REVENUE

The total annual sales tax revenue that the Town will receive is summarized in Table 57.

Table 57

Total Annual Sales Tax Revenue		
Household Spending	\$	7,865
On-Site Operations	\$	241
New Town Tax Revenue	\$	8,106

Source: Town of Hempstead IDA, Camoin Associates

ATTACHMENT A: WHAT IS ECONOMIC IMPACT ANALYSIS?

The purpose of conducting an economic impact study is to ascertain the total cumulative changes in employment, earnings and output in a given economy due to some initial "change in final demand". To understand the meaning of "change in final demand", consider the installation of a new widget manufacturer in Anytown, USA. The widget manufacturer sells \$1 million worth of its widgets per year exclusively to consumers in Canada. Therefore, the annual change in final demand in the United States is \$1 million because dollars are flowing in from outside the United States and are therefore "new" dollars in the economy.

This change in final demand translates into the first round of buying and selling that occurs in an economy. For example, the widget manufacturer must buy its inputs of production (electricity, steel, etc.), must lease or purchase property and pay its workers. This first round is commonly referred to as the "Direct Effects" of the change in final demand and is the basis of additional rounds of buying and selling described below.

To continue this example, the widget manufacturer's vendors (the supplier of electricity and the supplier of steel) will enjoy additional output (i.e. sales) that will sustain their businesses and cause them to make additional purchases in the economy. The steel producer will need more pig iron and the electric company will purchase additional power from generation entities. In this second round, some of those additional purchases will be made in the US economy and some will "leak out". What remains will cause a third round (with leakage) and a fourth (and so on) in ever-diminishing rounds of industry-to-industry purchases. Finally, the widget manufacturer has employees who will naturally spend their wages. Again, those wages spent will either be for local goods and services or will "leak" out of the economy. The purchases of local goods and services will then stimulate other local economic activity. Together, these effects are referred to as the "Indirect Effects" of the change in final demand.

Therefore, the total economic impact resulting from the new widget manufacturer is the initial \$1 million of new money (i.e. Direct Effects) flowing in the US economy, plus the Indirect Effects. The ratio of Total Effects to Direct Effects is called the "multiplier effect" and is often reported as a dollar-of-impact per dollar-of-change. Therefore, a multiplier of 2.4 means that for every dollar (\$1) of change in final demand, an additional \$1.40 of indirect economic activity occurs for a total of \$2.40.

Key information for the reader to retain is that this type of analysis requires rigorous and careful consideration of the geography selected (i.e. how the "local economy" is defined) and the implications of the geography on the computation of the change in final demand. If this analysis wanted to consider the impact of the widget manufacturer on the entire North American continent, it would have to conclude that the change in final demand is zero and therefore the economic impact is zero. This is because the \$1 million of widgets being purchased by Canadians is not causing total North American demand to increase by \$1 million. Presumably, those Canadian purchasers will have \$1 million less to spend on other items and the effects of additional widget production will be cancelled out by a commensurate reduction in the purchases of other goods and services.

Changes in final demand, and therefore Direct Effects, can occur in a number of circumstances. The above example is easiest to understand: the effect of a manufacturer producing locally but selling globally. If, however, 100% of domestic demand for a good is being met by foreign suppliers (say, DVD players being imported into the US from Korea and Japan), locating a manufacturer of DVD players in the US will cause a change in final demand because all of those dollars currently leaving the US economy will instead remain. A situation can be envisioned whereby a producer is serving both local and foreign demand, and an impact analysis would have to be careful in calculating how many "new" dollars the producer would be causing to occur domestically.

ATTACHMENT B: CALCULATING NET NEW HOUSEHOLDS

"Net new" households that move into a geography because of the availability of desired housing contribute to that geography's economy in measurable ways. Estimating the number of net new households, the households that would not otherwise live in the geography, is therefore a critical task for an economic and fiscal impact analysis for a project that includes housing.

Our housing market research indicates that housing is heavily affected by demand, with households in different demographic groups seeking diverse housing price points and amenities. Our estimates of net new households take into consideration demographic and economic differences among renters, and price points among units offered, identifying the existence and size of a housing gap (where more units are demanded than are available) or surplus (where there is oversupply) in the market segment to be served by the proposed project. Generally, where there is a significant housing gap outside the geography but within a reasonable distance for relocation, a project will draw a larger proportion of net new households into that geography. Each project may therefore have a different expectation for net new households, depending on price point, age restriction if any, and location.

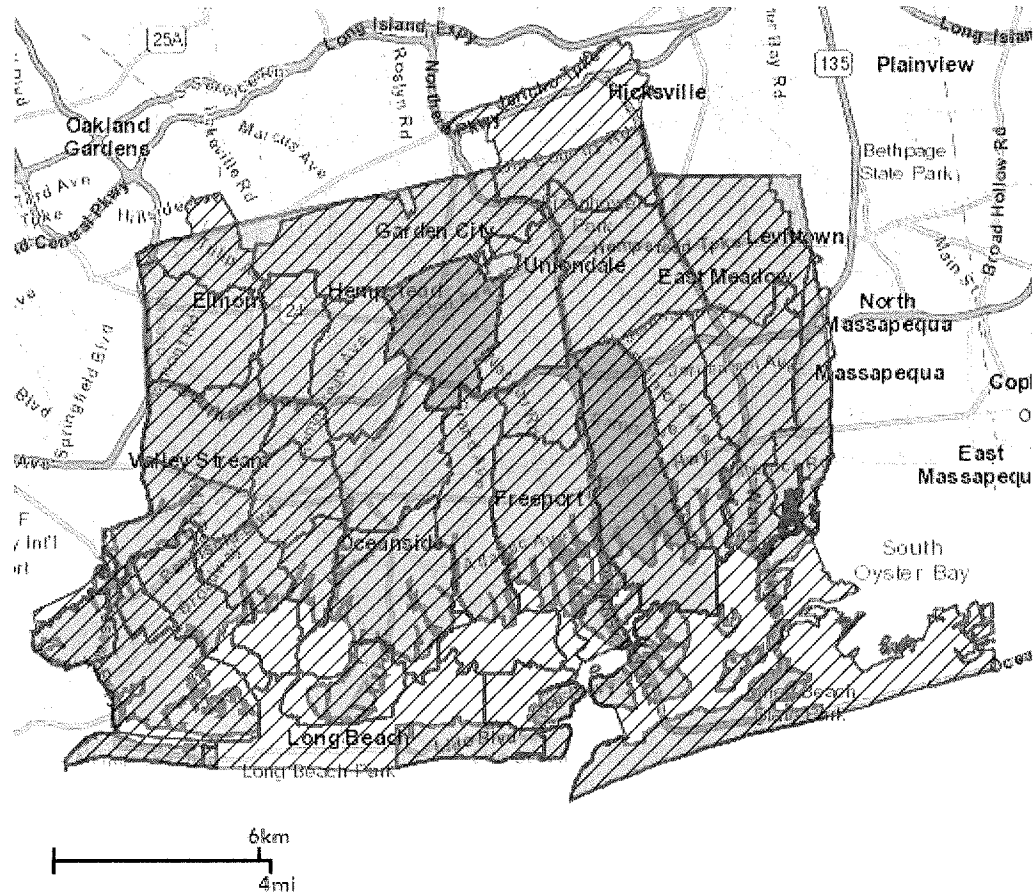
The following steps outline our process for calculating net new households. All data is drawn from Esri Business Analyst.

1. Identify *where* households are likely to come from. We expect that renters for a new project would consider housing within a reasonable driving time from their current location, creating a "renter-shed" for a new project. Households that are within the drive time but outside of the study area are net new.
2. Identify the existing rental housing supply at different price points. Using data from Esri, we identify rental housing units in the study area by price point and calculate the minimum household income expected to be necessary to afford rent by price range.
3. Identify the number of households at different income levels. We analyze households by income group and rental behavior to estimate an "implied number renting" for different income groups.
4. Calculate net housing surplus or gap by price point. Rental housing supply and rental housing demand is compared to calculate a "net gap," indicating excess demand for the project, or a "net surplus." To estimate net new households for a project, the net gap in the study area is compared to the net gap in the drive time.

CAMOIN ASSOCIATES

ATTACHMENT C: STUDY AREAS

Town of Hempstead (Green) and Zip Code Region (Red outline with dashes)



CAMOIN ASSOCIATES

ABOUT CAMOIN ASSOCIATES

Camoin Associates has provided economic development consulting services to municipalities, economic development agencies, and private enterprises since 1999. Through the services offered, Camoin Associates has had the opportunity to serve EDOs and local and state governments from Maine to California; corporations and organizations that include Lowes Home Improvement, FedEx, Amazon, Volvo (Nova Bus) and the New York Islanders; as well as private developers proposing projects in excess of \$6 billion. Our reputation for detailed, place-specific, and accurate analysis has led to projects in 43 states and garnered attention from national media outlets including Marketplace (NPR), Crain's New York Business, Forbes magazine, The New York Times, and The Wall Street Journal. Additionally, our marketing strategies have helped our clients gain both national and local media coverage for their projects in order to build public support and leverage additional funding. We are based in Saratoga Springs, NY, with regional offices in Portland, ME; Boston, MA; Richmond, VA and Brattleboro, VT. To learn more about our experience and projects in all of our service lines, please visit our website at **www.camoinassociates.com**. You can also find us on Twitter **@camoinassociate** and on **Facebook**.

THE PROJECT TEAM

Rachel Selsky
Vice President

Connor Allen
Analyst



Leading action to grow your economy

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Arlyn Eames

From: Sosinsky, Gary <Gary.Sosinsky@macerich.com>
Sent: Thursday, August 3, 2023 6:37 PM
To: Arlyn Eames
Cc: Edie Longo; twalsh@nixonpeabody.com; ewood@nixonpeabody.com; Rendos, Nancy; Floccari, Joe; Jenkins, Trish; Michael Lodato; dan.baker@gtlaw.com
Subject: IDA Approval of Tenant Sublease - Valley Stream Green Acres LLC 2015 Facility - 2034 Green Acres Road South, Valley Stream, NY 11581 - MammaMia
Attachments: MammaMia chart.docx; MammaMia - Green Acres - Lease.docx

Caution

This email originated from outside of the Town of Hempstead. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Dear Ms. Eames:

In accordance with instructions from Daniel Baker of Greenberg Traurig, LLP, attached please find sent directly to you a copy of the tenant sublease for your approval in accordance with Section 9.3 of the Lease Agreement dated May 1, 2015 for the above referenced location ("Valley Stream Green Acres Lease") related to the following:

- **Size of Premises:** 296 feet
- **Tenant:** MAMMAMIAGELATO LLC, a Delaware limited liability company, d/b/a MammaMia
- **Address:** Space #0K04A, Green Acres Mall, Valley Stream, NY
- **Estimated employees:** 8
- **Estimated average salaries:** \$15.00 per hour (full time)

Also attached is a chart regarding the corresponding tenant sublease provisions compared to the provisions listed in Exhibit G of the Valley Stream Green Acres Lease as indicated in Nancy Rendos' 7/15/15 memo to you.

Please note, there is no NDA requested in connection with this Lease

Please confirm your approval of the lease and execution of the resolution by the TOHIDA approving the lease by a reply email to me so I may proceed with execution of the tenant sublease as soon as possible. If you have any questions in the meantime, please do not hesitate to contact me at the number below.

Sincerely,

Gary Sosinsky | AVP, Real Estate Counsel

.....
Macerich

11411 N Tatum Blvd
Phoenix, AZ 85028
p. 602.953.6333

KIOSK LEASE AGREEMENT

BY AND BETWEEN

VALLEY STREAM GREEN ACRES LLC

AS LANDLORD

AND

MAMMAMIAGELATO LLC

doing business as

MammaMia

AS TENANT

FOR PREMISES LOCATED WITHIN

**Green Acres Mall
Valley Stream, New York**



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Exhibits

- A Depiction of Center
- B Depiction of Premises
- C Provisions for the Design and Construction of the Premises
- D Certain Defined Terms
- E Center Rider
- F Provisions for Tenants Selling Food
- G Monthly and Annual Sales Statement Form

KIOSK LEASE AGREEMENT

THIS KIOSK LEASE AGREEMENT ("Lease") is made as of _____ ("Effective Date") by and between VALLEY STREAM GREEN ACRES LLC, a Delaware limited liability company ("Landlord"), and MAMMAMIAGELATO LLC, a Delaware limited liability company ("Tenant").

W I T N E S S E T H:

In consideration of the rents to be paid and the covenants to be performed by Tenant, Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the following described Premises, upon the following terms and conditions (capitalized terms used herein without definition shall have the meanings ascribed to such terms in Exhibit D):

1. FUNDAMENTAL LEASE PROVISIONS

- 1.1. **Center:** Green Acres Mall, located in the Village of Valley Stream, County of Nassau, State of New York Section 2.1
- 1.2. **Premises:** Space #0K04A, together with any Kiosk located at the Premises on the Delivery Date or any Kiosk hereinafter constructed or installed at the Premises in accordance with Exhibit C. Section 2.1
- 1.3. **Floor Area of the Premises:** 296 square feet Section 2.1
- 1.4. **Term:** From the Delivery Date until the Expiration Date, unless sooner terminated pursuant to the terms of this Lease
- 1.5. **Required Opening Date:** 60 days following the Delivery Date. Section 2.32.1
- 1.6. **Rent Commencement Date:** The earlier to occur of (a) the date on which Tenant first opens the Premises for business or (b) the Required Opening Date.
- 1.7. **Expiration Date:** The day immediately preceding the 7th anniversary of the Rent Commencement Date (however, if the Rent Commencement Date does not occur on the first day of a calendar month, then the Expiration Date shall be the last day of the calendar month in which such anniversary occurs).
- 1.8. **Fixed Minimum Rent:** Section 3.4
- | <u>Dates</u> | <u>Annual Fixed Minimum Rent*</u> | <u>Monthly Fixed Minimum Rent*</u> |
|---------------------|-----------------------------------|------------------------------------|
| † - Expiration Date | \$ 100,000.00 | \$ 8,333.33 |
- †From the Rent Commencement Date
*Subject to increases pursuant to Section 3.4
- 1.9. **Percentage Rent Rate:** 8% Section 3.5

1.10. Annual Breakpoint:	<div><div><u>Dates</u></div><div>‡- Expiration Date</div></div>	<div><div><u>Annual Breakpoint**</u></div><div>\$ 1,200,000.00</div></div>	Section 3.5
<div>‡From the Rent Commencement Date</div> <div>**Subject to increases pursuant to Section 3.5</div>			
1.11. Permitted Use:	The Premises shall be used only for the sale at retail of Italian Gelato products, toppings and mix-ins, Italian coffee and coffee drinks, semifreddi and crepes/waffles with gelato and fruit toppings. The Premises shall be used for no other use or purpose.		Section 7.1
1.12. Trade Name:	MammaMia		Section 7.1
1.13. Center Hours:	Monday through Saturday 10:00 a.m. to 9:00 p.m. and Sunday 11:00 a.m. to 7:00 p.m., or such other hours that the Center is open for business as such hours are designated from time-to-time by Landlord.		
1.14. Radius:	1 mile, measured from the outside boundaries of the Center, as the Center is constituted on the Effective Date.		Section 7.3
1.15. Landlord's Address For Notices:	Valley Stream Green Acres LLC 2034 Green Acres Mall Valley Stream, NY 11581-1545 Attention: Center Manager		Article 14
	<div><div><u>With a copy of notices to:</u></div><div>Valley Stream Green Acres LLC c/o Macerich P.O. Box 2172 401 Wilshire Boulevard, Suite 700 Santa Monica, California 90407 Attn: Correspondence Routing System/Legal Department</div></div>		
1.16. Tenant's Address For Notices:	MammamiaGelato LLC 6303 Ocean Avenue North Arverne, NY 11692 Attn: Abdou Thior		Article 14
1.17. Address For Payment of Rent:	Valley Stream Green Acres LLC Dept # 880508 P.O. Box 29650 Phoenix, AZ 85038-9650		Section 3.1
1.18. Landlord's Broker(s):	None.		Section 21.3
1.19. Tenant's Broker(s):	None.		Section 21.3

- 1.20. **Guarantor(s):** Abdou Thior, a single man
- 1.21. **Rent Inquiry Address:** Landlord: Section 3.1
Phone: (866) 811-1095
Email: GreenAcresAR@macerich.com
- Tenant:
MammamiaGelato LLC
6303 Ocean Avenue North
Arverne, NY 11692
Email: skyafri@gmail.com
Phone: (1917) 589-1097
- 1.22. **Landlord's Sales Reporting Address:** Valley Stream Green Acres LLC Section 3.5
Attention: Sales Associate
P.O. Box 2188
Santa Monica, CA 90406
- Phone: (866) 811-1095
Facsimile: (602) 953-8354
Email: greenacres.salesreporting@macerich.com
- 1.23. **Fixed CAM:** Intentionally Omitted Section 3.6
- 1.24. **Water Charge:** \$1,800.00 per annum, payable in monthly installments
\$150.00, subject to annual increases as set forth in Section 6.1.1.
- 1.25. **Electric Charge:** \$708.00 per annum, payable in monthly installments of
\$59.00, subject to annual increases as set forth in Section 6.1.1.
- 1.26. **Security Deposit:** \$16,666.66 Section 3.9

2. PREMISES AND CONSTRUCTION OF IMPROVEMENTS

2.1. **Center and Premises.** The Center, as of the Effective Date, is known by the name set forth in Section 1.1. Exhibit A is an approximate depiction of the Center; however, the depiction of the Center on Exhibit A is not a representation, warranty or covenant of any kind by Landlord that all or any part of the Center is, will be, or will continue to be configured as indicated on Exhibit A. Landlord expressly reserves the right at any time to change the name of the Center without any liability to Tenant. The approximate location of the Premises is depicted by crosshatching on Exhibit B.

2.2. **Tenant's Work.** Promptly following (a) the Delivery Date, (b) Landlord's approval of the Approved Plans and (c) Tenant's receipt of all permits and licenses required by governmental authorities, Tenant shall, at its sole cost and expense, cause Tenant's Contractor to commence Tenant's Work in accordance with the Approved Plans, this Lease, Exhibit C and the Tenant Package and to diligently pursue the same to completion so as to open the Premises for business to the public on or before the Required Opening Date.

2.3. **Timely Opening.** Tenant acknowledges the financial success of the Center depends, in part, on Tenant completing Tenant's Work and opening the Premises for business to the public on or before the Required Opening Date ("Timely Opening Requirement") and Landlord's damages arising from Tenant's failure to comply with the Timely Opening Requirement are difficult to ascertain. Therefore, if Tenant fails to complete Tenant's Work and/or open the Premises for business to the public on or before the Required Opening Date, then in addition to Landlord's other remedies under this Lease, Landlord shall have the right to collect from Tenant, in addition to all Rent, an amount equal to 50% of the Fixed Minimum Rent (prorated on a daily basis) for each such full or partial day that the Timely Opening Requirement is not met.

3. RENT

3.1. **Payment of Rent.** Tenant shall pay all Rent to Landlord without notice, demand, deduction or offset, in lawful money of the United States of America, to the Address for Payment of Rent or at such other place as Landlord may from time-to-time designate in writing to Tenant. Tenant shall be obligated to pay Rent when due regardless of whether Tenant receives a statement therefor. Landlord and Tenant may each use the other's Rent Inquiry Address for any inquiries relating to Rent. The acceptance by Landlord of partial payment of any sum due from Tenant shall not be deemed a waiver by Landlord of any of its rights to the full amount due or an admission by Landlord of the accuracy of any Monthly Sales Statement or any Annual Sales Statement submitted by Tenant. Any endorsement or statement on any check or accompanying letter from Tenant shall not be deemed an accord and satisfaction. Any Rent payments received from Tenant or any other person shall be conclusively presumed to have been paid on Tenant's behalf; however, in no event shall the foregoing be construed as requiring Landlord to accept any Rent from any person other than Tenant. The acceptance by Landlord of Rent from Tenant or any person other than Tenant shall not be deemed to be a waiver by Landlord of any provision of this Lease or to be a consent to any Transfer or to be a release of Tenant from any obligation under this Lease. The acceptance by Landlord of delinquent payment shall not constitute a waiver of any default and shall not constitute a waiver of timely payment of the particular payment involved. Landlord shall have the right to apply payments received from Tenant pursuant to this Lease, regardless of Tenant's designation of such payments, in such order and amounts as Landlord, in its sole discretion, may elect.

3.2. **Prorations.** If the Rent Commencement Date begins on a day other than the first day of a month or if the Term expires on a day other than the last day of a month, then Fixed Minimum Rent for such month shall be an amount equal to the product obtained by multiplying the respective annual amounts by a fraction, the numerator of which shall be the number of days in such month and the denominator of which shall be the actual number of days in such calendar year, unless otherwise provided. If the Lease Year is less than 12 full calendar months, then the Annual Breakpoint for such Lease Year shall be an amount equal to the product obtained by multiplying the Annual Breakpoint by a fraction, the numerator of which shall be the number of days in such Lease Year and the denominator of which shall be 365. If the Premises are closed for any full or partial day during Center Hours, then Annual Breakpoint shall be prorated for the Lease Year in which such closure occurs.

3.3. **Late Payments.** If Tenant fails to pay any Rent to Landlord when due, Landlord shall have the right to collect, as a fair estimate of the expenses Landlord would incur by reason of Tenant's late payment of Rent or a dishonored check: (a) interest on the unpaid Rent at the Agreed Rate from the date payment is due until the date payment is made and (b) a monthly service charge equal to 10% of the overdue amount. If payment is made by a check which is dishonored by the drawing bank, Tenant shall pay to Landlord a service charge equal to \$50.00, and Landlord may require that all future payments of Rent shall be made by electronic money transfers. The imposition of such interest and service charges shall neither constitute a waiver of Tenant's default with respect to such overdue amount nor prevent Landlord from exercising any other right or remedy available to Landlord.

3.4. **Fixed Minimum Rent.** From and after the Rent Commencement Date, Tenant shall pay in equal monthly installments, in advance on the first day of each month (except for the first installment, which shall be paid on the Rent Commencement Date), the Fixed Minimum Rent. Commencing on January 1, 2025 and on each January 1st thereafter (each such date is sometimes referred to as a "Rent Adjustment

Date"), the Fixed Minimum Rent then in effect (or which would then have been in effect absent any abatement or reductions in Fixed Minimum Rent, except for permanent reductions in Fixed Minimum Rent due to a permanent Taking) shall be increased by 3%.

3.4.1. **Application of Fixed Minimum Rent.** Landlord shall have the absolute right to apply and/or allocate any portion, or no portion, of Fixed Minimum Rent toward costs associated with (a) the operation, management, administration, maintenance, equipment, repair and replacement of the Common Area, (b) real estate taxes, (c) insurance and (d) any other so called fringe charges.

3.5. **Percentage Rent**

3.5.1. **Percentage Rent.** Tenant shall owe Percentage Rent to Landlord for each Lease Year commencing upon the calendar month in which Tenant's Gross Sales first exceed the Annual Breakpoint for each Lease Year. Percentage Rent shall be payable to Landlord concurrently with Tenant's submittal of the Monthly Sales Statement for each calendar month thereafter in an amount equal to the product obtained by multiplying the Percentage Rent Rate by the amount of Gross Sales during the preceding calendar month that is in excess of the Annual Breakpoint. If Fixed Minimum Rent during any Lease Year is reduced pursuant to a provision in this Lease or by express written agreement between Landlord and Tenant, then the Annual Breakpoint shall likewise be reduced by a percentage equal to the percentage decrease in the Fixed Minimum Rent payable for the period during which the change in Fixed Minimum Rent is in effect. On each Rent Adjustment Date, the Annual Breakpoint shall be adjusted by a percentage equal to the increase in Annual Fixed Minimum Rent on such Rent Adjustment Date.

3.5.2. **Sales Statements.** Within 10 days after the end of each calendar month, Tenant shall deliver to Landlord at Landlord's Sales Reporting Address a Monthly Sales Statement specifying the Gross Sales made for the preceding calendar month. Within 20 days after the end of each Lease Year, Tenant shall deliver to Landlord at Landlord's Sales Reporting Address an Annual Sales Statement specifying the Gross Sales made for the preceding Lease Year. If Tenant should fail to timely provide any Monthly Sales Statement or any Annual Sales Statement in the manner and form required by this Lease, then, without limitation as to any and all rights and remedies available to Landlord in this Lease, at law and in equity, Landlord shall also have the right to invoice Tenant the sum of \$250.00 per incident per month to cover the additional time and expense involved to obtain each such Monthly Sales Statement or Annual Sales Statement.

3.6. **Intentionally Omitted.**

3.7. **Intentionally Omitted.**

3.8. **Personal Property and Other Taxes.** Tenant shall pay directly to Landlord or to the appropriate taxing authority, before delinquency, any and all taxes (including any excise, transaction, sales or privilege tax imposed upon Landlord on account of, attributed to, or measured by Rent), assessments and public charges levied, assessed or imposed by governmental authorities upon Tenant's business, upon Tenant's sales, upon Rent, upon Tenant's leasehold interest, and upon all Personal Property and Improvements, as well as upon Tenant's right to occupy, and do business at, the Premises.

3.9. **Security Deposit.** Concurrently with Tenant's execution of this Lease and delivery of this Lease to Landlord (or at some future point in time as may hereinafter be provided), Tenant shall deposit with Landlord the Security Deposit, which sum shall be held by Landlord as security for the faithful performance by Tenant of all of the terms, covenants and conditions of this Lease. The Security Deposit is neither an advance Rent deposit nor a measure of Landlord's damages in the event of Tenant's default. The Security Deposit may be used by Landlord to remedy any default by Tenant, to repair damage caused by Tenant to any part of the Center, and to undertake on Tenant's behalf any Surrender Obligations which Tenant has failed to complete as of the date the Premises are surrendered to Landlord, as well as to reimburse Landlord for any amount which Landlord may expend by reason of Tenant's default or to compensate Landlord for any other loss or damage which Landlord may suffer by reason of Tenant's default. If any portion of the Security Deposit is so used or applied, Tenant shall, within 10 days after written demand,

deposit cash with Landlord in an amount sufficient to restore the Security Deposit to the full amount set forth at Section 1.23. Landlord shall not be required to keep the Security Deposit separate from its general funds, and Tenant shall not be entitled to interest on the Security Deposit. Tenant may not elect to use any portion of the Security Deposit as a Rent payment although Landlord may elect to do so in the event Tenant is in default hereunder or is insolvent. Tenant shall not encumber or assign its interest in the Security Deposit. If Tenant fully and faithfully performs every provision of this Lease to be performed by it, the Security Deposit (less any amount which has been applied in the manner permitted by this Section 3.9), shall be returned to Tenant within 30 days after the Refund Date.

4. GROSS SALES

4.1. **Definition of Gross Sales.** "Gross Sales" means the aggregate selling price of all goods, wares, merchandise, tickets, food, beverages and services sold, leased, licensed or delivered from any part of the Premises by Tenant and Tenant's Occupants and shall include, but not be limited to, (a) sales or charges for cash or credit regardless of collections, (b) sales by vending devices, (c) proceeds from audio games and video games, (d) commissions and fees received for the sale of lottery tickets, money orders, check cashing, phone and gift card sales and any other similar income, (e) rent income, (f) orders received or filled at the Premises (including, without limitation, orders made by use of the mail, Internet, wire and telephone), (g) all deposits not refunded to purchasers, (h) fees, commissions and catalogue sales, (i) sales from solicitations, regardless of where conducted, by personnel operating from, or reporting to any person at, the Premises and (j) all service, finance and interest charges on any type of account or note receivable to the extent the principal amount would constitute Gross Sales. Gross Sales shall be deemed to be the average daily Gross Sales for the same month in the calendar year immediately preceding (or if no such Gross Sales are available for such month in the immediately preceding calendar year then the average daily Gross Sales for the 3 months immediately preceding the closure) for each day of nonoperation by Tenant.

4.2. **Tenant's Records.** All business upon the Premises shall be operated so that evidence of payment shall be issued with each sale, transaction or other event resulting in Gross Sales ("Tenant's Receipts"). For the purpose of permitting verification by Landlord of any amounts due as Percentage Rent, Tenant shall keep and preserve at all times during the period required, at the Premises all books and records reflecting Tenant's operations solely at the Premises ("Tenant's Records"). Tenant's Records shall (a) disclose in detail all information reasonably required to permit Landlord to verify Tenant's Gross Sales, (b) conform to and be in accordance with generally accepted accounting principles consistently applied with respect to all operations of the business conducted from the Premises, (c) be maintained in the English language and (d) be kept and preserved for at least 36 months following the end of the Lease Year for which the same pertain (or such longer period, if and while the same may need to be consulted in reference to any dispute or audit, until such dispute or audit has been finally resolved).

5. INDEMNIFICATION AND INSURANCE

5.1. Indemnification

5.1.1. **Indemnification by Tenant.** Tenant hereby agrees to indemnify, defend and hold Landlord and the Landlord Parties harmless from and against any and all Claims for property damage, personal injury or any other matter arising, claimed, charged or incurred against or by Landlord or any of the Landlord Parties in connection with or relating to any event, condition, matter or thing which (a) occurs in, on, under or about the Premises from any cause except to the extent due to the gross negligence or willful misconduct of Landlord or any of the Landlord Parties, (b) occurs in, on, under or about the remainder of the Center due to the gross negligence or willful misconduct of Tenant or any of the Tenant Parties or (c) is caused by or relates to any default, breach, violation or non-performance by Tenant of any provision of this Lease.

5.1.2. **Indemnification by Landlord.** Landlord hereby agrees to indemnify, defend and hold Tenant harmless from and against any and all Claims for property damage, personal injury or any other matter arising, claimed, charged or incurred against or by Tenant in connection with or relating to any event, condition, matter or thing which (a) occurs in, on, under or about the Common

Area from any cause except due to the gross negligence or willful misconduct of Tenant or any of the Tenant Parties, (b) occurs in, on, under or about the Premises due to the gross negligence or willful misconduct of Landlord or any of the Landlord Parties or (c) is caused by or relates to any default, breach, violation or non-performance by Landlord of any provision of this Lease.

5.1.3. **Release and Waiver of Subrogation.** If any part of the Premises or the Center is damaged by fire or other cause for which a party is required to carry insurance pursuant to this Lease ("Insuring Party"), the other party shall not be liable to the Insuring Party (and the Insuring Party hereby waives all claims on behalf of itself and shall cause its insurance company to waive all such claims) for any loss, cost or expense arising out of or in connection with such damage. Notwithstanding anything to the contrary contained herein, in no event shall Landlord be liable to Tenant or any of the Tenant Parties for any damages or injury arising out of or in connection with (a) any act or omission of any Occupant or for losses arising out of or in connection with theft or burglary or other acts or omissions of third parties or (b) fire, steam, electricity, gas, water or rain which may leak or flow from or into any part of the Premises or the Center, or from the breakage, leakage, obstruction or other defects of the pipes, sprinklers, wires, appliances, plumbing, HVAC or lighting fixtures or (c) injuries to Tenant's employees in the Center.

5.2. **Tenant's Insurance.** Tenant shall procure and maintain, at its sole cost and expense, the following policies of insurance:

5.2.1. **Liability.** Commercial general liability insurance on an occurrence basis (including personal and advertising injury) with coverage limits of not less than \$3,000,000.00 per occurrence, and \$5,000,000.00 general aggregate per location, specifically including liability insurance covering the consumption of alcoholic beverages by customers of Tenant, if the sale of alcoholic beverages is permitted in the Premises. Tenant's general liability insurance shall (a) not include an abuse or molestation exclusion, and (b) contain cross-liability endorsements or a separation of insureds clause. Such insurance may be satisfied by a combination of primary and excess limits.

5.2.2. **Property.** Property insurance covering any peril generally included in the classification ISO Causes of Loss - Special Form covering all (a) Personal Property, and (b) Improvements in an amount not less than 100% of their full replacement cost without co-insurance or margin clauses. Such insurance shall include coverage for all plate glass on the Premises. If the Center is located in the Federal Emergency Management Area flood zone A or V, Tenant shall also procure and maintain, at its sole cost and expense, flood insurance with a deductible not to exceed \$10,000.00, including purchase of the National Flood Insurance Policy, if applicable. If the Center is located in the New Madrid seismic areas or the states of California, Oregon or Washington, Tenant shall also procure and maintain, at its sole cost and expense, earthquake insurance with a deductible not to exceed 5% of the total insured value. Any policy proceeds shall be used for the repair or replacement of the property damaged or destroyed, unless this Lease is terminated under the provisions of Article 18. The insurance required pursuant to this Section 5.2.2 shall also include business interruption or rental loss insurance sufficient to cover, for a period of not less than 12 full calendar months, all Rent and other payment obligations of Tenant under this Lease which would be borne by or due from Tenant under this Lease if the Premises and Tenant's business was fully open and operating.

5.2.3. **Other Insurance.** Tenant [or Tenant's contractor as to the insurance required in subsection (c) below] shall maintain the following insurance: (a) workers' compensation insurance and employers' liability insurance on an "occurrence" basis but, in either case, with a limit of not less than the greater of the amount required in the state in which the Center is located or \$1,000,000.00 each accident, \$1,000,000.00 each employee by disease and \$1,000,000.00 policy aggregate by disease, for the benefit of Tenant's employees, (b) boiler and machinery insurance on all Utility Facilities exclusively serving the Premises, (c) builder's risk insurance in an amount equal to 100% of the value of any construction and installation of Improvements to the Premises, together with such other insurance as Landlord may reasonably require and (d) business automobile liability insurance

covering vehicles of Tenant or Tenant's employees used in connection with the operation of its business from the Premises, with limits of not less than \$1,000,000.00 per occurrence combined single limit, insuring for bodily injury, death and property damage.

5.2.4. **Policy Requirements.** All policies of insurance provided for in this Section 5.2 shall (a) be issued by insurance companies that have a general policyholder's rating of not less than "A" and a financial rating of not less than Class VIII as rated in the most current available "Best's Insurance Reports", and that have been admitted or qualified to do business in the state where the Center is located, (b) name Landlord, Landlord's Manager, all Mortgagees and such other individuals or entities as Landlord may from time-to-time designate, as "additional insureds", and (c) not contain a deductible, nor be subject to a self-insured retention, in an amount greater than \$5,000.00, except as otherwise expressly set forth in this Lease. Tenant shall provide to Landlord, at least 10 days prior to the Delivery Date and thereafter 30 days prior to the expiration of any such policies, certificates of insurance to evidence insurance procured by Tenant as required hereunder. All commercial general liability insurance, property damage or other casualty policies shall be written as primary policies, not contributory with or secondary to coverage that Landlord may carry. If Tenant fails to obtain and maintain any insurance required under this Lease, or fails to timely provide Landlord with certificates of insurance, Landlord shall have the right (but not the obligation) to procure such insurance and Tenant shall pay to Landlord, promptly on demand, the costs and expenses thereof as a Reimbursed Cost. Tenant shall deliver (or cause its insurance carrier to deliver) to Landlord a copy of any insurance policy maintained by Tenant hereunder in connection with any applicable Claim within 20 days after Landlord's written request therefor. The amount or availability of Tenant's insurance shall not limit Tenant's liability or relieve Tenant of any obligation hereunder.

6. UTILITIES

6.1. **Utilities.** Tenant shall be solely responsible for obtaining, and shall promptly pay all charges for use and consumption of, all Utilities furnished to the Premises. Landlord may (at its election) supply some or all of the Utilities to the Premises, and, so long as Landlord continues to provide such Utilities to the Premises, Tenant agrees to pay Landlord on the first day of each month, Tenant's share of such Utilities (based on Landlord's engineer's calculations or such other reasonable measuring methodologies). Landlord may also charge Tenant: (a) an Administrative Charge on any Utilities Tenant receives from Landlord, and (b) a pro rata share of the costs and expenses of operating, maintaining, repairing, installing and servicing the Utility Facilities at the Center (including any depreciation, reserves and interest costs). Tenant shall promptly provide Landlord, upon Landlord's written request therefor, such details as Landlord or its engineer may reasonably require to calculate amounts which are payable by Tenant pursuant to this Article 6. Landlord shall have the right to designate alternate third party provider(s) to provide any Utilities to the Premises. Tenant shall be required to use the facilities installed by Landlord at the Center to transmit voice, data and any other utilities to the Premises and access to such facilities must be coordinated by Tenant through Landlord's designated system administrator at Tenant's cost. Landlord shall not be in default and neither Landlord nor the Landlord Parties shall be liable for any damages directly or indirectly resulting from an interruption in any of the Utilities, the quality or quantity of the Utilities, the unavailability of any of the Utilities, or from cooperating with the energy conservation efforts of governmental agencies or utility suppliers and none of the preceding shall (a) constitute an eviction or disturbance of Tenant's use and possession of the Premises, (b) constitute a termination of this Lease, (c) entitle Tenant to an abatement of any Rent or (d) relieve Tenant from performing any of its obligations under this Lease.

6.1.1. **Water Charge and Electric Charge.** Notwithstanding anything in Section 6.1.1 to the contrary, from and after the Rent Commencement Date, subject to adjustment as provided for herein, Tenant shall pay, in equal monthly installments, in advance on the first day of each month, both the Water Charge and the Electric Charge as stated in Sections 1.24 and 1.25 above, respectively. Each of the Water Charge and the Electric Charge shall increase by 3% on each Rent Adjustment Date. The Water Charge is for water services provided to the Premises by Landlord and the Electric Charge is for the electricity provided to the Premises by Landlord. Tenant shall use best efforts not to operate the Utilities in a wasteful or excessive manner. If Landlord determines in good

faith that Tenant is not in compliance with the foregoing sentence and Tenant fails, within 30 days following delivery of written notice by Landlord to Tenant identifying the wasteful or excess usage, to correct any such compliance failure, Landlord shall have the right to charge Tenant for Tenant's utility usage from the 31st day following such written notice and continuing through the remainder of the Term. Tenant shall be responsible for payment of any Utilities not expressly set forth above.

7. USE AND OPERATION

7.1. **Days and Hours of Operation.** Tenant shall, continuously during only the Center Hours, (i) operate in the entire Premises only for the Permitted Use and only under the Trade Name and for no other use or purpose and under no other trade name, (ii) maintain an adequate sales force so as to maximize Gross Sales, (iii) keep in stock a full line of merchandise, and (iv) keep display windows, exterior signs and exterior advertising adequately illuminated and in first-class condition (collectively, "Operating Covenant"). Tenant acknowledges that its failure to comply with the Operating Covenant will cause Landlord to suffer damages which will be difficult to ascertain. Therefore, if Tenant fails to comply with the Operating Covenant, then in addition to Landlord's other remedies under this Lease, Landlord shall have the right to collect from Tenant, in addition to all Rent, an amount equal to 50% of the Fixed Minimum Rent (prorated on a daily basis) for each such full or partial day Tenant fails to comply with the Operating Covenant.

7.2. **Prohibited and Restricted Uses.** Tenant shall do none of the following: (a) permit anything to be done in or about the Premises nor bring or keep anything therein which will in any way increase the existing rate of, or affect any, fire or other insurance upon the Premises or the Center or cause a cancellation of any insurance policy covering the Premises or the Center or any part thereof or any of its contents; (b) permit anything to be done in or about the Premises or bring or keep anything therein that may cause any deleterious or harmful substance including, without limitation, mold or fungus, to exist in, on, under or about the Premises or elsewhere in the Center, (c) obstruct or interfere with the rights of Occupants or injure or annoy them; (d) use any loudspeakers, televisions, speakers or other devices of similar nature in such manner so as to cause a disturbance; (e) emit any obnoxious noise, odors, fumes or smoke; (f) use the Premises for any improper, unethical, immoral, unlawful, pornographic or other similarly objectionable or offensive purpose; (g) conduct or permit in the Premises any fire, bankruptcy, auction, "closeout", "going out of business" or similar sale; (h) use any part of the Center outside of the Premises for the sale, display or storage of any merchandise or Personal Property or for the solicitation of customers or for any other business, occupation or undertaking, including, without limitation, hawking, calling out or otherwise verbally or by motions offering or distributing samples of Tenant's merchandise to any person in the Common Area; (i) install or use upon or outside the Premises or any coin- or token-operated vending machine or other coin- or token-operated device for the sale of any goods, wares, merchandise, food, beverages and/or services; (j) install or use an automated teller machine or other cash dispensing machines; (k) use any portion of the Premises as living quarters, sleeping quarters or for lodging purposes; (l) keep or place any obstruction in the Common Area; (m) store or stock any merchandise which Tenant is not permitted to sell within the Premises; (n) install or operate any device, equipment or facility for transmitting, receiving, relaying or amplifying communications signals used or operated as a part of a telecommunications network or global positioning system, or otherwise emitting or receiving signals, frequencies, video, data or voice communications, including, without limitation, any dish, panel, antenna, satellite or cellular communications equipment, amplifiers, microcells, picocells or other similar devices or equipment which transmit or receive signals into or from the Common Area more than an 8' radius from the Premises or which otherwise interfere with the operation of any other transmission or receiving device at the Center; (o) operate any sales reporting, credit verification or such other similar electronic devices through the use of Landlord's public wireless fidelity (Wi-Fi) network; and (p) display, sell or promote cigarettes, electronic cigarettes, MOD's, atomizers, any other supplies, accessories or devices used in connection with cigarettes, electronic cigarettes, vaporizers, atomizers, herbal vaporizers, e-liquids, cannabis [including without limitation the cannabis plant and any and all parts, seeds, derivatives, cannabinoids (such as CBD), and extracts thereof] or any products constituting a technological evolution thereof for vaping. The Premises shall be kept in a clean condition, and all health and police regulations shall, in all respects and at all times, be fully complied with by Tenant. Tenant shall not commit or allow to be committed any waste upon the Premises.

7.3. **Radius.** Neither Tenant nor any person or entity in which Tenant has a financial interest or who or which has a financial interest in Tenant (other than stock of Tenant if such stock is publicly traded) shall, at any time after the Effective Date, directly or indirectly (other than stock held in a public company) own, operate or otherwise become financially interested in any business similar to or competing with the business operating in the Premises ("Competing Interest") within the Radius. If Tenant violates the provisions of this Section 7.3, then Landlord, in its sole discretion and without limiting Landlord's remedies under this Lease, at law or in equity, may (a) declare such violation to be an incurable default under this Lease and terminate this Lease and/or (b) include the gross sales made from any such business(es) within the Radius in the Gross Sales under this Lease for so long as there continues to be a violation of this Section 7.3. If Landlord elects to include the gross sales from such other business in the Gross Sales pursuant to (b) preceding, then all gross sales and Tenant's records from such business shall be subject to the provisions of Article 3 and Landlord's audit rights under Section 21.1.

