

**TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY
BOARD MEETING**

AGENDA

**Old Courtroom, 2nd Floor, 350 Front Street Hempstead, NY
Tuesday, December 19, 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:

- Call the meeting to order
- Announcements
- Confirm the presence of a Quorum
- Public Comment with respect to Agenda items

VILLAGE BUSINESS:

Village of Freeport:

- Consideration of an Authorizing Resolution for a PILOT Extension and Sales Tax Exemption for **Dover Freeport LLC Extension**, 27 St. John's Place, Freeport

Village of Hempstead: None

NEW BUSINESS - Applications, Transaction Resolutions and Presentations:

- Consideration of an Authorizing Resolution for **Centennial Holdings**, 1 Carnation Avenue, Floral Park
- Consideration of an Inducement Resolution for **Airef JFK IC LLC**, 175 Roger Avenue and 41 Cerro Street, Inwood
- Consideration of a Tenant Consent for **Maxima Real Estate/Barclays LLC – Eihab Human Services**, 615 Merrick Avenue, Westbury
- Consideration of a Tenant Consent for **Valley Stream Green Acres – WSF Inc. dba Launch Entertainment Park**, 2034 Green Acres Mall, Valley Stream

NEW BUSINESS - Other:

- CEO's Report
- Consideration and Approval of the Massa & Associates 2024 Contract
- Consideration and Approval of the Sheehan & Company 2024 Contract and 2023 Audit
- Consideration and Approval of the Giovatto Agency 2024 Contract
- Consideration and Adoption of the Sexual Harassment Policy
- Consideration and Adoption of the Records Retention and Disposition Policy
- Consideration and Adoption of the Standard Project Procedures
- Consideration and Adoption of the Fund Balance Policy
- Consideration and Approval of Salary Increases for Frederick Parola, Edie Longo, Lorraine Rhoads, Arlyn Eames, Michael Lodato and Laura Tomeo
- Consideration and Adoption of the 2024 Meeting Schedule

- Consideration and Approval of the NYSEDC Membership for 2024
- Consideration and Approval of a contract with Todd Shapiro for 2024
- Discussion: Housing Policy

OLD BUSINESS: *None*

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

- Consideration and Adoption of the Minutes of November 21, 2023

REPORT OF THE TREASURER:

- Financial Statements and Expenditure List: November 15, 2023 – December 12, 2023

EXECUTIVE SESSION:

COMMITTEE UPDATES:

ADJOURNMENT:

Chairman Approval: 12/7/23

Contact: arlyeam@hempsteadny.gov (516) 489-5000, x 3077

PROJECT ABSTRACT
TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY
Dover Freeport, LLC (Extension)
Project: 2802-23-11B

Application Date: 9/6/23

Contact: Peter Kramer

Applicant Name and Address: 27 St. John's Place & 8 Maple Place
Freeport, NY 11520

Project Address: 27 St. John's Place
Freeport, NY 11520

Project:

The current property is within the PILOT program, this PILOT is set to expire on 12/31/23. The applicant is a wholesale distributor to the food and hospitality industry, this location will continue to operate as an office and warehouse. The applicant seeks to upgrade its current operations by installing new furniture, floor coverings, wall coverings, trade equipment, garage doors, new HVAC systems, energy efficient equipment, a loading dock, LED Lighting, an EV charging station, an energy efficient computer system and new phone system. The building is on 2.5 acres of land and is approximately 39,000 square feet in size.

This is within the Village of Freeport.

Project Costs:

Building(s) demolition/construction	\$250,000
Building Renovation	\$800,000
Site Work	\$100,000
Machinery and Equipment	\$750,000
Legal Fees	\$150,000
Architectural/Engineering Fees	\$50,000
Financial Charges	\$50,000
Other (Contingency Reserve)	\$200,000
Total	\$2,350,000

Employment:

	Full	Part
Present	76	48
1 st Year	84	54
2 nd Year	96	62

LMA : 100%

Creation: of 27 FTEs

Retention of 100 FTEs

Average Salary of Wage Earners : \$54,244

Approx. 20 Construction Jobs

Benefits Sought: 15 Year PILOT, Sales Tax Exemption

Benefit Analysis:

Sales Tax Exemption Renovation, Furnishing and Fixture:

\$1,800,000 x 8.625%= \$ 155,250

Mortgage \$0

Current Tax Information:

Section; 62, Block: 35, Lots: 5(5-11) and 25 (322)

Parcels: 2

SD- Freeport

Full Value: 3,149,800

Total Assessment: 31,498

Total Current Taxes \$0 (Within a PILOT)

Total Current Taxes if not within a PILOT: \$149,538.62

Tax Opinion Letter by Cronin and Harris: \$121,648.69

23 General: \$ 12,548.56

22-23 School: \$87,917.57

Village: \$49,072.49

Estimated Taxes Once Built: N/A (Internal Modifications only)

Applicant Attorney: Peter Kramer

IDA Transaction Counsel: Nixon Peabody

Dover Freeport, LLC
Extension
DRAFT PILOT

27 St. John's Place & 8 Maple Place

Freeport, NY 11520

Section; 62, Block: 35, Lots:5(5-11) and 25(25, 322)

Parcels: 2

SD- Freeport

Current Total Taxes: Currently within a PILOT

Total Tax if not within a PILOT: \$149,538.62

Tax Opinion Letter by Cronin and Harris: \$121,648.69

Last Year of PILOT: 12/31/23

Amount of Last PILOT Payment: \$140,000.00

Estimated Taxes Once Built: N/A (only internal renovations being made)

Year	Total
1	\$121,648.69
2	\$121,648.69
3	\$121,648.69
4	\$126,000.00
5	\$128,000.00
6	\$130,000.00
7	\$132,000.00
8	\$137,000.00
9	\$141,000.00
10	\$145,000.00
11	\$153,000.00
12	\$156,000.00
13	\$161,000.00
14	\$166,000.00
15	\$172,000.00

10/11/23 – DRAFT

This Pilot has NOT been approved by the Hempstead IDA Board

PROJECT ABSTRACT
TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY

Centennial Holdings LLC / Guy Friedman
Project: 2802-23-07A

Application Date: 7/21/23

Contact: Guy Friedman

Applicant Name and Address: 1133 Broadway
Hewlett, NY 11557

Project Address: 1 Carnation Avenue
Floral Park, NY 11001

Project:

The applicant seeks to demolish an existing 3,668 square foot building and construct a new building containing 30,512 square feet. The proposed 24-unit apartment building will contain (12) Two-bedroom apartments and (12) One-Bedroom Apartments. This will be located in the vicinity of the LIRR. This is 100% market rate.

Project Costs:

Land and/or building acquisition	\$ 1,200,000
Building(s) demolition/construction	\$ 7,115,000
Site Work	\$100,000
Machinery and Equipment	\$75,000
Legal Fees	\$175,000
Architectural/Engineering Fees	\$360,000
Financial Charges	\$1,238,119
Other (Soft Costs)	\$1,642,387
Total	\$11,905,506

Employment:

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

LMA : 100%

Creation: of .5

Average Salary of Hourly Wage Earners : \$25,000

Approx. 30 Construction Jobs

Benefits Sought: 20 Year PILOT, Sales Tax Exemption, MRT

Benefit Analysis:

Sales Tax Exemption Renovation, Furnishing and Fixture:

\$6,000,000 x 8.625% = \$517,500

Mortgage \$9,400,000 x .75% = \$70,500

Current Tax Information:

Section; 32, Block: 054, Lots: 15(16), 17(17-22)

Parcels: 2

SD- Floral Park / Bellerose – 22

Full Value: 1,214,100

Total Assessment: 12,141

Total Current Taxes \$66,361.49

23 General: \$ 6,071.61

22-23 School: \$ 38,649.86

Village: \$21,640.02

Land Only Estimated Taxes: \$53,711.00

Estimated Taxes Once Built: \$199,207

Applicant Attorney: Dan Deegan and John Gordon

IDA Transaction Counsel: Barry Carrigan and Terance Walsh

Centennial Holdings LLC / Guy Friedman
PILOT

1 Carnation Avenue
Floral Park, NY 11001
Section; 32, Block: 054, Lots: 15(16), 17(17-22)
Parcels: 2

SD- Floral Park / Bellerose – 22

Current Total Taxes: \$66,361.49
Land Only Estimated Taxes: \$53,711.00
Estimated Taxes Once Built: \$199,207