8. REPAIRS, MAINTENANCE, IMPROVEMENTS AND SIGNS

8.1. **Landlord's Obligations.** Landlord shall be under no obligation to maintain, repair or replace any portion of the Premises.

8.2. **Tenant's Repair and Maintenance Obligations.** Tenant shall, at its sole cost and expense, maintain, keep and repair the Premises in good order, condition and repair. Such obligations of Tenant shall include, without limitation, the maintenance, repair and replacement of interior surfaces of exterior and demising walls, exterior doors and entrances, locks and closing devices, all plate glass, frames, moldings and trim of all doors and windows, all partitions, door surfaces, floor covering, fixtures, equipment and appurtenances thereof, lighting, plumbing fixtures (including any grease traps, grease lines and piping exclusively serving the Premises), toilet facilities and fixtures, windows, window sashes, showcases, storefronts, security grilles and similar enclosures, all of Tenant's signs (including the Storefront Sign) and any HVAC exclusively serving the Premises (provided that maintenance work regarding parts of the HVAC or plumbing systems which protrude outside of the Premises shall be completed by a contractor selected by Landlord, as a Reimbursed Cost). Tenant shall promptly, at its sole cost and expense, comply, and cause the Premises to comply, with all Governmental Regulations affecting the Premises and Tenant's activities in the Center. Tenant shall maintain the area within ten feet (10') of the boundaries of the Premises in a clean condition, free of debris.

8.3. **Improvements.** Tenant shall make no Improvements without Landlord's express, prior written consent in each instance. All Improvements approved by Landlord shall be performed by Tenant (at its sole cost and expense) in accordance with Exhibit C and in such a manner as to not impede access to the premises of any other Occupant or of any part of the Common Area, and in a good and workman-like manner, with diligence. Tenant shall give Landlord at least 10 business days' prior written notice of the commencement of any work at the Premises. Tenant shall keep the Premises, the Building and the Center free from any liens and other claims arising out of work performed, materials furnished, or obligations incurred by or on behalf of Tenant. If, as a result of any work performed or materials furnished or obligations incurred for the benefit of the Premises, any claim of lien is filed against the Premises or any part of the Center or any similar action affecting title to such property is commenced, Tenant shall immediately cause such lien to be released of record by payment or by recording of a proper statutory discharge of lien bond. If Tenant fails to cause such lien to be released within 20 days following the imposition of any lien or the filing of a lawsuit seeking foreclosure of such lien, Landlord shall have, in addition to all other remedies provided herein and at law, the right (but not the obligation) to cause the same to be released by such means as it shall deem proper, including payment of the claim giving rise to such lien, as a Reimbursed Cost.

8.4. **Signs.** Tenant shall, at its sole cost and expense, obtain all necessary licenses and permits for, and purchase, install, operate, repair and replace, as necessary, all of Tenant's signs (including the Storefront Sign) and such signs shall (a) comply with all Governmental Regulations and the Rules and shall have received the prior written approval of Landlord and, if required, of governmental authorities, (b) comply with the provisions of this Lease (including the Tenant Package) and (c) be maintained in working, first-class condition.

9. SURRENDER OF PREMISES

9.1. **Surrender.** Prior to the Expiration Date or date of earlier termination of this Lease, Tenant shall surrender to Landlord the Premises, broom-clean and in good condition and perform the following (collectively, "Surrender Obligations") at its sole cost and expense: (a) remove all Personal Property and, at Landlord's election, remove the Kiosk (including any floor fasteners), from the Premises and (b) repair all damage caused by or in connection with Tenant's performance of the Surrender Obligations (including without limitation thereto, repairing the floor and patching and painting the walls if damaged beyond ordinary wear and tear). If Tenant's performance of the Surrender Obligations would damage or otherwise affect the Building structure, Tenant shall give Landlord prior written notice thereof and Landlord may elect to perform selected Surrender Obligations as a Reimbursed Cost. All Improvements (including any Attached Fixtures) shall become the property of Landlord upon the Expiration Date or date of earlier termination of this Lease.

9.2. **Personal Property.** Landlord may dispose of any Personal Property remaining on the Premises after the Expiration Date or date of earlier termination of this Lease in accordance with applicable statutes relating to the disposition of abandoned property. If no such statutes exist, Landlord may retain, store or dispose of such Personal Property and title to any such Personal Property retained by Landlord shall vest in Landlord. Tenant waives all claims against Landlord for any damage or loss to Tenant arising out of Landlord's retention, storage or disposition of Personal Property and shall be liable to Landlord for Landlord's costs incurred pursuant to this Section 9.2 as a Reimbursed Cost.

9.3. **Holding Over.** If Tenant holds over after the Expiration Date or date of earlier termination of this Lease without the express written approval by Landlord, (a) such tenancy shall be at sufferance only and not a renewal of this Lease or an extension of the Term, (b) monthly installments of Fixed Minimum Rent, Percentage Rent and Additional Rent shall be payable in an amount equal to 200% times the Fixed Minimum Rent, Percentage Rent and Additional Rent in effect as of the last full calendar month of the Term (not taking into consideration any Rent abatement to which Tenant might have been entitled for such month), and each shall be due and payable at the times specified therefor in this Lease and (c) such tenancy shall be subject to every other term, covenant and agreement contained herein other than any provisions for rent concessions, Landlord's Work, or optional rights of Tenant requiring Tenant to exercise the same by written notice (such as any options to extend the Term). Nothing contained in this Section 9.3 shall be construed as consent by Landlord to any holding over by Tenant (or limit any of Landlord's rights and remedies incident to a holding over under this Lease, at law or in equity), and nothing in this Section 9.3 shall affect Landlord's right to require Tenant to perform all obligations under this Article 9 and surrender possession of the Premises to Landlord as provided in this Lease upon the Expiration Date or date of earlier termination of this Lease or at any time subsequent thereto as Landlord shall specify.

9.4. **No Merger on Surrender of Lease.** The voluntary or other surrender of this Lease by Tenant, or a mutual termination thereof, shall not work as a merger. Such surrender or termination shall, at the option of Landlord, terminate all or any existing subleases or subtenancies, or may, at the option of Landlord, operate as an assignment to it of any or all such subleases or subtenancies. The delivery of keys to the Premises to Landlord or its agent and/or the taking of physical possession of the Premises by Landlord shall not constitute a surrender or termination of this Lease absent Landlord's written agreement that this Lease has been so surrendered or terminated.

10. ASSIGNMENT AND SUBLETTING

10.1. **Prohibited Transactions.** Tenant is prohibited from (a) Assigning this Lease or Subletting the Premises to a governmental agency or instrumentality thereof and/or (b) mortgaging, pledging or encumbering this Lease or Tenant's interest in the Premises to any entity and/or (c) making any Involuntary Assignment. Tenant shall not effect a Transfer, by operation of law or otherwise, without the prior written consent of Landlord in each instance, which consent shall not be unreasonably withheld (subject to the provisions of this Article 10). No Transfer shall relieve Tenant of any obligation to be performed by Tenant under this Lease.

10.2. **Tenant's Application.** If Tenant desires to effect a Transfer, Tenant shall submit in writing

to Landlord at least 45 days prior to the proposed effective date of the Transfer a notice of intent to Transfer ("Request to Transfer"). Each Request to Transfer must contain, or be accompanied with, pertinent and reasonable information concerning the proposed Transfer and the proposed Transferee as Landlord shall require to evaluate the Request to Transfer.

10.3. **Standards for Approval and Disapproval.** In determining whether to grant or withhold its consent to a proposed Transfer, Landlord may consider any reasonable factor. Without limiting the conditions that may be construed as a reasonable factor, it is deemed reasonable that Tenant demonstrate to Landlord's reasonable satisfaction each of the following: (a) the proposed Transferee has sufficient financial worth to fully and timely discharge all of the then remaining obligations of Tenant under this Lease, (b) the proposed Transferee is of sound business reputation, (c) the use of the Premises by the proposed Transferee will be the Permitted Use, (d) the proposed Transferee is likely to maintain the same levels and increases in Percentage Rent as Tenant is anticipated to generate during the remaining Term of this Lease, (e) the proposed Transferee has sufficient retail experience to successfully undertake its business at the Premises, (f) the proposed Transferee does not occupy premises in the Center, (g) the proposed Transferee has not delivered a letter of intent to Landlord or Landlord's agent to lease space in the Center and (h) the proposed Transferee is not actively negotiating with Landlord or Landlord's agent to lease space in the Center. Furthermore, if Tenant is then in default of any obligation of Tenant under this Lease, it shall be reasonable for Landlord to elect, in its sole discretion, to deny its consent to such proposed Transfer so long as such default exists. Notwithstanding anything to the contrary contained in this Lease, if Tenant or any proposed Transferee claims that Landlord has unreasonably withheld or delayed its consent under this Article 10 or otherwise has breached or acted unreasonably under this Article 10, their sole remedies shall be a declaratory judgment and an injunction for the relief sought without any monetary damages, and Tenant hereby waives all other remedies, including, without limitation any right at law or in equity to terminate this Lease, on its own behalf and, to the extent permitted under all applicable laws, on behalf of the proposed Transferee.

10.4. **Landlord's Notification to Tenant.** Within 30 days after Landlord's receipt of the Request to Transfer and all of the information required pursuant to Section 10.2, Landlord shall notify Tenant in writing that Landlord has elected to (a) terminate this Lease by notice to Tenant ("Notice of Transfer Termination"), or (b) consent to such proposed Transfer or (c) withhold consent to such proposed Transfer. If Landlord delivers the Notice of Transfer Termination to Tenant, then (i) this Lease shall terminate upon the date set forth therein and (ii) provided Tenant has performed all Surrender Obligations, Tenant shall be released from all further obligations accruing under this Lease from and after such date. Landlord may lease the Premises, or any portion thereof, to the prospective Transferee without liability to Tenant.

10.5. **Review Fee.** Simultaneously with the delivery to Landlord of the Request to Transfer Tenant shall pay to Landlord a fee in the amount of \$1,000.00 for Landlord's review of each such transaction.

11. TRANSFER OF LANDLORD'S INTEREST

Landlord shall have the right to sell or transfer its ownership of all or any part of the Center to one or more third parties. If Landlord sells or transfers its interest in the Premises (other than a transfer for security purposes), (a) Landlord shall be released from all obligations and liabilities accruing thereafter under this Lease and Landlord's successor shall be deemed to have assumed Landlord's obligations thereafter accruing under this Lease and (b) Tenant agrees to attorn to the purchaser or assignee.

12. COMMON AREA

Tenant and the Tenant Parties shall have the non-exclusive right in common with Landlord and all others to whom Landlord has or shall give the same or similar rights, to use the Common Area for its intended purposes subject to (a) the right of Landlord, Occupants and their respective invitees, customers, agents, employees and independent contractors to use the Common Area, (b) any Superior Agreements, and (c) each provision of this Lease. Landlord shall, or shall cause others to, operate (including making available for use or closing portions thereof), repair, equip and maintain the Common Area in a manner deemed by Landlord in its business judgment to be reasonable and appropriate. The Common Area shall be subject to

the exclusive control and management of Landlord. Landlord may, from time-to-time, impose parking charges at the Center.

13. LANDLORD'S RESERVATION OF RIGHTS

13.1. **Reservation of Rights and Changes to the Center.** Landlord reserves the right, and shall have the right and privilege, from time-to-time, as Landlord deems desirable, to: (a) expand, reduce, remove, demolish, change, renovate, rearrange, add or construct any existing or new improvements at the Center including, without limitation, the location, relocation, enlargement, reduction, addition and/or elimination of driveways, malls, entrances and exits, automobile parking spaces, employee and customer parking areas, buildings and other structures, the direction and flow of traffic, establishment of protected areas, landscaped areas and any and all other facilities of the Common Area, the right at any time to locate on the Common Area permanent and/or temporary RMUs, and/or other building(s) and/or other improvements of any type and the right at any time to enclose or un-enclose any portions of the Common Area and/or Mall, and/or convert Common Area to leasable space and to convert leasable space to Common Area, (b) expand, reduce or otherwise change the size, configuration or boundaries of the Center and (c) to lease space in the Center to any person or entity and for any purpose Landlord shall deem appropriate, including retail, office, non-retail, residential, mixed use and commercial purposes. Landlord shall have complete and exclusive control of the design, structure, construction, materials, colors, architectural elements and aesthetics of all improvements and Common Area at the Center, as well as all uses and activities undertaken by Landlord and other Occupants in connection therewith. This Lease does not grant any rights to light or air over or about the Center. Landlord reserves exclusively to itself the use: (i) roofs and exterior walls, (ii) telephone, electrical, utility, communication and janitorial closets, (iii) equipment rooms, building risers or similar areas used by Landlord for the provision of services, (iv) portions of the Premises for the installation, repair, maintenance and replacement of machinery, pipes, conduits, utility lines and the like serving other Occupants and/or the Center, and (v) the areas beneath, adjacent to and above the Premises (including the plenum within the Premises). Notwithstanding any contrary provision contained in this Lease, services and facilities may be discontinued, and access to the Premises and the Center restricted, in whole or in part, during such times as the Center is not open for business, and any other times as are necessary for temporary purposes such as repairs, alterations, strikes and other reasonable purposes.

13.2. **Entry by Landlord.** Landlord and its representatives (including contractors) shall have the right at all reasonable times upon reasonable prior notice to Tenant (and at all times without notice in the event of an emergency), to enter the Premises (a) for any purpose permitted by law, (b) to ascertain if the Premises are in good order, condition and repair, including to inspect the Premises to insure that the Premises are clean and free from vermin and pests, (c) to post notices permitted or required by law or notices of non-responsibility or other notices which Landlord may deem necessary for the protection of Landlord, the Premises, the Center and any other party having any interest therein, against mechanics' and materialmen's liens, (d) to show the Premises to prospective purchasers, mortgagees or ground or underlying lessors (each of which may then also enter the Premises), (e) to perform any obligation of Landlord under this Lease, (f) to take possession of the Premises due to an event of default or (g) to perform environmental assessments. During the 12 months prior to the Expiration Date, Landlord may show the Premises to brokers, consultants, prospective tenants and their representatives. Landlord shall use good faith efforts during any entry upon the Premises pursuant to this Section 13.2 not to unreasonably interfere with Tenant's conduct of business. No exercise by Landlord of any rights in this Section 13.2 shall entitle Tenant to any damage for any injury or inconvenience occasioned thereby nor to any abatement of Rent.

13.3. **Relocation.** Landlord may, by written notice delivered to Tenant ("Relocation Notice"), require that Tenant surrender possession of the Premises, provided and on condition that (a) Landlord and Tenant shall, for a period of 30 days following delivery of the Relocation Notice, negotiate in good faith to enter into a lease for substitute premises at the Center on substantially the same terms and conditions as those contained in this Lease ("Substitute Lease") to the extent applicable, for the balance of the remaining Term, or (b) if, despite such good faith negotiations, the parties are unable to enter into the Substitute Lease on or before the 30th day following the delivery of the Relocation Notice, Landlord may elect, by written notice delivered to Tenant, to terminate this Lease. If Landlord terminates this Lease, the termination shall

be effective on the date specified in Landlord's written notice (which shall be at least 15 days after the sending of such notice). The relocation of the Premises in accordance with (a) herein shall be Tenant's sole recourse and right in the event Tenant is required to surrender possession of the Premises as provided in this Section 13.3.

13.4. **Non-compliance.** If Landlord determines that the location of the Kiosk at the Premises violates Governmental Regulations or any Superior Agreements or any other agreement affecting the Center, Landlord shall have the right, in its sole and absolute discretion, to either (a) terminate this Lease upon no less than 30 days' notice to Tenant or (b) relocate the Premises to other space in the Center at Landlord's cost and expense. The provisions of this Section are in addition to, and independent of, the provisions set forth at Section 13.3. Tenant shall vacate and surrender the Premises and, if Tenant is relocated hereunder, shall occupy the new location promptly (and, in any event, not later than 15 days) after Landlord has delivered the new location to Tenant. Tenant shall not be entitled to any compensation for any inconvenience or interference with Tenant's business or to any abatement or reduction of Rent in connection with any relocation under this Section.

14. NOTICES

Any notice, demand or communication required or permitted to be given by one party to the other shall be in writing and addressed to Landlord's Address for Notices or Tenant's Address for Notices, as the case may be, or to such other address(es) and/or to such other parties as one party may from time-to-time reasonably designate in writing to the other party, and shall be (a) personally served, (b) deposited in the United States mail, duly registered or certified with postage fully prepaid thereon or (c) delivered by an overnight courier service that confirms delivery. Notice shall be effective upon receipt or refusal to receive, in the event of personal service; or upon receipt or refusal to receive (but in no event more than 3 days after the date first mailed in the manner herein required), in the event of depositing notice in the United States mails; or upon receipt or refusal to receive, in the event of delivery by overnight courier service. Any notice required or permitted by Article 15 shall be in lieu of, and not in addition to, any notice required under any Governmental Regulations providing for notice and any cure period. Landlord may (at its discretion) serve a statutory notice to quit, a statutory notice to pay rent or quit, or a statutory notice of default, to effect the giving of any notice required by Article 15. No notice and opportunity to cure is conferred upon Tenant with regard to any default except as expressly set forth in Article 15.

15. DEFAULTS BY TENANT

The occurrence of any one or more of the following events shall constitute a default by Tenant under this Lease:

15.1. **Monetary.** The failure by Tenant to make any payment of Rent or of any other sum required to be made by Tenant when due (however Tenant shall have up to 3 days after written notice from Landlord to cure such default).

15.2. **Failure to Timely Open.** If Tenant should fail to complete Tenant's Work and initially open the Premises for business on or before the Required Opening Date fully fixtured, staffed and stocked or, thereafter, to keep the Premises open for business as required by this Lease.

15.3. **Abandonment and Vacation.** The vacation or abandonment of the Premises by Tenant. "Vacation" means any absence from the Premises for 14 or more consecutive days.

15.4. **Cross-Default.** If Tenant (or an Affiliate of Tenant) is in default of any other lease or occupancy agreement between Landlord (or an Affiliate of Landlord) and Tenant (or an Affiliate of Tenant), all as the case may be.

15.5. **Bankruptcy.** The making by Tenant of any general assignment for the benefit of creditors, the filing by or against Tenant of a petition to have Tenant adjudged a bankrupt or of a petition for reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against Tenant, the same is dismissed within 60 days), or the appointment of a trustee or receiver to take possession of, or the attachment, execution or other judicial seizure of, substantially all of Tenant's assets

located at the Premises or of Tenant's interest in this Lease, where such seizure is not discharged within 30 days. If, in the context of the filing of any bankruptcy, insolvency, reorganization, assignment for benefit of creditors, or other debt relief proceeding (an "Insolvency Proceeding") by or against the Tenant or any sublessee, Tenant, the Trustee, or sublessee shall immediately reimburse Landlord for all expenses, including reasonable attorneys' fees, Landlord may incur in connection with any act that Landlord deems necessary, either through legal proceedings or otherwise, to monitor such Insolvency Proceeding, to enforce or attempt to enforce any provision of this Lease, to enforce or attempt to enforce any actions required under the Bankruptcy Code to be taken by the Tenant, Trustee, or sublessee, or in the negotiation of any amendment, sublease, modification or other agreement made to the Lease during or related to such Insolvency Proceeding. For avoidance of doubt, such expenses incurred by Landlord shall be payable to Landlord as part of the cure payment paid to Landlord in connection with any assumption or assumption and assignment of this Lease, and to the extent necessary, such expenses shall be awarded to Landlord as an administrative expense by the Bankruptcy Court, or other court overseeing such Insolvency Proceeding.

15.6. **Other Non-Monetary Defaults.** The failure by Tenant or any of the Tenant Parties to observe or perform any of the covenants, conditions or provisions of this Lease to be observed or performed by Tenant not previously covered by Section 15.1 through Section 15.5 above (however Tenant shall have up to 10 days after written notice from Landlord to cure such default except if the nature of Tenant's default is such that it cannot be cured solely by payment of money and more than 10 days are reasonably required for its cure, then Tenant shall be obligated to commence such cure within the 10-day period and thereafter diligently prosecute such cure to completion).

16. LANDLORD'S REMEDIES

16.1. **Landlord's Remedies.** Upon a default hereunder, should Tenant fail within the time period, if any, specified in Article 15 to fully cure such default, then without limiting Landlord in the exercise of any other right or remedy at law or in equity which Landlord may have (all remedies provided herein being non-exclusive and cumulative), Landlord may do any one or more of the following:

16.1.1. **Continue Lease.** Landlord may continue this Lease in effect after Tenant's default and recover Rent as it becomes due. Accordingly, if Landlord does not elect to terminate this Lease on account of any default by Tenant, Landlord may, from time-to-time, without terminating this Lease, enforce all of its rights and remedies under this Lease, including the right to recover all Rent and other monetary charges as they become due.

16.1.2. **Terminate Lease.** Landlord may terminate Tenant's right to possession by any lawful means, in which case this Lease shall terminate and Tenant shall immediately surrender possession of the Premises to Landlord. In such event Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenant's default including (without limitation) the following: (a) The worth at the time of award of any unpaid Rent which had been earned at the time of such termination; plus (b) the worth at the time of award of the amount by which the unpaid Rent which would have been earned after termination until the time of award exceeds the amount of such Rent loss that Tenant proves could have been reasonably avoided; plus (c) the worth at the time of award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds the amount of such Rent loss that Tenant proves could have been reasonably avoided; plus (d) any other amount and court costs necessary to compensate Landlord for all the detriment proximately caused by Tenant's default or which in the ordinary course of things would be likely to result therefrom (including, without limiting the generality of the foregoing, the amount of any commissions, finder's fee, advertising costs, remodeling costs and attorneys' fees in connection with obtaining a replacement tenant); plus (e) at Landlord's election, Unamortized Landlord Costs and such other amounts in addition to or in lieu of the foregoing as may be permitted from time-to-time by applicable law. As used in subparagraphs (a) and (b) of this Section 16.1.2, the "worth at the time of award" shall be computed by allowing interest at the Agreed Rate, and, as used in subparagraph (c) of this Section 16.1.2, the "worth at the time of award" is to be computed by discounting such amount at the discount rate of the U.S. Federal Reserve Bank of San Francisco at the time of award, plus 1%.

16.1.3. **Collect Sublease Rents.** Landlord may collect sublease rents (or appoint a receiver to collect such rents) and otherwise perform Tenant's obligations at the Premises, it being agreed, however, that neither the filing of a petition for the appointment of a receiver for Tenant nor the appointment itself shall constitute an election by Landlord to terminate this Lease.

16.1.4. **Cure Default.** Landlord may proceed to cure the default at Tenant's sole cost and expense, without waiving or releasing Tenant from any obligation hereunder. If at any time Landlord pays any sum or incurs any expense as a result of or in connection with curing any default of Tenant (including any administrative fees provided for herein and reasonable attorneys' fees), the amount thereof shall be immediately due as a Reimbursed Cost.

16.2. **No Offsets.** All covenants and agreements to be performed by Tenant under this Lease shall be performed by Tenant at Tenant's sole cost and expense and without any offset to or abatement of Rent, except as otherwise expressly provided in this Lease. Tenant hereby waives any right to plead all non-compulsory counterclaims or offsets in any action or proceeding brought by Landlord against Tenant for any default. This waiver shall not be construed, however, as a waiver of any right of Tenant to assert any non-compulsory counterclaims or offsets in any separate action brought by Tenant.

17. DEFAULTS BY LANDLORD

17.1. **Defaults by Landlord.** If Landlord fails to perform or observe any of the terms, covenants or conditions contained in this Lease on its part to be performed or observed within 30 days after written notice of default from Tenant or, when more than 30 days shall be required because of the nature of the default, if Landlord shall fail to commence to cure such default after written notice thereof from Tenant and thereafter diligently pursue such cure to completion, said failure shall constitute a default by Landlord under this Lease.

17.2. **Limitations on Recovery Against Landlord.** The aggregate liability of Landlord and the Landlord Parties to Tenant for any default by Landlord under this Lease or arising in connection herewith or with the operation, management, leasing, repair, renovation, alteration of, or any other matter relating to, the Center or the Premises shall be limited solely and exclusively to an amount equal to the interest of Landlord in the Center. Under no circumstances shall any present or future partner of Landlord (if Landlord is a partnership), or trustee or beneficiary (if Landlord or any partner of Landlord is a trust), have any liability for the performance of Landlord's obligations under this Lease. Notwithstanding any contrary provision herein, neither Landlord nor the Landlord Parties shall be liable under any circumstances for injury or damage to, or interference with, Tenant's business, including but not limited to, loss of profits, loss of rents or other revenues, loss of business opportunity, loss of goodwill or loss of use, in each case, however occurring.

18. CASUALTY AND TAKING

18.1. **Insured Casualty.** Upon the occurrence of an Insured Casualty to the Premises, Landlord shall promptly and diligently, subject to reasonable delays for insurance adjustment and payment, issuance of permits or other matters beyond Landlord's reasonable control, and subject to all other terms of this Article 18, restore the damaged Premises (except for such work with respect to the Premises which is the responsibility of Tenant pursuant to this Article 18). Tenant, at its sole cost and expense, shall be responsible for the prompt and diligent repair and restoration, in accordance with Exhibit C and the Tenant Package, of all items constituting Improvements and Personal Property (which repair and restoration work shall be completed no later than 60 days after the completion of Landlord's work under this Section 18.1).

18.2. **Uninsured Casualty.** Upon the occurrence of an Uninsured Casualty to the Premises, Landlord shall have the right (in its sole discretion) to elect either to commence repair and restoration of the Premises (in which event this Lease shall continue in full force and effect and Landlord and Tenant shall diligently perform their respective repair and restoration obligations required pursuant to Section 18.1) or not to perform such repair and restoration, in which event this Lease shall cease and terminate 60 days after Landlord's notice of its election to terminate. Landlord shall give Tenant notice of its election under this Section 18.2 within 90 days following the later of (a) the date of such Uninsured Casualty, or (b) the date

that Landlord's insurers determine that the Casualty is an Uninsured Casualty.

18.3. **Rent Adjustment.** Landlord shall not be liable for any inconvenience or annoyance to Tenant or the Tenant Parties, or injury to Tenant's business, resulting in any way from any Casualty or repair and restoration work. If any Casualty damages the Premises, or if the Premises are not reasonably accessible and are not used by Tenant due to any Casualty to the Common Area, Tenant shall be entitled to an abatement of Fixed Minimum Rent during such time the Premises are unfit for occupancy for the Permitted Use and are not used by Tenant, or the Premises are not reasonably accessible and are not used by Tenant due to damage to the Common Area unless Tenant receives proceeds from its insurer in accordance with the requirements of Section 5.2.2. However, if the Casualty is due to the gross negligence or willful misconduct of Tenant or any of the Tenant Parties, Tenant shall be responsible for any reasonable, applicable insurance deductible (which shall be payable to Landlord upon demand) and there shall be no Rent abatement. In the event of termination of this Lease pursuant to this Article 18, all proceeds from Tenant's insurance (including self-insurance and deductibles) covering the Improvements (but excluding proceeds for Personal Property) shall be payable to Landlord. In no event shall Tenant be entitled to share in Landlord's insurance proceeds or to take any action which would result in a reduction of Landlord's insurance proceeds.

18.4. **Major Destruction.** Notwithstanding any of the foregoing provisions of this Article 18, should there be a Major Destruction of the Center, Landlord shall have the right to terminate this Lease by written notice to Tenant, which notice shall be given within 120 days following the date of such Major Destruction (in which case such termination shall then take effect on the date specified in Landlord's termination notice).

18.5. **Taking.** If there is a Taking of the Premises, this Lease shall terminate as of the date of such Taking, and Landlord and Tenant shall have no further liability or obligation (except as otherwise provided for in this Lease) arising under this Lease after such date.

19. HAZARDOUS MATERIALS

Tenant covenants and agrees that Tenant shall, at its sole cost and expense, comply with and assume responsibility and liability under all Environmental Laws applicable to occupancy or use of or operations at the Premises by Tenant and the Tenant Parties. In the event that Tenant proposes to undertake any Improvements, Tenant shall comply (at Tenant's sole cost) with Landlord's criteria (as established from time to time) for testing and remediation of Hazardous Materials. Tenant agrees that should it or any of the Tenant Parties know of (a) any violation of Environmental Laws relating to the Premises, or (b) the escape, release or threatened release of any Hazardous Materials in, on, under or about the Premises, Tenant shall promptly notify Landlord in writing of such violation, escape, release or threatened release, and that it will provide all warnings of exposure to Hazardous Materials in, on, under or about the Premises in strict compliance with all applicable Environmental Laws. Tenant shall at no time use, analyze, generate, manufacture, produce, transport, store, treat, release, dispose of or permit the escape of, or otherwise deposit in, on, under or about the Premises or the Center, any Hazardous Materials, or permit or allow any of the Tenant Parties to do so.

20. SUBORDINATION

Tenant covenants and agrees that (a) this Lease is and shall automatically and without further act or deed by Tenant be subject and subordinate to any mortgages, deeds of trust, security deeds or other security instruments, and any ground leases or underlying leases presently existing or hereafter placed upon all or any portion of the Center (each a "Mortgage") and to all renewals, replacements, modifications, consolidations and extensions thereof or participation thereof, (b) any mortgagee, grantee, master lessor, beneficiary or trustee (each a "Mortgagee") may elect to have this Lease made a prior lien to its Mortgage and (c) Tenant shall execute and deliver whatever instruments may reasonably be required by Landlord or any present or prospective Mortgagee. If any proceeding is brought for default under any Mortgage to which this Lease is subject, or in the event of foreclosure, deed in lieu of foreclosure or the exercise of the power of sale under any Mortgage covering the Premises and if requested by Landlord's successor, Tenant shall

attorn to the successor and shall recognize that successor as Landlord under this Lease. If so requested, Tenant shall enter into a new lease with that successor on the same terms and conditions as are contained in this Lease (for the unexpired Term of this Lease then remaining).

21. MISCELLANEOUS

21.1. **Audits.** Landlord shall have the right to audit Tenant's books and records respecting Gross Sales. Any audit shall be conducted during business hours by a non-contingency fee auditor at such offices as Landlord shall reasonably specify. Landlord may not conduct an audit more than once in each Lease Year. If an audit should disclose that Tenant shall have misstated Gross Sales by more than 5%, then Tenant shall pay to Landlord all reasonable costs and expenses relating to such audit (including, without limitation, reasonable travel costs) in addition to paying any additional amounts due under this Lease as a result of such understatement. Neither party shall have any right (whether at law, at equity or under this Lease) to audit any Rent under this Lease except as expressly set forth in this Section 21.1.

21.2. **Authority of Signatories.** Each person executing this Lease on behalf of Tenant represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of Tenant, and that Tenant is qualified to do business in the state where the Center is located. Tenant hereby warrants and represents that neither its execution of nor performance under this Lease shall cause Tenant to be in violation of any agreement, instrument, contract, law, rule or regulation by which Tenant is bound.

21.3. **Brokers.** Landlord and Tenant shall each indemnify, defend and hold the other harmless from and against, all damages (including reasonable attorneys' fees and costs) resulting from any claims that may be asserted against Landlord or Tenant by any broker, consultants, finder, or other person with whom the indemnifying party has or purportedly has dealt.

21.4. **Captions and Form.** The names of Articles and Sections are for convenience only and shall not be used to interpret or construe the meaning of any provision in this Lease. All references to Articles, Sections and Exhibits are references to Articles and Sections contained in this Lease and Exhibits attached to this Lease unless otherwise expressly provided. Landlord and Tenant acknowledge and agree that (a) this Lease has been freely negotiated by Landlord and Tenant; and (b) in no event shall any ambiguity, controversy, dispute or disagreement over the interpretation, validity or enforceability of this Lease or any of its covenants, terms or conditions, any inference, presumption or conclusion whatsoever be drawn against Landlord by virtue of the initial draft of this Lease having been generated by Landlord.

21.5. **Confidentiality.** Tenant shall keep the content of this Lease, documents related thereto and any audits under Section 21.1 strictly confidential.

21.6. **Costs of Suit.** If either party brings action for relief against the other, arising out of this Lease, the non-prevailing party shall pay the prevailing party its reasonable costs, fees, expenses and attorneys' fees incurred in connection with and in preparation for said action.

21.7. **Counterparts.** This Lease may be executed in counterparts with the same effect as if both parties hereto had executed the same document. All counterparts shall be construed together and shall constitute a single Lease. Any signature to this Lease transmitted electronically through DocuSign shall be deemed an original signature and be binding upon the parties hereto (it being agreed that such electronic signature shall have the same force and effect as an original signature).

21.8. **Estoppel.** Tenant shall, from time-to-time within 10 days after prior written notice from Landlord, execute, acknowledge and deliver to Landlord a statement in writing in such form as may be reasonably required by Landlord.

21.9. **Force Majeure.** Any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, acts of war or terrorism, inability to obtain services, labor, or materials or reasonable substitutes therefor, governmental actions, civil commotions, fire or other Casualty, in each case if due to a cause beyond the reasonable control of the party obligated to perform, and other causes beyond the reasonable control of the party obligated to perform, except with respect to the obligations imposed with regard to Rent payable by Tenant pursuant to this Lease and Tenant's obligations to comply with Governmental

Regulations (collectively, "Force Majeure") shall, notwithstanding anything to the contrary contained in this Lease, excuse the performance of such party for a period equal to any such prevention, delay or stoppage and, therefore, if this Lease specifies a time period for performance of an obligation of either party, that time period shall be extended by the period of any delay in such party's performance caused by a Force Majeure. For purposes of this Section 21.9, a cause shall not be deemed beyond a party's control if it is within the control of such party's agents, employees or contractors.

21.10. **Governing Law.** This Lease shall be governed by the laws of the state where the Center is located.

21.11. **Labor Contracts.** Neither Tenant nor any of the Tenant Parties shall take any action which creates any work stoppage, picketing, labor disruption or dispute, or interferes with the business of Landlord or any Occupant in the Center or with the rights and privileges of any customer or other person(s) lawfully in the Center, or causes any impairment or reduction of the goodwill of the Center. If there shall be any work stoppage, picketing, labor disruption or dispute as the result of the actions of Tenant or any of the Tenant Parties, Tenant shall immediately undertake such action as may be necessary to eliminate such dispute or potential dispute, including, but not limited to, (a) removing all disputants from the job site until such time as the labor dispute no longer exists, (b) seeking a judgment for a breach of contract between Tenant and Tenant's contractor and (c) filing appropriate unfair labor practice charges in the event of a union jurisdictional dispute.

21.12. **Merger.** This Lease contains all of the agreements of the parties hereto with respect to any matter covered or mentioned in this Lease, and no prior agreement, negotiations, brochures, arrangements or understanding pertaining to any such matter shall be effective for any purpose unless expressed herein. Tenant has not relied upon any representations, covenants, warranties, promises, agreements, conditions or undertakings, oral or written, made by Landlord or any of the Landlord Parties concerning or relating to the (a) Center, (b) Occupants, (c) Premises, (d) Lease, (e) Tenant's obligation to pay Rent or Additional Rent or (f) the Tenant's business, other than set forth within this Lease. Tenant acknowledges that it has thoroughly and independently investigated the potential for the success of its operations in the Center and has not relied upon any inducements or representations on the part of Landlord or any of the Landlord Parties other than those contained within this Lease. Tenant also acknowledges, understands and agrees that, to the extent any projections, materials or discussions have related to Tenant's projected or likely sales volume, customer traffic, or Tenant's success or profitability, that any and all such projections, materials and discussions are based solely upon Landlord's past experiences with other Occupants or upon standardized marketing studies, and have not been relied upon by Tenant, and any such discussions or marketing studies shall not be construed as a promise or guarantee that Tenant will realize the same or similar results.

21.13. **OFAC Certification.** Tenant represents and warrants that it is not, and shall not become, a person or entity with whom Landlord is restricted from doing business under regulations of the Office of Foreign Asset Control ("OFAC") of the Department of the Treasury (including, but not limited to, those named on OFAC's Specially Designated and Blocked Persons list) or under any statute, executive order (including, without limitation, the September 24, 2001 Executive Order Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism, as amended ["Executive Order 13224"]), or other governmental action and is not, and shall not, engage in any dealings or transactions or otherwise be associated with such persons or entities; and it is not acting, directly or indirectly, for or on behalf of any person, group, entity or nation with whom Landlord is restricted from doing business under the regulations of OFAC (including, but not limited to, Executive Order 13224) or other governmental action and is not and shall not engage in any dealings or transactions, employ or otherwise be associated, with such person, group, entity or nation. Any breach of the representation and/or warranty contained in this Section 21.13 shall constitute a non-curable default and is grounds for immediate termination of this Lease by Landlord. Any such exercise by Landlord of its remedies under this Section 21.13 shall not constitute a waiver by Landlord to recover (a) any Rent due under this Lease and (b) any damages arising from such breach by Tenant.

21.14. **Other Miscellaneous Provisions.** This Lease shall be construed as though the covenants herein between Landlord and Tenant are independent and Tenant hereby expressly waives the benefit of any statute to the contrary. If any provision of this Lease shall, to any extent, be determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Lease shall be valid and enforceable to the fullest extent permitted by law. No provision of this Lease may be amended except by an agreement in writing signed by the parties hereto or their respective successors-in-interest. Landlord's or Tenant's consent to or approval of any act by the other requiring its consent or approval shall not constitute a consent or approval of any subsequent act by the other. No delay or omission in the exercise of any right or remedy of Landlord or Tenant for any default by the other shall impair such right or remedy or be construed as a waiver. Any waiver by Landlord of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Lease. Except as otherwise expressly provided in this Lease, this Lease shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns.

21.15. **Quiet Enjoyment.** So long as Tenant timely pays all Rent, timely performs its covenants and obligations under this Lease and recognizes any successor to Landlord in accordance with the terms of this Lease, Tenant shall lawfully and quietly have, hold and enjoy the Premises without hindrance or molestation by Landlord or anyone claiming by, through or under Landlord, subject, however, to all Superior Agreements. This Lease and Tenant's rights hereunder are subject and subordinate in all respects to all Superior Agreements.

21.16. **REIT Qualifications.** Landlord and Tenant agree that all Rent paid to Landlord under this Lease shall qualify as "rents from real property" as defined in Internal Revenue Code Section 856(d) and as further defined in Treasury Regulation Section 1.856-4, as each is amended from time-to-time. Should the requirements of the said Internal Revenue Code Section or Treasury Regulation Section be amended so that any rent no longer qualifies as "rents from real property" for the purposes of the Internal Revenue Code or the Treasury Regulation, the Rent payable to Landlord shall be adjusted so that such Rent will qualify as "rents from real property" under the Internal Revenue Code and Treasury Regulation. Tenant shall, within 10 days after Landlord's written request therefor, execute and deliver to Landlord any amendments to this Lease as may be reasonably required by Landlord to adjust rent pursuant this Section 21.16 or to avoid jeopardizing Landlord's status as a real estate investment trust.

21.17. **Rules.** Tenant shall (and shall cause all of the Tenant Parties to) comply with all Rules as established by Landlord from time-to-time.

21.18. **Security.** Landlord may from time-to-time elect to obtain or cease to provide security services and/or devices for the protection of the Common Area. To the extent that such security services and devices are provided, they are not intended to provide protection for the Premises or the persons thereon or the contents thereof and, therefore, Tenant shall obtain any and all security services and/or devices as Tenant shall reasonably require for the protection of the Premises, the Tenant Parties, and Improvements and Personal Property. No firearms or other devices that could cause grievous bodily harm shall be used, possessed or carried by any of Tenant's security services, or any of Tenant or the Tenant Parties, unless Landlord shall have agreed to the same in writing (which consent Landlord may grant or withhold in its sole discretion) and Tenant shall have provided Landlord with such instruments as Landlord shall require to protect Landlord and the Landlord Parties from any and all liability in connection with the use of such firearms or devices.

21.19. **Survey.** Tenant acknowledges Landlord's commitment to corporate responsibility. In furtherance of Landlord's commitment, Landlord will be collecting anonymized data not more than one time per year which identifies the demographics of the employees working at the Center. Tenant will respond promptly to Landlord's request for reasonable information regarding the demographics of Tenant's employees working in the Premises.

21.20. **Survival.** Every obligation to pay Rent, every indemnification of one party by the other and every provision relating to Hazardous Materials shall survive the expiration or earlier termination of this Lease, unless and to the extent otherwise expressly provided in this Lease.

21.21. **Time is of the Essence.** Time is of the essence of this Lease and each and every provision hereof, except as may be expressly provided otherwise. Tenant shall not record this Lease or a memorandum hereof.

21.22. **Waivers.** Tenant hereby waives for Tenant and for all those claiming under Tenant to redeem by order or judgment of any court or by any legal process or writ, Tenant's right of occupancy of the Premises after any termination of this Lease, including any right to seek relief against forfeiture. Except as otherwise expressly provided herein, there shall be no abatement of Rent and no liability of Landlord by reason of any injury to or interference with Tenant's business arising from the making of any repairs, alterations or improvements in or to any part of the Premises or the Center. Tenant hereby waives the right to make repairs at Landlord's expense under the provisions of any such applicable laws. The provisions of Article 18 constitute an express agreement between Landlord and Tenant with respect to any Casualty. Therefore, the provisions of Article 18 shall govern and prevail over any statute or regulation in conflict thereof. LANDLORD AND TENANT EACH HEREBY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER PARTY AGAINST THE OTHER ON ANY MATTER WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS LEASE OR TENANT'S USE OR OCCUPANCY OF THE PREMISES, INCLUDING ANY CLAIM OF INJURY OR DAMAGE, AND ANY EMERGENCY AND OTHER STATUTORY REMEDY WITH RESPECT THERETO. LANDLORD AND TENANT ALSO AGREE THAT THE VENUE OF ANY SUCH ACTION, PROCEEDING OR COUNTERCLAIM SHALL BE IN THE CITY, COUNTY AND STATE IN WHICH THE CENTER IS LOCATED OR AT SUCH OTHER CITY AND COUNTY AS MAY BE DETERMINED BY LANDLORD IN ITS SOLE AND ABSOLUTE DISCRETION.

///SIGNATURE PAGE TO FOLLOW///

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease as of the day and year first above written.

LANDLORD:

VALLEY STREAM GREEN ACRES LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

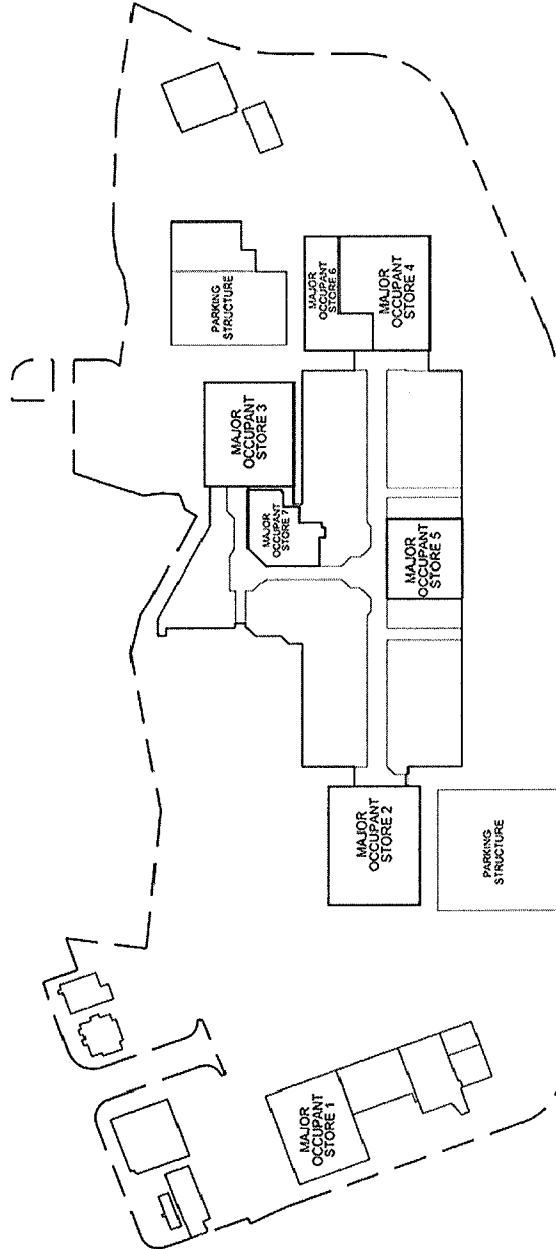
TENANT:

MAMMAMIAGELATO LLC,
a Delaware limited liability company

By : _____
Name: _____
Title: _____

By : _____
Name: _____
Title: _____

EXHIBIT A DEPICTION OF CENTER



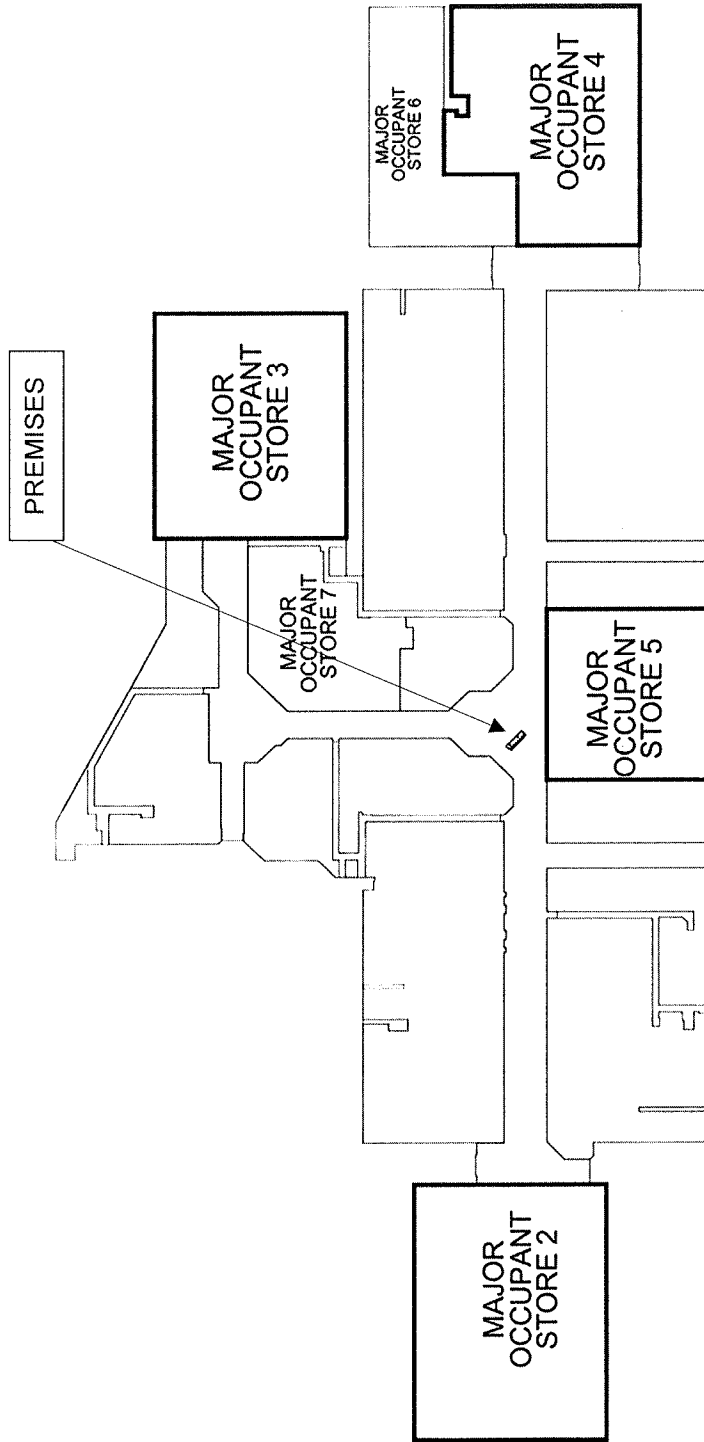
LEGEND:
--- CENTER BOUNDARY LINE



GREEN ACRES

This is a schematic plan intended only to show the general layout of the Center or a part thereof. Landlord reserves the right to alter, vary, add to or omit whole or in part structures, and/or improvements, and/or Common Area, and/or base area shown on this plan. Occupant is to be responsible for its own layout and design. This plan is not to be scaled. Landlord does not warrant or represent that any measurements and dimensions are approximate. This plan is not to be scaled. Landlord does not warrant or represent that any Occupant-included herein is or will remain a tenant in either the space marked or in any other space in the Center and nothing is set forth in this plan is a representation, agreement or statement right except as specifically set forth in the Lease.

EXHIBIT B DEPICTION OF PREMISES



GREEN ACRES FIRST LEVEL

This is a schematic plan intended only to show the general layout of the Center or a part thereof. Landlord reserves the right to alter, vary, add to or omit whole or in part any structures, and/or improvements, and/or Common Area, and/or land area shown on this plan. This plan is subject to change and modification as may be made by Landlord or required by any authority having jurisdiction. All measurements and dimensions are approximate and not to scale. Occupant indicated herein is or will remain a tenant in either the space marked or in any other space in the Center and nothing as set forth in this plan is a representation, agreement or easement right except as specifically set forth in the Lease.

EXHIBIT C
PROVISIONS FOR THE DESIGN
AND CONSTRUCTION OF THE PREMISES
AS IS WITH REMODEL
TENANT SUPPLIED KIOSK

1. **GENERAL PROVISIONS.** This Exhibit C sets forth certain provisions with respect to Landlord's Work and Tenant's Work. Capitalized terms used in this Exhibit C without definition shall have the meaning ascribed to such terms in the Tenant Package. Unless otherwise expressly provided in this Exhibit C, references to Articles, Sections and captions are references to Articles, Sections and captions contained in this Exhibit C.
2. **TENANT PACKAGE.** Tenant acknowledges that Landlord has made available to Tenant on Landlord's website (www.macerich.com) a Tenant Package which shall govern all of Tenant's Work. Tenant shall, and Tenant shall cause, Tenant's Architect, Tenant's engineer and Tenant's Contractor and subcontractors to, in all respects comply with, and Tenant's Work shall in all respects be subject to, the Tenant Package. "Tenant Package" means the package(s) containing, among other materials, the following: (a) Tenant Design and Construction Criteria, (b) Sign Criteria and Plan Submittal Guidelines, (c) Contractors' Rules and Regulations and (d) Technical Manual. The Tenant Package is hereby incorporated herein and made a part of this Exhibit C by this reference.
3. **LANDLORD'S WORK.** "Landlord's Work" means the work, if any, which Landlord is expressly obligated to undertake pursuant to this Article 3. Except as set forth herein or in the Tenant Package, Landlord shall have no obligation to improve, remodel, alter or otherwise modify or prepare the Premises, Building or the Center in connection with Tenant's occupancy, to furnish any additional materials upon any part of the Center or to provide any additional Utilities or other systems for the benefit of the Premises. Landlord shall designate a person, or persons, as Tenant Coordinator ("Tenant Coordinator") who alone shall have authority on behalf of Landlord to oversee and manage the review and approval of Preliminary Documents, Construction Documents, As Built Documents, Plan Revisions and other matters specified in this Exhibit C and the Tenant Package. No matter shall be deemed approved by Landlord under this Exhibit C or the Tenant Package unless approved in writing by the Tenant Coordinator.
4. **DESCRIPTION OF TENANT'S WORK**

4.1. **Condition of Premises.** Upon the Delivery Date, Tenant shall accept delivery of the Premises, Building and the Center in an "As Is" condition and "With All Faults", except to the extent otherwise expressly stated in Article 3. Tenant hereby represents each of the following: (a) Tenant or its authorized representative has inspected the Premises and has made all inquiries, tests and studies that it deems necessary in connection with its leasing of the Premises and, (b) Tenant is relying solely on Tenant's own inspection, inquiries, tests and studies conducted in connection with, and Tenant's own judgment with respect to, the condition of the Premises and Tenant's leasing thereof. Landlord or its predecessor-in-interest has constructed the Center, and the Building and other improvements upon the Center (exclusive of improvements constructed by or on behalf of each present and prior Occupant). Tenant has inspected the Center, the Building, the Utilities, the types, quantities and qualities of the Utilities, and the other systems and Tenant has found the same to be suitable, sufficient and in acceptable condition for the purpose of Tenant conducting the Permitted Use upon the Premises.

4.2. **Tenant's Work Defined.** "Tenant's Work" means the purchase, installation, construction and performance of the improvements and duties specified in the Approved Plans and as described in the Tenant Package for a full and complete remodel of the Premises and the purchase, installation and construction of Tenant's Kiosk, furniture, equipment and Personal Property, all at Tenant's sole cost and expense (except to the extent otherwise expressly provided in the Tenant Package) and in compliance with applicable Governmental Regulations. All Tenant's Work shall be performed by a licensed, bondable contractor retained by Tenant and approved in advance, in writing, by Landlord ("Tenant's Contractor"). Tenant's Contractor shall construct Tenant's Work in a good and workmanlike manner pursuant to the Approved Plans, the Lease and the Tenant Package, and in compliance with all Governmental Regulations.

Tenant shall engage a licensed architect ("Tenant's Architect") to prepare the Preliminary Documents, Construction Documents and As Built Documents (collectively, "Tenant's Plans"). Landlord's approval of Tenant's Plans shall not constitute any representation or warranty by Landlord that the same are complete or sufficient for (a) purposes of Tenant's design, (b) purposes of constructing the Premises or any part thereof or (c) complying with any Governmental Regulations. Landlord shall not be liable to Tenant if Tenant's Plans fail to satisfy subsections (a), (b), and/or (c) preceding and Tenant shall not be relieved of any obligations under this Exhibit C, the Tenant Package, the Lease or Governmental Regulations on account of any approval by Landlord. Tenant shall pay the Plan Review Fee for review of the Preliminary Documents within 10 days after Landlord's demand therefor. No mezzanines shall be permitted upon the Premises, unless expressly set forth in the Approved Plans.

4.3. **Landlord's Right to Access.** Landlord, Landlord's authorized representatives (including Tenant Coordinator) and Landlord's contractors shall have the right to access the Premises and inspect the progress of Tenant's Work, Tenant's and Tenant's Contractor's compliance with the provisions of the Lease, this Exhibit C and the Tenant Package.

EXHIBIT D
CERTAIN DEFINED TERMS

1. **INTENT.** The purpose of this Exhibit D is to set forth certain defined terms which are used in the Lease. Terms which are not defined in this Exhibit D are defined in the Lease or the Exhibits attached to the Lease. All references to Articles, Sections and captions contained in this Exhibit D are Articles, Sections and captions contained in the Lease unless otherwise provided.

2. **CERTAIN DEFINED TERMS**

2.1. **Additional Rent** means all amounts payable by Tenant under this Lease, other than Fixed Minimum Rent and Percentage Rent.

2.2. **Administrative Charge** means 15% of the subject sum. The Administrative Charge is intended to reimburse Landlord for additional administrative costs incurred by Landlord for providing work, materials or services.

2.3. **Affiliate** means any entity that Controls, is Controlled by or is under common Control with another specified entity.

2.4. **Agreed Rate** means the prime commercial rate of interest charged from time-to-time by Wells Fargo Bank, National Association (or, if the same does not exist, such other comparable bank selected by Landlord), plus 2% per annum, but not to exceed the maximum rate of interest allowable under law.

2.5. **Annual Sales Statement** means a written statement in the form attached as Exhibit G to the Lease certified to be true and correct by an Authorized Officer of Tenant.

2.6. **Approved Plans** means the final set of plans for Landlord's Work and/or Tenant's Work (as the case may be) which have received the final written approval of both Landlord and Tenant to the extent required by any applicable provisions of this Lease and the Tenant Package.

2.7. **Assignment, Assign and Assigning** mean any assignment of Tenant's interest in the Lease and Assignment Instrument means the instrument by which an Assignment is made.

2.8. **Attached Fixtures** means such trade fixtures, equipment and other Personal Property which is attached or affixed to the Premises (including, without limitation, carpeting, flooring, lighting, light fixtures, electrical systems, communications wiring and cabling, built-in shelving, built-in furniture and the cash wrap).

2.9. **Authorized Officer** means (a) each natural person who executed the Lease (or the most recent amendment of the Lease), if Tenant is one or more natural persons, (b) an authorized officer, if Tenant is a corporation, (c) an authorized or managing partner, if Tenant is a partnership or a limited liability partnership or (d) an authorized member, if Tenant is a limited liability company.

2.10. **Building** means the building, if any, of which the Premises are a part.

2.11. **Casualty** means fire or any other casualty.

2.12. **Claims** means, collectively, claims, charges, liabilities, obligations, penalties, causes of action, liens, damages, costs and expenses, including reasonable attorneys' and other expert and third party fees and costs.

2.13. **Common Area** means all improvements, facilities, equipment, signs, land and areas within the exterior boundaries of the Center which are now or hereafter made available for general use, convenience or benefit of more than one (1) Occupant, which may include, but not limited to, parking areas, access and perimeter roads, driveways, loading docks, pedestrian malls and courts, corridors, stairs, ramps, elevators, escalators, first-aid stations, security stations, drinking fountains, toilets, public washrooms, community halls, auditoriums, and other public facilities, parcel pick-up stations and landscaped areas. Common Area shall include any other land which Landlord acquires, and which land is

not presently part of the Center, to the extent Landlord designates any such land as Common Area.

2.14. **Control, Controlled and Controls** mean the ownership, directly or indirectly, of at least 51% of the voting securities of, or possession of the right to vote, in the ordinary direction of its affairs, of at least 51% of the voting interest in, any person or entity.

2.15. **Delivery Date** means the date Landlord delivers possession of the Premises to Tenant with Landlord's Work substantially completed. Landlord estimates that the Delivery Date will be October 1, 2023 and the Delivery Date shall not occur prior to such date without Tenant's prior written consent (which may be given via email to the Tenant Coordinator).

2.16. **Environmental Laws** means any and all federal, state and local laws, regulations, ordinances, codes and policies, and any and all judicial or administrative interpretations thereof by governmental authorities, as now in effect or hereinafter amended or enacted, relating to:

2.16.1. Pollution or protection of the environment, natural resources or health and safety; including, without limitation, those regulating, relating to, or imposing liability for emissions, discharges, releases or threatened releases of Hazardous Materials into the environment, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, release, transport or handling of Hazardous Materials; and

2.16.2. The use of chemical, electrical, radiological or nuclear processes, radiation, sophisticated electrical and/or mechanical equipment, sonar and sound equipment, lasers, and laboratory analysis and materials.

2.17. **Excluded Floor Area** means the total Floor Area of the following (but excluding the Floor Area of the Premises): Major Occupant Stores, premises between 15,000 and 40,000 square feet of Floor Area, premises having an exterior entrance if the Center is enclosed, movie theatres, pad sites, educational facilities, offices, restaurants, mezzanines, storage areas, Occupants under leases, licenses or other agreements each with an original stated term of 12 months or less, Landlord's management office(s), merchants' association offices, marketing service offices, maintenance buildings and offices, equipment rooms, and such facilities and areas the primary purpose of which is to afford services, convenience or recreation to customers and invitees or for municipal and community purposes.

2.18. **Fixed Minimum Rent** means the annual and/or monthly rent sum specified at Section 1.8, as the same may be adjusted from time-to-time.

2.19. **Floor Area** means Landlord's calculation of the number of square feet of floor area of all floors in such space measured from the exterior faces of all exterior walls (and from the extensions thereof in the case of openings) and from the center line of interior demising walls inclusive of the floor area of mezzanines and basements (unless otherwise excluded), except RMUs shall be Landlord's calculation of the floor area of the footprint of each of the RMUs.

2.20. **Governmental Regulations** means all laws, statutes, ordinances, rules, regulations, zoning codes, building codes, standards and requirements of all governmental and quasi-governmental authorities, and of all board of fire insurance underwriters, having jurisdiction of the Premises or the Center.

2.21. **Intentionally Omitted.**

2.22. **Hazardous Materials** means any and all substances, chemicals, wastes, sewage or other materials that are now or hereafter regulated, controlled or prohibited by any Environmental Laws, including, without limitation, any (a) substance defined as a 'hazardous substance', 'extremely hazardous substance', 'hazardous material', 'hazardous chemical', 'hazardous waste', 'toxic substance' or 'air pollutant' by the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601, et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq.; the Federal Water Pollution Control Act, 33 U.S.C. Section 1251, et seq.; the Clean Air Act, 42 U.S.C. Section 7401, et seq.; the Emergency Planning and Community Right-to-Know Act, 42 U.S.C. Section 11001, et seq.; the Toxic Substances Control Act, 15

U.S.C. Section 2601 et seq.; the Occupational Safety and Health Act, 29 U.S.C. Section 651 et seq.; or the Occupational Safety and Health Standards, 25 C.F.R. 1910-1000 et seq., or regulations promulgated thereunder, all as amended to date and as amended hereafter; (b) hazardous substance, hazardous waste, toxic substance, toxic waste or hazardous material, waste, chemical or compound described in any other Environmental Laws; and (c) asbestos, polychlorinated biphenyls, urea formaldehyde insulation, flammable or explosive or radioactive materials, gasoline, oil, motor oil, waste oil, petroleum (including, without limitation, crude oil or any component thereof), petroleum-based products, paints, solvents, lead, cyanide, DDT, printing inks, acids, pesticides, ammonium compounds, and other regulated chemical products.

2.23. **HVAC** means heating, ventilating and air conditioning system(s).

2.24. **Improvements** means all existing and future fixtures, installations, alterations, replacements, additions, changes and improvements to the Premises, including the Kiosk.

2.25. **Insured Casualty** means damage or destruction the repair of which is fully covered by insurance proceeds made available to Landlord for repair and restoration pursuant to any insurance policy required to be carried by Landlord under the terms of this Lease.

2.26. **Involuntary Assignment** means any transfer of interest of Tenant in the Lease by operation of law (including, without limitation, the transfer of this Lease by testacy or intestacy, or in any bankruptcy or insolvency proceeding) and each of the following acts shall be considered an Involuntary Assignment: (a) if Tenant is or becomes bankrupt or insolvent, makes an assignment for the benefit of creditors, or institutes a proceeding under any bankruptcy law in which Tenant is the bankrupt; or, if Tenant is a partnership or consists of more than one (1) person or entity, if any partner of the partnership or other such person or entity is or becomes bankrupt or insolvent, or makes an assignment for the benefit of creditors; (b) if a writ of attachment or execution is levied on this Lease; (c) if, in any proceeding or action to which Tenant is a party, a receiver is appointed with authority to take possession of the Premises; or (d) there is any assumption, assignment, sublease or other transfer under or pursuant to the Bankruptcy Code 11 U.S.C. 101 et seq., as amended from time-to-time.

2.27. **Kiosk** means the RMU which is located at the Premises.

2.28. **Landlord Parties** means, collectively, the Manager, Landlord's Designees and the respective past, present and future partners, officers, directors, shareholders, beneficiaries, trustees, employees, agents and independent contractors of both Landlord and Manager.

2.29. **Landlord's Designees** means, collectively, the Manager, the Mortgagee, any lessors under any ground or underlying leases lien on the Premises and such person(s) designated by Landlord as having an insurable interest in the Premises.

2.30. **Lease Year** means, as to the first Lease Year, the period from the Rent Commencement Date through the immediately following December 31, and as to each subsequent Lease Year, the period of January 1 of a given year through the immediately following December 31 of the same year; however, the last Lease Year shall end upon the Expiration Date.

2.31. **Major Destruction** means any destruction (whether or not an Insured Casualty) (a) to the extent of more than 25% of the full replacement cost of any of the Premises, the Building, the parking structures located at the Center or the Center, as the case may be, as of the date of destruction, (b) that will take in excess of 1 year to complete repair and restoration, or (c) that occurs at any time during the last 24 months of the Term.

2.32. **Major Occupant** means each Occupant (if any) occupying premises containing at least 40,000 square feet of contiguous Floor Area, and shall include such Occupants who have (if any) contiguous stores with different trade names but with direct access between or among such stores.

2.33. **Major Occupant Stores** means (a) each of the premises (if any) identified on Exhibit A as a "Major Occupant Store" and (b) the premises occupied, or designated for occupancy, by Major Occupants.

2.34. **Mall** means (a) that portion of the Common Area which is contained in the enclosed mall, if the Center contains an enclosed mall, or (b) the Common Area of the Center, if the Center does not contain an enclosed mall.

2.35. **Manager** means such entity with whom Landlord then has an agreement to manage the Center.

2.36. **Monthly Sales Statement** means a written statement in the form attached as Exhibit G to the Lease certified to be true and correct by an Authorized Officer of Tenant.

2.37. **Occupant** means any entity, inclusive of Tenant and exclusive of Landlord (except to the extent Landlord operates any retail business open to the public in the Center), entitled by any form of instrument to occupy Floor Area in the Center.

2.38. **Percentage Rent** means the amount, if any, equal to the product obtained by multiplying the Percentage Rent Rate by the amount of Gross Sales for each Lease Year that is in excess of the Annual Breakpoint for each such Lease Year.

2.39. **Personal Property** means all of the following which do not otherwise constitute Attached Fixtures: Tenant's trade fixtures, equipment, appliances, furniture, displays, Storefront Sign, other signs, inventory, merchandise and other personal property.

2.40. **Plan Review Fee** means the sum of \$1,000.00; however, (a) if the scope of the plans depicts nothing more than painting, carpeting, installing or remodeling the storefront and Storefront Sign, such sum shall be in the amount of \$625.00, and (b) if the scope of the plans depicts nothing more than the Storefront Sign, such sum shall be in the amount of \$250.00.

2.41. **Intentionally Omitted.**

2.42. **Refund Date** means the date which is the later of (a) the Expiration Date or date of earlier termination of this Lease, or (b) the date Tenant has fully performed all of its Surrender Obligations under Section 9.1.

2.43. **Reimbursed Cost(s)** means Landlord's cost for performing specific work or services, or providing materials on behalf of Tenant, together with interest at the Agreed Rate, calculated from the date Landlord performs such work or services, or provides such materials, until the date that any such cost(s) are paid by Tenant. Tenant shall pay any Reimbursed Costs within 10 days after Landlord's written demand therefor.

2.44. **Rent** means Fixed Minimum Rent, Percentage Rent and Additional Rent.

2.45. **RMUs** means carts, kiosks and other retail merchandising units of Occupants located in the Common Area.

2.46. **Rules** means such rules and regulations established by Landlord.

2.47. **Storefront Sign** means the sign for the Premises facing onto the Mall which shall contain no name other than the Trade Name.

2.48. **Subletting** and **Sublet** mean a subletting of all or any portion of the Premises or any concession, franchise or license with respect to the Premises.

2.49. **Superior Agreements** means all mortgages, deeds of trust, ground leases, reciprocal easement agreements, declarations, covenants, conditions, restrictions, easements, rights-of-way and other matters of record (whether placed of record on, prior to, or after the Effective Date) affecting all or any portion of the Center, as the same may be modified, amended and supplemented from time-to-time.

2.50. **Taking** means any taking or appropriation for public or quasi-public use by the right of eminent domain or otherwise by a taking in the nature of inverse condemnation, with or without litigation, or a transfer by agreement in lieu thereof.

2.51. **Tenant Parties** means, collectively, Tenant's Occupants and the respective past and present officers, directors, shareholders, invitees, customers, agents, employees and independent contractors of both Tenant and Tenant's Occupants.

2.52. **Tenant's Occupants** means all concessionaires, licensees, subtenants, assignees and others holding any rights to, or interest in, any part of the Premises under Tenant.

2.53. **Intentionally Omitted (Form).**

2.54. **Transfer** and **Transferring** mean an Assignment, a Subletting, and/or a transfer, assignment or hypothecation of 25% or more of the total stock, or the legal or beneficial interest, in Tenant or Guarantor, whether in a single transaction or a series of related or unrelated transactions and whether on a direct or indirect basis.

2.55. **Transferee** means all of the following: concessionaire(s), franchisee(s), licensee(s), assignee(s) and subtenant(s), as the case may be.

2.56. **Unamortized Landlord Costs** shall mean an amount equal to (i) the unamortized portion of the Construction Allowance, if any, which was theretofore disbursed by Landlord to Tenant, (ii) the unamortized portion of any brokerage commission paid to Tenant's Broker, and/or (iii) the unamortized portion of the cost of Landlord's Work, all amortized as of the effective date of any termination on a straight-line basis over the initial term of the Lease commencing on the Rent Commencement Date.

2.57. **Intentionally Omitted (Form).**

2.58. **Uninsured Casualty** means damage or destruction resulting from any flood, earthquake, act of war, act of terrorism, nuclear reaction, nuclear radiation or radioactive contamination, or any other casualty of any kind or nature whatsoever which is not an Insured Casualty.

2.59. **Utilities** means all water, gas, sewer, heat, electricity, steam, chilled water, conditioned water, hot water, sprinklers, fire-life safety systems, lighting, power, HVAC, telecommunications services (including telephone, data and other telecommunications services including any technological evolution related to the transfer of sound or data), sewer service, refuse removal service and all other utilities and related services.

2.60. **Utility Facilities** means any and all systems, machinery, facilities, installations, supply lines, transformers, pipes, conduits, ducts, penetrations, components, appurtenances and equipment, located on or at the Center, for the generation or supply of any Utilities (including, without limitation, any central plants and individual HVAC units owned or maintained by Landlord).

EXHIBIT E
CENTER RIDER
GREEN ACRES MALL

1. GENERAL PROVISIONS

- 1.1. **Purpose.** This Exhibit E sets forth certain provisions particular to the Center and the state in which the Premises are located.
- 1.2. **Prevailing Provisions.** If there are any inconsistencies between the Lease and the provisions of this Exhibit E, the provisions of this Exhibit E shall prevail.
- 1.3. **Definitions.** Unless otherwise expressly defined in this Exhibit E, all capitalized words shall have the meanings specified in the Lease.

2. AMENDMENT AND SUPPLEMENTS

1.1. The following Articles and Sections of the Lease are amended and supplemented as follows:

- 2.1. **Article 2 (Premises)** is amended by adding the following new Section(s) to the end thereof:

New York Real Property Law. If a Section of this Article provides that the Premises are occupied upon the Effective Date by another Occupant, then the provisions thereof are intended to constitute 'an express provision to the contrary' within the meaning of Section 223-a of the New York Real Property Law, as the same may be amended from time-to-time, or under any similar statute now or hereafter in force, or under any present or future laws or case decisions to the same effect.

- 2.2. **Article 5 (Rent)** is amended by adding the following new Section(s) to the end thereof:

Terrorism Insurance. From and after the Rent Commencement Date, Tenant shall pay in equal monthly installments, in advance on the first day of each month (except for the first installment, which shall be paid on the Rent Commencement Date), an amount equal to \$0.25 per square foot of the Floor Area of the Premises per annum ("Terrorism Insurance"). Commencing on the first day of January next following the Rent Commencement Date and on each January 1st thereafter (each such date is sometimes referred to as a "Terrorism Insurance Adjustment Date"), Terrorism Insurance then in effect (or which would then have been in effect absent any abatement or reductions in Terrorism Insurance) shall be increased by 3%.

- 2.3. **Section 3.9 (Security Deposit)** is amended by adding the following to the end thereof:

Notwithstanding the foregoing, Landlord shall keep the Security Deposit separate from its general funds.

- 2.4. **Section 5.2.4 (Policy Requirements)** is amended by adding the following to the end thereof:

2. Tenant shall include The Town of Hempstead Industrial Development Agency as an additional insured as well as the parties provided for under the Lease and as designated by Landlord pursuant to the terms of the Lease.

- 2.5. **Section 9.3 (Holding Over)** is amended by adding the following to the end thereof:

In addition to the other provisions of this Section, Tenant hereby expressly agrees that the acceptance by Landlord of any payments from Tenant after the expiration or earlier termination of this Lease shall not preclude Landlord from commencing and prosecuting a holdover or summary eviction proceeding (the foregoing being an 'agreement expressly providing otherwise' within the meaning of Section 232-c of the Real Property Law of the State of New York) nor shall any such acceptance be deemed anything other than an acceptance of payment on account of the amounts to be paid by Tenant in accordance with the provisions of this Section. Tenant expressly waives, for itself and for any person claiming through or under Tenant, any rights which Tenant or any such person may have under the provisions of Section 2201 of the New York Civil Practice Law and Rules and of any successor law of like import then in force in connection with any holdover summary proceedings which Landlord may

institute to enforce the provisions this Section.

- 2.6. **Section 16.1.2** (Terminate Lease) is amended by adding the following to the end thereof:

In addition to the other provisions of this Section 16.1.2, Landlord reserves the right to terminate this Lease at any time after an event of default by Tenant which is not cured by Tenant within the applicable notice and/or cure period, if any, by giving written notice to Tenant specifying a date (not less than five [5] business days from the date on which such notice is given) on which this Lease shall terminate provided such default has not been cured, and, on such date, the Term shall end, and all rights of Tenant under this Lease shall cease, but the foregoing provisions of this Section shall not relieve Landlord from first complying with all applicable provisions and proceedings required by law as conditions precedent for any such termination.

- 2.7. **Article 18 (Casualty and Taking)** is amended by adding the following new Section to the end thereof:

Waiver. Except as otherwise specifically provided herein, Tenant hereby expressly waives all rights to terminate this Lease under Section 227 of the New York Real Property Law, as the same may be amended from time-to-time, or under any similar statute now or hereafter in force as the result of such Casualty, or under any present or future laws or case decisions to the same effect.

- 2.8. **Article 21 (Miscellaneous)** is amended by adding the following new Section(s) to the end thereof:

AGENCY PROVISIONS: The following items 1-7 shall be collectively referred to as the Agency Provisions:

1. **Payment in Lieu of Taxes**

(a) **PILOT Program Defined.** The financial incentive program offered by the Town of Hempstead Industrial Development Agency (the "Agency"), for eligible proposals that involve the creation, expansion, improvement or retention of property and facilities within The Town of Hempstead by companies moving to or remaining in the Town, including all benefits and requirements contained therein (collectively, the "PILOT Program").

(b) **Reporting Requirements.** Tenant covenants on behalf of itself, its successors and assigns to timely complete and return to Landlord, the Agency, or its successors and assigns upon written request, not more often than twice per calendar year, a copy of Tenant's NYS-45 reports submitted to the New York State Department Of Labor for the most recent calendar year (or, if Tenant has multiple retail business locations operating within the state of New York, copies of form BLS 3020 completed to show the employee information for the Premises for the most recent calendar year or the form attached hereto as Schedule 1 of Exhibit E), concerning, in substance, the total payroll, its operations, the number of part time and full time employees Tenant employs at the Center, and such other matters as may be necessary for Landlord to comply with the terms of the PILOT Program and the Agency to make and submit its annual reports. Such information shall be provided within thirty (30) days following written request from the Agency or Landlord. Tenant shall furnish to the Agency within thirty (30) days of their filing, copies of all reports, if any, filed with the Securities and Exchange Commission, pursuant to the Securities Exchange Act of 1934, as amended, relative to Tenant.

2. **Qualification as Project.** Tenant shall not take any action, or fail to take any action, which action or failure to act would cause the Center not to constitute a "project" as such quoted term is defined in Title 1 of Article 18A of the General Municipal Law of the State of New York, as amended (collectively, the "Act"). In accordance with Section 862(1) of the Act, the occupancy of the Premises by Tenant will not result in the removal of a facility or plant of the Tenant from one area of the State of New York to another area of the State or in the abandonment of one or more plants or facilities of Tenant located within the State of New York; provided, however that neither restriction shall apply if the Agency shall determine:

- (i) that such occupation of the Premises by Tenant is reasonably necessary to discourage the Tenant from removing such other plant or facility to a location outside the State of New York, or
 - (i) that such occupation of the Premises by Tenant is reasonably necessary to preserve the competitive position of Tenant in Tenant's business.
- 3. **No Warranty of Condition or Suitability by Agency.** THE AGENCY MAKES NO WARRANTY, EITHER EXPRESS OR IMPLIED, AS TO THE CONDITION, DESIGN, OPERATION, MERCHANTABILITY OR FITNESS OF, OR TITLE TO, THE CENTER OR THAT IT IS OR WILL BE SUITABLE FOR TENANT'S PURPOSES OR NEEDS.
- 4. **Employment Opportunities; Notice of Jobs.** Tenant covenants and agrees that, in consideration of the participation of the Agency in the PILOT, Tenant will, except as otherwise provided by collective bargaining contracts or agreements to which it is a party, cause any new employment opportunities created in connection with the Premises to be listed with the New York State Department of Labor, Community Services Division and with the administrative entity of the service delivery area created pursuant to the Job Training Partnership Act (PL 97-300) in which the Center is located (collectively, the "**Referral Agencies**"). Tenant also agrees that it will, except as otherwise provided by collective bargaining contracts or agreements to which it is a party, first consider for such new employment opportunities persons eligible to participate in federal job training partnership programs who shall be referred by the Referral Agencies.
- 5. **Agency as Third Party Beneficiary.** The Agency is a third party beneficiary of these Agency Provisions with the full right to enforce all provisions hereof in an action at law or in equity.
- 6. **Confidential Information.** The Agency shall hold as confidential all non-public information provided by Tenant pursuant to the terms of this Lease except to the extent that the Agency is require by applicable law to disclose such information.
- 7. **Successors and Assigns.** The rights and obligations hereunder of the Agency under these Agency Provisions shall bind and inure to the benefit of the successors and assigns of the Agency.
- 2.9. **Exhibit C, Section 2.1, Tenant Package.** Add the following sentence to the end of Section 2.1 of Exhibit C: Tenant acknowledges per the Tenant Package, Tenant is required to use local building trades to complete all Tenant Work.
- 2.10. **Exhibit D, Section 2.28, Landlord Parties.** Landlord Parties shall also include the Town of Hempstead Industrial Development Agency of the Town of Hempstead, New York.

SCHEDULE 1

Tenant Employee Questionnaire Form

Business Mailing Address (please print):

Business Name: _____

_____, Suite _____

Valley Stream, NY _____

ANNUAL REPORT INFORMATION

CALENDAR YEAR ENDING: 12/31/20

Number of Employees:	Month 1	Month 2	Month 3	Quarterly Wages of Location (round to the nearest dollar)
1 st Quarter				
2 nd Quarter				
3 rd Quarter				
4 th Quarter				

I certify under penalty of perjury under the laws of the State of New York that the foregoing information is true and correct.

Name: _____ Phone: _____

Date: _____, 20__

EXHIBIT F
PROVISIONS FOR TENANTS SELLING FOOD

1. APPLICABILITY OF THIS EXHIBIT F

1.1. **Applicability.** The provisions of this Exhibit F shall be applicable only to Occupants whose permitted use provides for the sale of any food.

1.2. **References.** Unless otherwise expressly provided in this Exhibit F, references to Articles, Sections and captions are references to Articles, Sections and captions contained in this Exhibit F.

2. TENANT'S ADDITIONAL COVENANTS

2.1. Tenant shall comply with the reasonable and non-discriminatory rules and regulations and standards of merchandising as Landlord shall establish for the Occupants selling food and/or located within the space designated on Exhibit A or Exhibit B as the "Food Court" and shall remove from sale and display any merchandise that does not meet such standards.

2.2. Tenant shall promptly address any complaint received by Landlord from a customer of Tenant and reasonably resolve the matter constituting such complaint to the reasonable satisfaction of both Landlord and the customer making such complaint.

2.3. Tenant's employees shall at all times wear clean uniforms consistent with a family friendly, first-class food establishment. Landlord shall have the right to require any employee of Tenant that is not in compliance with the provisions of this Article 2 to immediately leave the Center.

2.4. Tenant shall at all times comply with all applicable health and safety codes promulgated by governmental authorities. If any of the governmental authorities issues a grading system for standards of food handling and cleanliness, Tenant shall conduct its business upon the Premises so that it shall at all times receive the highest available grade in such grading system. In addition to Landlord's rights of entry in the Lease, Landlord shall have the right, from time-to-time, to inspect the Premises to ensure that the Premises is clean and free from vermin and pests.

2.5. Tenant shall (a) collect all refuse produced and accumulated on the Premises in a manner directed by Landlord, (b) place all food refuse in refrigerated containers set aside specifically and solely for holding refuse and (c) at the close of each day (and more often, if required by Landlord) remove the same to a trash room or other area designated by Landlord. All wet refuse and all food refuse shall be kept at all times in sealed bags.

2.6. Tenant shall prevent odors from the Premises from permeating the Building. However, Landlord recognizes that because of the nature of the Permitted Use, certain odors will emanate from the Premises due to the preparation and sale of Tenant's product. Accordingly, Landlord hereby consents to such odors so long as they do not exceed normal pleasant levels. Landlord shall be the sole judge of what constitutes an abnormal or unpleasant odor, and Tenant shall, upon written notice from Landlord delivered to any employee of Tenant on the Premises, take appropriate action to reduce an abnormal or unpleasant odor or otherwise restore a normal, pleasant odor level.

2.7. Each day and throughout the day, Tenant shall remove grease from all exposed surfaces of the Premises. Tenant shall not place any grease into any trash compactor, normal garbage containers, floor drains, sink drains or toilets. Tenant, at Tenant's sole cost and expense, shall maintain all grease traps on the Premises, including providing a daily treatment program to chemically degrease sewer and drainage lines. Tenant, at Tenant's sole cost and expense, shall provide outside grease containers. Tenant shall retain a dependable, bonded degreasing service for the Premises who shall, at least once each month, clean and degrease the entire kitchen area, ranges, cooking equipment, broilers and stoves. Landlord may, at its election, provide for the maintenance of the grease traps and the degreasing of the sewer and drainage lines as a Reimbursed Cost.

2.8. Tenant shall comply with NFPA Code 96 which, in part, requires the entire hood plenum and the blower section to be cleaned a minimum of once every 3 months by an independent contractor. Tenant shall maintain documentation that the services under this Section have been performed as required hereunder for 3 years and shall provide said documentation to Landlord upon prior verbal or written request.

EXHIBIT G
MONTHLY AND ANNUAL SALES STATEMENT FORM

Center: _____

Store Name/Number: _____

	CERTIFIED GROSS SALES
January	
February	_____
March	_____
April	_____
May	_____
June	_____
July	_____
August	_____
September	_____
October	_____
November	_____
December	_____
TOTALS	_____

I certify that the sales indicated above are true and correct.

Name: _____

Title: _____

Authorized Signatory

GUARANTEE OF LEASE

THIS GUARANTEE OF LEASE ("Guarantee") is made as of _____ by **ABDOU THIOR**, a single man ("Guarantor"), whose address is set forth below.

WHEREAS, VALLEY STREAM GREEN ACRES LLC, a Delaware limited liability company ("Landlord") and **MAMMAMIAGELATO LLC**, a Delaware limited liability company ("Tenant") have entered into that certain Lease Agreement dated _____ ("Lease"), concerning the premises commonly referred to as Space No. 0K04A ("Premises") in the commercial project known as Green Acres Mall ("Center"), located in the City of Valley Stream, County of Nassau, State of New York;

WHEREAS, This Guarantee is being executed as additional consideration for the Landlord's agreement to enter into the Lease, and the execution of this Guarantee is intended to be contemporaneous with the Lease;

WHEREAS, Guarantor has a financial interest in Tenant and/or will otherwise obtain substantial direct and indirect benefits from the Lease; and

WHEREAS, Landlord would not execute the Lease if Guarantor did not execute this Guarantee.

NOW, THEREFORE, for and in consideration of Landlord's execution of the Lease, and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, Guarantor agrees as follows:

1. Guarantor hereby irrevocably and unconditionally guarantees to Landlord the full payment of all Tenant's monetary obligations under the Lease during its term and any extensions thereof, including without limitation all rent, additional rent, percentage rent, service charges and other charges and fees (including attorneys' fees), interest, costs, liquidated damages and any other amounts owed by Tenant under the Lease or incurred in enforcing this Guarantee ("Guaranteed Obligations"). Guarantor waives any right to revoke this Guarantee, and waives the benefits of any State or Federal statute to the contrary, including those listed in Paragraph 20 below (to the extent applicable).