Year	Total
1	\$53,711.00
2	\$53,711.00
3	\$53,711.00
4	\$80,000.00
5	\$95,000.00
6	\$110,000.00
7	\$120,000.00
8	\$130,000.00
9	\$140,000.00
10	\$150,000.00
11	\$160,000.00
12	\$170,000.00
13	\$180,000.00
14	\$190,000.00
15	\$200,000.00
16	\$205,000.00
17	\$210,000.00
18	\$215,000.00
19	\$220,000.00
20	\$230,000.00

8/15/23 – DRAFT

8/30/23 – Second DRAFT

9/12/23 - Third DRAFT

9/13/23- Fourth DRAFT

This Pilot has NOT been approved by the Hempstead IDA Board

PROJECT ABSTRACT
TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY

AIREF JFK IC, LLC

Project: 2802-23-14A

Application Date: 11/10/23 Contact: James R. Murray

Applicant Name and Address 2000 Avenue of the Stars, 12th Floor
Los Angeles, CA 90067

Project Address: 175 Roger Avenue and 41 Cerro Street
Inwood, NY 11096

Project:

The applicant intends to demolish a single-family home on Cerro Street and construct on both properties an approximately 68,016 square foot one story warehouse/distribution center, this will also include 14 loading docks, and one drive in door. The site will contain 68 parking stalls and 2 of those stalls will be equipped to support electric vehicle charging. The complete acreage of the site is approximately 3.6764 acres of land.

Project Costs:

Land acquisition	\$20,100,000
Building construction	\$10,373,999
Site Work	\$5,762,712
Machinery and Equipment	\$816,192
Legal Fees	\$175,000
Architectural/Engineering Fees	\$355,850
Financial Charges	\$2,436,409
Other (Soft Costs)	\$3,829,891
Total	\$43,850,054

Employment:

	Full	Part
Present	0	0
1 st Year	0	0
2 nd Year	12	0

LMA: 8

Creation: of 12 FTE by year 2

Salary Wage Earners: \$37,000

50 Construction Jobs

Benefits Sought: 20 Year PILOT, Sales Tax Exemption, MRT

Benefit Analysis:

Sales Tax Exemption Renovation, Furnishing and Fixture:

$\$10,684,843 \times 8.625\% = \$915,185$

Mortgage $\$20,706,822 \times .75\% = \$155,301.16$

Section; 40, Block: L, Lots: 224 (225), 5, 55 (56, 57, 59, 117, 2579), 2585, 2601, 2602
(2601 and 2602 do not have tax bills and are not yet assigned by the County, they are abandoned streets)

Parcels: 6

SD- Lawrence 15

Full Assessed Value: \$ 3,560,400

Total Assessment: \$35,604

Current Tax Information (If not previously owned by Nassau County and partially exempt):

\$126,899.11

Part of property is formerly owned by Nassau County and those lots are exempt from general taxes currently. Restored taxes have been removed from this total.

General 23: \$ 65,775.88

School 23/24: \$61,123.23 (with restored taxes removed)

Village: N/A

Estimated Taxes Once Built: \$226,866.72

Estimated Current Land Only Value: \$89,408.65

Applicant Counsel: Dan Deegan and John Gordon

Transaction Counsel: Barry and Terence

AIREF JFK IC, LLC
Project: 2802-23-14A
DRAFT PILOT

Section; 40, Block: L, Lots: 224 (225), 5, 55 (56, 57, 59, 117, 2579), 2585,2601, 2602

Parcels: 6

SD- Lawrence

Current Tax Information: \$126,899.11 (If the county didn't previously own the property)

Part of property is formerly owned by Nassau County and those lots are exempt from general taxes currently. Restored taxes have been removed from this total.

(2601 and 2602 do not have tax bills and are not yet assigned by the County, they are abandoned streets)

Estimated Taxes Once Built: \$226,866.72

Estimated Current Land Only Value: \$89,408.65

Year	Total
1	\$89,400.00
2	\$89,400.00
3	\$89,400.00
4	\$117,000.00
5	\$122,000.00
6	\$128,000.00
7	\$145,000.00
8	\$160,000.00
9	\$170,000.00
10	\$195,000.00
11	\$215,000.00
12	\$225,000.00
13	\$240,000.00
14	\$250,000.00
15	\$260,000.00
16	\$270,000.00
17	\$280,000.00
18	\$290,000.00
19	\$300,000.00
20	\$310,000.00

11/15/23 – 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

AIREF JFK IC, LLC

Town of Hempstead
Industrial Development Agency

DECEMBER 5, 2023

PREPARED BY:



PO Box 3547
Saratoga Springs, NY 12866
518.899.2608
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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 AIREF JFK IC, LLC. The proposed project involves the construction of an approximately 68,016 SF one-story warehouse/distribution center at 175 Roger Avenue and 41 Cerro Street Inwood, NY 11096. 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 that result from the renovation phase 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.

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:
AIREF JFK IC, LLC Application for
Assistance and the Town of
Hempstead Industrial
Development Agency

Geography:
Town of Hempstead

Study Period:
2023

Modeling Tool:
Lightcast

DIRECT IMPACTS

This initial round of impacts is generated as a result of spending on operations and renovation.

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 the facility.

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 AIREF JFK IC, LLC (the "Applicant") for the construction of an approximately 68,016 SF warehouse/distribution center (the "Project") at 175 Roger Avenue and 41 Cerro Street Inwood, NY 11096 (the "Site"). The Applicant is seeking a 20-year PILOT agreement from the Agency as well as a sales tax and mortgage tax exemption. The Agency commissioned Camoin Associates to conduct an economic and limited fiscal impact analysis of the Project on the Town of Hempstead (the "Town").

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	14
Direct Jobs	12
Total Earnings	\$ 592,541
Direct Earnings	\$ 440,000
Annual Sales Tax Revenue to County	\$ 4,407
Annual Sales Tax Revenue to Town	\$ 389
Average Annual PILOT Payment	\$ 197,260
Average Annual PILOT Payment to Town	\$ 11,572
Average Annual PILOT Benefit	\$ 43,094
Average Annual PILOT Benefit to Town	\$ 2,528
Average Annual Net Benefit to Town	\$ 2,917

- ◆ The Project would support 14 net new jobs in the town, of which 12 are direct jobs, with \$440,000 in associated earnings.
- ◆ The Applicant has negotiated terms of a proposed 20-year PILOT agreement with the Agency, where the Applicant would pay an average of \$197,260 each year, of which \$11,572 will be allocated to the Town. The average annual benefit of the PILOT will be \$43,094 each year, of which \$2,528 will be allocated to the Town.
- ◆ The annual net benefit to the Town is estimated to be \$2,917. In this case, this is the sum of the average annual PILOT benefit to the Town and new annual sales tax revenue to the Town.
- ◆ Through negotiations with the Agency, the Applicant could have access to a sales tax exemption valued at \$915,815 and a mortgage tax exemption valued at \$155,301. 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 2

Summary of Costs to Affected Jurisdictions

	State and County	
Sales Tax Exemption	\$	915,815
Mortgage Tax Exemption	\$	155,301

Source: Applicant, Camoin Associates

ECONOMIC IMPACT ANALYSIS

The estimates of direct economic activity generated by facility operation 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 Town of Hempstead'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 as a result of Project renovation and operation.

CONSTRUCTION PHASE IMPACTS

The Applicant estimates that private sector investment in the construction of the Project would cost approximately \$21.138 million¹, of which 70%² would be sourced from within the town. This means that there will be over \$14.797 million in net new spending in the town associated with the construction phase of the Project.

Table 3

Construction Phase Spending - Town

Total Renovation Cost	\$ 21,138,644
Percent Sourced from Town	70%
Net New Construction Spending	\$ 14,797,051

Source: Applicant, Camoin Associates

Based on over \$14.797 million worth of net new direct spending associated with the construction phase of the Project, Camoin Associates determined that there would be over \$18.847 million in total one-time construction related spending supporting 67 jobs and an associated \$7.090 million in earnings over the construction period throughout the town. Table 4 outlines the economic impacts of construction.