2. Landlord may, at any time in its sole discretion, take any or all of the following actions without notice to Guarantor, without obtaining Guarantor's consent, and without affecting, terminating, or otherwise diminishing the Guaranteed Obligations: (a) amend any provision of the Lease, including renewing, amending, extending, or otherwise changing the time for payment; (b) consent to the change, restructure or termination of the corporate or organizational structure or existence of Tenant, or its affiliates; (c) accept partial or delayed payment of the Guaranteed Obligations; (d) apply any security; (e) settle, release or otherwise liquidate any Lease obligation, security or guarantee of the Lease; (f) release Tenant or any other person of its liability for all or any of the Guaranteed Obligations, whether in bankruptcy receivership, assignment for the benefit of creditors or other debtor-relief proceeding ("Insolvency Proceeding"); (g) exercise or not exercise rights available to it in any Insolvency Proceeding; (h) release or substitute any guarantor; and (i) assign its rights under this Guarantee in whole or in part.

3. Guarantor agrees that if Tenant shall fail to pay any amount due under the Lease, Guarantor shall upon Landlord's demand, pay all sums owing under the Lease to Landlord. Landlord may enforce this Guarantee without proceeding against Tenant or any other party, and Guarantor waives any right to require Landlord to proceed against Tenant, any party or security held by Landlord, or to exercise any right or remedy under the Lease or otherwise before proceeding against Guarantor.

4. Guarantor's liability under this Guarantee is one of payment, and not collectability. Guarantor's obligations under this Guarantee are independent of those of Tenant and any other party.

5. This Guarantee shall not be released, modified or affected by Landlord's failure or delay to enforce any of its rights or remedies under the Lease or this Guarantee, at law or in equity.

6. Guarantor's liability under this Guarantee shall continue until all Guaranteed Obligations have been satisfied in full. Guarantor's obligations shall continue and remain in effect in the event that any

payment due under the Lease by Tenant is avoided or recovered from Landlord as a preference, fraudulent transfer or otherwise.

7. To the fullest extent permitted by law, Guarantor hereby waives and agrees not to assert or take advantage of: (a) any and all notice or notice requirements to Guarantor, Tenant, or any other person, including, but not limited to, notices of the acceptance of this Guarantee, the amendment or other modification of the Lease, the enforcement of any right or remedy with respect to the Lease or the Guaranteed Obligations, and notice of any other matters relating thereto; (b) any defense based upon the Landlord's failure to perfect any security interest, or the failure to file a claim in any Insolvency Proceeding of Tenant; (c) demand for performance of any other party; (d) any right to require Landlord to apply to any default any security it may hold under the Lease; (e) any right or defense that may arise by reason of the lack of authority or death of Tenant; (f) principles or provisions of law which conflict with the terms of this Guarantee; and (g) any right to enter upon or take possession of the Premises.

8. Without limiting the foregoing, and in addition to all other provisions herein, Guarantor waives any rights, defenses and benefits available to it under any State or Federal statute, including those listed in Paragraph 20 below (to the extent applicable). Guarantor waives any defenses arising from any impairment of Guarantor's rights of subrogation, reimbursement, contribution and indemnification, and Guarantor agrees that it intends that all waivers of such defenses and waivers of any other rights, privileges, defenses or protections available to Guarantor by reason of any State or Federal statute, including those listed in Paragraph 20 below (to the extent applicable) are also waived. Guarantor agrees that its obligations shall not be affected by any circumstances which constitute a legal or equitable discharge of a guarantor or surety.

9. Guarantor agrees that it shall have no right of subrogation against Tenant or any right of contribution against any other guarantor unless and until the Guaranteed Obligations are paid in full. Guarantor absolutely, unconditionally and irrevocably, irrespective of any lack of validity or enforceability of this Guarantee, waives all rights to assert any defense, (including but not limited to deduction, failure of consideration, failure to act in good faith, presentment, demand, protest, notice of protest, notice of nonpayment, subrogation, reimbursement, indemnity and contribution, or purported revocation or rescission of this Guarantee or any of the Guaranteed Obligations) set off, counterclaim or cross-claim of any nature whatsoever with respect to this Guarantee or the obligations of the Guarantor under this Guarantee or the obligations or any other person or party (including, without limitation, the Tenant) relating to this Guarantee or the obligations of the Guarantor under this Guarantee or otherwise with respect to the Lease, in any action or proceeding brought by the Landlord to collect the Guaranteed Obligation or any portion thereof, or to enforce, the obligations of the Guarantor under this Guarantee. In addition, Guarantor waives all rights to enforce any remedy that Tenant may have against Landlord, and all rights to participate in any security held by Tenant for the Guaranteed Obligations, including any such right set forth in any State or Federal statute, including those listed in Paragraph 20 below (to the extent applicable). To the extent Guarantor's waiver of rights of subrogation and contribution is found to be void or voidable for any reason, any subrogation right Guarantor may have against Tenant shall be junior and subordinate to any rights Landlord may have against Tenant, and any rights of contribution Guarantor may have against any other guarantor shall be junior and subordinate to any rights Landlord may have against such other guarantor. The Guarantor shall indemnify, defend and hold Landlord harmless from and against any loss, damage, claim, demand, cost or any other liability (including reasonable attorneys' fees and costs) resulting from a dispute between Guarantor and any other party as to any right of contribution.

10. The Guaranteed Obligations shall not be altered, limited or affected by a voluntary or involuntary Insolvency Proceeding by Tenant, or any defense which Tenant may have by reason of order, decree or decision of any court or administrative body resulting from an Insolvency Proceeding, including that Guarantor's liability shall not be subject to any limitation on liability that may exist in favor of Tenant in such Insolvency Proceeding, such as any limitation set forth in 11 U.S.C. § 502(b)(6) or similar provision. Guarantor acknowledges and agrees that any payment which accrues with respect to Tenant's obligations under the Lease (including, without limitation, the payment of rent) after the commencement of any such proceeding shall be an obligation of Guarantor hereunder, regardless of whether such payment is

collectable from Tenant, because the parties intend that said obligations should be determined without regard to any rule or law or order which may relieve Tenant of any of its obligations under the Lease. Guarantor hereby authorizes any trustee in bankruptcy, receiver, debtor-in-possession, assignee for benefit of creditors or similar person to pay Landlord, or allow the claim of Landlord in respect of, any such payment accruing after the commencement of an Insolvency Proceeding. Guarantor hereby assigns Landlord its right to receive any payments from any trustee in bankruptcy, receiver, debtor-in-possession, assignee for benefit of creditors or similar person by way of dividend, adequate protection payment or otherwise, unless and until the Guaranteed Obligations are paid in full.

11. Any notice, statement, demand, consent, approval or other communication required or permitted to be given, rendered or made by either party to the other shall be in writing and shall be deemed to have been properly given, rendered or made only if hand-delivered, sent by a reputable overnight delivery company, or sent by first-class mail (postage pre-paid, return receipt requested), addressed to the other party at its respective address set forth below. By giving notice as provided herein, either party may designate a different address for such notices.

To Guarantor: Abdou Thior
6303 Ocean Avenue North
Arverne, NY 11692

To Landlord: Valley Stream Green Acres LLC
401 Wilshire Boulevard, Suite 700
Santa Monica, California 90401
Attention: Legal Department

12. Guarantor represents and warrants that it has the full right, power and authority to execute and deliver this Guarantee, and perform all obligations required by this Guarantee. No consent of any other person, including, without limitation, any creditors of Guarantor, and no license, permit, approval or authorization of, exemption by, notice or report to, or registration, filing or declaration with, any governmental authority is required by Guarantor in connection with this Guarantee or the execution, delivery, performance, validity or enforceability of this Guarantee. This Guarantee has been executed and delivered by Guarantor, and constitutes the legally valid and binding obligation of Guarantor, enforceable against Guarantor in accordance with its terms.

13. The Guarantor acknowledges that no oral or other agreements, understandings, representations or warranties exist with respect to this Guarantee, the Lease or with respect to the obligations of the Guarantor under this Guarantee, except as specifically set forth in this Guarantee. This Guarantee fully incorporates the agreements and understandings of the Guarantor with the Landlord with respect to the subject matter hereof, Guarantor's obligation concerning the Guaranteed Obligations, and Guarantor's waiver of all defenses, set-offs, deductions and counterclaims, and all prior negotiations, drafts, and other extrinsic communications between the Guarantor and the Landlord shall have no evidentiary affect whatsoever. Guarantor further agrees that Guarantor has read and fully understands the terms of this Guarantee; Guarantor has had the opportunity to consult with counsel with respect to this Guarantee; the Guarantee fully reflects Guarantor's intentions and parole evidence is not required to interpret the terms of this Guarantee.

14. Guarantor represents that it is not insolvent, and no bankruptcy or other Insolvency Proceeding is pending, or to the best of its knowledge, contemplated by or against Guarantor.

15. This Guarantee is binding upon Guarantor and its heirs, representatives, administrators, executors, successors and assigns and shall inure to the benefit of and shall be enforceable by Landlord, its successors, endorsees and assigns. A married person executing this Guarantee agrees that recourse may be had against community assets and against his or her separate property for the satisfaction of the Guaranteed Obligations.

16. Guarantor shall immediately reimburse and pay Landlord for charges, costs and expenses (including, without limitation, attorneys' fees) incurred by Landlord, whether or not litigation is filed or prosecuted to judgment, for any dispute or litigation, including those arising from: (a) enforcement of this

Guarantee or its terms; or (b) all actions taken in connection with the representation of Landlord in any Insolvency Proceeding of or relating to Tenant.

17. The invalidity or unenforceability of any one or more provisions of this Guarantee will not affect the validity or enforceability of any other provision.

18. This Guarantee constitutes the entire agreement between Guarantor and Landlord with respect to the subject matter herein. No provision of this Guarantee or right of Landlord may be waived, nor may Guarantor be released from any obligation absent the express written consent of Landlord.

19. LANDLORD AND GUARANTOR EACH HEREBY WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER AGAINST THE OTHER ON ANY MATTER WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS GUARANTEE, INCLUDING ANY EMERGENCY OR OTHER STATUTORY REMEDY WITH RESPECT THERETO. LANDLORD AND GUARANTOR ALSO AGREE THAT THIS GUARANTEE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE IN WHICH THE CENTER IS LOCATED, WITHOUT REGARD TO CONFLICTS OF LAW PROVISIONS, AND THAT THE VENUE OF ANY SUCH ACTION, PROCEEDING OR COUNTERCLAIM SHALL BE IN ONE OF THE FOLLOWING JURISDICTIONS AS MAY BE SELECTED BY LANDLORD IN ITS SOLE AND ABSOLUTE DISCRETION: (A) THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, OR (B) THE COUNTY AND STATE IN WHICH THE CENTER IS LOCATED. LANDLORD AND GUARANTOR EACH HEREBY CONSENT TO THE PERSONAL JURISDICTION OF THE STATE AND FEDERAL COURTS LOCATED IN BOTH THE STATE OF CALIFORNIA AND IN THE STATE IN WHICH THE CENTER IS LOCATED.

20. State Law Provisions. The following provisions will apply if the Premises is located in one of the states listed below:

20.1. California. Guarantor waives any right to revoke this Guarantee, and waives the benefits of California Civil Code Section 2815. Without limiting the provisions of Paragraph 8 above, and in addition to all other provisions herein, Guarantor waives any rights, defenses and benefits available to it under California Civil Code Sections 2787 to 2855, inclusive, 2899 and 3433, and any successor sections. . Guarantor waives any defenses arising from any impairment of Guarantor's rights of subrogation, reimbursement, contribution and indemnification, and Guarantor agrees that it intends that all waivers of such defenses and waivers of any other rights, privileges, defenses or protections available to Guarantor by reason of California Civil Code Sections 2787 to 2855, inclusive, to be effective to the maximum extent permitted by California Civil Code Section 2856 and other applicable law. Guarantor waives all rights to enforce any remedy that Tenant may have against Landlord, and all rights to participate in any security held by Tenant for the Guaranteed Obligations, including any such right set forth in any California Civil Code Sections 2848 or 2849, until the Guaranteed Obligations have been paid in full.

20.2. Arizona. Guarantor expressly waives any right, statutory or otherwise, to be discharged from liability hereunder by reason of Landlord's failure to bring suit against Tenant, including without limitation, any and all rights and defenses which might arise under Arizona Revised Statutes Sections 12-1641, 12-1642, 12-1644, 12-1645, 12-1646 and 44-142 and Rule 17(f) of the Arizona Rules of Civil Procedure.

21. Any signature to this Guarantee transmitted electronically through DocuSign shall be deemed an original signature and be binding upon Guarantor (it being agreed that such electronic signature shall have the same force and effect as an original signature).

///SIGNATURE PAGE TO FOLLOW///

IN WITNESS WHEREOF, Guarantor has executed this Guarantee as of the date first above written.

GUARANTOR:

Abdou Thior

Green Acres and Green Acres Commons – Parallel Provisions Check Sheet – MammaMia

PILOT Agreement Exhibit G Provision	Parallel Approved Macerich Lease Provision	Check if Provision Substantially Conforms	Explanation of Substantial Deviation
2.1 and 2.2	Section 5.2 including 5.2.1 – 5.2.4	X	
2.3	Section 18.1, 18.2 and 18.3 and Exhibit D, definition of Insured Casualty (alphabetically)	X	
2.4	Lines 12 – 16 of Section 5.2.4, Policy Requirements (and Exhibit E provision modifying 5.2.4 including the TOHIDA as an additional insured)	X	
3.1	Exhibit C, Section 4.1, and Exhibit E provision labeled “No Warranty of Condition or Suitability by Agency.”	X	
3.2	Sections 5.1.1 and 5.1.3; and Exhibit E, change to Exhibit D definition of Landlord Parties (final provision in Exhibit E)	X	
3.3	Section 13.2	X	
3.4 and 3.5	Sections 8.2 and 21.2	X	
3.6	Exhibit E, Agency Provision 1(a) and 2	X	
3.7(a)	Art. 10	X	
3.7(b)	Art.19	X	
3.8	Exhibit E, Agency Provision 1.(b) labeled “Reporting Requirements”	X	
3.9	Exhibit E, Agency Provision 4. Labeled “Employment Opportunities; Notice of Jobs.”	X	
3.10	Article 10	X	
3.11, 1 st sentence	Section 4.2	X	
3.11, 2 nd sentence	Exhibit E, Agency Provision 1(b), labeled “Reporting Requirements.”	X	
3.12	Exhibit E, labeled Agency Provision 5, “Agency as Third Party Beneficiary”.	X	
3.13	Exhibit E, labeled Agency Provision 6, “Confidential Information”	X	
3.14	Exhibit E, Agency Provision 7, “Successors and Assigns”.	X	
NDA			No NDA requested

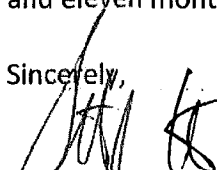
**Stewart Avenue Holdings LLC
C/O Lionstone Capital LLC
2361 Nostrand Avenue, Suite 601
Brooklyn, NY 11210**

8/10/23

To Whom it may concern,

Please let this letter be an official request of consent to the attached lease between Stewart Avenue Holding LLC and National Financial Network, Inc. The premises Suite 500 in 900 Stewart Avenue and is approximately 9,970 rentable square feet. National Financial is a financial services company and plans to employ around 45 employees in this space. The lease has 8 year and eleven months term.

Sincerely,



Scott Katz
Authorized Signatory

LEASE

between

ATRIA OPERATING COMPANY, LLC,

"Landlord"

and

NATIONAL FINANCIAL

NETWORK, LLC,

"Tenant"

September 20th, 2005

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LEASE, dated September 20th, 2005, between ATRIA OPERATING COMPANY, LLC, a Delaware limited liability company, having an office c/o Heritage Management Company, LLC, 123 Prospect Street, Ridgewood, New Jersey 07451 (herein called "Landlord") and NATIONAL FINANCIAL NETWORK, LLC, a New York limited liability company, having an office at 7 Hanover Square, New York, New York 10004 (herein called "Tenant").

W I T N E S S E T H :

Landlord hereby leases to Tenant, and Tenant hereby hires from Landlord, the Premises (as hereinafter defined), for the Term (as hereinafter defined), at the Rent (as hereinafter defined) and otherwise upon, subject to and in accordance with the following terms and conditions of this Lease.

In respect thereof, Landlord and Tenant hereby agree as follows:

ARTICLE 1 - BUILDING, PREMISES AND TERM

1.1. Building.

The building in which the Premises are located (herein called the "Building") is located on the land (herein called the "Land") described in Exhibit A attached hereto and made a part hereof, and the Building, together with the Land, is known as Atria East, 990 Stewart Avenue, Garden City, New York.

1.2. Premises.

The premises demised by this Lease (herein called the "Premises") are located on and comprise a portion of the second floor of the Building, substantially as shown hatched on the floor plan attached hereto as Exhibit B and made a part hereof. For purposes of this Lease, the Premises shall be conclusively deemed to consist of ten thousand two hundred forty seven (10,247) rentable square feet.

1.3. Term.

1.3.1. The term of this Lease (herein called the "Term") shall commence on the Commencement Date (as hereinafter defined in Section 1.3.2 hereof), and shall end at 11:59 p.m. on the last day of the month in which occurs the seventh (7th) anniversary and two (2) months of the day immediately preceding the Commencement Date (herein called "Expiration Date"), or on such earlier date upon which the term of this Lease shall expire or be cancelled or terminated pursuant to any of the conditions or covenants of this Lease or pursuant to law.

1.3.2. The "Commencement Date", subject to the following provisions of this Section 1.3.2, shall be the earliest of: (a) the date that Tenant shall have commenced occupancy of the Premises for the purpose of conducting Tenant's business; or (b) the date that Landlord shall have substantially completed the Initial Tenant Work (as hereinafter defined in, and in accordance with, Section 1.5 hereof, but no earlier than the later of December 31, 2005, or ninety (90) days after full execution of this Lease and the approval of the space plan for Initial Tenant Work. Notwithstanding the foregoing, (i) if Landlord shall be unable to deliver possession of the Premises to Tenant on the date that the Commencement Date otherwise would have occurred pursuant to this Section 1.3.2, Landlord shall not be subject to any liability by reason of any inability to give possession nor shall the validity of this Lease be impaired thereby, nor shall the Term be

extended thereby, except that provided such delay was caused or occasioned by no fault of Tenant, Tenant shall receive one additional day of free rent for each day of delay caused by Landlord and (ii) if Landlord is delayed in causing the Commencement Date to occur by reason of delays caused or occasioned by Tenant (herein called "Tenant Delays"), then, in addition to any other rights or remedies that Landlord may have on account thereof, (x) the "Commencement Date" shall be deemed to be the date Landlord would have caused the Commencement Date to occur absent such Tenant Delays, and (y) Tenant shall pay all actual out-of-pocket costs and expenses reasonably incurred by Landlord that result from any Tenant Delays, including, without limitation, any costs and expenses attributable to increases in the cost of labor and materials. "Tenant Delays" shall include, without limitation, (a) Tenant's failure to furnish, approve or authorize any plans and/or specifications within the time periods set forth herein or otherwise reasonably required by Landlord, (b) Tenant's delay or failure in submitting to Landlord any information, authorization or approvals within the time periods set forth herein or otherwise reasonably required by Landlord, (c) changes in or additions to any plans or specifications as requested by Tenant (notwithstanding Landlord's approval of such changes), (d) the performance of any work in the Premises by Tenant or any person or entity employed by Tenant which actually delays the Initial Tenant Work, (e) Tenant's request for materials, components, finishes or improvements other than Landlord's Building standard or which are not available in a commercially reasonable time, (f) changes in or postponements to the Initial Tenant Work requested by Tenant, and/or (g) any error in plans or other documents caused by Tenant or any Tenant Party (as hereinafter defined). Landlord shall, promptly after Landlord determines the existence of any Tenant Delay, notify Tenant thereof. Tenant hereby acknowledges that the Commencement Date is indeterminate and shall occur only as provided in this Section 1.3.2. Tenant, at anytime after the occurrence of the Commencement Date, shall, within ten (10) Business Days (as hereinafter defined) after demand by Landlord, execute, acknowledge and deliver to Landlord an instrument in form reasonably satisfactory to Landlord confirming the Commencement Date; but Tenant's failure to execute, acknowledge and deliver such instrument shall not affect the occurrence of the Commencement Date or otherwise affect the validity of this Lease. Tenant shall provide Landlord with any required information and/or decisions regarding the completion of plans and specifications for Landlord's Work within three (3) days of such request or same shall be deemed a Tenant Delay.

1.3.3. Landlord and Tenant agree to execute an agreement acknowledging the Commencement Date of this Lease (the "Commencement Date Agreement"). The failure of either party to execute the Commencement Date Agreement shall in no way alter the Term of this Lease or the date upon which rent is due.

1.4. Delivery and Acceptance of Premises.

Tenant has heretofore inspected the Premises, is fully familiar with the condition thereof and, subject only to the substantial completion of the Initial Tenant Work pursuant to the provisions of Section 1.5 below, shall accept the Premises on the Commencement Date in their "AS IS" condition, subject only to completion of punchlist items (as hereinafter defined).

1.5. Initial Tenant Work.

Landlord, at Landlord's sole cost and expense (except as hereinafter provided), subject to, upon and in accordance with the following provisions of this Section 1.5, shall perform the work needed to prepare the Premises for Tenant's initial occupancy thereof (such work being herein called the "Initial Tenant Work"):

1.5.1. The Initial Tenant Work shall consist of the building standard installation set forth

on Exhibit B-1 annexed to this Lease in the plans prepared by TPG Architects dated September 8, 2005.

1.5.2. Landlord makes no representations or warranties regarding the compliance of the Premises with the Americans with Disabilities Act of 1990 (herein called the "ADA"). With respect to the current condition of the Premises and any alterations or improvements that Tenant makes to the interior of the Premises (or which are made on Tenant's behalf), regardless of whether Tenant has obtained Landlord's consent to such alterations or improvements, Tenant shall be fully responsible for complying with and paying any costs associated with any and all requirements of the ADA associated with the Premises and not the Building. Notwithstanding the foregoing, Landlord shall perform Initial Tenant Work in compliance with ADA requirements. In addition, if any alterations are required to be made to the Premises due to changes in or regulations under the ADA or judicial interpretations of the requirements of the ADA coming into existence following the Commencement Date, or due to changes in Tenant's use of the Premises or in the nature of Tenant's conduct of its business in the Premises (including, but not limited to, any changes in use or business conduct arising out of a sublease or assignment, or resulting in the Premises being deemed a "place of public accommodation" under the ADA), Tenant shall be fully responsible for complying with and paying any costs associated with any and all requirements of the ADA arising in connection therewith. Notwithstanding the foregoing, Landlord shall be responsible for constructing any improvements to the Public Areas of the Building, the Building Systems and the structural elements of the Building which are required to be made to bring the Base Building into compliance with the ADA as of the Commencement Date, and to maintain such compliance during the Term of this Lease.

1.5.3. Landlord, promptly after the date on which Landlord and Tenant shall have executed this Lease, shall commence to perform the Initial Tenant Work, and thereafter diligently prosecute the Initial Tenant Work to completion. Landlord shall perform the Initial Tenant Work in compliance with all Legal Requirements, and otherwise in a good and workmanlike manner.

1.5.4. The Initial Tenant Work shall be deemed to be "substantially completed" even though minor details or adjustments of or in such work which do not materially interfere with Tenant's use and occupancy of the Premises (herein called "punchlist items") are not then completed. Tenant, within fifteen (15) Business Days after the Commencement Date, shall prepare, and deliver to Landlord, a list (herein called the "Punchlist") of all punchlist items with respect to the Initial Tenant Work; any punchlist items, other than latent defects, not included on the Punchlist shall be deemed waived by Tenant. Landlord shall, at its expense, complete or correct all punchlist items included on the Punchlist, within thirty (30) days of the delivery of the Punchlist to Landlord (or if such completion or correction work cannot with due diligence be completed or corrected within thirty (30) days, then within a reasonable period of time thereafter, provided that Landlord is prosecuting such work diligently); provided, however, that in no event shall Landlord be obligated to repair any damage to any of the Initial Tenant Work that was caused by Tenant or any Tenant Parties (as defined in Article 13 hereof).

1.5.5. Tenant's occupancy of the Premises for the conduct of its usual business shall be deemed Tenant's acceptance of the Premises and Tenant's agreement that Landlord has substantially completed the Initial Tenant Work (subject to completion of punchlist items) and that the Commencement Date has occurred.

ARTICLE 2 – RENT

2.1. Rent - Generally.

2.1.1. The rents payable under this Lease (herein collectively referred to as the "Rent") shall be and consist of (i) the Fixed Rent (as hereinafter defined in Section 2.2 below), and (ii) additional rent (herein called "Additional Charges") consisting of Tax Payments (as hereinafter defined in Section 2.3 below), and all other charges as shall become due from and payable by Tenant to Landlord pursuant to the terms of this Lease. All Additional Charges shall be deemed "rent" for all purposes, including Landlord's remedies for non-payment thereof.

2.1.2. Tenant covenants and agrees to pay all Rent, as and when the same is due and payable hereunder, without notice or demand therefor and without any abatement, deduction or setoff for any reason whatsoever, except, in either case, as may be expressly provided in this Lease. If, pursuant to any provision of this Lease, Tenant shall be obligated to pay any Additional Charges and no due date or payment period therefor is specified herein, then such Additional Charges shall be paid by Tenant to Landlord within thirty (30) days after being billed therefor (such bill to be accompanied by reasonable supporting documentation). All Rent shall be paid in lawful money of the United States to Landlord at its office, or such other place, or to Landlord's agent and at such other place, as Landlord shall designate by notice to Tenant. All Rent shall be paid by good and sufficient check (subject to collection).

2.2. Fixed Rent.

2.2.1. Tenant shall pay to Landlord a fixed rent (herein called "Fixed Rent") at the following rates for the following periods:

(a) TWO HUNDRED NINETY-NINE THOUSAND SEVEN HUNDRED TWENTY FOUR and 75/100 DOLLARS (\$299,724.75), per annum, for the period from the Commencement Date to and including the day immediately preceding the first (1st) anniversary of the Rent Commencement Date; and

(b) THREE HUNDRED TEN THOUSAND TWO HUNDRED FIFTEEN and 12/100 DOLLARS (\$310,215.12), per annum, for the period from the first (1st) anniversary of the Commencement Date to and including the day immediately preceding the second (2nd) anniversary of the Rent Commencement Date; and

(c) THREE HUNDRED TWENTY ONE THOUSAND SEVENTY TWO and 65/100 DOLLARS (\$321,072.65), per annum, for the period from the second (2nd) anniversary of the Commencement Date to and including the day immediately preceding the third (3rd) anniversary of the Rent Commencement Date; and

(d) THREE HUNDRED THIRTY TWO THOUSAND THREE HUNDRED TEN and 19/100 DOLLARS (\$332,310.19), per annum, from the period from the third (3rd) anniversary of the Commencement Date to and including the day immediately preceding the fourth (4th) anniversary of the Rent Commencement Date; and

(e) THREE HUNDRED FORTY THREE THOUSAND

NINE HUNDRED FORTY ONE and 05/100 DOLLARS (\$343,941.05), per annum, from the period from the fourth (4th) anniversary of the Commencement Date to and including the day immediately preceding the fifth (5th) anniversary of the Rent Commencement Date;

(f) THREE HUNDRED FIFTY FIVE THOUSAND NINE HUNDRED SEVENTY EIGHT and 99/100 DOLLARS (\$355,978.99), per annum, from the period from the fifth (5th) anniversary of the Commencement Date to and including the day immediately preceding the sixth (6th) anniversary of the Rent Commencement Date; and

(g) THREE HUNDRED SIXTY EIGHT THOUSAND FOUR HUNDRED THIRTY EIGHT and 25/100 DOLLARS (\$368,438.25), per annum, for the period from the sixth (6th) anniversary of the Commencement Date to and including the Expiration Date.

2.2.2. Subject to Section 2.2.3 below, the Fixed Rent shall be payable commencing on the Commencement Date and thereafter in equal monthly installments in advance on the first day of each and every calendar month during the Term, except as hereinafter provided in this Section 2.2.2. If the Commencement Date or the Expiration Date occurs on a day other than the first or last day, respectively, of a calendar month, then the Fixed Rent for the partial calendar month in which the Commencement Date or the Expiration Date occurs shall be a prorated portion of a full monthly installment of Fixed Rent, and, in the case of the partial month in which the Commencement Date occurs, shall be payable on the Commencement Date.

2.2.3. Notwithstanding the foregoing, provided that Tenant is not in default beyond any applicable cure period, Tenant shall receive an abatement of Fixed Rent in the total amount of \$49,954.12, to be applied against the first two (2) monthly installments of Fixed Rent commencing on the Commencement Date.

2.3. Tax Payments

2.3.1. For the purposes of this Lease, the following definitions shall apply:

"Tax Year" shall mean each calendar year (whether or not such period is fixed as the fiscal year for Taxes (as hereinafter defined) or any component thereof by any Governmental Authority) the whole or any portion of which is within the Term. If a fiscal year fixed for any component of Taxes by any Governmental Authority is a period other than a Tax Year, then such component of Taxes shall be averaged over the number of calendar months in such fiscal period and each such monthly portion shall be included in Taxes for the Tax Year in which such calendar month occurs.

"Base Tax Year" shall mean Tax Year commencing on January 1, 2006, and ending December 31, 2006.

"Base Tax Amount" shall mean the Taxes for the Base Tax Year.

"Tenant's Share" shall mean a fraction (expressed as a percentage, and carried to four decimal places), the numerator of which is the number of rentable square feet contained in the Premises and the denominator of which is the number of rentable square feet contained in the

Building. As of the date hereof, Tenant's Share is 4.9504%.

"Taxes", for any Tax Year, shall mean (A) all real estate taxes, water and sewer rents or charges paid to any taxing authority or municipality, school taxes, vault taxes, assessments and special assessments levied, assessed or imposed upon or with respect to the Real Property (as defined in Article 13 hereof) by any Governmental Authority adjusted, if necessary, to reflect 100% occupancy, and (B) any actual out-of-pocket expenses reasonably incurred by Landlord in contesting such taxes, charges or assessments and/or the assessed value of the Real Property, which expenses shall be allocated to the Tax Year to which such expenses relate (but which expenses shall not exceed the resulting savings resulting therefrom). Taxes shall also include all taxes assessed or imposed upon Landlord with respect to the rents received from the Real Property (but not any general income taxes, gross receipts taxes or corporate franchise taxes, except to the extent provided in the following sentence). Taxes shall be determined based upon a fully assessed and completed Building, without exemptions or abatements applicable thereto. If, at anytime during the Term, the methods of taxation prevailing on the date hereof shall be altered so that in lieu of, or as an addition to or as a substitute for, the whole or any part of the taxes, charges or assessments now levied, assessed or imposed, there shall be levied, assessed or imposed a new tax, assessment, levy, imposition, license fee or charge wholly or partially as a capital levy or otherwise on the Real Property or the rents received from the Real Property, then such additional or substitute tax, assessment, levy, imposition, fee or charge shall be included within "Taxes" for purposes hereof. If more than one (1) office building exists on the Real Property during any Tax Year, the Taxes for such Tax Year shall be allocated between or among such buildings in a manner reasonably determined by Landlord and consistently applied. Finally, "Taxes" shall also include any payments in lieu of "Taxes" payable in connection with any tax exemption obtained from any Governmental Authority with respect to the Real Property. Notwithstanding the foregoing, "Taxes" shall not include: (i) corporate franchise taxes; (ii) income taxes or taxes on gains; (iii) transfer taxes; (iv) estate, inheritance, succession or gift taxes; (v) excise or profit taxes; (vi) unincorporated business taxes; (vii) capital stock taxes; (viii) late charges, interest or penalties; (ix) special or additional assessments levied against another tenant or occupant of the Building due to improvements made by such other tenant or occupant, or levied against Landlord due to the construction of additional floors on the Building or additional buildings at the Real Property; (x) rental taxes; or (xi) gross receipts taxes. If any Taxes are payable in installments, then Landlord shall pay such Taxes over the longest period such Taxes are permitted to be paid without interest or penalty by applicable law, and only those Taxes actually payable in a particular Tax Year shall be included in the Taxes for such Tax Year.

2.3.2. If Taxes for any Tax Year subsequent to the Base Tax Year shall exceed the Base Tax Amount, Tenant, as hereinafter provided, shall pay to Landlord an amount (herein called the "Tax Payment") equal to Tenant's Share of the amount by which the Taxes for such Tax Year are greater than the Base Tax Amount. In respect of any such Tax Year which begins prior to the Commencement Date or ends after the Expiration Date, the Tax Payment shall be prorated to correspond to that portion of such Tax Year occurring within the Term.

2.3.3. The Tax Payment for each Tax Year subsequent to the Base Tax Year shall be due and payable as provided in the following provisions of this Section 2.3.3. Landlord, at anytime prior to, during, or after the end of, any Tax Year subsequent to the Base Tax Year, may deliver to Tenant a statement for the Tax Payment for such Tax Year (each such statement being herein called a "Tax Statement"). Tenant shall pay to Landlord on the first day of each month during any Tax Year an amount equal to one-twelfth (1/12th) of the Tax Payment for such Tax Year.

2.3.4. If, at any time after the delivery of any Tax Statement for any Tax Year subsequent to the Base Tax Year, it is determined for any reason (including any reduction in Taxes comprising the Base Tax Amount) that the Tax Payment for such Tax Year is greater than the amount set forth on such Tax Statement, then Landlord may furnish to Tenant a revised or corrected Tax Statement for such Tax Year, and, in any such case, Tenant shall pay to Landlord the amount indicated by the revised or corrected Tax Statement within thirty (30) days after Tenant's receipt thereof. Landlord's failure to render, or delay in rendering, a Tax Statement, or a revised or corrected Tax Statement, for any Tax Year shall not prejudice Landlord's right to thereafter render a Tax Statement, or a revised or corrected Tax Statement, for such Tax Year or any other Tax Year, nor shall the rendering of a revised or corrected Tax Statement for any Tax Year prejudice Landlord's right to thereafter render a further revised or corrected Tax Statement for such Tax Year. In the event any revised Tax Statement for any Tax Year subsequent to the Base Tax Year results in a reduction of Tenant's Tax Payment due to the reduction of Taxes for such Tax Year Landlord shall pay such amount to Tenant within thirty (30) days of Landlord's submission of such revised Tax Statement.

2.3.5. Only Landlord shall be eligible to institute tax reduction or other proceedings to challenge Taxes or to reduce the assessed valuation of the Real Property. Tenant hereby waives any right Tenant may now or in the future have to institute any such proceedings or otherwise challenge Taxes. If, at any time after the delivery of any Tax Statement for any Tax Year, Landlord shall receive a refund of Taxes for such Tax Year, then Landlord shall furnish to Tenant a revised Tax Statement for such Tax Year, and, if such revised Tax Statement shall set forth a Tax Payment that is less than that set forth on the previous Tax Statement, then Landlord, within ten (10) days after Tenant's receipt of such revised Tax Statement, shall pay to Tenant the amount of the overpayment indicated thereby (such obligation of Landlord to survive the expiration of this Lease). Nothing contained in this Lease shall obligate Landlord to bring any application or proceeding seeking a reduction in Taxes or assessed valuation. If the Taxes payable for the Base Tax Year or any other Tax Year are later reduced by final determination of legal proceedings, settlement, or otherwise, such reduced amount as finally determined shall become the Base Tax Amount (in the event of a reduction applicable to the Base Tax Year) or the Taxes for the Tax Year in question (in the event of a reduction applicable to a Tax Year other than the Base Tax Year) for purposes of this Lease and such reduced amount shall be used to determine the Tax Payment payable by Tenant applicable to any Tax Year affected by such reduction, and all Tax Payments theretofore paid or payable under this Lease shall be recomputed on the basis of such reduction, and, if applicable, Tenant shall pay to Landlord as an Additional Charge, within thirty (30) days after being billed therefor, any deficiency between the amount of such payments computed prior to the reduction and the amount thereof due as a result of such recomputation.

ARTICLE 3 - TENANT'S USE AND OCCUPANCY

3.1. Use of Premises.

3.1.1. Tenant, subject to and in accordance with the provisions of this Lease, shall use the Premises for general office use as and for no other purpose. Landlord represents that the use of the Premises for general office use is a valid legal use.

3.1.2. If any governmental license or permit shall be required for the proper and lawful conduct of Tenant's business in the Premises or any part thereof, Tenant, at its expense, shall duly procure and thereafter maintain such license or permit and submit the same to Landlord for inspection. Tenant shall at all times comply with the terms and conditions of each such license or permit.

3.2. Building Rules and Regulations.

Tenant shall, and shall cause all Tenant Parties, to faithfully observe and comply with the rules and regulations annexed hereto as Exhibit C, and such reasonable changes therein (whether by modification, elimination or addition) as Landlord at any time or times hereafter may make and communicate to Tenant in writing, which, in Landlord's reasonable judgment, shall be necessary for the reputation, safety, care and appearance of the Real Property, or the preservation of good order therein, or otherwise in connection with the operation, management and/or maintenance of the Real Property (such rules and regulations as changed from time to time being herein called "Building Rules and Regulations"); provided, however, that in case of any conflict or inconsistency between the provisions of this Lease and any of the Building Rules and Regulations, the provisions of this Lease shall control. Nothing in this Lease contained shall be construed to impose upon Landlord any duty or obligation to enforce the Building Rules and Regulations against any other tenant or any other person, and Landlord shall not be liable to Tenant for violation of the Building Rules and Regulations by any other tenant or any other person. The Building Rules and Regulations shall be binding upon Tenant to the extent they are enforced by Landlord in a uniform and non-discriminatory manner.

3.3. Use of Public Areas.

Tenant, incident to its use of the Premises, shall have (i) a non-exclusive right to use the Core Lavatories (as defined in Article 13 hereof) located on the floor of the Building on which the Premises are located for lavatory purposes only, and (ii) a non-exclusive right of ingress and egress to and from the Premises through the Public Areas (as defined in Article 13 hereof); subject, in all events, to the Building Rules and Regulations.

3.4. Parking

3.4.1. For purposes of this Lease, the following definitions shall apply: (i) the "Parking Areas" shall mean those areas of the Land, including underground parking, designated by Landlord, from time to time, for parking to serve the Building; (ii) the "Reserved Parking Areas" shall mean those portions of the Parking Areas designated by Landlord, from time to time, for reserved parking (i.e., for the exclusive use of one or more persons); and (iii) the "General Parking Areas" shall mean, from time to time, those portions of the Parking Areas which are not then Reserved Parking Areas.

3.4.2. Tenant, incident to its use of the Premises, shall have the exclusive right to use ten (10) reserved parking spaces within the Reserved Parking Areas (the "Tenant's Reserved Spaces"), which Tenant's Reserved Spaces shall be designated by Landlord from time to time. Tenant will be responsible for the internal allocation of Tenant's Reserved Spaces (among the Tenant Parties). Landlord shall, at Tenant's expense, place a marking on each of Tenant's Reserved Spaces indicating that the same is a reserved parking space.

3.4.3. Tenant, incident to its use of the Premises, shall have the right to use, and permit the Tenant Parties to use, the parking spaces located in the General Parking Areas, on a "first come, first served" basis in common with other persons designated by Landlord, subject, in all events, to the Building Rules and Regulations; provided, however, that at no time shall Tenant use, or permit the Tenant Parties to use, in the aggregate, a number of parking spaces in the General Parking Areas in excess of Tenant's Share of the total number of parking spaces in the General Parking Areas.

3.5. Tenant's Signage.

Tenant, incident to its use of the Premises, shall have the right to install and maintain a sign (consisting solely of lettering identifying Tenant's business name) on the entrance door for the Premises and at the elevator lobby of the second floor (such signs being herein called "Tenant's Entrance Sign"), provided, that (i) the location, dimensions, design, materials and content of such sign shall be subject to Landlord's approval (which approval shall not be unreasonably withheld, conditioned or delayed), (ii) the installation of such sign shall be deemed "Alterations" and, accordingly, shall be performed subject to and in accordance with the provisions of Section 5.1 hereof, (iii) Landlord, at its expense, shall have the right to temporarily remove any sign when necessary or desirable in connection with the operation, management or maintenance of the Real Property (e.g., to paint or incident to the performance of any alterations or repairs), and (iv) the installation and maintenance of such sign shall otherwise be subject to the Building Rules and Regulations. Except as provided in this Section 3.5, Tenant shall not have the right to install or maintain any signs in or at the Real Property which are either located outside of the Premises or otherwise visible from the outside of the Premises.

3.6. Telecommunications.

Tenant shall not be required to use a telecommunications service provider designated by Landlord for the provision of telecommunications services to the Premises, but shall be able to select its own designated telecommunications service provider (herein called "Tenant's Telecom Provider") for such purpose. Notwithstanding the foregoing, however, access to the Building by Tenant's Telecom Provider shall be subject to Landlord's reasonable requirements relating to such access, including, but not limited to, Tenant's Telecom Provider entering into a right-of-entry agreement with Landlord in form and on such terms as are reasonably required by Landlord. Such terms and conditions shall be commercially reasonable and non-discriminatory, and consistent with the terms and consideration for which Landlord is then willing to allow access to the Building for telecommunications service providers generally.

ARTICLE 4 - UTILITIES AND SERVICES

4.1. Definitions.

As used herein, the terms "Business Hours" shall mean the hours between 8:00 a.m. and 6:00 p.m. on Business Days, and the hours between 8:00 a.m. and 1:00 p.m. on Saturdays (other than Saturdays which are Holidays), and "Business Days" shall mean all days except Saturdays, Sundays and Holidays. The term "Holidays" shall mean New Year's Day, Presidents Day, Memorial Day, Independence Day, Labor Day, Thanksgiving, the day following Thanksgiving, Christmas and any other days which shall be observed by both the federal and the state governments as legal holidays. The term "Building Services" shall mean the services required to be provided to Tenant by Landlord pursuant to this Article 4.

4.2. Electricity.

Landlord, subject to and in accordance with the provisions of this Section 4.2, shall furnish electricity to Tenant for use in the Premises:

(a) Landlord shall furnish the electricity which Tenant shall require in the Premises for lighting and other normal and customary office uses. Tenant shall pay to Landlord, as an Additional Charge, the sum of two and 70/100 Dollars (\$2.70) per rentable square foot of the Premises per

year. This sum shall be payable to Landlord in advance on a monthly basis together with Fixed Rent and shall represent the cost of all such electricity furnished Tenant at the Premises, based on six (6) watts per usable square foot of Premises.

(b) (i) Landlord, at Tenant's expense, shall be entitled to furnish, install and maintain at any time during the Term one or more electrical submeters to measure Tenant's demand and consumption with respect to the electricity furnished by Landlord (such submeter(s) being herein called "Tenant's Submeter"). In such event, Tenant, throughout the remainder of the Term following the installation of Tenant's Submeter, shall pay Landlord, instead of the charge set forth in Section 4.2(a) above for such electricity as measured by Tenant's Submeter at the rates set forth in, and otherwise pursuant to the provisions of, this Section 4.2(b).

(ii) Tenant, for any billing period, shall pay Landlord an amount determined by applying (i) Tenant's electrical demand (measured in KWs) and consumption (measured in KWHs) for such period, as measured by Tenant's Submeter, to (ii) the rate schedule (inclusive of all taxes, surcharges and other charges payable thereunder or in connection therewith) of the utility company serving the Building (herein called the "Utility Company") which is charged to Landlord for such period, and multiplying the result by (iii) 1.05. Tenant shall pay the amount due for any billing period within thirty (30) days after being billed therefor, which bills Landlord may render from time to time (but no more frequently than monthly).

(c) Landlord shall not be required to furnish, and Tenant shall not install a connected load (including all of Tenant's equipment and systems, but excluding the Building Systems) or otherwise draw, in excess of six (6) watts per usable square foot of Premises.

(d) If any tax is imposed upon Landlord's receipts from the sale or resale of electric energy to Tenant (directly or indirectly through a general tax on such receipts) by any federal, state or municipal authority, then Tenant shall pay, or reimburse Landlord, such taxes (or its share thereof) in addition to the charges for electricity payable pursuant to Section 4.2(a) or 4.2(b) above.

(e) Tenant will at all times comply with all rules and regulations of the Utility Company, to the extent the same are applicable to its use of electric energy in the Premises.

(f) Tenant's use of electric energy shall never exceed the capacity of the then existing feeders, risers or wiring installations serving the Premises.

(g) Landlord shall not in any way be liable or responsible to Tenant for any loss, damage or expense which Tenant may sustain or incur if (i) the supply of electric energy to the Premises is temporarily interrupted, or (ii) the quantity or character of electric service is changed or is no longer available or suitable for Tenant's requirements, except to the extent resulting from the willful misconduct of Landlord or any Landlord Party or unless such change, unavailability or unsuitability (i) renders the Premises untenable and (ii) is not due to acts or omission of Tenant or Tenant's contractors, licensees, invitees, agents and employees and such change, unavailability or unsuitability continues for five (5) consecutive business days and Tenant is unable to conduct its business in the Premises, Tenant shall be entitled to an abatement of rent after the fifth consecutive business day until such service is restored..

(h) Tenant, at its option, may request Landlord to furnish and install all replacement lighting, tubes, lamps, bulbs and ballasts required in the Premises; and in such event, Tenant shall pay to Landlord or its designated contractor within thirty (30) days after demand therefor the then established Building-wide charges therefor of Landlord or its designated contractor, as the case may

be.

(i) If permitted by applicable Legal Requirements, Landlord shall have the right at any time and from time to time during the Term to either contract for electric service and/or supply from a different Utility Company or Utility Companies (each herein called an "Alternate Service Provider") or continue to contract from the existing Utility Company. Tenant shall cooperate with Landlord, any then-existing Utility Company and any Alternate Service Provider at all times and, as reasonably necessary, shall allow Landlord, the Utility Company, and any Alternate Service Provider reasonable access (upon reasonable prior notice from Landlord) to the Building's electric lines, feeders, risers, wiring and other electrical equipment, if any, located within the Premises. In so accessing the Premises, Landlord shall, and shall endeavor to cause any Alternate Service Provider to, use commercially reasonable efforts to minimize interference with Tenant's business operations in the Premises.

4.3. Water.

Landlord shall furnish reasonable quantities of potable hot and cold water to the kitchen, private lavatory within the Premises and the Core Lavatories located on the floor(s) on which the Premises are located for core lavatory and cleaning purposes only, and otherwise as may be included in the Initial Tenant Work. If Tenant shall require water for any other purposes, then (i) Landlord need only furnish additional cold water for such other purposes, which additional cold water shall be furnished to a point in the Building's core on the floor(s) on which the Premises are located, and (ii) Landlord may install and maintain, at Tenant's expense, one or more meters to measure Tenant's consumption of such additional water (in which event, Tenant, periodically within thirty (30) days after demand, shall pay Landlord for such additional water based upon the readings of such meter or meters). Tenant, at its expense, shall be solely responsible for distributing within the Premises any additional cold water furnished pursuant to this Section 4.3, and, to the extent Tenant requires hot water, for heating any cold water furnished pursuant to this Section 4.3 (other than hot water furnished to the Core Lavatories as provided in the first sentence of this Section 4.3).

4.4. HVAC Service.

4.4.1. Landlord, during Business Hours, shall furnish heat, ventilation and air conditioning ("HVAC") to the Premises as may be reasonably required (except as otherwise provided in this Lease and except for any special requirements of Tenant arising from its particular use of the Premises) for reasonably comfortable occupancy of the Premises.

4.4.2. If Tenant shall require HVAC services at any time other than during Business Hours (herein called "Overtime HVAC Service"), Landlord shall furnish such HVAC Overtime Service, subject to receiving advance notice from Tenant as follows: (a) as to any Business Day upon which Tenant requires such overtime service prior to 8:00 a.m., upon being notified by Tenant no later than 2:00 p.m. on the Business Day immediately preceding such date; (b) as to any Business Day upon which Tenant requires such overtime service after 6:00 p.m., upon being notified by Tenant no later than 2:00 p.m. on such date; and (c) as to any day which is not a Business Day upon which Tenant requires such overtime service, upon being notified by Tenant no later than 4:00 p.m. on the Business Day immediately preceding such date. Tenant, in respect of such Overtime HVAC Service, shall pay to Landlord, within thirty (30) days after demand therefor, an amount equal to the Hourly Rate (as hereinafter defined) per hour of Overtime HVAC Service; it being agreed that (x) should Tenant request Overtime HVAC Service after Business Hours on a Business Day, Landlord shall have the right to commence furnishing such service immediately following the expiration of

Business Hours, and (y) should Tenant request Overtime HVAC Service prior to Business Hours on a Business Day, Landlord shall have the right to continue furnishing such service until the commencement of Business Hours; and, in either case, Tenant shall be required to pay Landlord as herein provided whether or not Tenant utilizes such service during all hours that Landlord is furnishing same pursuant to Tenant's request. Tenant shall comply fully with such reasonable rules and regulations as Landlord may enact in connection with its furnishing of Overtime HVAC Service. As of the date hereof, the "Hourly Rate" for each hour or fraction thereof shall be seventy-five dollars (\$75.00) per hour for Tenant premises of 40,000 square feet or less for which Overtime HVAC Service is requested by Tenant and an additional seventy-five dollars (\$75.00) per hour for each additional 40,000 square feet or fraction thereof for which Overtime HVAC Service is requested by Tenant; provided, however, that, from and after the date hereof, Landlord shall have the right to increase the Hourly Rate, but only in approximate proportion to increases in Landlord's costs of providing such Overtime HVAC Service.

4.5. Access; Security Cameras, Cafeteria.

Landlord shall provide Tenant with 24 hour a day, 7 day week, use of the Parking Areas and access to the Premises. Such access shall be subject, however, in all events, to the Building Rules and Regulations. Tenant shall not be charged for use of the Building elevators in connection with Tenant's occupancy of the Premises. Landlord shall provide 24 hour a day, security cameras Monday through Friday and 6:00 AM to 6:00 PM Saturday and Sunday at locations in the Building as Landlord shall designate in its sole judgment. Landlord shall also provide for a cafeteria in the Building with food service comparable to the existing cafeteria food service.

4.6. Cleaning.

Landlord shall cause the Premises including the private lavatory and kitchen, including the exterior and the interior of the Building's exterior windows serving the Premises, to be cleaned in accordance with the provisions of Exhibit D attached to this Lease and made a part hereof. Tenant, however, shall pay to Landlord, within thirty (30) days after demand, the actual out-of-pocket costs reasonably incurred by Landlord for (x) extra cleaning work in the Premises required because of (i) carelessness, misuse or neglect on the part of Tenant or its subtenants or its or their employees or visitors, (ii) unusual quantities of interior glass surfaces, and (iii) non-Building standard materials or finishes installed by Tenant or at its request, (y) removal from the Premises and the Building of any refuse and rubbish of Tenant in excess of that ordinarily accumulated in business office occupancy or at times other than Landlord's standard cleaning times (if Tenant so requests such service), and (z) the use of the Premises by Tenant other than during Business Hours. Notwithstanding the foregoing, Landlord shall not be required to clean any portions of the Premises used for preparation, serving or consumption of food or beverages, training rooms, data processing or reproducing operations, private lavatories or toilets or other special purposes to the extent such areas require greater or more difficult cleaning work than office areas and Tenant agrees, at Tenant's expense, to retain Landlord's cleaning contractor to perform such cleaning, provided that the cost charged therefor is commercially competitive. Landlord and its cleaning contractor shall have access to the Premises, and the right to use, without charge therefor, all light, power and water in the Premises, as is reasonably required to clean the Premises as required under this Section 4.6.

4.7. Building Directory.

Landlord shall maintain a main directory for the Building's tenants and other occupants (which directory, from time to time, may be either manual or computerized), and provide Tenant

(together with its permitted subtenants) with a listing on such main directory. Landlord, from time to time, shall, at Tenant's expense, make such changes in the listings as Tenant shall request.

4.8. Interruptions.

Notwithstanding anything to the contrary contained in this Lease, Landlord reserves the right, without liability to Tenant and without it being deemed a default hereunder or a constructive eviction, to stop or interrupt any Building System(s) or Building Service(s) at such times as may be necessary and for as long as may reasonably be required by reason of the making of alterations and/or repairs in or to the Real Property or any portion thereof, or one or more Events of Force Majeure. Landlord shall have no liability to Tenant as a result of any such stoppage or interruption (but Landlord shall use commercially reasonable efforts to promptly restore any interrupted Building System or Building Service, and, in scheduling any such interruption, shall use commercially reasonable efforts not to unreasonably interfere with Tenant's operations in the Premises). Notwithstanding the foregoing, Landlord agrees to use reasonable efforts not to interfere with the conduct of Tenant's business, and should Tenant nevertheless be prevented from conducting its business for a period exceeding five (5) consecutive business days, then Tenant shall be entitled to an abatement of rent while such work is in progress, provided Tenant shall not be entitled to use such abatement as a set-off to rent or assert, as a defense or counterclaim.

ARTICLE 5 - TENANT'S ALTERATIONS, IMPROVEMENTS AND PROPERTY

5.1. Tenant's Alterations.

5.1.1. Except as otherwise provided herein, Tenant shall not make any Alterations (as defined below) of any nature without Landlord's prior written approval as hereinafter provided. So long as Tenant complies with the provisions of this Section 5.1 and there shall not otherwise exist an Event of Default under this Lease, Landlord's approval of proposed Alterations shall not be unreasonably withheld, conditioned or delayed, unless the proposed Alterations are Material Alterations (as hereinafter defined). As used herein, the following terms shall have the following meanings: (I) "Alterations" shall mean any alterations made, or proposed to be made, by Tenant in or to the Premises; and (II) "Material Alterations" shall mean any Alterations which (a) affect the exterior (including the appearance) of the Building or any other portion of the Building outside of the Premises, (b) are structural or affect the structural elements of the Building, or (c) affect the usage or the proper functioning of the Building Systems or any part thereof. Tenant shall not be required to obtain Landlord's consent for Alterations, if such Alterations (i) are not Material Alterations, do not require a construction or building permit, and cost (as an entire Alterations project) less than Fifty Thousand and 00/100 Dollars (\$50,000.00), or (ii) are purely cosmetic or decorative (i.e., painting, wall coverings and/or carpeting).

5.1.2. Tenant shall request Landlord's written approval of any Alterations only by written notice to Landlord, which notice shall be accompanied, if applicable, by two (2) sets of detailed plans and specifications setting forth all such Alterations (such plans and specifications, with respect to any Alterations, being herein called the "Tenant Plans"). All Tenant Plans shall be prepared at Tenant's expense by an architect licensed to practice in the State of New York. Landlord shall not unreasonably withhold, condition or delay its approval of any proposed non-Material Alterations. If Landlord withholds its approval to any proposed Alterations, it shall provide Tenant written notice thereof, which notice shall include Landlord's reasons therefor.

5.1.3. (a) Tenant, in connection with any Alterations other than Alterations which do not require Landlord's consent as provided in Section 5.1.1 above, shall (i) reimburse Landlord for

all actual out-of-pocket costs reasonably incurred by Landlord (including the reasonable fees of any outside architect, engineer or other professional employed by Landlord) in connection with any review of any Tenant Plans or any other items submitted by Tenant in connection therewith, and (ii) (A) in the event Tenant elects to have Landlord's designated construction manager for the Building (herein called "Landlord's Construction Manager") provide construction management services with respect to such Alterations, Tenant shall pay Landlord's Construction Manager fifteen ten (10%) of the aggregate cost of such Alterations as compensation for such construction management services, or (B) in the event Tenant does not elect to have Landlord's Construction Manager provide construction management services with respect to such Alterations, Tenant shall pay Landlord's Construction Manager a general supervision fee of three percent (3%) of the aggregate cost of such Alterations as compensation for general oversight and coordination by Landlord's Construction Manager. Prior to commencing such Alterations, Tenant shall furnish Landlord with an estimate of the cost of such Alterations (which estimate shall be subject to Landlord's reasonable review and approval). Tenant shall pay to Landlord's Construction Manager the estimated amount of the construction management or general supervision fee described in the preceding sentence, as work progresses, one third at the time of plan review, one third upon 50% completion and one third upon substantial completion.

(b) Tenant acknowledges that any review or approval by Landlord of any Tenant Plans with respect to any Alterations, and/or any on-site inspections of any Alterations, and/or any supervision by Landlord of Alterations, are solely for Landlord's benefit, and without any representation or warranty whatsoever to Tenant with respect to the adequacy, correctness or efficiency of any such Tenant Plans or Alterations, or the compliance thereof with Legal Requirements, Insurance Requirements or the provisions of this Lease, and Landlord shall have no liability or responsibility therefor.

5.1.4. Alterations shall be performed only by contractors that have been first approved by Landlord in writing, which approval shall not be unreasonably withheld, conditioned or delayed.

5.1.5. Tenant shall cause all Alterations to be diligently performed to completion in accordance with the Tenant Plans approved by Landlord, in compliance with Legal Requirements and Insurance Requirements, and otherwise in a good and workmanlike manner (using materials at least equal in quality and class to the then standards for the Building). Tenant, at its expense, shall obtain (and furnish true and complete copies to Landlord of) all governmental permits and certificates required for the commencement and prosecution of Alterations and for final approval thereof upon completion. Landlord shall reasonably cooperate (at Tenant's expense) with Tenant with respect to Tenant's procurement of such permits and certificates. Alterations shall be performed in such manner as not to interfere with, or impose any additional expense (except to the extent Tenant reimburses Landlord therefor) upon, Landlord in the operation, management, maintenance and/or repair of the Real Property; without limiting the generality thereof, to the extent any Alterations are performed on an overtime basis, Tenant shall reimburse Landlord all additional actual out-of-pocket reasonable costs incurred by Landlord by reason thereof. Throughout the performance of any Alterations, Tenant, at its expense, shall carry, or cause to be carried, (i) workers' compensation insurance in statutory limits, and (ii) such general liability insurance and other insurance as Landlord shall reasonably require (but not in excess of the insurance Tenant may be required to carry under Section 8.1 hereof). Tenant, promptly upon the completion of any Alterations, shall deliver to Landlord "as built" drawings therefor, if applicable.

5.1.6. Tenant, in connection with any Alterations or any other work, shall comply with and observe, and shall cause each of its contractors to comply with and observe, the rules and regulations annexed hereto and made a part hereof as Exhibit E, and such reasonable changes therein (whether

by modification, elimination or addition) as Landlord at anytime or times hereafter may make and communicate to Tenant in writing (such rules and regulations, as changed from time to time, being herein called the "Alteration Rules and Regulations"); provided, however, that in case of any conflict or inconsistency between the provisions of this Lease and any of the Alteration Rules and Regulations, the provisions of this Lease shall control.

5.1.7. Before proceeding with any Alterations having a cost, as a single Alterations project, of at least One Hundred Thousand and 00/100 Dollars (\$ 100,000.00), at Landlord's request, Tenant shall furnish to Landlord, as security for the full completion of such Alterations, a payment and performance bond issued by a bonding company reasonably satisfactory to Landlord naming Landlord as beneficiary, which bond (i) shall be in an amount equal to one hundred twenty-five percent (125%) of Landlord's reasonable estimate of the cost of such Alterations (including the portion of such cost, if any, that Landlord has agreed to pay), (ii) shall not require any payment as a condition to the bonding company performing its obligations under the bond, and (iii) shall otherwise be in a form reasonably satisfactory to Landlord.

5.2. Tenant's Improvements and Tenant's Property.

5.2.1. For purposes of this Lease, the following definitions shall apply:

"Tenant's Improvements" shall mean all improvements, betterments, fixtures (inclusive of trade fixtures), equipment and appurtenances attached to or built into the Premises by or on behalf of Tenant (whether or not at Tenant's expense) during the Term, including the Initial Tenant Work and all Alterations (and including Tenant's line, riser and other connections to the Building Systems and any separate HVAC, electrical or other mechanical system or facility installed by or on behalf of Tenant), but excluding Tenant's Property.

"Tenant's Property" shall mean all office furniture and equipment, movable partitions, communications equipment and other articles of movable personal property owned or leased by Tenant and located in the Premises, including floor and/or wall coverings and computer and telephone cables. For purposes of this Lease, Tenant's Entrance Sign shall be deemed Tenant's Property.

5.2.2. All Tenant's Improvements, upon the installation thereof, shall be and remain Landlord's property and shall not be removed by Tenant at anytime during the Term (except in connection with permitted Alterations) or upon the expiration or earlier termination of this Lease. Notwithstanding the foregoing, upon notice to Tenant given (i) at the time Landlord grants its approval therefor for Alterations for which Landlord's approval has been granted, or (ii) no later than thirty (30) days prior to the Expiration Date for Alterations for which Landlord's approval has not been granted for which approval was required, Landlord may require Tenant, at Tenant's expense, to remove all or any portion of any Tenant's Improvements prior to the expiration of this Lease (or within thirty (30) days following the earlier termination hereof). Tenant shall not be required to remove the Initial Tenant Work at the end of the Term unless Landlord notifies Tenant in writing at the time that Landlord approves the Initial Tenant Work Plans that Landlord will require such removal. In any such event, Tenant shall repair any damage to the Real Property (including the Premises) resulting from any such removal and restore any affected areas thereof, normal wear and tear, damage from fire or other casualty, eminent domain or condemnation, and repairs that are not the responsibility of Tenant under this Lease excepted.

5.2.3. All Tenant's Property shall be and shall remain the property of Tenant throughout the Term and may be removed by Tenant at any time during the Term. Upon the expiration of this Lease

(or within thirty (30) days after the earlier termination hereof), Tenant, at its expense, shall remove all Tenant's Property from the Premises. Tenant shall repair any damage to the Real Property (including the Premises) resulting from any removal of Tenant's Property and shall restore any affected areas of the Real Property, normal wear and tear, damage from fire or other casualty, eminent domain or condemnation, and repairs that are not the responsibility of Tenant under this Lease excepted. Any items of Tenant's Property which shall remain in the Premises after the expiration of this Lease (or, as the case may be, within thirty (30) days following an earlier termination of this Lease), may, at the option of Landlord, be deemed to have been abandoned, and in such case such items may be retained by Landlord as its property or disposed of by Landlord, without accountability, in such manner as Landlord shall determine.

5.3. Title. Mechanics Liens. Union Conflicts. Etc.

5.3.1. All Alterations, other than Initial Tenant Improvements, shall be fully paid for by Tenant. No Tenant's Improvements shall be subject to any conditional bills of sale, chattel mortgage or other title retention agreements.

Tenant, at its expense, and with diligence and dispatch, shall procure the cancellation, bonding or discharge of all notices of violation arising from, or otherwise connected with, Alterations, or any other work, labor, services or materials done for or supplied to Tenant, or any Tenant Party, which shall be issued by any Governmental Authority. Tenant shall defend, indemnify and hold harmless Landlord from and against any and all mechanic's and other liens and encumbrances filed in connection with Alterations, or any other work, labor, services or materials done for or supplied to Tenant or any Tenant Party and from and against all costs, expenses and liabilities incurred in connection with any such lien or encumbrance or any action or proceeding brought thereon. Tenant, at its expense, shall procure the satisfaction or discharge of record by bonding, payment or otherwise, of all such liens and encumbrances within thirty (30) days after knowledge or notice thereof.

5.3.3. Tenant shall not perform any Alterations, or otherwise perform any work or conduct any activities in or about the Real Property, in a manner which violates any of Landlord's union contracts affecting the Real Property, or create any work stoppage, picketing, labor disruption or dispute or any interference with the operation, management and/or maintenance of the Real Property. Tenant shall immediately stop, or cause to be stopped, any work or other activity in violation of this Section 5.3.3 upon notice thereof from Landlord.

ARTICLE 6 - RESERVATION OF REAL PROPERTY; LANDLORD'S ACCESS

6.1. Reservation of Real Property.

6.1.1. Except for the Premises (which, for purposes of this Lease, shall consist only of the space within the inside surfaces of all demising and exterior walls, hung ceilings, floors, windows and doors bounding the Premises), all of the Real Property, including the Land and the Base Building, is reserved to Landlord and persons authorized by Landlord, subject only to any rights of Tenant to use areas of the Real Property outside of the Premises that may be expressly provided for hereunder.

6.1.2. Landlord, without limiting the generality of the foregoing, hereby reserves the following rights (which may be exercised, in each and every case, without any liability to Tenant) upon reasonable prior written notice to Tenant (except in the case of an emergency): (a) the right to change the name and/or address of the Building, together with the exclusive right to use the name

of the Building, at any time and from time to time; (b) the right to make, or permit to be made, such alterations and/or repairs in or to the Real Property or any part thereof (other than to the interior of the Premises), as Landlord shall deem necessary or desirable; and (c) the right to close or render inoperable any part of the Real Property (outside of the Premises), so long as access to the Premises and reasonable parking consistent with the requirements of this Lease are maintained. In exercising its rights under this Section 6.1.2, Landlord shall use commercially reasonable efforts not to unreasonably interfere with Tenant's operations in the Premises.

6.2. Landlord's Access to Premises.

Landlord, and persons authorized by Landlord, shall have the right, upon reasonable notice (or, in the case of an emergency, without notice) to enter upon and/or pass through the Premises, at reasonable times (or, in the case of an emergency, at any time or times), for one or more of the following purposes: (a) to examine and/or inspect the Premises or any portions of the Real Property accessible through the Premises, (b) to show them to actual and prospective purchasers, Underlying Lessors or Mortgagees, or, during the last twelve (12) months of the Term, prospective tenants of the Building or any part thereof, (c) to make such alterations and/or repairs in or to the Real Property (other than to the interior of the Premises) or any part thereof as Landlord, or persons authorized by Landlord, are required or desire to make, (d) to make such alterations and/or repairs in or to the Premises or any part thereof as Landlord is required or permitted to make, and/or (e) to read any utility meters located therein. Landlord, and such authorized persons, may, without liability to Tenant, take all materials into and upon the Premises that may be reasonably required in connection therewith. In exercising its rights under this Section 6.2, Landlord shall use commercially reasonable efforts not to unreasonably interfere with Tenant's operations in the Premises.

ARTICLE 7 - QUIET ENJOYMENT; UNDERLYING INTERESTS

7.1. Quiet Enjoyment.

So long as Tenant pays all of the Rent and observes and performs all of Tenant's other obligations hereunder, Tenant shall peaceably and quietly have, hold and enjoy the Premises without hindrance, ejection or molestation by Landlord or any person lawfully claiming through or under Landlord, subject, nevertheless, to the provisions of this Lease and to all Mortgages and Underlying Leases.

7.2. Underlying Interests.

7.2.1. For purposes of this Lease, the following definitions shall apply:

"Mortgage" shall mean any mortgage or deed of trust which may now or hereafter affect the Land and/or the Building, or any part of either (whether or not such mortgage or deed of trust shall also cover other properties), and shall include each and every advance made or hereafter to be made under such mortgage or deed of trust, and to each and every renewal, modification, replacement or extension of such mortgage or deed of trust and any spreader or consolidation of such mortgage or deed of trust, and "Mortgagee" shall mean any holder of any Mortgage.

"Underlying Lease" shall mean any ground lease, overriding lease or underlying lease of the Land and/or the Building, or of the portion of the Building of which the Premises are a part, now or hereafter existing, and "Underlying Lessor" shall mean any lessor under an Underlying Lease.

7.2.2. This Lease, and all rights of Tenant hereunder, are and shall be subject and subordinate to all Underlying Leases and Mortgages. This Section 7.2.2 shall be self-operative and no further instrument of subordination shall be required. In confirmation of such subordination, Tenant shall promptly execute, acknowledge and deliver any instrument that Landlord, an Underlying Lessor or a Mortgagee may reasonably request to evidence such subordination.

7.2.4. Landlord agrees to use commercially reasonable efforts to obtain from its mortgagee a non-disturbance agreement.

ARTICLE 8 - BASIC LEASE OBLIGATIONS

8.1. Insurance.

8.1.1. (a) Tenant, at its expense, shall maintain, at all times during the Term, (i) "all risk" property insurance covering all Tenant's Improvements and Tenant's Property to a limit of not less than the full replacement cost thereof, (ii) commercial general liability insurance, including blanket contractual liability coverage, with limits of not less than Three Million Dollars (\$3,000,000) combined single limit for personal injury and property damage liability in any one occurrence, (iii) commercial business interruption insurance sufficient to cover an interruption of Tenant's business in the Premises for a period of one (1) year, and (iv) such other insurance, with such limits, as Landlord shall from time to time reasonably require Tenant to maintain (so long as such insurance is reasonably consistent with insurance typically required to be carried by tenants in buildings reasonably comparable to the Building located in the general vicinity of the Building). Landlord may, from time to time (but not more frequently than once per calendar year), require that the limits of the aforesaid insurance be increased (but not in excess of the amounts thereof typically required to be carried by tenants in buildings reasonably comparable to the Building located in the general vicinity of the Building). The deductibles of any insurance required to be maintained by Tenant shall be in amounts reasonably satisfactory to Landlord. Landlord (or, at Landlord's option, any Mortgagee or Underlying Lessor) shall be named as a "loss payee" under the insurance policies providing "all risk" property coverage on Tenant's Improvements; and Tenant shall reasonably cooperate with Landlord in connection with the collection of any insurance proceeds thereunder. Landlord and its managing agent, if any, and each Mortgagee and Underlying Lessor whose name and address shall previously have been furnished to Tenant in writing shall be named as additional insureds under Tenant's insurance policies providing general liability coverage. Each of the insurance policies required to be maintained pursuant to this Section 8.1.1 shall be issued by companies licensed to do business in the State of New York having a Best's rating of A+:VII or better, and otherwise reasonably acceptable to Landlord, and shall contain a provision whereby the same cannot be cancelled or modified unless Landlord and any additional insureds are given at least thirty (30) days' prior written notice thereof. Tenant, at least ten (10) days prior to the commencement Date, and thereafter (for renewals of existing policies) at least ten (10) days prior to the date of expiration of any existing policy, shall deliver to Landlord a duplicate original insurance policy, an insurance binder (countersigned by the insurer), or Evidence of Insurance (in form ACORD 27) for each insurance policy required to be carried by Tenant hereunder. The insurance required to be carried by Tenant hereunder may be carried under a blanket insurance policy, so long as no claim under such policy with respect to a location other than the Premises shall cause the limits of such policy applicable to the Premises to be less than the limits required above.

(b) Landlord agrees to maintain in full force and effect, during the Term of this Lease, property damage insurance on the Building and commercial general liability insurance, in such form and having such limits as are reasonably determined by Landlord or Landlord's mortgagee.

8.1.2. Tenant shall not violate, or permit any Tenant Party to violate, any Insurance Requirements or any terms or conditions imposed by any insurance policy then issued in respect of the Real Property. If, as a result of any act or omission by Tenant (including a default under the immediately preceding sentence), other than the mere use of the Premises for general office use, the premiums on any insurance policy issued in respect of the Real Property shall be higher than the same would otherwise be, then, without limiting any other rights or remedies that Landlord may have on account thereof, Tenant, within thirty (30) days after demand, shall pay Landlord an amount equal to the part of such insurance premiums attributable to such act or omission; for which purposes, a schedule of "make-up" rates issued by, or any other finding of, any insurance rating organization having jurisdiction over, or otherwise making rates or findings in respect of, the Real Property shall be conclusive evidence of the rates and facts therein stated.

8.1.3. Each party agrees to have included in each of its "all risk" insurance policies (insuring the Base Building in case of Landlord, and insuring Tenant's Improvements and Tenant's Property in the case of Tenant) a waiver of the insurer's right of subrogation against the other party during the Term. Each party hereby releases the other party, with respect to any claim (including a claim for negligence) which it might otherwise have against the other party, for loss, damage or destruction with respect to its property occurring during the Term, if, and to the extent, such loss, damage or destruction is, or under this Section 8.1 is required to be, insured under a policy or policies containing a waiver of subrogation.

8.2. Indemnification.

8.2.1. Tenant shall indemnify and hold harmless Landlord and any Landlord Party (as hereinafter defined) from and against any and all third-party claims arising from or in connection with: (a) the conduct or management of the Premises or of any business therein, or any work or thing whatsoever done, or any condition created (other than by Landlord or any Landlord Party) in or about the Premises during the Term; (b) any act, omission or negligence of Tenant or any Tenant Party (as hereinafter defined); (c) any accident, injury or damage whatever (except to the extent caused by the negligence of Landlord or any Landlord Party) occurring in, at or upon the Premises; and (d) any breach or default by Tenant under this Lease; together with all actual reasonable out-of-pocket costs, expenses and liabilities incurred in or in connection with each such claim, or any action or proceeding brought thereon, including all reasonable attorneys' fees and expenses.

8.3. Compliance with Laws.

8.3.1. Tenant, at its expense, shall (i) comply with all Legal Requirements requiring compliance in respect of the Premises or the use and occupancy thereof, and (ii) be responsible for the cost of any other compliance with Legal Requirements in respect of the Real Property which arises from Tenant's use and occupancy of the Premises; provided, however, that Tenant shall not be required to perform, or be responsible for the cost of, any alterations to the Base Building (or any alterations or repairs of the structural members of the Building located in the Premises) which are required to be performed to comply with any Legal Requirements, unless the need for such compliance arises by reason of (w) the manner of conduct of Tenant's business in the Premises, (x) the performance of any Alterations or the operation, use or presence of any Tenant's Improvements or Tenant's Property, (y) any condition created by or at the instance of Tenant, or (z) the breach of any of Tenant's obligations hereunder. Tenant shall have the right to contest, in good faith, any compliance requirements imposed upon Tenant by any Governmental Authority, so long as such contest does not subject Landlord to any liability.

8.4. Repairs and Maintenance.

8.4.1. Tenant, throughout the Term, shall, at its expense, keep and maintain, and take good care of, the Premises and make all needed interior and non-structural repairs in and to, the Premises, including all needed repairs to Tenant's Improvements and Tenant's Property. Tenant shall also be responsible for the cost of repairs made by Landlord to the Base Building (other than the cost of Tenant Initial Improvements) to the extent that the need for the same arises out of (i) Tenant's performance of Alterations, (ii) the operation, use or presence of any Tenant's Improvements, or the installation, operation, use or presence of Tenant's Property, (iii) the moving of any Tenant's Improvements or Tenant's Property, or (iv) any breach of Tenant's obligations under this Lease, or any negligent or wrongful act or omission by Tenant or any Tenant Party.

8.4.2. Landlord, throughout the Term, shall keep and maintain, and make all needed repairs in and to, the Base Building, but only to the extent that the same affect Tenant's use and occupancy of the Premises, and all repairs to the Premises to the extent that the need for the same arises out of any negligence or willful misconduct of Landlord or any Landlord Party. Such repairs shall be made at Landlord's expense, except as provided in Section 8.4.1 above.

8.5. Damage and Destruction.

8.5.1. If the Building or the Premises shall be partially or totally damaged or destroyed by fire or other casualty, then, unless this Lease shall be terminated as hereinafter provided in this Article, (i) Landlord shall repair and restore (A) the Base Building, but only to the extent that the same affects Tenant's use and occupancy of the Premises, and (B) Tenant's Improvements (all such repair and restoration work being herein called the "Landlord Restoration Work"), with reasonable dispatch after notice to it of the damage or destruction and the collection of the insurance proceeds attributable to such damage or destruction, and (ii) Tenant shall repair and restore Tenant's Property with reasonable dispatch after such damage or destruction and the collection of the insurance proceeds attributable to such damage or destruction. The proceeds of Tenant's insurance policies providing coverage for Tenant's Improvements shall be paid to Landlord.

8.5.2. If the Premises and/or the Building shall be damaged or destroyed by fire or other casualty so as to render the Premises completely or partially untenantable, then the Fixed Rent and Tax Payments shall be abated in the proportion that the untenantable area of the Premises bears to the total area of the Premises for the period from the date of the damage or destruction to the date that the Landlord Restoration Work shall be substantially completed; provided, however, that (i) if in Landlord's reasonable judgment the Landlord Restoration Work would have been substantially completed at an earlier date but for Tenant's having failed to reasonably cooperate with Landlord in effecting the same, then the Landlord Restoration Work shall be deemed to have been substantially completed on such earlier date and, accordingly, any abatement shall cease, and (ii) if Tenant or any of its subtenants shall reoccupy a portion of the Premises for the purpose of conducting business therein prior to the substantial completion of the Landlord Restoration Work, then the Fixed Rent and Tax Payment allocable to such reoccupied portion (on a pro-rata rentable square foot basis), shall be payable by Tenant from the date of such occupancy.

8.5.3. If either (i) the Building shall be damaged or destroyed by fire or other casualty (whether or not the Premises are damaged or destroyed) such that its repair and restoration requires more than two hundred seventy (270) days or the expenditure of more than twenty (20%) percent of the full insurable value of the Building immediately prior to the date of the damage or destruction or (ii) if the Premises shall be totally or substantially (i.e.. for this purpose, its repair or restoration

requires more than one hundred twenty (120) days or more than thirty (30%) percent) damaged or destroyed by fire or other casualty (as reasonably estimated, in either case, by a reputable contractor, registered architect or licensed professional engineer designated by Landlord), then, in the case of (i) Landlord may terminate this Lease by giving Tenant notice to such effect within forty-five (45) days after the date of the casualty and in the case of (ii) either Landlord or Tenant may terminate this Lease by giving the other notice forty-five (45) days after the date of the casualty. For the purpose of this Section only, "full insurable value" shall mean replacement cost less the cost of footings, foundations and other structures below the street and first floors of the Building.

8.5.4. Landlord shall have no liability to Tenant, by reason of any inconvenience, loss of business or annoyance arising from any repair or restoration work in respect of the Real Property.

8.6. Condemnation.

8.6.1. If the whole or a material portion of either the Building or the Premises shall be taken by condemnation or in any other manner for any public or quasi-public use or purpose (whether permanently or temporarily for more than six (6) months), this Lease shall terminate as of the date of vesting of title on such taking, and the Rent shall be prorated and adjusted as of such date.

8.6.2. Landlord shall be entitled to receive the entire award or payment in connection with any taking without reduction therefrom for any estate vested in Tenant by this Lease or any value attributable to the unexpired portion of the Term and Tenant shall receive no part of such award. Tenant hereby expressly assigns to Landlord all of its right, title and interest in and to every such award or payment and waives any right to the value of the unexpired portion of the Term. Notwithstanding the foregoing, Tenant may make a separate claim for moving costs and for the taking of Tenant's Property.

8.7. Hazardous Substances.

Tenant, throughout the Term, shall not bring, or permit any Tenant Party to bring, any Hazardous Materials onto the Real Property. As used herein, the term "Hazardous Substances" shall mean any material, substance, compound, solid, liquid or gas, or any radiation, emission or release of energy in any form, whether naturally occurring, man-made or the product of any process, (i) which is or may under certain conditions be toxic, harmful, hazardous or acutely hazardous to public health, public safety or the environment, or (ii) which is or may be defined or regulated as a "hazardous waste", "hazardous substance", "toxic substance", pollutant or contaminant under any law, excluding, however, such Hazardous Substances which are customary office and kitchen supplies in quantities which are non-reportable under Legal Requirements.

ARTICLE 9 - ASSIGNMENT, SUBLETTING AND MORTGAGING

9.1. General Prohibition.

9.1.1. Except as otherwise provided herein, Tenant shall not, whether voluntarily, involuntarily, or by operation of law or otherwise (a) assign or otherwise transfer in whole or in part this Lease, (b) sublet the Premises or any part thereof, or allow the same to be used or occupied by any person other than Tenant for any purpose (including desk space, mailing privileges or otherwise), or (c) mortgage, pledge, encumber or otherwise hypothecate this Lease or the Premises or any part thereof in any manner whatsoever, without in each instance obtaining the prior written consent of Landlord as hereinafter provided. Landlord's consent to a sublet shall not be unreasonably withheld. The consent by Landlord to a particular assignment, subletting or

mortgaging shall not in any way be considered a consent by Landlord to any other or further assignment, subletting or mortgaging.

9.1.2. Notwithstanding anything to the contrary contained in this Article 9, Tenant may assign this Lease or sublease all or any part of the Premises to any Affiliate of Tenant or the guarantor of the Lease, The Guardian Life Insurance Company of America (the "Guarantor"), without obtaining Landlord's consent ("Affiliated Entity transfer"), provided Tenant gives Landlord ten (10) days prior written notice of its intention to assignee or sublet as aforesaid. For purposes of this Article 9, "Affiliate of Tenant" shall mean any person or entity directly or indirectly controlling, controlled by, or under common control with, Tenant or Guarantor. For purposes of this Article 9, the term "control" (including with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as applied to any person or entity, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of that person or entity, whether through the ownership of voting securities, by contract, or otherwise, together with ownership of one hundred (100%) of the equity and voting interests in such person or entity.

9.2. Recapture.

9.2.1. If Tenant shall, at any time or from time to time, during the Term propose to assign this Lease or sublet all or part of the Premises (other than to an Affiliate), Tenant shall give notice thereof to Landlord (herein called "Tenant's Notice"), which notice shall be accompanied by (i) a fully executed duplicate original of the proposed assignment or sublease, or a statement setting forth the exact proposed business terms for such sublease or assignment (herein called the "Proposed Terms"), the effective date or commencement date of which shall be not less than thirty (30) days, nor more than one hundred and eighty (180) days, after the giving of such notice, and the effectiveness of which shall be expressly conditioned upon the obtaining of Landlord's written consent thereto, (ii) a statement setting forth in reasonable detail the identity of the proposed assignee or subtenant, the nature of its business and its proposed use of the Premises, (iii) current financial information with respect to the proposed assignee or subtenant, including its most recent financial report and bank references, and (iv) in the case of a proposed sublease of less than the entire Premises, a floor plan clearly indicating the specific portion of the Premises to be subleased and all means of ingress and egress to and from such proposed sublease space. Tenant, upon request, shall also provide Landlord with any additional information that Landlord shall reasonably request in respect of such proposed assignment or sublease.

9.2.2. Upon Landlord's receipt of any Tenant's Notice, Landlord shall have the following options, as applicable (herein collectively called the "Recapture Options"), any of which may be exercised by Landlord by written notice to Tenant (herein called the "Recapture Notice") given at anytime within a period (herein called the "Recapture Period") of fifteen (15) Business Days after its receipt of such Tenant's Notice:

(a) If a Tenant's Notice shall set forth either a proposed assignment or a proposed sublease of the space in its entirety, then Landlord shall have the option to terminate this Lease in its entirety. If Landlord exercises such option, then this Lease shall terminate on the date that such proposed assignment or sublease was to become effective or commence, as the case may be, and the Rent shall be paid and apportioned to such date.

(b) If a Tenant's Notice shall set forth a proposed sublease demising less than the entire Premises for a term expiring within two (2) years prior to the then-scheduled Expiration Date

of this Lease, then Landlord shall have the option to terminate this Lease as to the proposed sublease space. If Landlord exercises such option, then (i) Landlord, at Tenant's expense, shall (x) erect all partitions required to separate such space from the remainder of the Premises and (y) install all corridors, doors, equipment and facilities required to (aa) allow for independent access from such space to the applicable Public Areas, (bb) comply with any Legal Requirements or Insurance requirements relating to such separation, and (cc) enable such space to be used, maintained and serviced as an independent unit, and (ii) this Lease shall terminate with respect to such space on the date that such proposed sublease was to commence and, effective as of such termination, this Lease shall be deemed modified to (x) eliminate such space from the Premises, and (y) reduce the Fixed Rent and Tenant's Share, on a pro rata, rentable square foot basis.

9.2.3. If Landlord exercises a Recapture Option as provided above, Tenant shall be entitled to notify Landlord in writing, within ten (10) Business Days after Tenant's receipt of the applicable Recapture Notice, that Tenant is withdrawing its request for Landlord's consent to the proposed assignment or sublease, in which case such Recapture Notice shall be null and void, and Tenant shall be deemed not to have requested Landlord's consent to such proposed assignment or sublease (and Tenant shall, if it has theretofore entered into such proposed assignment or sublease, promptly terminate the same, and, in any event, Tenant shall not assign this Lease or sublet the proposed sublease space pursuant to such proposed assignment or sublease without again requesting Landlord's consent with respect thereto, subject and in accordance with the terms and provisions of this Section 9.2).