Table 4

Town Economic Impact - Construction Phase

	Jobs	Earnings	Sales
Direct	48 \$	5,703,494 \$	14,797,051
Indirect	9 \$	667,097 \$	2,170,898
Induced	10 \$	720,392 \$	1,879,926
Total	67 \$	7,090,982 \$	18,847,876

Source: Lightcast, Camoin Associates

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

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

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IMPACTS OF ON-SITE EMPLOYMENT

According to the Applicant, 12 jobs will be on-site following Project completion. The table below details the impact that these net new jobs will have on the Town of Hempstead (Table 5).

Table 5

Town Economic Impact - On-Site Operations

	Jobs	Earnings	Sales
Direct	12 \$	440,000 \$	1,094,958
Indirect	2 \$	95,760 \$	296,229
Induced	1 \$	56,780 \$	147,604
Total	14 \$	592,541 \$	1,538,792

Source: Lightcast, 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 20-year PILOT 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 affected jurisdictions.³

Table 6

Tax Payments with PILOT

Year	Total		Portion of Payment by Jurisdiction			
	PILOT Payments		Town	County	School District	Special Districts
1	\$ 89,400	\$	5,245	\$ 14,177	\$ 43,061	\$ 26,917
2	\$ 89,400	\$	5,245	\$ 14,177	\$ 43,061	\$ 26,917
3	\$ 89,400	\$	5,245	\$ 14,177	\$ 43,061	\$ 26,917
4	\$ 117,000	\$	6,864	\$ 18,553	\$ 56,355	\$ 35,228
5	\$ 122,000	\$	7,157	\$ 19,346	\$ 58,763	\$ 36,733
6	\$ 128,000	\$	7,509	\$ 20,298	\$ 61,653	\$ 38,540
7	\$ 145,000	\$	8,506	\$ 22,994	\$ 69,842	\$ 43,658
8	\$ 160,000	\$	9,386	\$ 25,372	\$ 77,067	\$ 48,174
9	\$ 170,000	\$	9,973	\$ 26,958	\$ 81,884	\$ 51,185
10	\$ 195,000	\$	11,440	\$ 30,922	\$ 93,925	\$ 58,713
11	\$ 215,000	\$	12,613	\$ 34,094	\$ 103,559	\$ 64,734
12	\$ 225,000	\$	13,200	\$ 35,680	\$ 108,375	\$ 67,745
13	\$ 240,000	\$	14,080	\$ 38,058	\$ 115,600	\$ 72,262
14	\$ 250,000	\$	14,666	\$ 39,644	\$ 120,417	\$ 75,273
15	\$ 260,000	\$	15,253	\$ 41,230	\$ 125,234	\$ 78,284
16	\$ 270,000	\$	15,840	\$ 42,816	\$ 130,050	\$ 81,294
17	\$ 280,000	\$	16,426	\$ 44,401	\$ 134,867	\$ 84,305
18	\$ 290,000	\$	17,013	\$ 45,987	\$ 139,684	\$ 87,316
19	\$ 300,000	\$	17,599	\$ 47,573	\$ 144,500	\$ 90,327
20	\$ 310,000	\$	18,186	\$ 49,159	\$ 149,317	\$ 93,338
Total	\$ 3,945,200	\$	231,445	\$ 625,617	\$ 1,900,276	\$ 1,187,862
Average	\$ 197,260	\$	11,572	\$ 31,281	\$ 95,014	\$ 59,393

Source: Town of Hempstead IDA, Camoin Associates

³ It is assumed that each jurisdiction will continue to receive the same portion of the PILOT that they currently receive from the full tax bill.

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TAX POLICY COMPARISON

Without financial assistance from the Agency, Camoin Associates assumes the Applicant would not undertake the Project⁴. Table 7 displays the property tax payment associated with the Project without the pilot. A 2% annual increase on current payments is assumed. Tax payments without the PILOT total 2,194,519 over the next 20 years or on average \$146,301 a year.

Table 7

Tax Payments without Project

Year	Total			Portion of Payment by Jurisdiction						
	Property Tax Payment			Town	County	School District	Special Districts			
	Without Project*									
1	\$	126,899	\$	7,445	\$	20,123	\$	61,123	\$	38,208
2	\$	129,437	\$	7,593	\$	20,526	\$	62,346	\$	38,972
3	\$	132,026	\$	7,745	\$	20,936	\$	63,593	\$	39,752
4	\$	134,666	\$	7,900	\$	21,355	\$	64,864	\$	40,547
5	\$	137,360	\$	8,058	\$	21,782	\$	66,162	\$	41,358
6	\$	140,107	\$	8,219	\$	22,218	\$	67,485	\$	42,185
7	\$	142,909	\$	8,384	\$	22,662	\$	68,835	\$	43,029
8	\$	145,767	\$	8,551	\$	23,115	\$	70,211	\$	43,889
9	\$	148,683	\$	8,722	\$	23,578	\$	71,616	\$	44,767
10	\$	151,656	\$	8,897	\$	24,049	\$	73,048	\$	45,662
11	\$	154,689	\$	9,075	\$	24,530	\$	74,509	\$	46,575
12	\$	157,783	\$	9,256	\$	25,021	\$	75,999	\$	47,507
13	\$	160,939	\$	9,441	\$	25,521	\$	77,519	\$	48,457
14	\$	164,158	\$	9,630	\$	26,032	\$	79,069	\$	49,426
15	\$	167,441	\$	9,823	\$	26,552	\$	80,651	\$	50,415
16	\$	170,789	\$	10,019	\$	27,083	\$	82,264	\$	51,423
17	\$	174,205	\$	10,220	\$	27,625	\$	83,909	\$	52,452
18	\$	177,689	\$	10,424	\$	28,177	\$	85,587	\$	53,501
19	\$	181,243	\$	10,633	\$	28,741	\$	87,299	\$	54,571
20	\$	184,868	\$	10,845	\$	29,316	\$	89,045	\$	55,662
Total	\$	2,194,519	\$	128,741	\$	348,000	\$	1,057,029	\$	660,749
Average	\$	146,301	\$	8,583	\$	23,200	\$	70,469	\$	44,050

Source: Town of Hempstead IDA, Camoin Associates

***Note:** Assumes an average annual increase of 2.00%

⁴ Portions of the Property were previously owned by Nassau County and as a whole the Property was primarily tax exempt. This assume the land transfer ownership and is therefore not tax exempt, but the Project does not occur"

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Table 8 calculates the benefit (or cost) to the affected taxing jurisdictions as the difference between the PILOT payments associated with the Project and the property tax payments without the Project. In total, \$43,094 more in PILOT revenue will be received annually than property taxes that would be received without the Project. The total benefit would be \$861,885 more over the 20-year period.

Table 8

Tax Policy Comparison (All Jurisdictions)

Year	Property Tax Payment Without Project	PILOT Payment	Benefit (Cost) of Project
1	\$ 126,899	\$ 89,400	\$ (37,499)
2	\$ 129,437	\$ 89,400	\$ (40,037)
3	\$ 132,026	\$ 89,400	\$ (42,626)
4	\$ 134,666	\$ 117,000	\$ (17,666)
5	\$ 137,360	\$ 122,000	\$ (15,360)
6	\$ 140,107	\$ 128,000	\$ (12,107)
7	\$ 142,909	\$ 145,000	\$ 2,091
8	\$ 145,767	\$ 160,000	\$ 14,233
9	\$ 148,683	\$ 170,000	\$ 21,317
10	\$ 151,656	\$ 195,000	\$ 43,344
11	\$ 154,689	\$ 215,000	\$ 60,311
12	\$ 157,783	\$ 225,000	\$ 67,217
13	\$ 160,939	\$ 240,000	\$ 79,061
14	\$ 164,158	\$ 250,000	\$ 85,842
15	\$ 167,441	\$ 260,000	\$ 92,559
16	\$ 170,789	\$ 270,000	\$ 99,211
17	\$ 174,205	\$ 280,000	\$ 105,795
18	\$ 177,689	\$ 290,000	\$ 112,311
19	\$ 181,243	\$ 300,000	\$ 118,757
20	\$ 184,868	\$ 310,000	\$ 125,132
Total	\$ 3,083,315	\$ 3,945,200	\$ 861,885
Average	\$ 154,166	\$ 197,260	\$ 43,094

Source: Town of Hempstead IDA, Camoin Associates

CAMOIN ASSOCIATES

TOWN

Table 9 calculates the benefit (or cost) to the Town. The Town would receive approximately \$2,528 more in PILOT revenue annually than it would receive in property taxes without the Project. The total impact on the Town would be \$50,562 more over the 20-year period.