9.3. Consent.

9.3.1. If (i) Landlord receives a Tenant's Notice and (ii) Landlord does not exercise any of its Recapture Options within the Recapture Period, then, provided that there is no uncured Event of Default in existence as of the date of Tenant's Notice or at anytime thereafter prior to Landlord granting its written consent, Landlord's consent to the proposed assignment or sublease set forth in Tenant's Notice shall not be unreasonably withheld, conditioned or delayed (and any notice of Landlord refusing to grant such consent shall include the reasons for such refusal); provided, that:

(a) Tenant shall have complied with all the provisions of this Article, and, in the case of a proposed assignment or sublease for which an executed counterpart thereof was not provided with Tenant's Notice, the proposed assignment or sublease shall comply with the provisions of this Article, be on the Proposed Terms, be in a form reasonably satisfactory to Landlord (which form shall be submitted to Landlord for review and approval promptly after the date that Landlord consents to the proposed assignment or sublease), and be executed by Tenant and the proposed assignee or subtenant and a fully executed copy thereof delivered to Landlord within ninety (90) days after Landlord's approval of the proposed form thereof;

(b) the proposed assignment or sublease shall comply with the provisions of this Article, and the form thereof shall otherwise be reasonably satisfactory to Landlord;

(c) the proposed assignee or subtenant (i) shall be a reputable person or entity of good character, (ii) shall be engaged in a business or activity which is in keeping with the then standards of the Building, and (iii) shall have sufficient net worth considering the responsibility involved (and Landlord shall have been furnished with reasonable proof thereof);

(d) the prospective occupancy of the proposed assignee or subtenant (i) shall be limited to the use of the Premises specifically permitted by this Lease, (ii) shall not violate any use restrictions set forth in this Lease, (iii) shall otherwise be in keeping with the then standards of the

Building, and (iv) shall not, in the reasonable judgment of Landlord, increase the office cleaning requirements or otherwise impose an extra burden upon services to be supplied by Landlord to Tenant;

(e) the proposed sublease shall not result in there being more than four (4) occupants (inclusive of Tenant and all subtenants) occupying space within the Premises;

(f) in the case of a sublease, the sublease shall not provide for an option on behalf of the subtenant thereunder to extend or renew the term of such sublease; and

(g) neither the proposed assignee or subtenant nor any company controlled by, under common control with or controlling the proposed assignee or subtenant (i) shall then be a tenant or occupant of any space in the Building (unless at the time of Landlord's receipt of Tenant's Notice there is not available for lease or scheduled to become available within ninety (90) days thereafter rental space leasable (and which Landlord is willing to lease) in a single block in the Building containing rentable square footage of not less than seventy-five percent (75%) nor more than one hundred twenty-five percent (125%) times the rentable square footage of the area to be covered by the proposed assignment or sublease), or (ii) shall have, within the six (6) month period prior to the date of Tenant's Notice, negotiated with Landlord with respect to the leasing of any space in the Building, (unless at the time of Landlord's receipt of Tenant's Notice there is not available for lease or scheduled to become available within ninety (90) days thereafter rental space leasable (and which Landlord is willing to lease) in a single block in the Building containing rentable square footage of not less than seventy-five percent (75%) nor more than one hundred twenty-five percent (125%) times the rentable square footage of the area to be covered by the proposed assignment or sublease).

9.3.2. Landlord's consent to any assignment or sublease shall be set forth in an instrument prepared by Landlord in form reasonably satisfactory to Landlord, and in the case of any assignment, such instrument shall include an assumption by the proposed assignee of the obligations of Tenant hereunder. Landlord's consent shall not be effective until such instrument is executed and delivered by Landlord, Tenant and the proposed assignee or subtenant. Tenant shall reimburse Landlord within thirty (30) days after demand for any actual out-of-pocket costs that may reasonably be incurred by Landlord in connection with any proposed assignment or sublease, including (i) the reasonable costs of making investigations as to the acceptability of the proposed assignee or subtenant, and (ii) reasonable legal costs incurred in connection with the granting of any requested consent.

9.4. Profits.

9.4.1. For purposes of this Lease, the following definitions shall apply:

"Assignment Consideration", with respect to any assignment, shall mean an amount equal to all sums and other considerations paid to Tenant by the assignee for or by reason of such assignment (including sums paid for the sale or rental of any Tenant's Property, less, in the case of a sale thereof, the then net unamortized or undepreciated cost thereof determined on the basis of Tenant's federal income tax returns or other documentation reasonably satisfactory to Landlord in lieu thereof, or the then bona fide fair market value of such Tenant's Property).

"Sublease Consideration", with respect to any sublease with respect to any calendar year, shall mean the excess of (i) any and all rents, additional charges or other consideration paid under the sublease to Tenant by the subtenant (including sums paid for the sale or rental of Tenant's

Property located in the subleased premises, after deducting, in the case of the sale thereof, the then net unamortized or undepreciated cost thereof, determined on the basis of Tenant's federal income tax returns or other documentation reasonably satisfactory to Landlord in lieu thereof, or the then bona fide fair market value of such Tenant's Property), over (ii) the Rent accruing during such year in respect of the subleased space (at the rate per square foot payable by Tenant hereunder) pursuant to the terms hereof.

"Transaction Expenses", with respect to any assignment or sublease, shall mean the sum of (i) the out-of-pocket and reasonable advertising expenses and brokerage commissions paid by Tenant in connection with the assignment or sublease, plus (ii) the out-of-pocket construction and work allowance costs paid by Tenant in order to prepare the Premises (or portion thereof) for the initial occupancy of the assignee or subtenant, plus (iii) legal fees and sums paid to Landlord under Section 9.3.2, plus (iv) any other reasonable out-of-pocket costs actually incurred by Tenant in connection with such assignment or sublease.

9.4.2. If Landlord shall consent to any assignment of this Lease, then, in consideration therefor, Tenant, within thirty (30) days after the effective date of the assignment, shall (i) deliver to Landlord a written statement, certified by an officer of Tenant, setting forth the Assignment Consideration and the Transaction Expenses with respect to such assignment, and (ii) pay to Landlord, as Additional Charges, an amount equal to one-half the excess of the Assignment Consideration over the Transaction Expenses.

9.4.3. If Landlord shall consent to any sublease of all or any portion of the Premises, then, in consideration therefor, Tenant, within thirty (30) days after the close of each calendar year during the Term in which such sublease is in effect, shall (i) deliver to Landlord a written statement, certified by an officer of Tenant, setting forth the Sublease Consideration for such calendar year and the Transaction Expenses with respect to such sublease, and (ii) either retain or pay to Landlord the Sublease Consideration for such year, in accordance with the following: first, Tenant may retain the entire Sublease Consideration for such year to the extent of the Transaction Expenses incurred with respect to such sublease (except to the extent Tenant retained amounts under this clause first in prior years); and second, Tenant shall pay to Landlord an amount equal to one-half the balance of the Sublease Consideration for such year.

9.5. Miscellaneous.

9.5.1. Notwithstanding any assignment or transfer of this Lease, and notwithstanding the acceptance of Rent by Landlord from an assignee, transferee, or any other party, Tenant shall remain fully liable for the payment of Rent and for the performance and observance of all other obligations of this Lease on the part of Tenant to be performed or observed. Tenant's liability shall be joint and several with any immediate and remote successors in interest of Tenant, and such joint and several liability in respect of Tenant's obligations under this Lease shall not be discharged, released or impaired in any respect by any agreement or stipulation made by Landlord extending the time of, or modifying any of the obligations of, this Lease, or by any waiver or failure of Landlord to enforce any of the obligations of this Lease.

9.5.2. All subleases shall be subject and subordinate to this Lease, and each sublease shall expressly so provide and shall further provide that in the event this Lease is terminated by Landlord by reason of an Event of Default, Landlord may, at its option, take over all of the right, title and interest of Tenant, as sublessor, under such sublease, and such subtenant shall, at Landlord's option, attorn to Landlord pursuant to the then executory provisions of such sublease, except that Landlord shall not be (1) liable for any previous act or omission of Tenant under such sublease, (2) subject to

any credit, offset, claim, counterclaim, demand or defense which such subtenant may have against Tenant, or responsible for any monies owing by Tenant to the subtenant, (3) bound by any previous prepayment of more than one (1) month's rent, (4) bound by any previous modification of such sublease (made without Landlord's consent), (5) bound by any covenant to undertake or complete any construction in the Premises or any part thereof, (6) required to account for any security deposit of the subtenant other than any security deposit actually delivered to Landlord by Tenant, or (7) required to remove any person occupying the Premises or any part thereof. No sublease shall be for a term ending later than one (1) day prior to the Expiration Date. Each sublease shall provide that the subtenant may not assign its rights thereunder or further sublet the space demised under the sublease, in whole or in part, without Landlord's consent and shall include provisions substantially the same as the provisions of Section 9.5.3 hereof. If an Event of Default shall occur, then Landlord, thereafter, at its option, and without waiving any such default, may collect Rent from any then existing subtenant of the Premises. Notwithstanding any subletting by Tenant, and notwithstanding the acceptance of Rent by Landlord from any subtenant, Tenant shall and will remain fully liable for the payment of the Rent, for the performance and observance of all other obligations of this Lease on the part of Tenant to be performed or observed, and for all acts or omissions of any subtenant (or anyone claiming under or through any subtenant) which shall be in violation of any of the terms and conditions of this Lease, each such violation being deemed to be a violation by Tenant.

9.5.3. For purposes of this Lease, (i) a change in "control" (as hereinafter defined) of Tenant shall be deemed an assignment of this Lease, (ii) a "take-over agreement" pursuant to which one or more persons shall agree to assume the obligations of Tenant hereunder in consideration of Tenant leasing space in another building shall be deemed an assignment of this Lease, and (iii) a modification, amendment or extension of a sublease shall be deemed a sublease. Notwithstanding anything to the contrary contained in this Lease, Tenant, upon written notice to Landlord, may assign this Lease or sublet or allow the use and occupancy of the Premises, or any portion thereof, without Landlord's consent, (A) in connection with an "Affiliated Entity Transfer"), or (B) to an entity into or with which Tenant or Guarantor is merged or consolidated, (C) in connection with an initial public offering of Tenant or Guarantor or the public sale of Tenant's or Guarantor's stock, (D) due to transfers of ownership interests of Tenant or Guarantor between existing shareholders or partners of Tenant or Guarantor (each of the transactions described in foregoing clauses (A), (B), (C) and (D) being herein called a "Permitted Transfer"). Landlord shall have no right to terminate this Lease in connection with, and shall have no right to any Assignment Consideration or Sublease Consideration resulting from, any Permitted Transfer.

9.5.4. In no event shall Tenant ever (i) advertise or publicize in any way the availability of the Premises without prior notice to and approval by Landlord (which approval shall not be unreasonably withheld), nor shall any advertisement state the name (as distinguished from the address) of the Building or the proposed rental, (ii) list the Premises for subletting, whether through a broker, agent, representative, or otherwise at a rental rate less than the greater of (1) the Rent payable hereunder for such space, or (2) the rental rate at which Landlord is then offering to lease other space in the Building.

9.5.5. If Landlord exercises any of its Recapture Options, then Landlord, thereafter, shall be free to, and shall have no liability to Tenant if it shall, enter into a lease, sublease, assignment or other transaction with Tenant's proposed assignee or subtenant or any other person concerning the whole or any portion of the Premises or otherwise. If Landlord shall exercise any of its Recapture Options, or if, after failing to exercise any of its Recapture Options, Landlord shall decline to give its consent to any proposed assignment or sublease, then, in any such case, Tenant shall indemnify, defend and hold harmless Landlord against and from any and all loss, liability, damages, costs and expenses (including reasonable counsel fees) resulting from any claims that may be made against

Landlord by the proposed assignee or subtenant or by any brokers or other persons claiming a commission or similar compensation in connection with the proposed assignment or sublease. If (a) Tenant assigns this Lease, other than pursuant to a Permitted Transfer, or (b) at the time Tenant is entitled to exercise an option contained in this Lease to renew or extend the Term of this Lease (herein called a "Renewal Right"), or to exercise an option or preferential right contained in this Lease to lease additional space in the Building (herein called an "Expansion Right"), or at the commencement of the Renewal Term of this Lease with respect to any exercised Renewal Right or the term applicable to any expansion space pursuant to an exercised expansion Right, there are in existence subleases (or a single sublease), other than pursuant to Permitted Transfers, covering seventy-five percent (75%) or more of the rentable square footage of the Premises (as reasonably determined by Landlord), then, notwithstanding anything to the contrary contained elsewhere in this Lease (including, but not limited to, any provisions granting to Tenant a Renewal Right (herein called a "Renewal Provision") or an Expansion Right (herein called an "Expansion Provision")), upon the occurrence of either (a) or (b) aforesaid, any and all Renewal Provisions and Expansion Provisions contained in this Lease shall terminate and be and become null and void.

ARTICLE 10 - SURRENDER; HOLDOVER

10.1. Surrender.

Upon the expiration or any earlier termination of this Lease, Tenant shall fully vacate and surrender the Premises to Landlord in accordance with the provisions of this Lease (including Article 5 hereof), "broom-clean" and in as good order, condition and repair as delivered to Tenant on the Commencement Date, normal wear and tear, damage from fire or other casualty, eminent domain or condemnation, and repairs that are not the responsibility of Tenant under this Lease excepted.

10.2. Holdover.

If Tenant shall fail to vacate and surrender the Premises upon the expiration or earlier termination of this Lease, then, throughout the period commencing on such expiration or earlier termination and continuing until Tenant shall fully vacate and surrender the Premises (such period being herein called the "Holdover Period"), Tenant shall be deemed a holdover tenant and shall be liable to Landlord for rent, or a charge in respect of use and occupancy, at a per diem rate, for each day of the Holdover Period, equal to one and one half (1.5) times the average per diem rate of Fixed Rent payable by Tenant during the last year of the Term (i.e., the year immediately prior to the Holdover Period). In addition to the foregoing, Landlord shall be entitled to recover from Tenant any losses or damages arising from such holdover. Nothing herein shall be deemed to grant Tenant any right to holdover, and in no event shall the acceptance of any rent preclude Landlord from commencing and prosecuting any holdover or eviction proceeding.

ARTICLE 11 - DEFAULT BY TENANT; LANDLORD'S REMEDIES

11.1. Events of Default.

Each of the following events shall constitute an "Event of Default":

(a) If Tenant shall default in the payment of any Rent, and such default shall continue for ten (10) days after Tenant's receipt of written notice of such default; provided, however, that if Landlord has given to Tenant such a written notice either on two (2) occasions during the

immediately preceding twenty-four (24) month period or on one (1) occasion during the immediately preceding twelve (12) month period, a default in the payment of any Rent that continues for ten (10) days shall constitute an Event of Default without any notice required to be given by Landlord.

(b) With respect to any obligation of Tenant for which a provision of this Lease specifies a period of time within or before the expiration of which such obligation is to be performed, if Tenant shall fail to perform such obligation within or before the expiration of such specified period of time.

(c) If Tenant shall, whether by action or inaction, be in default of any of its obligations under this Lease (other than a default in the payment of Rent or a default of the type described in subsection (b) above) and such default shall continue and not be remedied as soon as practicable and in any event within thirty (30) days after Landlord shall have given or deemed to be given to Tenant a notice specifying the same, or, in the case of a default which cannot with due diligence be cured within a period of thirty (30) days, if Tenant shall not (x) within such thirty (30) day period advise Landlord of Tenant's intention to take all steps necessary to remedy such default, (y) duly commence within such thirty (30) day period, and thereafter diligently prosecute to completion, all steps necessary to remedy the default, and (z) complete such remedy within a reasonable time after the date of such notice of Landlord.

(d) If this Lease or the estate hereby granted or the unexpired balance of the Term, by operation of law or otherwise, devolve upon or pass to any person or entity other than Tenant, except as expressly permitted by Article 9 hereof.

(e) If (i) Tenant shall commence a case in bankruptcy, or under the insolvency laws of any state, naming Tenant as a debtor, or (ii) any other person shall commence a case in bankruptcy, or under the insolvency laws of any state, naming Tenant as a debtor, and such case shall not have been discharged within ninety (90) days of the commencement thereof, or (iii) Tenant shall make an assignment for the benefit of creditors or any other arrangement involving all or substantially all of its assets under any state statute, or (iv) a receiver or trustee shall be appointed for Tenant or for all or any portion of the property of Tenant in any proceeding, which receivership shall not have been set aside within sixty (60) days of such appointment.

11.2. Termination. Re-Entry. Damages, Etc..

11.2.1. This Lease and the estate hereby granted are subject to the limitation that if an Event of Default shall occur, then, in any such case, Landlord may give to Tenant a notice of intention to terminate this Lease and the Term as of the fifth (5th) day after the giving of such notice, and, in which event, as of such fifth (5th) day, this Lease and the Term shall terminate with the same effect as if such day was the Expiration Date, but Tenant shall remain liable for damages as hereinafter provided.

11.2.2. If this Lease shall be terminated as provided in Section 11.2.1 above, Landlord, or its agents or employees, may reenter the Premises at any time and remove therefrom Tenant and all Tenant Parties, together with any of its or their property, either by summary dispossession proceedings or by any suitable action or proceeding at law. In the event of such termination, Landlord may repossess and enjoy the Premises. Landlord shall be entitled to the benefits of all provisions of law respecting the speedy recovery of lands and tenements. Tenant waives any rights to the service of any notice of Landlord's intention to re-enter provided for by any present or future law. Landlord shall not be liable in any way in connection with any action it takes pursuant to the foregoing. Notwithstanding any such re-entry, recession, dispossession or removal, if this Lease is terminated prior to the Expiration Date by reason of an Event of Default, Tenant's liability

under the provisions of this Lease shall continue until the date the Term would have expired had such termination not occurred.

11.2.3. In any case of termination of this Lease, or re-entry or repossession of the Premises, whether the same is the result of the institution of summary or other proceedings, Tenant shall remain liable (in addition to theretofore accrued liabilities) to the extent legally permissible for: (I) the Rent, together with (A) all other charges provided for herein until the date this Lease would have expired had such termination, re-entry or repossession not occurred, (B) all reasonable actual out-of-pocket expenses which Landlord may reasonably incur in (1) re-entering or repossessing the Premises, (2) making good any default of Tenant, (3) painting, altering or dividing the Premises, combining the same with other space, or placing the same in proper repair, (4) protecting and preserving the Premises by placing therein watchmen and caretakers, and (C) all reasonable actual out-of-pocket expenses which Landlord may reasonably incur in reletting the Premises (including reasonable attorneys' fees and disbursements, marshall's fees and brokerage fees), less (II) the net proceeds of any reletting. Tenant agrees to pay to Landlord the difference between items (I) and (II) hereinabove with respect to each month, at the end of such month. Any suit brought by Landlord to enforce collection of such difference for any one month shall not prejudice Landlord's right to enforce the collection of any difference for any subsequent month. In addition to the foregoing, Tenant shall reimburse Landlord all reasonable attorneys' fees and disbursements incurred by Landlord with respect to any such action or proceeding to collect such difference and/or any action or proceeding to otherwise collect any rent and/or to enforce any of Tenant's other obligations under this Lease and/or any summary or other dispossession proceedings.

11.2.4. Landlord may, in its sole discretion, relet the whole or any part of Premises for the whole or any part of the unexpired Term, or longer, or from time to time for shorter periods, for any rental it wishes and giving such concessions of rent and making such special repairs, alterations, decorations and paintings for any new tenant as it may in its sole and absolute discretion deem advisable, and Landlord may collect and receive the rents thereunder. In no event shall Landlord ever be obligated to relet or to attempt to relet the Premises or any part thereof while other space remains available for lease at the Building; provided, however, that Landlord shall make commercially reasonable efforts to relet the Premises, taking into account the space then available or scheduled to become available for lease at the Building; it being understood that Landlord shall be entitled to let and attempt to let space available or scheduled to become available at the Building during the unexpired Term in preference to the Premises.

11.2.5. If, after a termination of this Lease as aforesaid, Landlord, in its sole discretion, so elects, Tenant shall pay Landlord, within thirty (30) days after demand, as liquidated and agreed final damages, the present value (calculated at a discount rate of seven percent (7%)) of the sum of (i) the Rent and all other charges which would have been payable by Tenant from the date of such demand to the date that this Lease would have expired if it had not been terminated as aforesaid, less (ii) Landlord's reasonable good faith estimate of the rent and other charges that Landlord would receive in reletting the Premises (less Landlord's reasonable good faith estimate of the expenses and costs it would reasonably incur in so reletting the Premises) from the date of such demand to the date that this Lease would have expired if it had not been terminated as aforesaid. Upon payment of such liquidated and agreed final damages, Tenant shall have no further liability with respect to the period after the date of such demand.

11.3. Late Payments of Rent.

If Tenant shall fail to pay any Rent within ten (10) days after the due date therefor, then Tenant, in addition to such Rent, shall pay Landlord a late charge of ten (10) cents for each dollar of

the amount of Rent not so paid. In addition, if any such failure to pay Rent shall continue for a period of ten (10) days after notice thereof to Tenant, then the past due Rent shall bear interest at the Interest Rate, from the due date thereof until paid. The amount of any such late charge and/or interest shall each be an Additional Charge hereunder and shall be payable upon demand. The assessment and receipt of late charges and interest as aforesaid shall be in addition to, and shall in no way be deemed to limit, any other rights and remedies Landlord may have under this Lease or otherwise for non-payment of Rent.

11.4. Landlord's Cure and Enforcement Rights.

11.4.1. If Tenant shall default in the performance of any of Tenant's obligations under this Lease, Landlord, without thereby waiving such default, may (but shall not be obligated to) perform the same for the account and at the expense of Tenant, without notice in any case of emergency, and, in any other case, if such default continues after the expiration of the applicable grace period set forth herein, if any.

11.4.2. Tenant, within ten (10) days after demand, shall reimburse Landlord for any actual out-of-pocket expenses reasonably incurred by Landlord (including reasonable attorneys' fees) pursuant to, or in connection with, (i) any performance by Landlord for the account of Tenant pursuant to Section 11.4.1 above, or (ii) collecting or endeavoring to collect Rent or any component thereof, or enforcing or endeavoring to enforce any of Landlord's rights against Tenant hereunder or any of Tenant's obligations hereunder, together, in either case, with interest thereon, at the Default Rate, from ten (10) days after the date Tenant receives demand for payment of such expenses which were incurred by Landlord to the date that the same are reimbursed to Landlord by Tenant.

11.5. Additional Remedies.

The specific remedies granted to Landlord and Tenant under this Lease are cumulative and are not intended to be exclusive of each other or (except to the extent this Lease specifically limits the availability of any remedies) of any other remedies which may be available to either party at law or in equity. Except as limited by the provisions of this Lease, either party may exercise any and/or all such rights and remedies (whether specifically granted herein or otherwise available to such party at law or in equity) at such times, in such order, to such extent, and as often, as such party deems advisable without regard to whether the exercise of any such right or remedy precedes, is concurrent with or succeeds the exercise of another such right or remedy.

11.6. Intentionally Omitted.

ARTICLE 12 - LIMITATIONS ON LANDLORD'S LIABILITY

12.1. Limitation to Landlord's Estate.

Tenant shall look only to Landlord's estate and property in the Real Property (including insurance awards, proceeds, profits and rents therefrom) for the satisfaction of Tenant's remedies, or for the collection of a judgment (or other judicial process), against Landlord hereunder, and no other property or assets of Landlord or any Landlord Party shall be subject to levy, execution or other enforcement procedure for the satisfaction of Tenant's remedies under or with respect to this Lease, the relationship of Landlord and Tenant hereunder or Tenant's use or occupancy of the Premises.

12.2. No Liability For Certain Damages. Etc.

Landlord shall have no liability to Tenant for (a) any damage or loss caused by other tenants or other persons in, upon or about the Real Property, or caused by operations in construction of any public or quasi-public work, or (b) except to the extent caused by the gross negligence of Landlord or any Landlord Party, any other loss or damage to persons or property (including any property of Tenant or any Tenant Party). Further, even if negligent, except as provided in Section 10.2 hereof, neither party shall be liable to the other for consequential damages, whether arising out of any loss of use of the Premises or any Tenant Improvements or other Tenant's Property therein or otherwise.

12.3. Events of Force Majeure.

Neither Landlord or Tenant shall have liability to the other if Landlord or Tenant is unable to fulfill, or is delayed in fulfilling, any of its obligations under this Lease by reason of one or more Events of Force Majeure. The foregoing shall not be applicable to any payment obligation of Tenant under this Lease.

12.4. Withholding of Consents/Approvals.

If Tenant shall request Landlord's consent or approval and Landlord shall fail or refuse to give such consent or approval, Tenant shall not be entitled to any damages for any withholding by Landlord of its consent or approval, it being intended that, Tenant's sole remedy shall be an action for specific performance or injunction, and that such remedy shall be available only in those cases where Landlord has expressly agreed in writing not to unreasonably withhold its consent or where as a matter of law Landlord may not unreasonably withhold its consent or approval. Any controversy or claim arising out of or relating to Landlord's failure or refusal to give any such consent or approval maybe settled by arbitration under the Expedited Procedures provisions of the Commercial Arbitration Rules of the American Arbitration Association, or any successor organization.

ARTICLE 13 - GENERAL DEFINITIONS

13.1. General Definitions.

For purposes of this Lease, the following terms shall have the meanings indicated:

"Affiliate", of any person, shall mean a corporation, partnership or other entity which controls, is controlled by or is under common control with such person.

"Base Building" shall mean (i) the "structural elements" (as hereinafter defined) of the Building, (ii) the walkways, plazas, outdoor stairways and all other improvements and/or landscaping on the Land, (iii) the pedestrian, freight and service entrances to the Building, (iv) the Public Areas and all improvements, fixtures and equipment therein, (v) the Building's utility and other mechanical rooms and closets (including electrical, telephone and janitorial rooms and closets and fan rooms) and the Building's equipment, storage and service rooms and areas, and all improvements, fixtures and equipment therein, (vi) the Building's columns, shafts, stacks, pipes, ducts and other conduits, (vii) the Building Systems and all other facilities and equipment which are used for the provision of Building Services (whether or not located in the Premises), and (viii) the exterior of the Building (including the roof); excluding, however, in all events, the Premises (other than any Core Lavatories located therein), Tenant's Improvements and Tenant's

Property as well as other leasable areas of the Building and the improvements and betterments therein, and the moveable personal property of other tenants of the Building.

"Building Systems" shall mean all the electrical, HVAC, mechanical, chilled/condenser water, sanitary, sprinkler, utility, power, plumbing, cleaning, fire control, alarm and prevention systems, elevator, escalator, window washing, waste compacting and removal, lighting, life safety, security and other systems of the Building (together with all related equipment), brought to (and including), but not beyond, the point of distribution or connection to the Premises or to Tenant's Improvements, provided, that all components of the Building's sprinkler system up to and including the main sprinkler loop on each floor (but excluding the sprinkler heads) and all components of the Building's plumbing system in or serving the Core Lavatories shall be deemed to be included in within the term "Building Systems"; excluding, however, in all events, Tenant's Improvements and Tenant's Property as well as the improvements and betterments, and the moveable personal property, of other tenants of the Building.

"Control" shall mean (i) in the case of a corporation, either (A) ownership or voting control, directly or indirectly, of at least fifty (50%) percent of all the voting stock, or (B) the power to direct the management and policies of such corporation, (ii) in case of a partnership or joint venture, either (x) ownership, directly or indirectly, of at least fifty (50%) percent of all the general or other partnership (or similar) interests therein, or (y) the power to direct the management and policies of such partnership or joint venture, and (iii) in the case of any other entity, either (x) ownership, directly or indirectly, of at least fifty (50%) percent of all the equity or other beneficial interest(s) therein, or (y) the power to direct the management and policies of such entity.

"Core Lavatories" shall mean the Building's core lavatories (including all toilets, urinals, partitions, flooring, tiling, sinks, piping, counters and other equipment therein from time to time).

"Default Rate" shall mean an interest rate equal to greater of (i) twelve percent (12%) per annum, and (ii) the Interest Rate; but in no event shall the "Default Rate" be a rate greater than the highest lawful rate from time to time in effect.

"Event of Force Majeure" shall mean (i) any strike, lock-out or other labor trouble, governmental preemption of priorities, or other controls in connection with a national or other public emergency, or any shortage of materials, supplies or labor, or (ii) any failure or defect in the supply, quantity or character of electricity, water, oil, gas, steam or other utility furnished to the Premises, by reason of any Legal Requirement or any requirement, act or omission of the public utility or other person(s) serving the Building with electricity, water, oil, gas, steam or other utility, or (iii) any accident, fire or other casualty, or other act of God, or (iv) any other event, whether similar or dissimilar, beyond Landlord's reasonable control.

"Governmental Authority" shall mean the United States, the State of New York, the Town of Hempstead, and/or any political subdivision thereof any thereof, and/or any agency, department, commission, board or instrumentality of any thereof.

"Insurance Requirements" shall mean all orders, rules, regulations, requirements, policies or recommendations of any board of fire underwriters, fire rating organization, insurance rating organization or any other body exercising the same or similar functions to the foregoing (collectively, "insurance rating organizations") which have jurisdiction over, or otherwise make rates or findings in respect of, all or any part of the Real Property.

"Interest Rate" shall mean an interest rate equal to two percent (2%) above the so-called

annual "Base Rate" of interest established and approved by The Bank of New York, from time to time, as its interest rate charged for unsecured loans to its corporate customers, but in no event greater than the highest lawful rate from time to time in effect.

"Landlord" shall mean only the owner, at the time in question, of the Building or that portion of the Building of which the Premises are a part, or of an Underlying Lease of the Building or that portion of the Building of which the Premises are a part, so that in the event of any transfer or transfers of title to the Building or of Landlord's interest in an Underlying Lease of the Building or such portion of the Building, the transferor shall be and hereby is relieved and freed of all obligations of Landlord under this Lease accruing after such transfer, and it shall be deemed, without further agreement, that such transferee has assumed and agreed to perform and observe all obligations of Landlord herein during the period it is the holder of Landlord's interest under this Lease.

"Landlord Party" shall mean (1) any principal, partner, member, officer, stockholder, director, employee or agent of Landlord or of any partner or member of any partnership constituting Landlord, disclosed or undisclosed, (2) any Underlying Lessor or any principal, partner, member, officer, stockholder, director, employee or agent thereof, and (3) any Mortgagee or any principal, partner, member, officer, stockholder, director, employee or agent thereof; and "Landlord Parties" shall have the corresponding plural meaning.

"Legal Requirements" shall mean all applicable laws, statutes and ordinances (including codes, approvals, permits and zoning regulations and ordinances) and the orders, rules, regulations, interpretations, directives and requirements of all federal, state, county, city and borough departments, bureaus, boards, agencies, offices, commissions and other sub-divisions thereof, or of any official thereof, or of any other governmental, public or quasi-public authority, whether now or hereafter in force.

"person" shall mean any natural person or persons, a partnership, a corporation, and any other form of business or legal association or entity.

"Public Areas" shall mean, collectively, the areas of the Real Property which, from time to time, are open to the public as means of ingress and egress to and from the Building and the various parts thereof, including the public walkways on the Land, the Building's public street entrances, the Building's ground floor and other public lobbies (and, with respect to any multi-tenanted floor, any common elevator lobbies thereon), the Building's public hallways, corridors and passages (and, with respect to any multi-tenanted floor, any common corridors thereon), the Building's public stairways, and, with respect to any multi-tenanted floor, the Core Lavatories thereon serving more than one tenant.

"Real Property" shall mean, collectively, the Building, inclusive of the Base Building, and all improvements, fixtures, facilities, machinery and equipment comprising a part of, or located in or used in the operation of, the Building (including without limitation all improvements and betterments of tenants), as well as all personal property located in the Building which is used in the operation thereof, the Land, the curbs, sidewalks and plazas immediately adjoining the Land, and all easements, air rights, development rights and other appurtenances to the Building and/or the Land.

"structural elements", of the Building, shall mean the Building's roof, roof terraces, slabs, beams, columns, girders and other structural members and connections, as well as the Building's exterior walls, window frames and windows and all other parts of the Building's structure and

supports.

"Tenant" shall mean the Tenant herein named or any assignee or other successor in interest (immediate or remote) of the Tenant herein named, which at the time in question is the owner of the Tenant's estate and interest granted by this lease; but the foregoing provisions of this subsection shall not be construed to permit any assignment of this lease or to relieve the Tenant herein named or any assignee or other successor in interest (whether immediate or remote) of the Tenant herein named from the full and prompt payment, performance and observance of the covenants, obligations and conditions to be paid, performed and observed by Tenant under this Lease.

"Tenant Party" shall mean (1) any principal, partner, member, officer, stockholder, director, employee or agent of Tenant or of any partner or member of any partnership constituting Tenant, disclosed or undisclosed, or (2) any subtenant of Tenant or any other party claiming by, through or under Tenant, or any principal, partner, member, officer, stockholder, director, employee or agent of such subtenant or such other party; and "Tenant Parties" shall have the corresponding plural meaning.

"untenantable", when used with respect to the Premises, or any portion thereof, shall mean that the Premises, or such portion thereof, is not capable of being occupied by Tenant (or any Tenant Party) for the purposes demised hereunder (and, accordingly, that the Premises, or such portion thereof, is not being occupied by Tenant (or any Tenant Party) for the purposes demised hereunder); and "tenantable", when used with respect to the Premises, or any portion thereof, shall mean that the Premises, or such portion thereof, are not untenable.

13.2. Terms. Phrases and References.

In addition, as used in this Lease, the following terms, phrases and references, shall have the meanings indicated:

- (a) The term "alterations" shall include additions, deletions, improvements and/or any other changes.
- (b) The phrase "and/or" when applied to one or more matters or things shall be construed to apply to any one or more or all thereof as the circumstances warrant at the time in question.
- (c) The terms "herein," "hereof and "hereunder," and words of similar import, shall be construed to refer to this Lease as a whole, and not to any particular Article or Section, unless expressly so stated.
- (d) The term "including", whenever used herein, shall mean "including without limitation", except in those instances where it is expressly provided otherwise.
- (e) The term "repairs" shall include, as appropriate, replacements.
- (f) The provisions of this Lease which (i) provide that "Landlord shall have no liability to Tenant" for any act, omission or other event, (ii) provide that any act, omission or other event shall be "without liability on the part of Landlord", (iii) provide that Landlord may perform an act or exercise a right, or permit another person to do so, "without incurring any liability to Tenant therefor", or (iv) provide, with words of similar import, that Landlord is similarly not liable to Tenant for a given act, omission or other event, shall, in the case of each such provision, mean that, except as otherwise provided herein, (x) Tenant shall not be entitled to terminate this Lease, or

to claim actual or constructive eviction, partial, or total, or to receive any abatement or diminution of Rent, or to be relieved in any manner of any of its other obligations hereunder, and (y) neither Tenant nor any Tenant Party shall have any claim (of any kind or nature whatsoever, at law or in equity) against Landlord or any Landlord Party (or otherwise be entitled to any compensation from Landlord or any Landlord Party) for any loss or injury suffered by reason of such act, omission or other event.

ARTICLE 14 - MISCELLANEOUS

14.1. Notices.

Any notice, statement, demand, request, consent, approval or other communication required or permitted to be given, rendered or made by either Landlord or Tenant pursuant to this Lease (collectively, "notices") shall be in writing and shall be deemed to have been properly given, rendered or made only if sent by (i) registered or certified mail, return receipt requested, posted in a United States post office station or letter box (in which event such notice shall be deemed to have been given, rendered or made upon receipt, rejection of receipt, or inability to deliver), or (ii) overnight courier service (in which event such notice shall be deemed to have been given, rendered or made when delivered), and (a) in the case of a notice to Tenant, to the address for Tenant hereinabove set forth at the beginning of this Lease (except that, after the Commencement Date, the address for Tenant shall be the Premises) with a copy to

The Guardian Life Insurance
Company of America
7 Hanover Square
New York, New York 10004

and (b) in the case of a notice to Landlord, to the address set forth on page 1 of this Lease, with a copy to:

Farrell Fritz, P.C.
EAB Plaza
Uniondale, New York 11556
Attn: Robert E. Sandler, Esq.

Either party may, by notice as aforesaid, designate a different address or addresses for notices intended for it.

14.2. Brokerage.

Tenant covenants, warrants and represents to Landlord that no broker, other than Selinger Enterprises, Inc. ("Broker"), was instrumental in bringing about or consummating this Lease and that Tenant has had no conversations or negotiations with any broker except Broker concerning the leasing of the Premises. Tenant agrees to indemnify and hold harmless Landlord against and from any claims for any brokerage commissions and all costs, expenses and liabilities in connection therewith, including, without limitation, reasonable attorneys' fees and expenses, arising out of any conversations or negotiations had by Tenant with any broker other than Broker. Landlord covenants, warrants and represents to Tenant that no broker, other than Broker, was instrumental in bringing about or consummating this Lease and that Landlord has had no conversations or negotiations with any broker except Broker concerning the leasing of the Premises. Landlord

agrees to indemnify and hold harmless Tenant against and from any claims for any brokerage commissions and all costs, expenses and liabilities in connection therewith, including, without limitation, reasonable attorneys' fees and expenses, arising out of any conversations or negotiations had by Landlord with any broker other than Broker. Landlord agrees to pay Broker pursuant to a separate agreement or agreements.

14.3. Estoppel Certificates.

Either party, at any time and from time to time, on or prior to the tenth (10th) Business Day following a written request by the other party, shall execute and deliver to the requesting party (and/or to a party designated by the requesting party) a statement (i) certifying that this Lease is unmodified and in full force and effect (or, if there have been modifications, that the same is in full force and effect as modified, and stating the modifications), (ii) certifying to the Commencement Date, Expiration Date and the dates to which Rent has been paid, (iii) stating whether or not, to the best knowledge of certifying party, Landlord is in default in performance of any of its obligations under this Lease (and, if so, specifying each such default of which the certifying party shall have knowledge), and (iv) stating whether or not, to the best knowledge of the certifying party, any Event of Default has occurred which is then continuing (or any event has occurred which with the giving of notice or passage of time, or both, would constitute an Event of Default), and, if so, specifying each such event. The certifying party shall include or confirm in any such statement such other information concerning this Lease as the requesting party may reasonably request.

14.4. Affirmative Waivers.

Landlord and Tenant hereby waive trial by jury in any action, proceeding or counterclaim brought by either against the other on any matter whatsoever arising out of or in any way connected with this Lease, the relationship of Landlord and Tenant, Tenant's use or occupancy of the Premises, including any claim of injury or damage, and any emergency and other statutory remedy with respect thereto. Tenant shall not interpose any counterclaim of any kind, except for mandatory or compulsory counterclaims, in any action or proceeding commenced by Landlord to recover possession of the Premises. Tenant hereby waives any right of redemption or similar right that it may have with respect to this Lease after the termination hereof.

14.5. No Waivers.

14.5.1. No delay or omission by either party in exercising a right or remedy shall exhaust or impair such right or remedy or constitute a waiver of, or acquiescence in, any default by the other. A single or partial exercise of a right or remedy shall not preclude a further exercise thereof, or the exercise of another right or remedy, from time to time.

14.5.2. The receipt by Landlord of Rent with knowledge of any default by Tenant shall not be deemed a waiver of such default. No provision of this Lease, or any default by either party hereunder, shall be deemed to have been waived by the other unless such waiver be in writing signed by the waiving party.

14.5.3. No payment by Tenant or receipt by Landlord of a lesser amount than the Rent herein stipulated shall be deemed to be other than on account of the stipulated Rent. No endorsement or statement of any check or any letter accompanying any check or payment as rent shall be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such rent or pursue any other remedy in this Lease

provided.

14.6. No Representations.

Tenant expressly acknowledges and agrees that Landlord has not made and is not making, and Tenant, in executing and delivering this Lease, is not relying upon, any warranties, representations, promises or statements, except to the extent that the same are expressly set forth in this Lease.

14.7. Memorandum of Lease.

Tenant shall not record this Lease or any memorandum hereof.

14.8. Partnership Tenant.

If, at anytime during the Term, Tenant shall be a partnership (or be comprised of two (2) or more persons) (any such partnership and/or such persons being herein called "Partnership Tenant"), then the liability of each of the parties comprising Partnership Tenant (whenever such parties shall be admitted or become partners) shall be joint and several.

14.9. Authority of Tenant.

Tenant represents and warrants that this Lease has been duly authorized, executed and delivered by Tenant and constitutes the legal, valid and binding obligation of Tenant.

14.10. Governing Law.

This Lease shall be governed by, and construed in accordance with, the laws of the State of New York.

14.11. Entire Agreement: Modifications.

This Lease represents the entire agreement of the parties, and, accordingly, all understandings and agreements heretofore had between the parties are merged in this Lease, which alone fully and completely express the agreement of the parties. No amendment, surrender or other modification of this Lease shall be effective unless in writing and signed by the party to be charged therewith.

14.12. Severability.

If any provisions of this Lease or the application thereof to any person or circumstance shall, for any reason and to any extent, be invalid or unenforceable, the remainder of this Lease and the application of that provision to other persons or circumstances shall not be affected but rather shall be enforced to the extent permitted by law.

14.13. Interpretation.

The table of contents, captions, headings and titles in this Lease are solely for convenience of references and shall not affect its interpretation. This Lease shall be construed without regard to any presumption or other rule requiring construction against the party causing this Lease to be drafted. Each covenant, agreement, obligation or other provision of this Lease on Tenant's part to be performed, shall be deemed and construed as a separate and independent covenant of Tenant, not

dependent on any other provision of this Lease. Whenever in this Lease the singular number is used, the same shall include the plural, and the masculine gender shall include the feminine and neuter genders, and, in each case, vice versa, as the context may require.

14.14. No Third Party Beneficiaries.

The rights in favor of Landlord and Tenant set forth in this Lease shall be for the exclusive benefit of Landlord and Tenant, respectively, it being the express intention of the parties that in no event shall such rights be conferred upon or for the benefit of any third party.

14.15. Submission of Draft Lease; Execution of Lease.

The submission by Landlord of the lease in draft form shall be deemed submitted solely for Tenant's consideration and not for acceptance and execution. Such submission shall have no binding force or effect and shall confer no rights nor impose any obligations, including brokerage obligations, on either party unless and until both Landlord and Tenant shall have executed the lease and duplicate originals thereof shall have been delivered to the respective parties. If Landlord has submitted to Tenant executed originals of this Lease, the offer evidenced by such submission shall be automatically withdrawn, terminated, null and void, unless, before the expiration of ten (10) calendar days after the date of Tenant's receipt of such originals, either (i) Landlord shall have received from Tenant all of such original Leases, executed by Tenant, together with all amounts required to be paid by Tenant to Landlord upon Lease execution, or (ii) Landlord shall have delivered to Tenant written notice that such ten (10) day period for execution and return by Tenant of said original Leases has been extended.

14.16. Counterparts.

This Lease may be executed in several counterparts, all of which constitute one and the same instrument.

14.17. Intentionally Omitted.

14.18. Extended Term

14.18.1. Tenant shall have the option to extend the term of this Lease for the Premises for one (1) five (5) year extended term (the "Extended Term") pursuant to the further provisions of this section.

14.18.2. Provided Tenant shall not be in default beyond any applicable cure period pursuant to the terms of this Lease at the time of Tenant's exercise of the renewal options set forth in this section or at the time of commencement of the renewal options set forth in this Section, Tenant shall have the right to renew this Lease for one (1) extended term of five (5) years, commencing immediately upon the Expiration Date of the initial term, upon notice from Tenant not later than one (1) year prior to the respective Expiration Date, and further provided, however, that this Lease shall be in full force and effect both on the date of exercise of said option and on the date of commencement of the respective Extended Term.

14.18.3. In the event Tenant so exercises its option, all the terms, covenants and conditions of this Lease shall continue in full force and effect during the Extended Term except that the Fixed Rent to be paid by Tenant shall equal ninety five (95%) percent of the fair market annual rental value for the Premises (calculated and determined without offsets

for the absence of or a reduced brokerage commission, free rent, abatements, contributions or work done for Tenant) prevailing as of the date of Tenant's notice set forth in Section 14.18.1 above, said fair market annual rental value to be determined as hereinafter provided and provided in no event shall the fixed rent during the Extended Term be less than the Fixed Rent paid during the last year of the primary term or first Extended Term, as the case may be, of this Lease.

14.18.4. (a) The "fair market rental value" of the Premises means the rental rate a landlord under no compulsion to lease the Premises and a tenant under no compulsion to lease the Premises would agree upon as the rent for the first year of the Extended Term, taking into consideration the rent for comparable buildings and complexes located in the vicinity of the Building (calculated and determined without offset for the absence of or a reduced brokerage commission, free rent, abatements, contributions or work done for Tenant). For the purpose of establishing the fair market rental value adjustment, within thirty (30) days following Landlord's receipt of Tenant's option notice, Landlord shall notify Tenant of the opinion of Landlord as to the fair market rental value for the Premises, which shall be the Fixed Rent applicable to the first year of the Extension Term. Tenant shall have thirty (30) days following receipt of such written notice within which to notify Landlord if Tenant disputes such fair market rental value, and upon failure of Tenant to notify Landlord, and setting forth with reasonable detail the reasons why Tenant disputes such fair market rental value specified by Landlord, the fair market rental value specified by Landlord shall be deemed accepted by Tenant as the Fixed Rent at the commencement of the Extension Term. If Tenant notifies Landlord within such thirty (30) day period that Tenant does not agree with the fair market rental value of the Premises specified by Landlord (setting forth in reasonable detail the reasons therefore), and if Landlord and Tenant are unable to agree upon such fair market rental value within the next ensuing thirty (30) days, then such fair market rental value shall be determined by appraisal as described below.

(b) Landlord and Tenant each shall appoint an appraiser within ten (10) days after either of them shall have requested an appraisal. If either Landlord or Tenant shall have failed to do so within a period of ten (10) days after the date of the notice from the other party requesting same, then upon the request of either Landlord or Tenant, as the case may be, such other appraiser shall be appointed by a Justice of the Supreme Court of the State of New York, Tenth Department, or any successor court;

(c) The two (2) appraisers appointed as above provided shall select a third appraiser and if they fail to do so within ten (10) days after their appointment, such third appraiser shall be appointed as above provided for the appointment of an appraiser where either party has failed to do so;

(d) Each appraiser shall be a person with at least ten (10) years experience in appraising real estate, or in acting as a real estate broker in the County of Nassau, and who is a member in good standing of the American Institute of Real Estate Appraiser or its successor or of a like body if such institute is not in existence and has no successor and whose appraisals are generally acceptance to institutional lenders.

14.18.5. In determining the fair market annual rental value of the Premises pursuant to this Article, the Premises shall be considered as vacant, free and clear of the terms of this Lease, containing the improvements existing therein at the time such determination is made, and in the state and condition of the Premises at such time. The appraisers shall consider all testimony and documentary evidence which may be presented at the hearing. Landlord and

Tenant shall have the right to be represented by counsel and to cross-examine the witnesses.

14.18.6. Wherever the word "Term" or "term" is used in this Lease, it shall be deemed to include any Extended Term in the sense of such use shall be appropriate.

14.18.7. The exercise by the Tenant of the renewal options granted by this Article shall be deemed irrevocable and not subject to withdrawal.

14.18.8. Nothing shall be construed herein to extend any sublease or assignment of all or part of the Premises now or hereafter entered into by Tenant beyond the term consented by Landlord in accordance with this Lease.

14.18.9. Additional rents due under the terms of this Lease on the last month of the initial term shall continue into the Extended Term and the fixed rent and additional rent are subject to additional increases during the Extended Term in accordance with the provisions of this Lease.

14.18.10 Landlord's obligation to be bound to the Extended Term shall be conditioned on the receipt of a Guaranty by Guarantor of the Extended Term in form and substance satisfaction to Landlord and its counsel or other security acceptable to Landlord in its sole judgment.

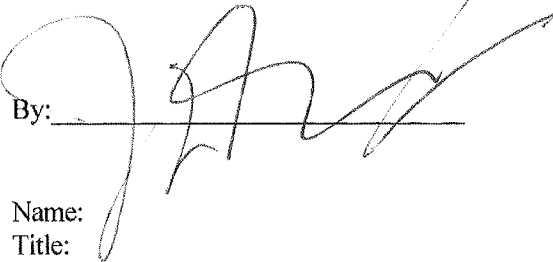
14.19. Expansion Option.

Landlord hereby grants to Tenant a right of offer to lease (the "Offer Right") space on the second floor of the building (the "Offer Space") if the Offer Space, or any portion thereof, becomes available for occupancy during the Term of the Lease. If Landlord desires to lease any portion of the Offer Space, Landlord shall first send Tenant notice of the specific terms and conditions, including, rent, upon which Landlord desires to lease such Offer Space (the "Proposed Terms"). Tenant shall have fifteen (15) days subsequent to the date of receipt (the "Offer Date") by Tenant of notice from Landlord in which to exercise its option to lease the Offer Space on the Proposed Terms. In the event Tenant does not exercise the Offer Right on the proposed terms within such fifteen (15) day period, Landlord shall be free to lease such Offer Space, or portion thereof to a third party, for rent equal to at least eighty five (85%) percent of the base rent offered to Tenant and otherwise on terms which are not materially more favorable than the Proposed Terms without having to re-offer such Offer Space or portion thereof, to Tenant. In the event Landlord does not lease such Offer Space on such terms within ninety (90) days, Tenant's Offer Right shall survive and be applicable to a future offer, but only one future offer of Offer Space. Landlord's obligation to be bound to the Lease of the Offer Space shall be conditioned on the receipt of a Guaranty by Guarantor of the Lease of the Offer Space in form and substance satisfaction to Landlord and its counsel or other security acceptable to Landlord in its sole judgment.

IN WITNESS WHEREOF, Landlord and Tenant have duly executed this Lease as of the day and year first above written.

LANDLORD:

ATRIA OPERATING COMPANY, LLC,

By: 

Name:
Title:

TENANT:

National Financial Network, LLC.

By: 

Name:
Title:

STATE OF)
) ss.:
COUNTY OF)

On the _____ day of September, 2005, before me, the undersigned, a notary public in and for said state, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she/he executed the same in his/her capacity, and that by her/his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

(Notary) _____

STATE OF)
) ss.:
COUNTY OF)

On the _____ day of September, 2005, before me, the undersigned, a notary public in and for said state, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she/he executed the same in his/her capacity, and that by her/his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

(Notary) _____

EXHIBIT A

DESCRIPTION OF LAND

ALL that certain piece or parcel of land, situate, lying and being at Mitchell Field, Town of Hempstead, County of Nassau, State of New York, Lot 359, Block D, in Section 44 of Nassau County Land and Tax Map, more particularly described as follows:

BEGINNING at the Northeast corner of the herein described parcel, said point located on the Southerly side of Stewart Avenue, 1,025.83 (record) 1,025.85 (survey) feet Westerly from the Southwest corner of the old line of Stewart Avenue and Endo Boulevard;

RUNNING THENCE South 28 degrees 30 minutes 09 seconds West 42.51 feet to a point;

RUNNING THENCE South 16 degrees 22 minutes 59 seconds East 499.00 feet to a point;

RUNNING THENCE South 73 degrees 21 minutes 6 seconds West 391.03 feet along a line 58.5 feet North of and parallel to the property line of the land of Nassau County to a point;

RUNNING THENCE South 61 degrees 37 minutes 16 seconds West 14.14 feet to the new Easterly line of Selfridge Avenue (80 feet wide);

RUNNING THENCE along said line North 16 degrees 36 minutes 42 seconds West 479.23 feet to a point;

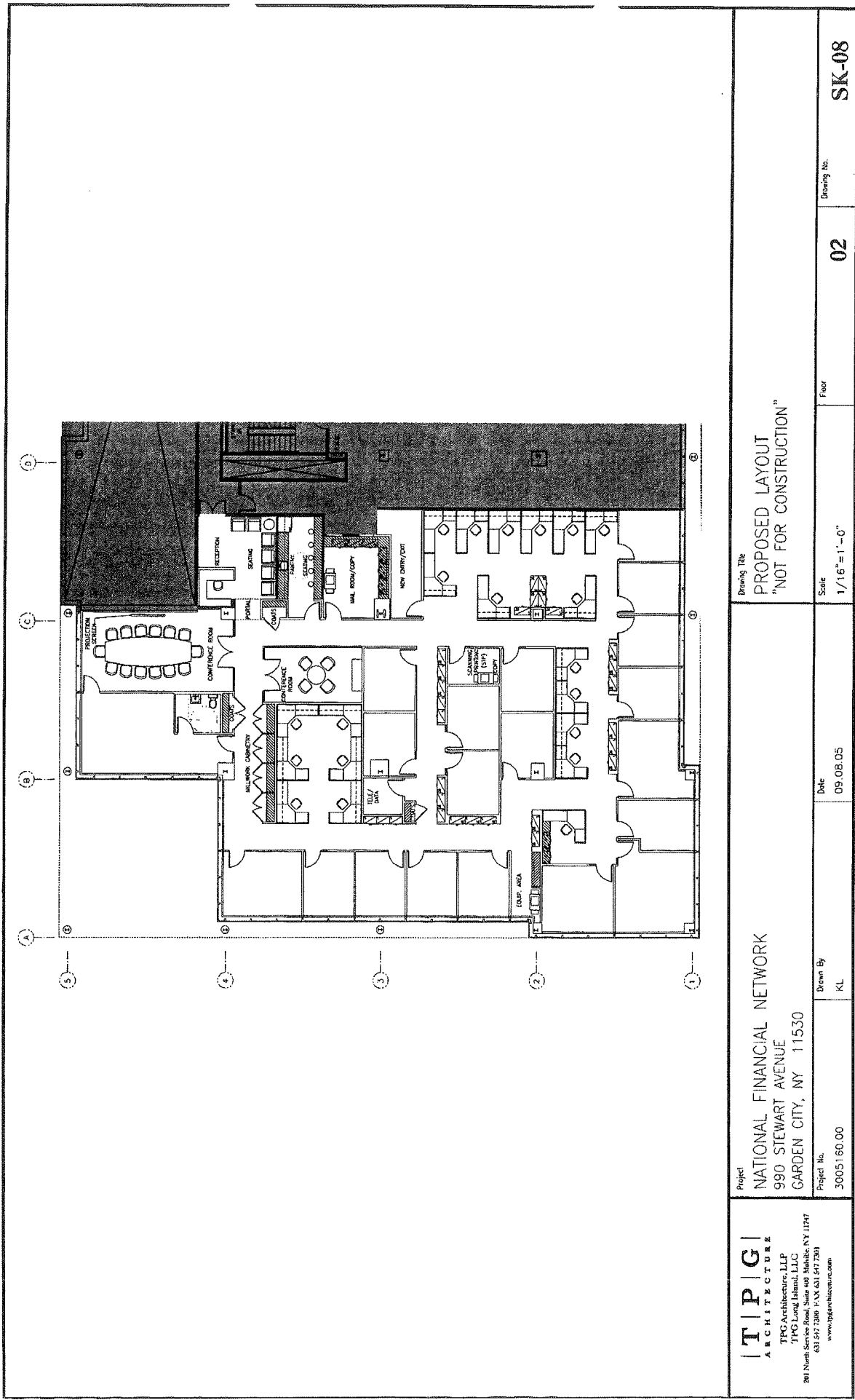
RUNNING THENCE North 28 degrees 23 minutes 18 seconds East 56.57 feet to a Southerly line of Stewart Avenue;

RUNNING THENCE North 73 degrees 23 minutes 18 seconds East 393.14 feet to the point or place of BEGINNING.

CONTAINING an area of 4.8748 acres.

EXHIBIT B

[FLOOR PLAN OF PREMISES TO BE ATTACHED]



Project NATIONAL FINANCIAL NETWORK 990 STEWART AVENUE GARDEN CITY, NY 11530		Drawing Title PROPOSED LAYOUT "NOT FOR CONSTRUCTION"		Drawing No. 02	SK-08
Project No. 3005160.00		Date 09.08.05	Scale 1/16"=1'-0"		
Drawn By KL		Floor			

T | P | G |
A R C H I T E C T U R E
TRG Architecture, LLP
770 Long Island, LLC
201 North Service Road, Suite 400, Mahwah, NY 11747
631.517.7300 FAX 631.517.7301
www.trgarchitecture.com

EXHIBIT B-1

INITIAL TENANT'S WORK

- 1) executive bathroom with sink, toilet, mirror and lighting
- 2) Upgraded carpet and wall covering in "kill" areas (2 conference rooms, general agents office, Allan Sternberg's office and reception)
- 3) 4 cans of recessed lighting in each of Tony's office, Allan Sternberg's office and reception
- 4) 2x2 light fixtures in reception and "kill" areas, 2x4 elsewhere
- 5) Side light vision panels on agents offices where required
- 6) Reception to have recessed lights, granite floors, wood moldings (top and bottom), wallpaper
- 7) solid core doors in all areas
- 8) Conference rooms to have recessed lights, top and bottom moldings, upgraded carpeting, one frosted glass wall (only one wall faces hallway). Door can be either glass or solid core.
- 9) Built in high quality reception desk to match quality of area
- 10) closet doors for supplies opposite conference room will look like real doors and will be wood.
- 11) If possible, add wood border around glass entrance door similar to Hanover Square space.

The balance of the space beyond the "kill" areas and reception will have standard 2x4 2nd look ceiling tiles, 2x4 parabolic lighting, standard 26 ounce carpet and painted walls without moldings.

EXHIBIT C

RULES AND REGULATIONS

A. GENERAL RULES AND REGULATIONS

The following Rules and Regulations shall be applicable to the Building and the Premises as said terms are defined in the Lease of which these Rules and Regulations are a part (hereinafter the "Lease"). Unless otherwise provided in these Rules and Regulations, all references to "tenant" or "tenants" shall be deemed to include "Tenant" as defined in the Lease. In the event of a conflict between these Rules and Regulations and the provisions of the Lease, the provisions of the Lease shall control:

1. The sidewalks, entrances, passages, courts, elevators, vestibules, stairways, corridors and halls in the Building and Premises shall not be obstructed or used for any purpose other than ingress and egress.
2. No curtain, blinds, shades or screens shall be used, attached to, or hung in any window of a Tenant's Premises, without Landlord's prior consent, which consent may be withheld if same, in Landlord's sole discretion, detracts from the uniformity of the exterior appearance of the Building. Skylights, windows and doors that admit light and air into the Premises, or other public spaces in the Building, shall not be covered or obstructed in any way, nor shall any bottles, parcels, or other articles be placed on window sills or on the peripheral heating enclosures.
3. No projections, signs, advertisements, notices or other lettering and/or window treatment shall be exhibited, inscribed, painted or affixed by any Tenant on any part of the outside of the Premises or the Building, or on the inside of the Premises, if same is visible from the outside of the Premises, without the prior written consent of Landlord. Interior signs on doors and directory tablets shall be inscribed, painted or affixed for each Tenant by the Landlord at the expense of such Tenant, and shall be of a size, color and style acceptable to the Landlord. The directory tablet or tablets will be provided exclusively for the display of the name and location of Tenants only and Landlord reserves the right to exclude any other names therefrom. Nothing may be placed, inscribed, painted or affixed on the exterior of corridor walls or corridor doors without Landlord's prior written consent.
4. The water and wash closets and other plumbing fixtures shall not be used for any purposes other than those for which they were designed or constructed, and no sweepings, rubbish, rags, trash, acid, sanitary napkins or any other foreign substances shall be placed or thrown therein. All damage and costs resulting from any such misuse shall be charged to the Tenant who, or whose servants, employees, agents, visitors or licensees shall have caused the same.
5. No Tenant shall mark, paint, drill into, or in any way deface any part of the Building, except as expressly provided in the Lease. No boring, cutting or stringing of wire shall be permitted except

with the prior written consent of the Landlord and as the Landlord may direct. No Tenant shall lay any floor covering, if same shall come in direct contact with the floor of the Premises, without the prior written consent of the Landlord, and as Landlord may direct as to sound deadening, use of adhesives, and methods of installation.

6. No bicycles, vehicles, birds or animals of any kind shall be brought into or kept in or about the Building or the Premises, except that bicycles may be parked in an area in the event specifically designated by Landlord for such purpose. Landlord assumes no responsibility for any bicycles so parked.

7. No Tenant shall make, or permit to be made, any unseemly or disturbing noises or vibrations or disturb or interfere with other occupants of the Building or neighboring buildings or those persons having business with said occupants, whether by the use of any office equipment, machinery, musical instrument, television, radio, phonograph, unusual noise, or in any other way.

8. All machinery and equipment shall be placed by the Tenant in the Premises in a setting designed to absorb and prevent any vibration, noise or annoyance from emanating into the space of other Tenants or into common and public spaces in the Building.

9. No Tenant or any of its servants, employees, agents, visitors or licensees, shall at any time bring or keep within the Building or the Premises any inflammable, combustible, toxic, explosive or dangerous fluid, chemical or substance. Nor shall any Tenant cause or permit any unusual or objectionable odors to be produced upon or permeate from the Premises.

10. Intentionally Omitted.

11. No Tenant shall throw, store or place, even temporarily, any object, obstruction, litter or dirt in any of the corridors or common areas of the Building. Nor shall any Tenant throw or place any object, obstruction, litter or dirt out of the Building, into or onto any of parking fields, garages, plazas, landscaped areas or sidewalks.

12. No Tenant shall utilize the Premises occupied by it for the sole or major purpose of interviewing or hiring prospective employees and shall not advertise the address of the Building as the location for such interviewing or hiring. No Premises shall be used for lodging or sleeping or for any immoral or illegal purposes.

C-2

13. Except as may be provided in the Lease, no additional locks or bolts of any kind shall be placed upon any of the doors or windows by any Tenant, nor shall any changes be made in existing locks or the mechanism thereof. Landlord, at its expense, shall, at or prior to initial occupancy by any Tenant, supply any and all necessary passkeys to any portion of the Premises demised to any Tenant pursuant to any Lease. All keys issued thereafter shall be issued by Landlord at Tenant's expense. Each Tenant must, upon the termination of its tenancy, restore to the Landlord all keys of stores, offices, and toilet rooms, either furnished to, or otherwise procured by, such Tenant. In the event of the loss of any keys so furnished, such Tenant shall pay to the Landlord the cost of replacing the same or of changing the lock or locks opened by such lost key, if Landlord shall deem it necessary to make such changes. Rooms found locked in violation hereof shall not be cleaned by Landlord, and Landlord shall make no allowance or rent concessions to Tenant by virtue of not cleaning such room or rooms.

14. All removals, or the carrying in or out of any safes, freight, furniture or bulky matter of any description, must take place during the hours and in a manner which the Landlord may determine. The moving of safes or other fixtures or bulky matter of any kind must be done upon twenty-four (24) hours' previous written notice to the Building Manager and be under his supervision, and the persons employed by any Tenant for such work must be acceptable to the Landlord and properly insured, and licensed if required. All such moving shall be subject to the availability of appropriate elevator service. Landlord reserves the right to inspect all articles to be brought into the Building and to exclude from the Building all articles which violate any of these Rules and Regulations or any provision of the Lease. Landlord reserves the right to prescribe the weight and position of all safes. All deliveries or removals of any type whatsoever, shall be delivered to or removed from the Building through the loading dock and service corridors. No hand trucks or dollies may be used in the Building or the Premises unless equipped with rubber tires and side guards.

15. Tenant shall not park or permit to stand any vehicle in the loading dock area, nor shall the loading dock area be obstructed in any manner, other than for the purpose of actively loading or unloading, of merchandise or equipment necessary for the conduct of a Tenant's business in its Premises. All loading and unloading shall be done in a prompt and efficient manner on a first come, first serve basis, and shall be under the supervision and direction of Landlord.

16. Tenant will provide and maintain chair mats or carpet rollers under all rolling furniture located in carpeted areas.

17. No Tenant shall obtain or purchase for use in the Premises ice, towel catering service, barbering, bootblackening, floor polish, janitorial, maintenance or other like services from any person not approved by the Landlord. No Tenant shall have delivered to the Premises from vendors located outside the Building any food or drink, nor shall Tenant install or permit the installation or use of any food, beverage, cigarette, cigar or other dispensing machine, without the prior written consent of the Landlord and by such persons as shall be approved by Landlord.

18. No contractor other than Landlord's designated General Contractor shall be permitted to work in any Tenant's Premises or the Building.

19. Any persons employed by any Tenant to do janitorial or any other work, while in the Building and outside of the Premises shall be subject to and under the control and direction of the Building Manager but not as an agent or servant of said Manager or of the Landlord, and Tenant shall be responsible for all acts of such persons.

20. All doors opening onto public corridors in the Building shall be kept closed, except when in use for ingress and egress.

21. Special requirements, or complaints of Tenants will be attended to only upon application to the office of the Building Manager. Building employees shall not be required to perform, and shall not be requested by any Tenant to perform, any work outside of their regular duties, unless under specific instructions from the Building Manager.

22. Canvassing, soliciting and peddling in the Building are prohibited and each Tenant shall cooperate to prevent the same.

23. Except as may be provided in the Lease, no supplementary air-conditioning unit or other similar apparatus shall be installed or used by any Tenant without the written consent of Landlord.

24. Tenant shall be responsible for the replacement of all light bulbs and ballasts in Tenant's Premises. All fluorescent bulbs shall be of a type and manufacture designated by Landlord in order to promote uniformity in the Building and its nighttime exterior appearance. Fluorescent bulbs shall be replaced as required.

25. Landlord shall have the right, exercisable without notice and without liability to any Tenant, to change the name and address of the Building.

26. Landlord shall have the right to prohibit any advertising or promotion by any Tenant, which in Landlord's opinion, tends to impair or diminish the reputation or the desirability of the Building as a first-class office building. Landlord's approval of such advertising or promotion will not be unreasonably withheld. Upon written notice from Landlord, Tenant shall refrain from or discontinue such promotion or advertising.

27. No Tenant may use any area of the Building not within the Premises demised to it, for the purpose of congregating, setting up displays, holding meetings, seminars or other such activity. Tenants desiring to hold or perform any such activity must first consult with Landlord who, at his sole discretion, may or may not, without any liability to any other tenant, give his consent, establish rules and parameters and the charges therefor. Landlord's permission, given specifically to one Tenant, shall not operate as a change to the Rules and Regulations, nor imply or establish in any way the charges or parameters that Landlord may determine for other Tenants desiring to hold similar activities.

28. Parking fields, planted areas, lawn areas and plazas surrounding the Building shall not, unless specifically designated, be used for picnicking, recreational or lounging purposes.

29. At its sole discretion, Landlord may, but is not obligated to, institute security measures in or about the Building, and as such may limit access to any person not known to management, or not having a pass issued by Landlord or not otherwise properly identified, and may require all persons admitted to or leasing the Building to register with the Building personnel. Such measures will generally not be instituted during normal working hours. Any person whose presence in the Building at any time shall, in the Landlord's sole judgment, be prejudicial to the safety, character, reputation and interest of the Building or its Tenants, may be denied access to, or may be ejected from the Building. Landlord may additionally inspect any package or object being brought into or removed from the Building. Landlord shall not, by virtue of the establishment of such rules and requirement, be in any way responsible or liable for the protection of Tenants or their possessions. Landlord shall in no way be liable to Tenants for damages or loss arising from the admission, exclusion or ejection of any person to or from the Premises or the Building under the provisions of this rule.

30. In the event of any violation of these Rules and Regulations by any Tenant, Landlord shall have the right without any liabilities, to rectify or remove any installation found to be in violation thereof, and shall charge such Tenant all costs associated therewith as Additional Charges, as such term is defined in the Lease.

31. Landlord reserves the right without any obligation to rescind, alter, waive, modify or establish new Rules and Regulations for the Building at any time, when in Landlord's sole judgment, it is deemed desirable or necessary, for Landlord's best interest and for the best interests of the Tenants. A waiver or rescission of any Rule or Regulation in favor of one Tenant shall not operate in favor of any other Tenants. Landlord shall not be responsible to any Tenant for the violation by any other Tenant of any Rules or Regulations.

B. PARKING AREA RULES AND REGULATIONS

The following Rules and Regulations shall apply to all parking areas and the parking structure serving the Building and the Premises:

1. All cars must be parked entirely within the stall lines.
2. All directional signs and arrows must be observed.
3. The speed limit shall be five (5) miles per hour.

4. Parking is prohibited:

- (a) in areas not striped for parking;
- (b) in aisles;
- (c) where "no parking" signs are posted;
- (d) on ramps;
- (e) in crosshatched areas;
- (f) in such other areas as may be designated by Landlord or Landlord's designee.

5. Should Landlord at any time find it advisable, in its sole judgment, to institute measures whereby parking areas would be limited or made accessible only to persons having proper identification and reason for parking or being within the Building, Landlord may institute such measures or procedures that, in Landlord's sole judgment, will serve to accomplish same.

6. Parking stickers or any other device or form of identification if supplied by Landlord shall remain the property of Landlord. Such parking identification device must be displayed as requested by Landlord and may not be mutilated in any manner. The serial number of any parking identification device may not be obliterated. Parking identification devices shall not be transferable and any device in the possession of an unauthorized holder will be void. There will be a replacement charge to the Tenant or person designated by Tenant of \$25.00 for loss of any magnetic parking card.

7. Loss or theft of parking identification devices from automobiles must be reported to the Landlord immediately, and a lost or stolen report must be filed by the parker at that time. Any parking identification devices reported lost or stolen and found on any unauthorized car will be confiscated and the illegal holder will be subject to prosecution. Lost or stolen, devices which are subsequently recovered must be returned to the Landlord immediately.

8. The Landlord or its designee reserves the right to refuse the issuance of stickers or other parking identification devices to any Tenant or person and/or his agents or representatives who willfully refuses to comply with the above Rules and Regulations and with all applicable municipal, state or federal ordinances, laws, rules and regulations or agreements (whether or not posted).

9. Parking managers or attendants, if any, are not authorized to make or allow any exceptions to these Rules and Regulations.

10. Every parker is required to park and lock his own car. All responsibility for damage to cars is assumed by the parker.

11. Washing, waxing, cleaning or servicing of any vehicle while in the parking areas by any person is prohibited.

12. Landlord shall have no obligation to remove or ticket any improperly parked vehicles from any parking space, whether or not said space is designated for the use of any particular Tenant.

13. All parking against planted areas shall be front end forward to curb to prevent engine exhaust from destroying or damaging any planted materials.
14. Tenants shall cooperate with Landlord in moving their vehicles, when requested, so as to facilitate proper snow removal or other clean-up, if required.
15. Landlord may, upon ten (10) days notice, require all Tenants to furnish Landlord or its authorized agent, the make, model, year, the state where registered and license plate number of vehicles owned by Tenants and all their employees or invitees.
16. In the event of flagrant disobedience or violations of these Rules and Regulations, in Landlord's sole judgment, Landlord may institute any policing procedure including, without limitation, the imposition of fines, towing of vehicles, placing or attaching wheel boots or other device on vehicles in violation hereof, all at the expense and costs of such Tenant who or whose employees, invitees, servants, agents or visitors shall have caused same or have had fines imposed on them.

EXHIBIT D

CLEANING SPECIFICATIONS

I. CLEANING STANDARDS - GENERAL OFFICES AND KITCHEN

1. Nightly:

- A. Hard surfaced floors to be swept and spot cleaned. Carpeted areas to be vacuumed and spot cleaned; moving only light furniture.
- B. Hand dust and wipe all furniture and office equipment, etc.
- C. Waste receptacles to be emptied of normal everyday office waste and waste removal from Premises.
- D. Ashtrays to be emptied and wiped clean.
- E. Wipe down and clean all water coolers and water fountains.

2. Periodically:

- A. High dust all pictures and other wall fixtures or decorations and areas not reached by nightly cleaning, quarter-annually.
- B. Interior window surfaces to be washed and cleaned quarter-annually.
- C. Window blinds, vertical or horizontal, if any, to be dusted and cleaned semi-annually.
- D. All vertical surfaces such as walls, doors, door bucks, etc. to be dusted and cleaned as necessary semi-annually.
- E. Ceiling fixtures, ceiling mounted lighting fixtures, ventilating louvers, etc. to be dusted and wiped down semi-annually.
- F. There shall be regularly scheduled visits by a qualified exterminator. Tenant shall be billed for exterminating services in its Premises.

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II. CLEANING STANDARDS – LAVATORIES INCLUDING PRIVATE LAVATORY

1. Nightly:

- A. Damp mop all floors using proper disinfectants.
- B. All fixtures (i.e., basins, bowls including toilet sets, urinals, etc.) to be washed, cleaned and disinfected.
- C. Clean and polish all mirror and brightwork.
- D. Dirt or graffiti to be removed from walls or other surfaces.
- E. All paper or other dispensers to be refilled.
- F. Empty and remove wastes from all waste or sanitary disposal receptacles.

2. Periodically:

- A. Wash and scrub all bathroom walls and floors monthly.
- B. Dust and wipe down all ceiling mounted fixtures and louvers monthly.

III. CLEANING STANDARDS - PUBLIC AND EXTERIOR SPACES

1. Nightly:

- A. Entrance lobbies, public corridor, elevator lobbies, stairways, etc., to be vacuumed, swept, or damp mopped and buffed as necessary.
- B. Ash trays and waste receptacles to be emptied and cleaned.
- C. All entry door glass and metalwork to be cleaned and washed.
- D. All elevator cabs, metal hand rails, lobby furniture and directories, to be cleaned and polished as required.
- E. A custodian will be on the Premises during normal working hours for servicing the public spaces during unusual or inclement weather conditions.

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2. Periodically:

- A. All lighting fixtures to be kept clean and bulbs replaced as necessary.
- B. All public floor areas to be washed and buffed monthly.
- C. Stairways to be washed monthly.
- D. All wall surfaces to be kept in a clean and well maintained condition.
- E. Exterior walkways, parking fields and garages to be regularly swept and cleared of snow in excess of two inches so as to be generally well maintained and properly drained and clean.
- F. Landscaping and outdoor plaza areas will receive regular care and maintenance.
- G. Exterior glass surfaces to be washed and cleaned semi-annually.

IV. GENERAL CONDITIONS

- A. Tenant shall provide light and power for the cleaning personnel and equipment engaged in the cleaning of Tenant's Premises. Landlord shall endeavor to use the minimum light and power required.
- B. Landlord reserves the right to revise the above cleaning schedules if Landlord deems the revised schedule to be beneficial to the general welfare of the Building and its Tenants.
- C. Tenant shall cooperate with Landlord in the performance of the cleaning work and the scheduling thereof.
- D. Services to be performed nightly or daily shall not be required on Sundays, Saturdays or union holidays.
- E. All services listed under "1.1." hereof shall be done quarter-annually, in space initially leased by Landlord as secondary or storage space.

EXHIBIT E

ALTERATIONS RULES AND REGULATIONS

A. General:

1. Tenant will make no alterations, decorations, installations, repairs, additions, improvements or replacements (which are hereinafter called "Alterations" and which are the Alterations referred to in the Lease) in, to or about the Premises without the Landlord's prior written consent, and then only by contractors or mechanics approved by Landlord.

2. Tenant shall, prior to the commencement of any work, submit for Landlord's written approval, a complete plan of the Premises, or of the floor on which the Alterations are to occur. Drawings are to be complete with full details and specifications for all of the Alterations.

3. The proposed Alterations must comply with the Building Code of the Town of Hempstead, County of Nassau, State of New York and any other agencies having jurisdiction.

4. No work shall be permitted to commence without the Landlord being furnished with a valid permit from the Department of Buildings and/or other agencies having jurisdiction.

5. All demolition, removals, or other categories of work that may inconvenience other tenants or disturb Building operations, must be scheduled and performed before or after normal working hours and Tenant shall provide the Landlord and the Building manager with at least 24 hours' notice prior to proceeding with such work.

6. All inquiries, submissions, approvals and all other matters shall be processed through the Landlord and the Building manager.

7. Additional and differing provisions in the Lease, if any, will be applicable and will take precedence.

B. Procedures for Approval:

1. Tenant shall submit to the Landlord and the Building manager a request to perform the work. The request shall include the following enclosures:

(i) A list of Tenant's proposed contractors and/or subcontractors for Landlord's approval.

(ii) Four complete sets of plans and specifications properly stamped by a registered architect and/or professional engineer.

(iii) A properly executed application form of Alteration form as may be required by the Town of Hempstead and/or other agencies having jurisdiction.

(iv) Four executed copies of the Insurance Requirements agreement in the form attached to these Rules and Regulations from Tenant's contractor and from the contractor's subcontractors.

(v) Contractor's and subcontractor's insurance certificates including a "hold harmless" in accordance with the Insurance Requirements agreement.

2. If Alterations are generally acceptable and otherwise permitted by the Lease, Landlord will return the following to Tenant:

(i) Plans approved or returned with comments (such approval or comments shall not constitute a waiver of Department of Buildings approval or approval of other jurisdictional agencies).

(ii) Signed application forms referred to in B1 (iii) above, providing proper submissions have been made.

(iii) Two fully executed copies of the Insurance Requirements agreement,

(iv) Covering transmittal letter.

3. Tenant shall obtain Department of Buildings approval of plans and a permit from the Department of Buildings and/or other agencies having jurisdiction. Tenant shall be responsible for keeping current all permits.

C. Requirements and Procedures Prior to Commencement of Work:

1. At least thirty (30) days prior to the commencement of any Alteration work, Tenant shall submit copies of all approved plans and permits to Landlord and shall post the original permit on the Premises.

2. All work shall be subject to the full supervision and inspection of Landlord's representatives, to be performed by Landlord at Tenant's sole cost and expense. Tenant covenants to pay as Additional Charges Landlord's reasonable charges for such supervision and inspection. Such supervision and inspection shall be solely for the benefit of Landlord, and without any obligation or liability whatsoever to Tenant or Tenant's contractors or subcontractors.

3. Landlord or Landlord's representative shall be empowered, without any liability to Tenant, its contractors and/or subcontractors, to issue orders of stop work, and/or bar access to the Premises, to any contractor and/or subcontractor whose work is deemed in the opinion of Landlord and/or Landlord's representative, to be not in accordance with the approved plans and specifications, or to be otherwise detrimental to the Building.

4. When necessary, in Landlord's sole judgment, Landlord will require engineering and shop drawings, which drawings must be approved by Landlord before work commences on such affected item. All such drawings are to be prepared by Tenant and reviewed by Landlord at Tenant's cost and expense. All approvals shall be obtained by Tenant.

5. All structural and floor loading requirements shall be subject to the prior approval of Landlord's structural engineer at Tenant's cost and expense.

6. All mechanical (HVAC, plumbing and sprinkler) and electrical requirements shall be subject to the approval of Landlord's mechanical and electrical engineers at Tenant's cost and expense.

7. All demolition shall be supervised by Landlord's representative at Tenant's expense.

8. Elevator service for construction work shall be charged to Tenant at standard Building rates. Prior arrangements for elevator use shall be made with Building manager by Tenant. No material or equipment shall be carried under or on top of elevators. If an operating engineer is required by any union regulations, such engineer shall be paid for by Tenant.

9. If shutdown of risers and mains for electrical, HVAC, sprinkler and plumbing work is required, such work shall be supervised by Landlord's representative at Tenant's expense.

No work will be performed in Building mechanical equipment rooms without Landlord's approval and under Landlord's supervision at Tenant's expense.

10. Tenant's contractor shall:

- (i) have a Superintendent or Foreman on the Premises at all times; (ii) police the job at all times, continually keeping the Premises orderly;
- (iii) maintain cleanliness and protection of all areas, including elevators and lobbies;
- (iv) protect all mechanical equipment and thoroughly clean them at the completion of work;

(v) block off supply and return grills, diffusers and ducts to keep dust from entering into the Building air-conditioning system; and

(vi) avoid the disturbance of other tenants.

11. If Tenant's contractor is negligent in any of its responsibilities, Tenant shall be charged for the corrective work done by Building porters and other personnel.

12. All equipment and installations must be equal to the standards of the Building. Any deviation from Building standards will be permitted only if indicated or specified on the plans and specifications approved by Landlord.

13. A properly executed air balancing report signed by a professional engineer shall be submitted to Landlord upon the completion of all HVAC work.

14. Upon completion of the Alterations, Tenant shall submit to Landlord properly executed documents indicating total compliance and final approval by the Department of Buildings of the work.

15. Tenant shall submit to Landlord a final "as-built" set of drawings showing all items of the Alterations in full detail.

D. Special Requirements Regarding Fire Safety System:

1. Tenant acknowledges being advised that the Building has an active Fire Safety System. Tenant shall notify its contractors and subcontractors, as well as all persons and entities who shall perform or supervise any alteration or demolition within the Premises, of such facts.

2. Demolition by Tenant of all or any portions of the Premises shall be carried out in such manner as to protect equipment and wiring of Landlord's Fire Safety System.

3. Landlord, after receipt of Tenant's notice of demolition, and at Tenant's expense, shall secure and protect Building equipment connected to the Fire Safety System in the Premises to be demolished.

4. Landlord, at Tenant's expense, shall make such additions and alterations to the existing Fire Safety System as maybe necessary by reason of alterations made within the Premises either by or on behalf of Tenant or by Landlord, as part of the initial installation, and work, if any, that Landlord is required to perform pursuant to the provisions of this lease or any work letter or leasehold improvements agreement entered into by Landlord and Tenant.

5. Landlord's contract fire alarm service personnel shall be the only personnel permitted to adjust, test, alter, relocate, add to, or remove equipment connected to the Fire Safety System.

6. Landlord, at Tenant's expense, shall repair or cause to have repaired, any and all defects, deficiencies or malfunctions of the Fire Safety System caused by Tenant's alterations or demolition of the Premises. Such expense may include expenses of engineering, supervision and standby fire watch personnel that Landlord deems necessary to protect the Building during the time such defects, deficiencies and malfunctions are being corrected.

7. During such times that Tenant's alterations or demolition of the Premises require that fire protection afforded by the Fire Safety System be disabled, Tenant, at Tenant's expense, shall maintain fire watch service deemed reasonably suitable to Landlord.

ADDITIONAL STANDARDS AND REQUIREMENTS

Drywall:

1. All drywall partitions are to be constructed in accordance with Building standard.
2. Drywall may not be fastened to any ductwork or directly to any ceiling tile.
3. All walls butting mullions shall have a proper channel to receive the drywall.

Electrical:

1. Home runs shall be indicated on plans. Metallic armored cable shall be used throughout for power and lighting wiring.
2. Light fixtures shall be Building Standard or as previously approved by Landlord. All lighting fixtures shall be independently supported.
3. All wiring shall be properly supported and in accordance with local code. All wiring shall be concealed.
4. All electrical boxes shall meet code requirements.
5. All unused conduit and wiring shall be removed.
6. All wiring shall meet the requirements of the local governing code and of Underwriter's Laboratory.
7. Special power shall be taken from main distribution board and not from floor distribution panels.
8. Plans with requirements shall be submitted to Landlord to determine riser capacity.
9. Tenant shall pay for all electrical design and layout cost for related work.
10. Building Mechanic or Engineer shall supervise all riser shutdowns.

Telephone:

1. All telephone wire shall be concealed in conduit or thin wall tubing or approved (NEC) raceway.

2. Telephone wiring in ceilings shall be Teflon in plenum areas and kept in bundles to specific drops.

3. Telephone wire will be permitted to be run loose in periphery enclosures only.

4. No telephone wire shall be run exposed on baseboards or walls.

Doors:

All wood doors shall be as per Building Standard shall be properly fire rated and bear a fire rating label. All hollow metal doors shall be properly fire rated if they are located in rated partitions.

Hardware:

1. All hardware shall be as per Building Standard.

2. All locks shall be keyed and mastered to Building setup. Two individual keys must be supplied to the Building Manager.

Equipment:

1. Equipment where approved may be suspended with fish plates through slab or from steel beams depending on load.

2. All floor loading and steel work shall be subject to the prior approval of the Building structural engineer. All approvals shall be obtained by the Tenant at Tenant's expense. Tenant shall also be responsible for the costs of all inspections by any professional engineers in connection with this work.

Public Areas:

All public areas shall meet Department of Buildings requirements or requirements of other agencies having jurisdiction.

Air Conditioning:

1. Tenant shall be responsible for alterations to existing air conditioning ductwork or systems and for insuring that such work is properly integrated into the existing Building systems with no adverse effects on the Buildings systems. Landlord shall not be responsible for the proper HVAC design within the area of any Tenant Alterations.