Table 9

Tax Policy Comparison for Town

Year	Property Tax Payment Without Project	PILOT Payment	Benefit (Cost) of Project
1	\$ 7,445	\$ 5,245	\$ (2,200)
2	\$ 7,593	\$ 5,245	\$ (2,349)
3	\$ 7,745	\$ 5,245	\$ (2,501)
4	\$ 7,900	\$ 6,864	\$ (1,036)
5	\$ 8,058	\$ 7,157	\$ (901)
6	\$ 8,219	\$ 7,509	\$ (710)
7	\$ 8,384	\$ 8,506	\$ 123
8	\$ 8,551	\$ 9,386	\$ 835
9	\$ 8,722	\$ 9,973	\$ 1,251
10	\$ 8,897	\$ 11,440	\$ 2,543
11	\$ 9,075	\$ 12,613	\$ 3,538
12	\$ 9,256	\$ 13,200	\$ 3,943
13	\$ 9,441	\$ 14,080	\$ 4,638
14	\$ 9,630	\$ 14,666	\$ 5,036
15	\$ 9,823	\$ 15,253	\$ 5,430
16	\$ 10,019	\$ 15,840	\$ 5,820
17	\$ 10,220	\$ 16,426	\$ 6,206
18	\$ 10,424	\$ 17,013	\$ 6,589
19	\$ 10,633	\$ 17,599	\$ 6,967
20	\$ 10,845	\$ 18,186	\$ 7,341
Total	\$ 180,882	\$ 231,445	\$ 50,562
Average	\$ 9,044	\$ 11,572	\$ 2,528

Source: Town of Hempstead IDA, Camoin Associates

CAMOIN ASSOCIATES

COUNTY

Table 10 calculates the benefit (or cost) to the County. The County would receive approximately \$6,834 more in PILOT revenue annually than it would receive in property taxes without the Project. The total impact to the County would be \$136,675 more over the 20-year period.

Table 10

Tax Policy Comparison for County

Year	Property Tax Payment Without Project	PILOT Payment	Benefit (Cost) of Project
1	\$ 20,123	\$ 14,177	\$ (5,946)
2	\$ 20,526	\$ 14,177	\$ (6,349)
3	\$ 20,936	\$ 14,177	\$ (6,759)
4	\$ 21,355	\$ 18,553	\$ (2,801)
5	\$ 21,782	\$ 19,346	\$ (2,436)
6	\$ 22,218	\$ 20,298	\$ (1,920)
7	\$ 22,662	\$ 22,994	\$ 332
8	\$ 23,115	\$ 25,372	\$ 2,257
9	\$ 23,578	\$ 26,958	\$ 3,380
10	\$ 24,049	\$ 30,922	\$ 6,873
11	\$ 24,530	\$ 34,094	\$ 9,564
12	\$ 25,021	\$ 35,680	\$ 10,659
13	\$ 25,521	\$ 38,058	\$ 12,537
14	\$ 26,032	\$ 39,644	\$ 13,613
15	\$ 26,552	\$ 41,230	\$ 14,678
16	\$ 27,083	\$ 42,816	\$ 15,732
17	\$ 27,625	\$ 44,401	\$ 16,777
18	\$ 28,177	\$ 45,987	\$ 17,810
19	\$ 28,741	\$ 47,573	\$ 18,832
20	\$ 29,316	\$ 49,159	\$ 19,843
Total	\$ 488,942	\$ 625,617	\$ 136,675
Average	\$ 24,447	\$ 31,281	\$ 6,834

Source: Town of Hempstead IDA, Camoin Associates

CAMOIN ASSOCIATES

SCHOOL DISTRICT

Table 11 calculates the benefit (or cost) to the school district. The school district would receive approximately \$20,757 more in PILOT revenue annually than it would receive in property taxes without the Project. The total impact to the school district would be \$415,143 more over the 20-year period.

Table 11

Tax Policy Comparison for School District

Year	Property Tax Payment Without Project	PILOT Payment	Benefit (Cost) of Project
1	\$ 61,123	\$ 43,061	\$ (18,062)
2	\$ 62,346	\$ 43,061	\$ (19,285)
3	\$ 63,593	\$ 43,061	\$ (20,531)
4	\$ 64,864	\$ 56,355	\$ (8,509)
5	\$ 66,162	\$ 58,763	\$ (7,398)
6	\$ 67,485	\$ 61,653	\$ (5,831)
7	\$ 68,835	\$ 69,842	\$ 1,007
8	\$ 70,211	\$ 77,067	\$ 6,855
9	\$ 71,616	\$ 81,884	\$ 10,268
10	\$ 73,048	\$ 93,925	\$ 20,877
11	\$ 74,509	\$ 103,559	\$ 29,050
12	\$ 75,999	\$ 108,375	\$ 32,376
13	\$ 77,519	\$ 115,600	\$ 38,081
14	\$ 79,069	\$ 120,417	\$ 41,348
15	\$ 80,651	\$ 125,234	\$ 44,583
16	\$ 82,264	\$ 130,050	\$ 47,787
17	\$ 83,909	\$ 134,867	\$ 50,958
18	\$ 85,587	\$ 139,684	\$ 54,096
19	\$ 87,299	\$ 144,500	\$ 57,201
20	\$ 89,045	\$ 149,317	\$ 60,272
Total	\$ 1,485,134	\$ 1,900,276	\$ 415,143
Average	\$ 74,257	\$ 95,014	\$ 20,757

Source: Town of Hempstead IDA, Camoin Associates

CAMOIN ASSOCIATES

SPECIAL DISTRICTS

Table 12 calculates the benefit (or cost) to the special districts. The special districts would receive approximately \$12,975 more in PILOT revenue annually than they would receive in property taxes without the Project. The total impact on the special districts would be \$259,506 more over the 20-year period.

Table 12

Tax Policy Comparison for Special Districts

Year	Property Tax Payment Without Project	PILOT Payment	Benefit (Cost) of Project
1	\$ 38,208	\$ 26,917	\$ (11,291)
2	\$ 38,972	\$ 26,917	\$ (12,055)
3	\$ 39,752	\$ 26,917	\$ (12,834)
4	\$ 40,547	\$ 35,228	\$ (5,319)
5	\$ 41,358	\$ 36,733	\$ (4,625)
6	\$ 42,185	\$ 38,540	\$ (3,645)
7	\$ 43,029	\$ 43,658	\$ 630
8	\$ 43,889	\$ 48,174	\$ 4,285
9	\$ 44,767	\$ 51,185	\$ 6,418
10	\$ 45,662	\$ 58,713	\$ 13,050
11	\$ 46,575	\$ 64,734	\$ 18,159
12	\$ 47,507	\$ 67,745	\$ 20,238
13	\$ 48,457	\$ 72,262	\$ 23,805
14	\$ 49,426	\$ 75,273	\$ 25,846
15	\$ 50,415	\$ 78,284	\$ 27,869
16	\$ 51,423	\$ 81,294	\$ 29,871
17	\$ 52,452	\$ 84,305	\$ 31,854
18	\$ 53,501	\$ 87,316	\$ 33,816
19	\$ 54,571	\$ 90,327	\$ 35,757
20	\$ 55,662	\$ 93,338	\$ 37,676
Total	\$ 928,357	\$ 1,187,862	\$ 259,506
Average	\$ 46,418	\$ 59,393	\$ 12,975

Source: Town of Hempstead IDA, Camoin Associates

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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. Tax exemptions are for the state and county taxes and are not applicable to the town.

Table 13

Summary of Costs to Affected Jurisdictions

	State and County	
Sales Tax Exemption	\$	915,815
Mortgage Tax Exemption	\$	155,301

Source: Applicant, Camoin Associates

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

SALES TAX REVENUE**SALES TAX REVENUE – RENOVATION PHASE**

The one-time renovation phase earnings described by the total economic impact of the renovation work (described in the above section) would lead to additional sales tax revenue for the Town. It is assumed that 70%⁵ of the renovation phase earnings would be spent within the county and that 25% of those purchases would be taxable.

Table 14

One-Time Sales Tax Revenue, Renovation Phase

Total New Earnings	\$	7,090,982
Amount Spent in County (70%)	\$	4,963,687
Amount Taxable (25%)	\$	1,240,922
Nassau County Sales Tax Revenue (4.25%)	\$	52,739
New Town Sales Tax Revenue Portion*		0.375%
New Town Sales Tax Revenue	\$	4,653

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.

⁵ According to Lightcast, 70% demand for industries in a typical household spending basket is met within Nassau County.

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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 15 displays the annual tax revenue that the Town will receive.

Table 15

Annual Sales Tax Revenue, On-Site Operations

Total New Earnings	\$	592,541
Amount Spent in County (70%)	\$	414,778
Amount Taxable (25%)	\$	103,695
Nassau County Sales Tax Revenue (4.25%)	\$	4,407
New Town Sales Tax Revenue Portion*		0.375%
New Town Tax Revenue	\$	389

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.

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.

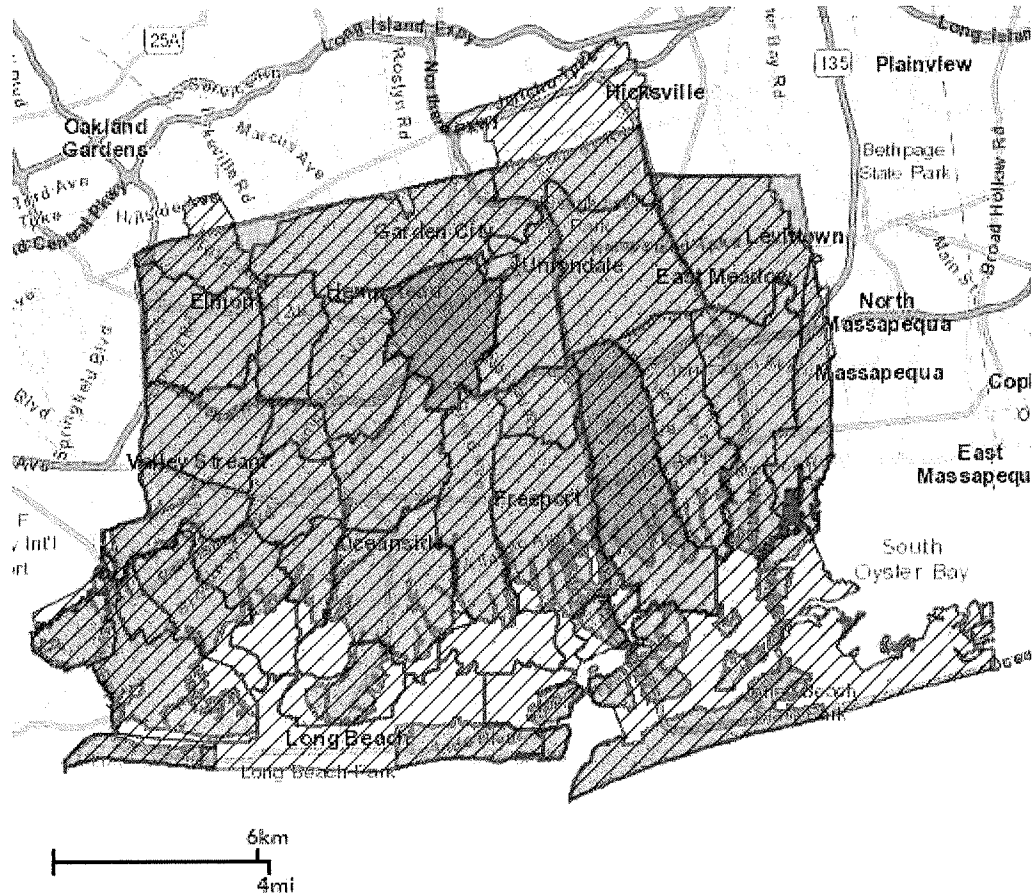
Key information for the reader to retain is that this type of analysis requires rigorous and careful consideration of the geography selected (i.e., how the “local economy” is defined) and the implications of the geography on the computation of the change in final demand. If this analysis wanted to consider 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.

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ATTACHMENT B: STUDY AREAS

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



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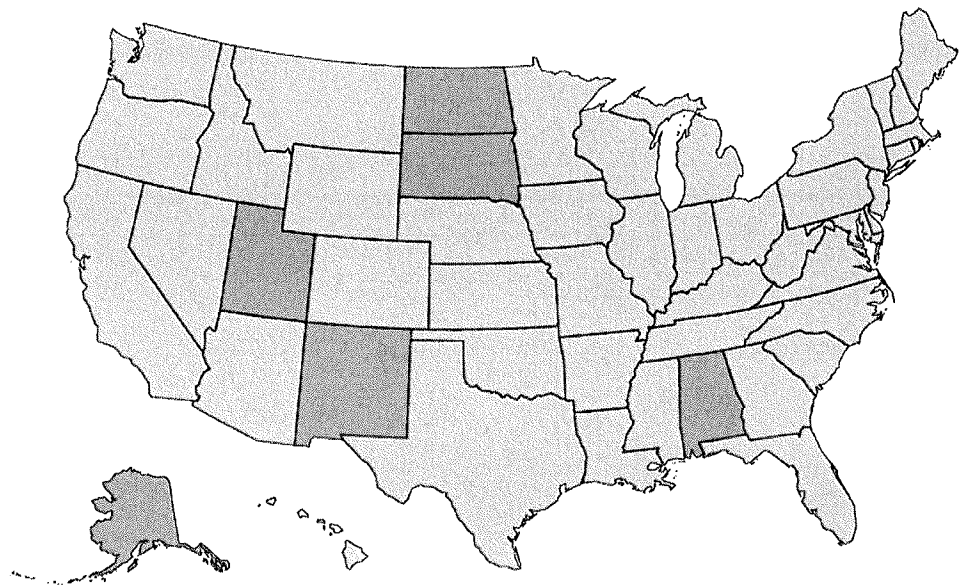
ABOUT CAMOIN ASSOCIATES