2. The system shall be balanced at Tenant's expense at the completion of the job,

3. Tenant shall furnish design balancing report to Landlord.
4. All air conditioning components shall match existing or shall receive prior approval from Landlord.
5. Landlord will not permit any outside louvers.
6. All shutoff valves shall be accessible at all times.
7. All unused ductwork shall be removed.
8. All unused equipment shall be removed and returned to Landlord.
9. All HVAC, kitchen, toilet and equipment exhaust fans systems and any other systems shall be discharged to the atmosphere, and not in ceilings or existing Building return air systems.

Plumbing:

1. No water risers shall be shutdown during Building office hours.
2. All plumbing work shall conform to local code,
3. All fixtures shall match existing fixtures.
4. No exposed plumbing is permitted.
5. All unused fixtures and piping shall be removed. All unused piping shall be capped at its respective riser.
6. All unused fixtures shall be returned to Landlord.
7. A Building mechanic shall supervise all riser shutdowns.
8. All run-outs from risers shall be copper pipe.
9. All hot water lines shall be properly insulated, and where necessary, Landlord may require that cold water or waste water lines be insulated.

Blinds and Curtains:

1. Where applicable, new blinds shall match existing blinds.

2. Drapery rods may not be supported by any part of the acoustical ceiling system. Rods shall be supported by headers attached to the structure above the ceiling,

3. If draperies are to be installed by Tenant, such draperies shall be flameproof.

Ceilings:

1. All ceilings shall meet all requirements of the applicable Building Code.

2. All acoustic tile ceiling shall meet shall match existing tile ceiling, and conform to Building Standards.

3. All ceilings are to be supported independently and not from ductwork.

BUILDING STANDARDS FOR MATERIALS AND CONSTRUCTION

Partitions

Interior Office Partitions - 2 1/2" steel studs at 24" oc, floor to underside of suspended ceiling, with 5/8" gypsum wall board each side with all joints taped. Partitions terminating at mullions or columns shall be constructed without offset..

Demising walls (Between Tenant Spaces) - 2 Yz" steel studs at 24" oc, floor to underside of slab above, with Y2" gypsum wall board each side with all joints taped. Partitions shall contain full thick acoustic insulation. Partitions terminating at mullions or columns shall be constructed without offset..

Corridor Walls - 2 Yz" steel studs at 24" oc, floor to underside of slab above, with two layers Yz" gypsum wall board Type "C" each side with all joints taped. Partitions shall contain full thick thermofiber insulation..

Doors, Frames, Hardware

Primary Entrance - One pair fire-rated tempered glass doors, 1/2" thick, full height. Frame shall be clear anodized aluminum, and shall extend from the floor to the underside of suspended ceiling. Door hardware shall be clear anodized aluminum.

Secondary Egress - 3'-0" x full height x 1 %" Red Oak veneer "B" label wood flush door,. Frame to be 16 ga. Steel hollow metal construction, "B" label, and shall extend from the floor to the underside of suspended ceiling.

Interior Doors - 3'-0" x 8'-0" x 1 %" Hardwood veneer wood flush door suitable for stain finish,. Frame to be 18 ga. Steel hollow metal construction.

Hardware - Each Interior door shall be provided with 3 hinges, brushed chrome finish, a passage set, and a door stop. Secondary egress door shall be provided with 4 hinges, brushed chrome finish, a lock set, an overhead door closer, and a door stop. Lock / passage sets shall be "Schlage" D Series cylindrical sets with "Athens" lever handles in brushed chrome finish.

Acoustical Lay-in Ceilings

Acoustical tile - shall be nominal 24" x 24" (or 48") x 5/8" lay-in, tegular edged textured ceiling tile, white finish, supported in a white finish 15/16" grid.

Flooring

Carpeting and resilient flooring - as per Tenant's selection.

Wall Finish

Paint and wallcovering - as per Tenant's selection.

Electrical

Receptacles - Spec grade 120v, 20a duplex devices. White finish. Cover plate - stainless steel brushed finish.

Wall switches - Spec grade 277v, 20a. toggle . White finish. Cover plate - stainless steel brushed finish.

Lighting

Lighting fixtures -2x4 with parabolic lens 18 cell 3" deep (or greater) 277v electronic ballast with (3) T8 lamps.

Air Distribution

VAV boxes - Trane Model VCCE.

Ceiling Diffusers - Titus Model TDC. Color - #25 Off-White

Return Register - Titus Series 23. Color - #25 Off-White

Sprinkler

Sprinkler heads - chrome plated semi-recessed pendant type, with one piece semi-recessed escutcheon.

INSURANCE REQUIREMENTS

Tenant:

Premises:

The undersigned contractor or subcontractor (hereinafter called "Contractor") has been hired by the tenant or occupant (hereinafter called "Tenant") of the Building named above or by Tenant's contractor to perform certain work (hereinafter called "Work") for Tenant in the Tenant's premises in the Building. Contractor and Tenant have requested the undersigned landlord (hereinafter called "Landlord") to grant Contractor access to the Building and its facilities in connection with the performance of the Work and Landlord agrees to grant such access to Contractor upon and subject to the following terms and conditions:

1. Contractor agrees to indemnify and save harmless the Landlord, its officers, employees and agents and their affiliates, subsidiaries, and partners, and each of them, from and with respect to any claims, demands, suits, liabilities, losses and expenses, including reasonable attorneys' fees arising out of or in connection with the Work (and/or imposed by law upon any or all of them) because of personal injuries, including death at anytime resulting therefrom, and loss of or damage to property, including consequential damages, whether such injuries to persons or property are claimed to be due to negligence of the Contractor, Tenant, Landlord or any other party entitled to be indemnified as aforesaid except to the extent specifically prohibited by law (and any such prohibition shall not void this Agreement but shall be applied only to the minimum extent required by law).

2. Contractor shall provide and maintain at its own expense, until completion of the Work, the following insurance:

(a) Workers' Compensation and Employers' Liability Insurance covering each and every workman employed in, about or upon the Work, as provided for in each and every statute applicable to Workers' Compensation and Employers' Liability Insurance.

(b) Comprehensive General Liability Insurance Including Coverages for Protective and Contractual Liability (to specifically include coverage for the indemnification clause of this Agreement) for not less than the following limits:

Bodily Injury and Property Damage	\$5,000,000 per occurrence
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(c) Comprehensive Automobile Liability Insurance (covering all owned, non-owned and/or hired motor vehicles to be used in connection with the Work) for not less than

the following limits:

Bodily Injury and
Property Damage \$5,000,000 per occurrence

Contractor shall furnish a certificate from its insurance carrier or carriers to the Landlord before commencing the Work, showing that it has complied with the above requirements regarding insurance and providing that the insurer will give Landlord twenty (20) days' prior written notice of the cancellation of any of the foregoing policies.

3. Contractor shall require all of its subcontractors engaged in the Work to provide the following insurance:

(a) Comprehensive General Liability Insurance Including Protective and Contractual Liability Coverages with limits of liability at least equal to the above-stated limits.

(b) Comprehensive Automobile Liability Insurance (covering all owned, non-owned and/or hired motor vehicles to be used in connection with the Work) for not less than the following limits:

Bodily Injury and
Property Damage \$5,000,000 per occurrence

Upon the request of Landlord, Contractor shall require all of its subcontractors engaged in the Work to execute an Insurance Requirements agreement in the same form as this Agreement.

Agreed to and executed this day of , 200__.

Contractor

Landlord

CEO's REPORT

August 22, 2023

**Indicates new proposal not included in prior reports*

ACTIVE PROJECTS:

MRCT Investments - This proposed \$50 million Mill Creek Residential project in West Hempstead will have 150 units. The company received a 20-year PILOT and was induced at our January 2022 meeting. Contacts: Russell Tepper, Managing Director © 908 770-2144, Nick Halstead © 917 846-3594, Elisabetta Coschignano, Esq. (228-1300), Nicholas Cappadore (Sahn, Ward, Coschignano) 228-1300.

Parabit Systems- an existing beneficiary of IDA benefits has purchased additional property abutting its situs in Roosevelt, 33-35 Debevoise Avenue. The new project will include a 10,000 square foot expansion of the existing facility (structure) and will be a 6,000 square foot net increase as 4,000 square feet of the existing building will have to be demolished. Parabit purchased property for \$145,000. Land use authorization (variances, etc.) as well as Town Board Approval must be completed prior to closing with IDA. The company currently employs eighty-five (85) workers and expects to add ten (10) in the first year. Parabit manufactures ATM devices and Kiosks. They seek a Pilot (15 years), sales tax exemption and mortgage recording tax exemption. This project was induced at the January 2022 meeting for an additional 11-year PILOT. An Authorizing Resolution was approved at our February 2022 meeting. The company is awaiting permits from the building department. Contacts: Richard Kick, VP Operations cell (516-519-1085) Dan Baker, Esq. of Greenberg Traurig (516-629-9610).

Aloft-Red Roof Inn, Westbury- This situs and building therein is a former project that received IDA benefits when it was developed three decades ago as a hotel. The property is located at 699 Dibblee Drive, Westbury. In recent decades some of the building houses tenants through section 8 vouchers. The 163 units are 80% occupied. Beachwood Homes recently purchased the property and seeks to convert the existing use to either upper and short-term occupants or college housing. The extensive renovations to the project would be \$5 to \$10 million. Contacts: Steve Dubb or Edward Pleber (935-5555) Anthony Guadino, Esq. of Farrell Fritz, P.C. (631-367-0716).

The Meadowood Properties – Developer seeks to construct twenty (20) units of residential rental housing on property located on Newbridge Road in East Meadow which had been owned by St. Raphael's Church. The two buildings will be for fifty-five (55) and older. The current taxes on the undeveloped land are \$20,000. Project costs are approximately \$5.8 million. Contact: James Neisloss (917 -838-4664), Negus, Esq. of McLaughlin & Stern, LLP (516-467-5431). Dan Deegan, Esq.

283-287 Fulton Avenue, LLC – The property is located on the intersection of Fulton Avenue & Front Street, Hempstead. The building has three floors. The first floor has 4,200 square feet, the second & third 3,100 square feet each. The developer seeks to round off the second & third floors to 4,200 square feet to match the first floor. Project costs are projected to be ten million dollars. The renovation would convert the current office space to ten units of two-bedroom apartments. The retail space on the ground floor would remain as the situs of the property abuts the Terrace Avenue Poverty Census Tract and, therefore, qualifies for the exemption for retail. The developers are awaiting final approval from the village which has been delayed due to the Covid-19 and the death of one of the developers. The project is moving forward. Taxes are currently \$65,000. Contacts: Michael Mitchell (816-8994). Attorney: Dan Baker, Esq. of Greenberg Traurig (516-629-9610).

MCRT – The developer seeks to build 250 units of mixed fifty-five and over middle-income apartments on 4.57-acre site on Atlantic Avenue in Oceanside. Project remains in early stages. Contacts: Elisabetta Coschignano, Esq., 47 Broadway, Wilbur Breslin, Pres.

111 Hempstead Turnpike LLC (Heatherwood) - The proposed project located at 111 Hempstead Turnpike in West Hempstead seeks to demolish an existing 300,000 square foot abandoned building and construct a 488,819 square foot structure on the 9.43-acre site located at 111 Hempstead Turnpike. The proposal will include 5,143 square feet of retail space and the construction of 428 apartment units in two three story buildings and one four story structure. There will be (7) full-time employees. The company has met with all the civic groups in the area and local officials. Heatherwood has obtained a change of zone from the town board. Total project costs are approximately \$180 million. Contacts: Dan Deegan, Esq. & Chris Capece. Public Hearings were held on September 28, 2021, and May 10, 2023, due to the extended period of time between the two.

PGD Baldwin Commons, LLC - Park Grove Realty working with the CDC of Long Island and (Community Development Corporation of Long Island) seeks to construct thirty-three (33) units of work force housing on the specially zoned site at the northwest corner of Grand Avenue & Merrick Road in Baldwin. The \$3 million project would have twenty-seven (27) one-unit dwellings and six (6) two-bedroom units. The project would add one full-time employee. This project was induced at the IDA October 2022 Board Meeting with 20-year PILOT Agreement with a 10-year optional extension if in compliance, Sales Tax Exemption, and MRT Exemption. Approval by NYS HCR has delayed the project, but recent discussions between the developer and the HCR are positive. The project was re-induced at our February 2022 meeting and authorized at the April 2023 meeting. We are awaiting a closing date. This project is located within the Baldwin mixed use overlay. Contact: Gwen O'Shea, CEO, CDA of LI (631) 471-1215 x 175.

Ocean Avenue Marina, Inc. - The developer intends to demolish the existing catering hall and construct two buildings at 50 & 80 Waterfront Blvd., Island Park. The new apartment complex will be four stories, 135,406 square feet, housing 117 units (74 one-bedroom units and 43 two-bedroom units). The first floor will provide 196 parking spaces with the remaining three floors providing the aforementioned rental units. Project costs are \$41.143 million. The developer seeks a 20-year PILOT, Sales Tax Exemption and Mortgage Recording Tax Exemption. Contact: Peter Curry, Esq., Dylan Vitale, owner. This project vote failed on a Due Diligence Resolution at our September Board Meeting and revoted in October 2021 received a Due Diligence Resolution. An Inducement Resolution was adopted on 7/18/2023

Inwood Property Development: The applicant seeks to build a forty-unit, 52582 square foot building of 20 one bedroom, 15 two bedroom and 12 three bedroom and one studio. The \$22 million dollar project will include 25% affordable units. This project was induced on January 31, 2022, with benefits that included Sales Tax Exemption, Mortgage Recording Tax Exemption and a 20-year PILOT. A Public Hearing was held on February 15, 2022. An authorizing Resolution was held on February 24, 2022. The company is currently trying to obtain financing. The project was re-authorized on 7/18/23.

Sunrise of Oceanside NY Propco, LLC - The developers seek to transform the vacant property of 374 Atlantic Avenue, Oceanside into an 84 unit assisted living facility. The site will be 77,433 square feet of living space with 34 one-bedroom units and 50 two-bedroom units. There will be 52 on-site parking spaces. The project will include assisted living, memory care, and hospice care as well. Amenities include a spa, beauty salon, exercise room, entertainment area with bistro and dining room. Total costs are approximately \$48.395 million. Fifty-five full-time jobs are expected to be added by the beginning of year. The developer seeks a fifteen (15) year PILOT, sales tax exemption and mortgage recording tax exemption. The Public Hearing has been held on September 28, 2022. The project has been approved by the BZA and an authorizing resolution was adopted 10/25/22. Contact: Andrew Coello & Elizabetta Coschignano.

Rock 50, LLC - The applicant seeks to convert the former Rockville Center Roman Catholic Diocese office at the subject site of 50 North Park Avenue, Rockville Centre to a class A commercial Office Building. The 60,000 square foot building will be upgraded with the existing exterior extensively renovated. Total costs are approximately \$19.1 million. Two hundred twenty-three (223) new full-time positions are expected to be added by the second year. The applicant seeks a twenty-year PILOT, Sales tax exemption and mortgage recording tax exemption. This property was induced at the January 22, 2022,

Board Meeting, A subsequent hearing was held on February 22, 2022. An authorizing resolution was adopted on 11/16/2022. Issues remain with respect to subsequent transfers and the listing of plots. This will need to be re-induced. Attorney: Dan Baker, Esq. of Greenberg Traurig (516-629-9610).

Baldwin Jaz, LLC - The proposed project seeks to redevelop the properties located at 2253 Grand Avenue & 2292 Harrison Avenue in Baldwin The property was previously used as a car lot will and will be developed into a multiple family transit-oriented site. The project would include 215 residential units (47 studios, 132 one-bedrooms and 36 two-bedroom units) on a 74, 488 square foot site. Project will include a ground floor restaurant and retail space (5000 square feet) with 251 on-site parking spaces. Project costs are estimated to be \$106.1 million with 8.5 full-time job equivalents added. The developer and the IDA have agreed to seek a 30-year PILOT, sales tax exemption and mortgage recording tax waiver. This project was induced 9/20/22, The project was re-induced in April 2023 with minor changes to project. The project was given a 30-year PILOT, Mortgage recording Tax Exemption and Sales Tax Exemption. The authorizing Resolution was adopted 5/23/23 Contacts: Elizabetta Coschignano & Kenneth Breslin.

CenterPoint Inwood, LLC - The developer seeks to construct a high-ceiling warehouse and office space in this now vacant parcel of approximately 138,245 square feet. There will be integrated rooftop surface parking, thirty-one drive-up loading docks and two drive-ins. The property is located on Rason Road; Inwood consists of 87 acres. Additional surface parking, storm water and landscaping improvements will be included. The project will cost \$84 million with a minimum of twenty-five full-time jobs added by the second year and seventy-five construction positions. The project was induced in March 2023 and authorized in April 2023. They were granted a 15-year PILOT and Sales Tax Exemption. We are awaiting a closing date. No tenant has been selected. Contact: Ronel Borner, Dan Deegan, Esq.

The Gardens at Buffalo, LLC - The developer seeks to demolish an existing warehouse 11,451 Square feet and part of a three-story building as well as utilizing 80,044 square feet of space. The resulting structure will be approximately 165,936 square feet which will be five stories. The project should include 200 units of apartments. The project cost is \$49.3 million. The applicant seeks a 25-year PILOT, sales tax exemption, and mortgage recording tax waiver. The board adopted a Due Diligence Resolution 5/23/23 Contact: Jack Martins, Esq.

Centennial Hall - The developers seek to construct twenty-four (24) units in Floral Park. The units will consist of twelve two bedrooms and twelve one bedrooms. The project will be three stories of market rate housing with underground parking. The total costs are \$6.5 million. The developer seeks a 15-year PILOT. Contact: Dan Deegan, Esq.

Conklin Estates - The developers seek to construct sixteen (16) units of market rate housing consisting of (12) units of two bedrooms and (4) units of three bedrooms. Project costs are \$5.5 million. Contact: Dan Deegan, Esq.

1315 Peninsula - The company seeks to relocate its corporate offices from Great Neck and New York City to Hewlett. The project will be self-financed. There will be thirty employees. Project costs are approximately six (6) million dollars and will be approximately an 11,000 square foot, two level office building. A twenty (20) year PILOT is sought. Contact: Dan Deegan, Esq.

2283 Grand Avenue LLC - This project seeks to construct a four-story housing project consisting of twelve one-bedroom units and forty-two two-bedroom units in this 55,566 square foot residential Baldwin proposal. Total costs are \$27 million. The existing 11,000 square foot building will be demolished to permit the erection of the 70,863 square foot building. Contacts: Gregory DeRosa, Peter Curry, Esq.

Prospect Park Inwood - The developer seeks to construct 300 units (180 one bedroom, 120 two bedroom) in this five stories 500,000 square foot building with project costs of \$87 million. This transit-oriented project is near the railroad station with a 20% set aside of subsidized housing. The developer seeks a 25-year PILOT, mortgage tax abatement and sales tax exemption. Contact: Peter Curry, esq.

***Hillcrest Floral Park** – This proposed mixed use in Floral Park seeks to construct twelve apartment units with retail stores. There would be ten one-bedroom and two-bedroom units at market rate. The project will cost seven million dollars. Contact Dan Deegan, Esq.

***106 Broadway Freeport** – the applicant seeks to construct 80 units of affordable housing units on a vacant land currently owned by the Refuge Apostolic Church of Christ. The \$14.892 million project lies on .69 acres in Freeport Village. The apartments consist of 4 one bedrooms, 4 two bedrooms each at 30% of AMI, Section 8; 48 of one-bedroom units of 50% of AMI (40 of which are Frail Elderly, Senior); 23 one-bedroom units at 60% of AMI and a unit for the superintendent. The applicant seeks a 20-year PILOT, sales tax exemption and mortgage tax waivers. Contact: Dan Deegan, Esq., John Gordon, Esq, Principal & Barbara Murphy,

***West Jamaica Holdings** – The \$30.577 million project seeks to construct an 81,375 square foot building on .574 acres of land consisting of 63 units of family rental apartments (16 studios, 29 one bedroom, 18 two bedrooms) with 56 parking spaces. The developer seeks a 15-year PILOT, sales tax exemption and mortgage tax waiver. The rentals will be market rate. Contacts: Alex Rivero, Peter Curry, Esq.

INACTIVE PROJECTS:

Empire Offshore Wind, LLC – The Company seeks to construct a renewable wind project including a five-acre substation in Oceanside consisting of 6.65 acres (existing buildings to be removed). This environmentally positive project will reduce fossil fuel reliance and upgrade the local power grid. Project costs are \$221.8 million. Developer seeks a 31-year PILOT, sales tax exemption and mortgage tax exemption. It's very preliminary. No action will take place without the input and approval of local districts, schools, villages, town is secured. Contact: Jonathan Forte

TOWN OF HEMPSTEAD
INDUSTRIAL DEVELOPMENT AGENCY
RESOLUTION
APPROVAL OF CERTAIN RECURRING EXPENSES
Amended as to Resolution #008-2023

WHEREAS, The Town of Hempstead Industrial Development Agency incurs repeated expenses from vendors, personnel and board members for items such as periodicals, copier toner, printer cartridges, computer upgrades and reimbursable expenses, including cellular telephone services, mileage, meals, tolls, parking, and;

WHEREAS, this amended resolution will include the name change of Poland Spring to Ready Refresh, and;

WHEREAS, this amended resolution will include the name change of Loyal Business Machines to Emerald Document Imaging, and;

WHEREAS, this amended resolution will include the name change of Cablevision to Optimum, and;

WHEREAS, the following expenses shall be paid immediately upon receipt of an invoice:

Paychex, 714 Brook Street, Suite 120, Rocky Hill, CT 06067, for the processing of the Agency payroll.

Emerald Document Imaging, 100 Milbar Boulevard, Farmingdale, NY 11735, for the purchase of copier toner, and the repair and maintenance of the Agency's copy machine.

Quickbooks, PO Box 24789, Denver, Colorado for the purchase of bookkeeping program support and tax table updates.

Long Island Business News, Newsday, New York Time and the Wall Street Journal yearly subscriptions.

United States Internal Revenue Service for any amount withheld from the gross salary checks as "federal withholding tax" from the gross salaries of the employees of the Agency and any such other amount as the Executive Director certifies is properly payable.

New York State Department of Taxation and Finance for any amount withheld from the gross salary checks as "State Withholding Tax" from gross salaries of the employees of the Agency and any such other amount as the Executive Director certifies is properly payable.

New York State Retirement System for any amount withheld from the gross salary checks as "Retirement Contribution" from the gross salaries of the employees listed above and any such other amount as the Executive Director certifies is properly payable.

Department of Labor, PO Box 4301, Binghamton, New York for any amount not withheld from the Agency as "Unemployment Insurance" and any such other amount as the Chief Executive Officer certifies is properly payable.

Federal Express, United Parcel Service and United States Postal Service or any like company for payment of bills for deliveries made on the Agency's behalf.

Town of Hempstead or any of its department for payment of employee health benefits, and reimbursement for worker's compensation, when accompanied by a bill, postage expenses when bill on an appropriate voucher or claim for by the Town; printing expenses, when properly billed by the department providing the service; and rent, pursuant to any lease agreement which has been authorized by resolution.

Verizon, AT & T, T-Mobile or any like company for telephonic service within the Agency's office.

Deluxe Business Checks and Solutions, PO Box 742572, Cincinnati, Ohio 45274 , for the purchase of checks for use by the Agency.

Ready Refresh, P.O. Box 856192, Louisville, KY 40258 for the delivery and purchase of water for the Agency's water cooler.

Staples, PO Box 689020, Des Moines, Iowa 50368 and WB Mason Company Inc., PO Box 981101 Boston, MA, 02298-1101, for the ordering and delivery of office supplies.

Optimum, PO Box 70340, Philadelphia, PA 17176-0340, for internet connection and cable connection in the IDA Office.

Newsday Inc., P.O. Box 3002, Boston, MA 02241-3002, for publication of public notices.

All Town of Hempstead School Districts for the disbursement of PILOT payments

All Villages located within the Town of Hempstead for the disbursement of PILOT payments

County of Nassau for the disbursement of PILOT payments

WHEREAS, expenses, in an amount not to exceed \$2,000.00, incurred by the Agency's board members and staff, in good standing, shall be reimbursable, upon submission of an original or photocopied receipt, issued contemporaneously by a vendor, as well as a signed Voucher form outlining the reason for the expense; and

WHEREAS, at a rate set by the Agency, in an amount not to exceed \$600.00, each board member in good standing, when accompanied by a claim form and Automobile Expense Report indicating the date of each trip, the point of departure and return and the business purpose of the trip, shall be reimbursed for mileage based on a schedule set by the Federal Government upon the submission of the appropriate documentation; and

WHEREAS, business meals, in an amount not to exceed \$1,000.00, when accompanied by a signed voucher form, indicating date, time, location, names and affiliation of those participating in the meal and business purpose of the meal, shall be reimbursed to Agency staff and board members in good standing. Any claim submitted for this purpose shall have attached

an original or copy of a charge slip containing the signature of the agency employee seeking reimbursement and shall list the total price of the meal including any gratuity paid.

WHEREAS, cellular telephonic service, in an amount not to exceed \$200.00, shall be reimbursed to Agency staff and board members in good standing when accompanied by a voucher form and original or copy of original invoice from company indicating date and time of call, reason of call, length of call and amount paid for call.

NOW, THEREFORE, BE IT

RESOLVED, the Town of Hempstead Industrial Development Agency hereby adopts this resolution outlining the payment of recurring and reimbursable expenses.

Adopted:

Ayes:

Nays:

Resolution Number: 034-2023



Board Members
Florestano Girardi
Eric C. Mallette
James Marsh
Jack Majkut
Robert Bedford
Cherice Vanderhall
Thomas Grech

Frederick E. Parola
Chief Executive Officer

350 FRONT STREET, HEMPSTEAD, NY 11550-4037
(516) 489-5000 Ext. 4200 • Fax: (516) 489-3179

TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY
BOARD MEETING

July 18, 2023, 9:00 a.m.

Old Court Room, 350 Front Street, 2nd Floor, Hempstead

Agenda: Village Business: Village of Freeport: No New Business, **Village of Hempstead:** No New Business, **New Business:** Consideration of a Re-authorizing Resolution for Inwood Property Development LLC, 360-370 Bayview Avenue, Inwood, Consideration of an Inducement Resolution for Ocean Ave Marina, Inc., 50 & 80 Waterfront Blvd., Island Park, **New Business – Other,** CEO's Report, LIBDC 53rd Annual Conference Resolution for October 4th -5th, **Old Business:** **Reading and Approval of Previous Meeting Minutes:** Consideration and Adoption of the Minutes of June 20, 2023, **Report of the Treasurer:** Financial Statements and Expenditure List, June 14, 2023 – July 11, 2023, Committee Updates, Executive Session, Adjournment

Those in attendance:

Florestano Girardi, Chairman
Thomas Grech, Vice Chairman
Eric C. Mallette, Treasurer
Jack Majkut, Secretary
Jerry Kornbluth, Board Member

Also in attendance:

Frederick E. Parola, CEO
Edie Longo, CFO
Arlyn Eames, Deputy Financial Officer
Michael Lodato, Deputy Executive Director
Lorraine Rhoads, Agency Administrator
Laura Tomeo, Deputy Agency Administrator
Paul O'Brien, Phillips Lytle LLP
Bill Weir, Nixon Peabody
John E. Ryan, Agency Counsel
Alan Wax, Todd Shapiro Associates, Inc. (electronically)

Absent:

Robert Bedford, Board Member
Jill Mollitor, Board Member

The meeting was called to order at 9:06 a.m. The Chairman declared a quorum was present.

Public Comment: The Chairman opened the floor to comments by the public. There was no public comment.

Village of Freeport: No New Business

Village of Hempstead: No New Business

New Business:

Consideration of a Re-authorization for Inwood Property Development LLC, 360-370 Bayview Avenue, Inwood.: Peter Curry the Attorney representing Inwood Property Development, LLC., 360-370 Bayview Avenue, Inwood, New York 11557. The applicant intends to construct a 48unit, 52,582 square foot building on .23 acres of land. The building will be comprised of 20 one-bedroom units, 15 two-bedroom units, and 12 three-bedroom units, as well as 1 studio. 25% of the units will be affordable based off of an 80% AMI or less. The board conveyed the following benefits: a 20-year PILOT, Sales Tax Exemption and Mortgage Recording Tax. Flo Girardi made a motion to adopt an updated Authorizing Resolution for Ocean Avenue Marina, Inc., 50 & 80 Waterfront Blvd., Island Park. This motion was seconded by Tom Grech. All were in favor. Motion carried.

Consideration of a Resolution to Approve the LIBDC Annual 2023 Conference (Hand up): Arlyn Eames addressed the board on the LIBDC 2023 Annual Conference on October 4-6. August 15, 2023, is the RSVP date. Flo Girardi made a motion to adopt a Resolution to approve board and staff attendance at the LIBDC Annual 2023 Conference. This motion was seconded by Tom Grech. All were in favor. Motion carried.

CEO Report: Fred Parola provided the Board with a copy of the CEO Report.

Old Business:

Reading and Approval of Minutes of Previous Meeting(s):

Minutes of the June 20, 2023, Board Meeting: Eric Malette made a motion to waive the reading and to adopt the minutes of June 20, 2023. This motion was seconded by Flo Girardi. All were in favor. Motion carried.

Report of the Treasurer: The Board was furnished with copies of the Financial Statements and Expenditure list for June 14, 2023 -July 11, 2023.

Committee Updates: There were no updates.

Meeting Suspension: Flo Girardi made a motion to suspend the IDA Board Meeting at 9:18 a.m. to await the arrival of John Vitale, CEO of Ocean Ave Marina. This motion was seconded by Tom Grech. All were in favor. Motion carried.

Flo Girardi made a motion to reconvene the IDA Board Meeting at 9:27 a.m. This motion was seconded by Tom Grech. All were in favor. Motion carried.

Consideration of an Inducement Resolution for Ocean Avenue Marina, Inc., 50 & 80 Waterfront Blvd., Island Park:

Peter Curry the attorney for the applicant addressed the board along with John Vitale, CEO of Ocean Avenue Marina. The applicant is proposing to demolish the two current buildings and construct one building located at 50 and 80 Waterfront Blvd., Island Park. The project will include construction a 4-story residential apartment building, the second, third and fourth stories will consist of 117one and two-bedroom units varying configurations and square footage. The project will include74 one unit bedroom units averaging 807 square feet in size, and 43 two-bedroom units averaging1,147 square feet in size. The units will be constructed on top of a first-floor parking structure with a total of 196 parking spaces. The property is approximately 3.58 acres, and the new building will be approximately 135,406 square feet. The proposed development will also be significantly elevated and will raise the habitable spaces and equipment to approximately 18 feet above sea level. This will eliminate flooding in that area The board conveyed the following benefits: a 20-year PILOT, Sales Tax Exemption and Mortgage Recording Tax. Flo Girardi made a motion to adopt an Inducement Resolution for Ocean Avenue Marina, Inc., 50 & 80 Waterfront Blvd., Island Park. This motion was seconded by Jerry Kornbluth. All were in favor. Motion carried.

Executive Session: No executive session

Adjournment: With all business concluded. Flo Girardi made a motion to adjourn the meeting at 9:23 a.m. This motion was seconded by Tom Grech. All were in favor. Motion carried.

Jack Majkut, Secretary
July 20, 2023

10:54 AM
08/15/23
Accrual Basis

Town of Hempstead I. D. A.

Balance Sheet

As of August 15, 2023

	Aug 15, 23
ASSETS	
Current Assets	
Other Current Assets	
490-00 · Interest due from PILOT account	-124,801.49
380-01 · Accounts Recievable	8,933.96
Total Other Current Assets	-115,867.53
Checking/Savings	
200-22 · Checking (FNBLI)187009667	10,000.00
200-20 · Severance (FNBLI) 186702585	388,274.87
200-21 · Oper Invest MM(FNBLI) 186702577	390,323.30
200-19 · HlthRetirement (FNBLI)186702593	1,341,279.27
200 · Cash	
200-02 · Petty Cash	63.71
200-13 · Bank of America - 9419794381-Ck	30,644.55
200-14 · BankofAmerica MMS - 9419794402	3,166,452.86
Total 200 · Cash	3,197,161.12
Total Checking/Savings	5,327,038.56
Total Current Assets	5,211,171.03
Fixed Assets	
400-00 · Furniture & Fixtures	
400-02 · Accumulated Depreciation	-26,702.70
400-01 · Furniture and Fixtures	26,702.70
Total 400-00 · Furniture & Fixtures	0.00
400-051 · Computer equip.	
400-04 · Accumulated Dep. - Computer	-3,929.02
400-05 · Computer Equipment	3,929.02
Total 400-051 · Computer equip.	0.00
400-100 · Machinery & equip.	
400-102 · A/D - Equipment	-15,878.00
400-101 · Equipment	15,878.00
Total 400-100 · Machinery & equip.	0.00
450-00 · Leasehold improvement	
450-02 · Accumulated Amort.	-90,950.40
450-01 · Leasehold Improvements	14,140.00
450-03 · 2009 Leasehold improvements	84,273.98
Total 450-00 · Leasehold improvement	7,463.58
Total Fixed Assets	7,463.58
Other Assets	
Deferred outflows of resources	
700-1 · Changes in Agency cont GASB68	-52,127.00
700-3 · Diff - expect/actual exp GASB68	7,735.00
700-6 · Change in assumptions OPEB	242,567.00
700-5 · Diff expected & actual OPEB	255,424.00
700-4 · Change in assumptions	258,066.00
Total Deferred outflows of resources	711,665.00
Total Other Assets	711,665.00
TOTAL ASSETS	5,930,299.61
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
550-00 · Accrued Expenses	-11,521.22
602-00 · Payroll Liabilities	
602-09 · NY Unemployment	-1,452.81

10:54 AM
08/15/23
Accrual Basis

Town of Hempstead I. D. A.
Balance Sheet
As of August 15, 2023

	Aug 15, 23
602-04 · FICA Tax W/H Social Sec.	-0.01
602-05 · FICA Tax W/H Medicare	0.01
602-01 · Retirement W/H	101.89
602-07 · Disability W/H	114.00
602-11 · AFLAC WITHHOLDING	115.29
602-06 · Retirement Loan	771.00
Total 602-00 · Payroll Liabilities	-350.63
Total Other Current Liabilities	-11,871.85
Total Current Liabilities	-11,871.85
Long Term Liabilities	
605 · Net pension liability - pro. sh	-102,539.00
602 · -10 Compensated absences	103,824.24
Deferred inflows of resources	
500-4 · Change in assumptions	2,876.00
500-2 · Change in pro - employer & prop	23,857.00
500-5 · Changes in assumption OPEB	32,975.00
500-1 · Difference between expect/act	334,468.00
Total Deferred inflows of resources	394,176.00
603-00 · Postretirement health benefits	1,450,586.00
Total Long Term Liabilities	1,846,047.24
Total Liabilities	1,834,175.39
Equity	
3000 · Opening Bal Equity	498,858.39
Net Income	639,052.68
909-00 · Fund Balance	2,958,213.15
Total Equity	4,096,124.22
TOTAL LIABILITIES & EQUITY	5,930,299.61

10:55 AM

08/15/23

Accrual Basis

Town of Hempstead I. D. A.
Account QuickReport
As of August 15, 2023

Type	Date	Num	Name	Memo	Split	Amount	Balance
200 · Cash							48,041.16
200-13 · Bank of America - 9419794381-Ck							48,041.16
Check	07/14/2023	52292	PAROLA, FREDERI...	522-52 Pay Pe...	-SPLIT-	-1,739.23	46,301.93
Check	07/14/2023	52293	RHOADS, LORRAINE	522-52 Pay Pe...	-SPLIT-	-1,059.82	45,242.11
Check	07/14/2023	52294	Arlyn C. Eames	522-52 Pay Pe...	-SPLIT-	-3,132.83	42,109.28
Check	07/14/2023	52295	Lodato, Michael	522-52 Pay Pe...	-SPLIT-	-2,873.44	39,235.84
Check	07/14/2023	52296	Laura N. Tomeo	522-52 Pay Pe...	-SPLIT-	-2,176.31	37,059.53
Check	07/14/2023	31293	DGS - Reproduction ...	Invoice# 4301...	522-21 · Printing	-8.07	37,051.46
General Journal	07/15/2023	S&Co ...	Bank of America	522-52 Pay Pe...	602-04 · FICA ...	-5,149.33	31,902.13
Check	07/21/2023	31294	FREDERICK PAROLA	Reimburseme...	522-07 · Office ...	-58.10	31,844.03
Check	07/24/2023	31295	Optimum	07858-547683...	522-07 · Office ...	-273.69	31,570.34
Transfer	07/25/2023			Funds Transfe...	200-14 · Bankof...	50,000.00	81,570.34
Check	07/26/2023	31296	READY REFRESH b...	Acct# 042347...	522-07 · Office ...	-42.98	81,527.36
Check	07/28/2023	52297	PAROLA, FREDERI...	522-52 Pay Pe...	-SPLIT-	-1,866.78	79,660.58
Check	07/28/2023	52298	LONGO, EDITH M.	522-52 Pay Pe...	-SPLIT-	-624.56	79,036.02
Check	07/28/2023	52299	RHOADS, LORRAINE	522-52 Pay Pe...	-SPLIT-	-1,198.07	77,837.95
Check	07/28/2023	52300	Arlyn C. Eames	522-52 Pay Pe...	-SPLIT-	-3,132.83	74,705.12
Check	07/28/2023	52301	Lodato, Michael	522-52 Pay Pe...	-SPLIT-	-2,873.43	71,831.69
Check	07/28/2023	52302	Laura N. Tomeo	522-52 Pay Pe...	-SPLIT-	-2,176.32	69,655.37
General Journal	07/28/2023	S&Co ...	Bank of America	522-52 Pay Pe...	602-04 · FICA ...	-5,590.45	64,064.92
Check	07/28/2023	31297	AFLAC	NQR44- Invoic...	602-11 · AFLA...	-230.58	63,834.34
Check	07/28/2023	electro...	N.Y.S & LOCAL EMP...	Code 51313 -J...	-SPLIT-	-839.78	62,994.56
Check	07/31/2023	31298	Town of Hempstead...	VOID: Health I...	522-70 · Health...	0.00	62,994.56
General Journal	07/31/2023	S&Co ...	Town of Hempstead...	For CHK 3129...	522-70 · Health...	-9,799.61	53,194.95
General Journal	08/07/2023	S&Co ...	Town of Hempstead...	Reverse of GJ...	522-70 · Health...	9,799.61	62,994.56
Check	08/07/2023	31299	Town of Hemsptead ...	Postage July 2...	522-19 · Postag...	-82.42	62,912.14
Check	08/07/2023	31300	TOH Department of ...	Health Ins. - I...	522-70 · Health...	-9,539.51	53,372.63
Check	08/07/2023	31301	TOH Dept of General...	RENT August ...	522-12 · Rent E...	-2,500.00	50,872.63
Check	08/07/2023	31302	FedEx	Account #207...	522-19 · Postag...	-92.21	50,780.42
Check	08/09/2023	31303	The New York Times	Subscription A...	522-05 · Dues ...	-70.80	50,709.62
Check	08/09/2023	31304	STAPLES CREDIT P...	Acct.6035517...	522-07 · Office ...	-360.63	50,348.99
Check	08/10/2023	31305	PAYCHEX	Payroll Servic...	2100-01 · PAY...	-204.38	50,144.61
Check	08/10/2023	31305	Todd Shapiro	Consultant -A...	522-01 · Profes...	-2,500.00	47,644.61
Check	08/11/2023	52303	PAROLA, FREDERI...	522-52 Pay Pe...	-SPLIT-	-1,719.09	45,925.52
Check	08/11/2023	52304	LONGO, EDITH M.	522-52 Pay Pe...	-SPLIT-	-506.27	45,419.25
Check	08/11/2023	52305	RHOADS, LORRAINE	522-52 Pay Pe...	-SPLIT-	-1,163.61	44,255.64
Check	08/11/2023	52306	Arlyn C. Eames	522-52 Pay Pe...	-SPLIT-	-3,132.83	41,122.81
Check	08/11/2023	52307	Lodato, Michael	522-52 Pay Pe...	-SPLIT-	-2,873.44	38,249.37
Check	08/11/2023	52308	Laura N. Tomeo	522-52 Pay Pe...	-SPLIT-	-2,176.30	36,073.07
General Journal	08/11/2023	S&Co ...	Bank of America	522-52 Pay Pe...	602-04 · FICA ...	-5,428.52	30,644.55
Total 200-13 · Bank of America - 9419794381-Ck						-17,396.61	30,644.55
Total 200 · Cash						-17,396.61	30,644.55
TOTAL						-17,396.61	30,644.55

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08/04/23
Accrual Basis

Town of Hempstead I. D. A.
2024 Preliminary Budget
January through December 2024

	Jan - Dec 24
Ordinary Income/Expense	
Income	
2901-00 · Cost Benefit Analysis Income	25,000.00
2801-00 · Public Hearing Notices	9,000.00
2116-00 · Fees	806,000.00
2401-01 · Interest/ Bank	23,625.00
2701-00 · Annual and Compliance Fees	95,000.00
Total Income	958,625.00
Gross Profit	958,625.00
Expense	
522-76 · Worker's Compensation	25,000.00
522-71 · Longevity Expense	2,175.00
2100-01 · PAYCHEX	4,000.00
522-22 · Public Hearing notices Expense	8,000.00
522-01 · Professional Fees	38,000.00
522-03 · Advertising & Marketing	10,000.00
522-04 · Accounting Fees	29,500.00
522-05 · Dues & Subscriptions	4,500.00
522-06 · Meetings Expenses	11,000.00
522-07 · Office Expenses	6,000.00
522-09 · Bank Charges	2,000.00
522-11 · Depreciation	4,000.00
522-12 · Rent Expense	30,000.00
522-14 · Telephone	2,500.00
522-17 · Travel	750.00
522-19 · Postage and Delivery	2,800.00
522-21 · Printing	400.00
522-50 · Salary & Wages	573,000.00
522-70 · Health Insurance Expense	135,000.00
522-75 · Pension Expense	70,000.00
Total Expense	958,625.00
Net Ordinary Income	0.00
Net Income	0.00