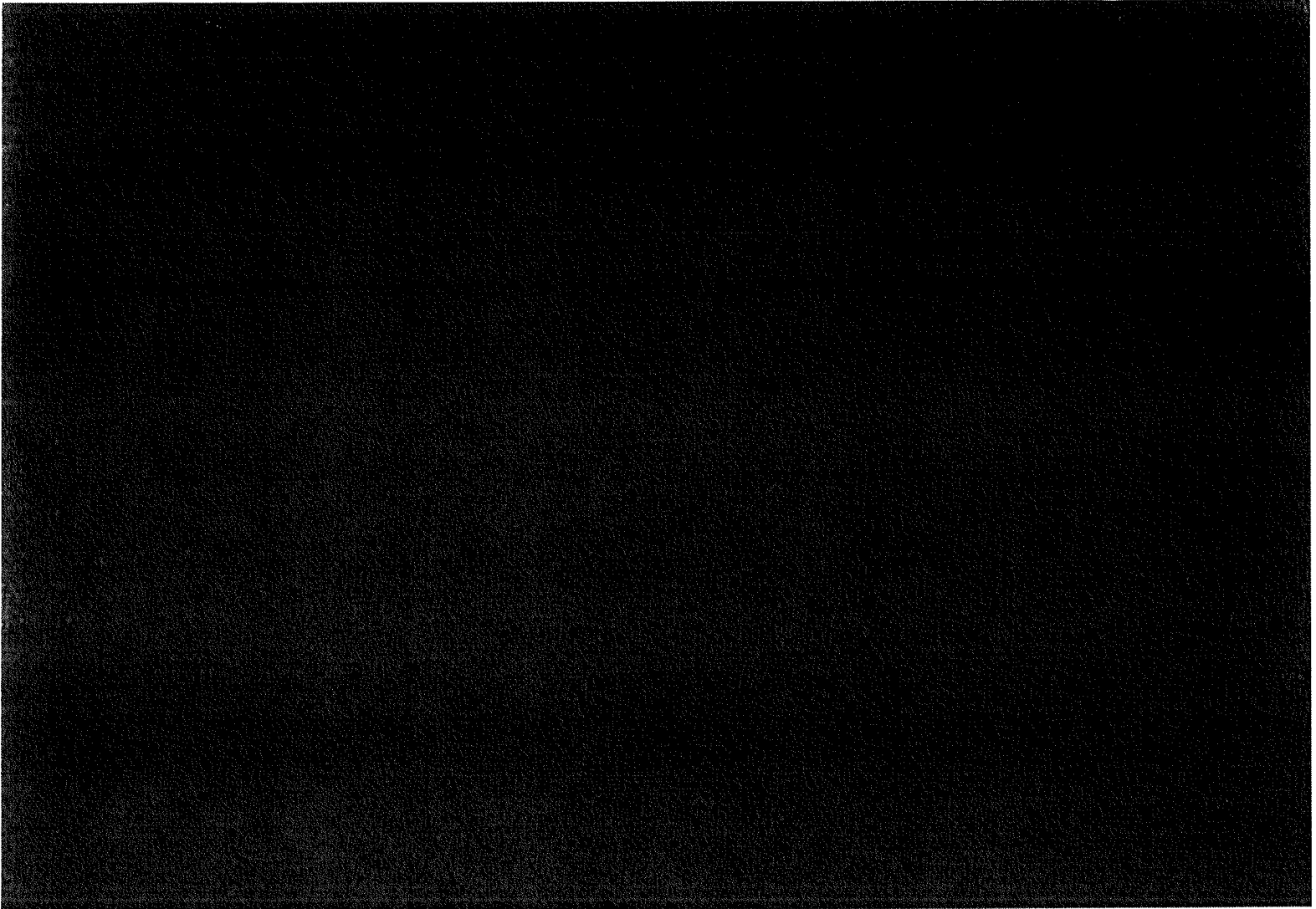
Camoin Associates has provided economic development consulting services to municipalities, economic development agencies, and private enterprises since 1999. Through the services offered, Camoin Associates has had the opportunity to serve EDOs and local and state governments from Maine to California; 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](https://twitter.com/camoinassociate) and on [Facebook](https://www.facebook.com/camoinassociate).

THE PROJECT TEAM

Rachel Selsky
Vice President

Connor Allen
Analyst





Leading action to grow your economy

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FORCHELLI
DEEGAN
TERRANA

JOHN P. GORDON
PARTNER
JGORDON@FORCHELLILAW.COM

December 5, 2023

VIA EMAIL

Town of Hempstead Industrial Development Agency
350 Front Street, Room 234-A
Hempstead, New York 11550-4037

Attn: Michael Lodato, Deputy Executive Director

***Re: Maxima Real Estate – Barclay LLC
615 Merrick Avenue, Westbury, New York
Consent to Sublease***

Dear Mr. Lodato:

Our firm represents Maxima Real Estate – Barclay LLC (“Maxima”) in connection with its project at 615 Merrick Avenue, Westbury. I am writing to request IDA consent to a sublease of a portion of the Project Facility. I have enclosed a copy of the proposed sublease.

Size of Subleased Premises: approximately 9,600 sf
Tenant: Eihab Human Services, Inc.
Subleased Premises: 615 Merrick Avenue, Westbury, New York, Part of 1st Floor
Estimated Employees: 8 full-time-equivalent
Estimated Average Annual Salary: \$59,535

Please let me know if you need any additional information.

Very truly yours,
FORCHELLI DEEGAN TERRANA LLP

By: *John P. Gordon*
John P. Gordon

JPG
Enclosure

STANDARD FORM OF OFFICE LEASE
The Real Estate Board of New York, Inc.

7/04

Agreement of Lease, made as of this 30th day of November in the year 2023, between Maxima Real Estate - Barclay LLC, with an office address of 615 Merrick Avenue, Westbury, NY 11554 party of the first part, hereinafter referred to as OWNER, and Elhab Human Services, Inc., with an office address of 168-18 South Conduit Avenue, Springfield Gardens, New York 11434 party of the second part, hereinafter referred to as TENANT,

Witnesseth: Owner hereby leases to Tenant and Tenant hereby hires from Owner

Approximately 9,600 square feet on the left side of the first floor

in the building known as 615 Merrick Avenue, Westbury, New York 11554, County of Nassau,
XXXXXXXXXX XXXXXXXXXXXXX for the term of ONE YEAR

(or until such term shall sooner cease and expire as hereinafter provided) to commence on the

19th day of December in the year 2023, and to end on the 30th day of November in the year 2024, and both dates inclusive, at the annual rental rate of SEE ANNEXED RIDER

which Tenant agrees to pay in lawful money of the United States, which shall be legal tender in payment of all debts and dues, public and private, at the time of payment, in equal monthly installments in advance on the first day of each month during said term, at the office of Owner or such other place as Owner may designate, without any setoff or deduction whatsoever, except that Tenant shall pay the first one monthly installment(s) on the execution hereof (unless this lease be a renewal).

In the event that, at the commencement of the term of this lease, or thereafter, Tenant shall be in default in the payment of rent to Owner pursuant to the terms of another lease with Owner or with Owner's predecessor in interest, Owner may at Owner's option and without notice to Tenant add the amount of such arrears to any monthly installment of rent payable hereunder and the same shall be payable to Owner as additional rent.

The parties hereto, for themselves, their heirs, distributees, executors, administrators, legal representatives, successors and assigns, hereby covenant as follows:

Rent: 1. Tenant shall pay the rent as above and as hereinafter provided.
Occupancy: 2. Tenant shall use and occupy the demised premises for an office

and for no other purpose.

Tenant Alterations: 3. Tenant shall make no changes in or to the demised premises of any nature without Owner's prior written consent. Subject to the prior written consent of Owner, and to the provisions of this article, Tenant, at Tenant's expense, may make alterations, installations, additions or improvements which are non-structural and which do not affect utility services or plumbing and electrical lines, in or to the interior of the demised premises, by using contractors or mechanics first approved in each instance by Owner. Tenant shall, before making any alterations, additions, installations or improvements, at its expense, obtain all permits, approvals and certificates required by any governmental or quasi-governmental bodies and (upon completion) certificates of final approval thereof, and shall deliver promptly duplicates of all such permits, approvals and certificates to Owner, and Tenant agrees to carry, and will cause Tenant's contractors and sub-contractors to carry, such worker's compensation, commercial general liability, personal and property damage insurance as Owner may require. If any mechanic's lien is filed against the demised premises, or the building of which the same forms a part, for work claimed to have been done for, or materials furnished to, Tenant, whether or not done pursuant to this article, the same shall be discharged by Tenant within thirty days thereafter, at Tenant's expense, by payment or filing a bond as permitted by law. All fixtures and all paneling, partitions, railings and like installations, installed in the demised premises at any time, either by Tenant or by Owner on Tenant's behalf, shall, upon installation, become the property of Owner and shall remain upon and be surrendered with the demised premises unless Owner, by notice to Tenant no later than twenty days prior to the date fixed as the termination of this lease, elects to relinquish Owner's right thereto and to have them removed by Tenant, in which event the same shall be removed from the demised premises by Tenant prior to the expiration of the lease, at Tenant's expense. Nothing in this article shall be construed to give Owner title to, or to prevent Tenant's removal of, trade fixtures, moveable office furniture and equipment, but upon removal of same from the demised premises or upon removal of other installations as may be required by Owner, Tenant shall immediately, and at its expense, repair and restore the demised premises to the condition existing prior to any such installations, and repair any damage to the demised premises or the building due to such removal. All property permitted or required to be removed by Tenant at the end of the term remaining in the demised premises after Tenant's removal shall be deemed abandoned and may, at the election of Owner, either be retained as Owner's property or may be removed from the demised premises by Owner, at Tenant's expense.

Maintenance and Repairs: 4. Tenant shall, throughout the term of this lease, take good care of the demised premises and the fixtures and appurtenances therein. Tenant shall be responsible for all damage or injury to the demised premises or any other part of the building and the systems and equipment thereof, whether requiring structural or nonstructural repairs caused by, or resulting from, carelessness, omission, neglect or improper conduct of Tenant, Tenant's subtenants, agents, employees, invitees or licensees, or which arise out of any work, labor, service or equipment done for, or supplied to, Tenant or any subtenant, or arising out of the installation, use or operation of the property or equipment of Tenant or any subtenant. Tenant shall also repair all damage to the building and the demised premises caused by the moving of Tenant's fixtures, furniture and

equipment. Tenant shall promptly make, at Tenant's expense, all repairs in and to the demised premises for which Tenant is responsible, using only the contractor for the trade or trades in question, selected from a list of at least two contractors per trade submitted by Owner. Any other repairs in or to the building or the facilities and systems thereof, for which Tenant is responsible, shall be performed by Owner at the Tenant's expense. Owner shall maintain in good working order and repair the exterior and the structural portions of the building, including the structural portions of the demised premises, and the public portions of the building interior and the building plumbing, electrical, heating and ventilating systems (to the extent such systems presently exist) serving the demised premises. Tenant agrees to give prompt notice of any defective condition in the demised premises for which Owner may be responsible hereunder. There shall be no allowance to Tenant for diminution of rental value and no liability on the part of Owner by reason of inconvenience, annoyance or injury to business arising from Owner or others making repairs, alterations, additions or improvements in or to any portion of the building or the demised premises, or in and to the fixtures, appurtenances or equipment thereof. It is specifically agreed that Tenant shall not be entitled to any setoff or reduction of rent by reason of any failure of Owner to comply with the covenants of this or any other article of this lease. Tenant agrees that Tenant's sole remedy at law in such instance will be by way of an action for damages for breach of contract. The provisions of this Article 4 shall not apply in the case of fire or other casualty, which are dealt with in Article 9 hereof.

Window Cleaning: 5. Tenant will not clean nor require, permit, suffer or allow any window in the demised premises to be cleaned from the outside in violation of Section 202 of the Labor Law or any other applicable law, or of the Rules of the Board of Standards and Appeals, or of any other Board or body having or asserting jurisdiction.

Requirements of Law, Fire Insurance, Floor Loads: 6. Prior to the commencement of the lease term, if Tenant is then in possession, and at all times thereafter, Tenant, at Tenant's sole cost and expense, shall promptly comply with all present and future laws, orders and regulations of all state, federal, municipal and local governments, departments, commissions and boards and any direction of any public officer pursuant to law, and all orders, rules and regulations of the New York Board of Fire Underwriters, Insurance Services Office, or any similar body which shall impose any violation, order or duty upon Owner or Tenant with respect to the demised premises, whether or not arising out of Tenant's use or manner of use thereof, (including Tenant's permitted use) or, with respect to the building if arising out of Tenant's use or manner of use of the demised premises or the building (including the use permitted under the lease). Nothing herein shall require Tenant to make structural repairs or alterations unless Tenant has, by its manner of use of the demised premises or method of operation therein, violated any such laws, ordinances, orders, rules, regulations or requirements with respect thereto. Tenant may, after securing Owner to Owner's satisfaction against all damages, interest, penalties and expenses, including, but not limited to, reasonable attorney's fees, by cash deposit or by surety bond in an amount and in a company satisfactory to Owner, contest and appeal any such laws, ordinances, orders, rules, regulations or

requirements provided same is done with all reasonable promptness and provided such appeal shall not subject Owner to prosecution for a criminal offense, or constitute a default under any lease or mortgage under which Owner may be obligated, or cause the demised premises or any part thereof to be condemned or vacated. Tenant shall not do or permit any act or thing to be done in or to the demised premises which is contrary to law, or which will invalidate or be in conflict with public liability, fire or other policies of insurance at any time carried by or for the benefit of Owner with respect to the demised premises or the building of which the demised premises form a part, or which shall or might subject Owner to any liability or responsibility to any person, or for property damage. Tenant shall not keep anything in the demised premises, except as now or hereafter permitted by the Fire Department, Board of Fire Underwriters, Fire Insurance Rating Organization or other authority having jurisdiction, and then only in such manner and such quantity so as not to increase the rate for fire insurance applicable to the building, nor use the demised premises in a manner which will increase the insurance rate for the building or any property located therein over that in effect prior to the commencement of Tenant's occupancy. Tenant shall pay all costs, expenses, fines, penalties, or damages, which may be imposed upon Owner by reason of Tenant's failure to comply with the provisions of this article, and if by reason of such failure the fire insurance rate shall, at the beginning of this lease, or at any time thereafter, be higher than it otherwise would be, then, Tenant shall reimburse Owner, as additional rent hereunder, for that portion of all fire insurance premiums thereafter paid by Owner which shall have been charged because of such failure by Tenant. In any action or proceeding wherein Owner and Tenant are parties, a schedule or "make-up" of rate for the building or the demised premises issued by the New York Fire Insurance Exchange, or other body making fire insurance rates applicable to said premises shall be conclusive evidence of the facts therein stated and of the several items and charges in the fire insurance rates then applicable to said premises. Tenant shall not place a load upon any floor of the demised premises exceeding the floor load per square foot area which it was designed to carry and which is allowed by law. Owner reserves the right to prescribe the weight and position of all safes, business machines and mechanical equipment. Such installations shall be placed and maintained by Tenant, at Tenant's expense, in settings sufficient, in Owner's judgment, to absorb and prevent vibration, noise and annoyance.

Subordination: 7. This lease is subject and subordinate to all ground or underlying leases and to all mortgages which may now or hereafter affect such leases or the real property of which the demised premises are a part, and to all renewals, modifications, consolidations, replacements and extensions of any such underlying leases and mortgages. This clause shall be self-operative and no further instrument of subordination shall be required by any ground or underlying lessor or by any mortgagee, affecting any lease or the real property of which the demised premises are a part. In confirmation of such subordination, Tenant shall from time to time execute promptly any certificate that Owner may request.

Property Loss, Damage, Reimbursement Indemnity: 8. Owner or its agents shall not be liable for any damage to property of Tenant or of others entrusted to employees of the building, nor for loss of or damage to any property of Tenant by theft or otherwise, nor for any injury or damage to persons or property resulting from any cause of whatsoever nature, unless caused by, or due to, the negligence of Owner, its agents, servants or employees. Owner or its agents will not be liable for any such damage caused by other tenants or persons in, upon or about said building, or caused by operations in construction of any private, public or quasi public work. If at any time any windows of the demised premises are temporarily closed, darkened or bricked up (or permanently closed, darkened or bricked up, if required by law) for any reason whatsoever including, but not limited to, Owner's own acts, Owner shall not be liable for any damage Tenant may sustain thereby, and Tenant shall not be entitled to any compensation therefor, nor abatement or diminution of rent, nor shall the same release Tenant from its obligations hereunder, nor constitute an eviction. Tenant shall indemnify and save harmless Owner against and from all liabilities, obligations, damages, penalties, claims, costs and expenses for which Owner shall not be reimbursed by insurance, including reasonable attorneys' fees, paid, suffered or incurred as a result of any breach by Tenant, Tenant's agents, contractors, employees, invitees, or licensees, of any covenant or condition of this lease, or the carelessness, negligence or improper conduct of the Tenant, Tenant's agents, contractors, employees, invitees or licensees. Tenant's liability under this lease extends to the acts and omissions of any subtenant, and any agent, contractor, employee, invitee or licensee of any subtenant. In case any action or proceeding is brought against Owner by reason of any such claim, Tenant, upon written notice from Owner, will, at Tenant's expense, resist or defend such action or proceeding by counsel approved by Owner in writing, such approval not to be unreasonably withheld.

Destruction, Fire and Other Casualty: 9. (a) If the demised premises or any part thereof shall be damaged by fire or other casualty, Tenant shall give immediate notice thereof to Owner, and this lease shall continue in full force and effect except as hereinafter set forth. (b) If the demised premises are partially damaged or rendered partially unusable by fire or other casualty, the damages thereto shall be repaired by, and at the expense of, Owner, and the rent and other items of additional rent, until such repair shall be substantially completed, shall be apportioned from the day following the casualty, according to the part of the demised premises which is usable. (c) If the demised premises are totally damaged or rendered wholly unusable by fire or other casualty, then the rent and other items of additional rent, as hereinafter expressly provided, shall be proportionately paid up to the time of the casualty, and thereupon shall cease until the date when the demised premises shall have been repaired and restored by Owner (or if sooner reoccupied in part by the Tenant then rent shall be apportioned as provided in subsection (b) above), subject to Owner's right to elect not to restore the same as hereinafter provided. (d) If the demised premises are rendered wholly unusable or (whether or not the demised premises are damaged in whole or in part) if the building shall be so damaged that Owner shall decide to demolish it or to rebuild it, then, in any of such events, Owner may elect to terminate this lease by written notice to Tenant, given within ninety (90) days after such fire or casualty, or thirty (30) days after adjustment of the insurance claim for such fire or casualty, whichever is sooner, specifying a date for the expiration of the lease, which date shall not be more than sixty (60) days after the giving of such notice, and upon the date specified in such

notice the term of this lease shall expire as fully and completely as if such date were the date set forth above for the termination of this lease, and Tenant shall forthwith quit, surrender and vacate the demised premises without prejudice however, to Landlord's rights and remedies against Tenant under the lease provisions in effect prior to such termination, and any rent owing shall be paid up to such date, and any payments of rent made by Tenant which were on account of any period subsequent to such date shall be returned to Tenant. Unless Owner shall serve a termination notice as provided for herein, Owner shall make the repairs and restorations under the conditions of (b) and (c) hereof, with all reasonable expedition, subject to delays due to adjustment of insurance claims, labor troubles and causes beyond Owner's control. After any such casualty, Tenant shall cooperate with Owner's restoration by removing from the demised premises as promptly as reasonably possible, all of Tenant's salvageable inventory and movable equipment, furniture, and other property. Tenant's liability for rent shall resume five (5) days after written notice from Owner that the demised premises are substantially ready for Tenant's occupancy. (e) Nothing contained hereinabove shall relieve Tenant from liability that may exist as a result of damage from fire or other casualty. Notwithstanding anything contained to the contrary in subdivisions (a) through (e) hereof, including Owner's obligation to restore under subparagraph (b) above, each party shall look first to any insurance in its favor before making any claim against the other party for recovery for loss or damage resulting from fire or other casualty, and to the extent that such insurance is in force and collectible, and to the extent permitted by law, Owner and Tenant each hereby releases and waives all right of recovery with respect to subparagraphs (b), (d), and (e) above, against the other, or any one claiming through or under each of them by way of subrogation or otherwise. The release and waiver herein referred to shall be deemed to include any loss or damage to the demised premises and/or to any personal property, equipment, trade fixtures, goods and merchandise located therein. The foregoing release and waiver shall be in force only if both releasors' insurance policies contain a clause providing that such a release or waiver shall not invalidate the insurance. If, and in the extent, that such waiver can be obtained only by the payment of additional premiums, then the party benefitting from the waiver shall pay such premium within ten days after written demand or shall be deemed to have agreed that the party obtaining insurance coverage shall be free of any further obligation under the provisions hereof with respect to waiver of subrogation. Tenant acknowledges that Owner will not carry insurance on Tenant's furniture and/or furnishings or any fixtures or equipment, improvements, or appurtenances removable by Tenant, and agrees that Owner will not be obligated to repair any damage thereto or replace the same. (f) Tenant hereby waives the provisions of section 227 of the Real Property Law and agrees that the provisions of this article shall govern and control in lieu thereof.

Eminent Domain: 10. If the whole or any part of the demised premises shall be acquired or condemned by Eminent Domain for any public or quasi public use or purpose, then, and in that event, the term of this lease shall cease and terminate from the date of title vesting in such proceeding, and Tenant shall have no claim for the value of any unexpired term of said lease, and assigns to Owner, Tenant's entire interest in any such award. Tenant shall have the right to make an independent claim to the condemning authority for the value of Tenant's moving expenses and personal property, trade fixtures and equipment, provided Tenant is entitled pursuant to the terms of the lease to remove such property, trade fixtures and equipment at the end of the term, and provided further such claim does not reduce Owner's award.

Assignment, Mortgage, Etc.: 11. Tenant, for itself, its heirs, distributees, executors, administrators, legal representatives, successors and assigns, expressly covenants that it shall not assign, mortgage or encumber this agreement, nor underlet, or suffer or permit the demised premises or any part thereof to be used by others, without the prior written consent of Owner in each instance. Transfer of the majority of the stock of a corporate Tenant or the majority interest in any partnership or other legal entity which is Tenant shall be deemed an assignment. If this lease be assigned, or if the demised premises or any part thereof be underlet or occupied by anybody other than Tenant, Owner may, after default by Tenant, collect rent from the assignee, under-tenant or occupant, and apply the net amount collected to the rent herein reserved, but no such assignment, underletting, occupancy or collection shall be deemed a waiver of this covenant, or the acceptance of the assignee, undertenant or occupant as tenant, or a release of Tenant from the further performance by Tenant of covenants on the part of Tenant herein contained. The consent by Owner to an assignment or underletting shall not in any way be construed to relieve Tenant from obtaining the express consent in writing of Owner to any further assignment or underletting.

Electric Current: 12. Rates and conditions in respect to submetering or rent inclusion, as the case may be, to be added in RIDER attached hereto. Tenant covenants and agrees that at all times its use of electric current shall not exceed the capacity of existing feeders to the building or the risers or wiring installation, and Tenant may not use any electrical equipment which, in Owner's opinion, reasonably exercised, will overload such installations or interfere with the use thereof by other tenants of the building. The change at any time of the character of electric service shall in no way make Owner liable or responsible to Tenant, for any loss, damages or expenses which Tenant may sustain.

Access to Premises: 13. Owner or Owner's agents shall have the right (but shall not be obligated) to enter the demised premises in any emergency at any time, and, at other reasonable times, to examine the same and to make such repairs, replacements and improvements as Owner may deem necessary and reasonably desirable to the demised premises or to any other portion of the building or which Owner may elect to perform. Tenant shall permit Owner to use and maintain and replace pipes, ducts, and conduits in and through the demised premises and to erect new pipes, ducts, and conduits therein, provided they are concealed within the walls, floor, or ceiling. Owner may, during the progress of any work in the demised premises, take all necessary materials and equipment into said premises without the same constituting an eviction, nor shall the Tenant be entitled to any abatement of rent while such work is in progress, nor to any damages by reason of loss or interruption of business or otherwise. Throughout the term hereof, Owner shall have the right to enter the demised premises at reasonable hours for the purpose of showing the same to prospective purchasers or mortgagees

of the building, and during the last six months of the term, for the purpose of showing the same to prospective tenants. If Tenant is not present to open and permit an entry into the demised premises, Owner or Owner's agents may enter the same whenever such entry may be necessary or permissible by master key or forcibly, and provided reasonable care is exercised to safeguard Tenant's property, such entry shall not render Owner or his agents liable therefor, nor in any event shall the obligations of Tenant hereunder be affected. If during the last month of the term Tenant shall have removed all or substantially all of Tenant's property therefrom, Owner may immediately enter, alter, renovate or redecorate the demised premises without limitation or abatement of rent, or incurring liability to Tenant for any compensation, and such act shall have no effect on this lease or Tenant's obligations hereunder.

Vault, Vault Space, Area: 14. No vaults, vault space or area, whether or not enclosed or covered, not within the property line of the building, is leased hereunder, anything contained in or indicated on any sketch, blue print or plan, or anything contained elsewhere in this lease to the contrary notwithstanding. Owner makes no representation as to the location of the property line of the building. All vaults and vault space and all such areas not within the property line of the building, which Tenant may be permitted to use and/or occupy, is to be used and/or occupied under a revocable license, and if any such license be revoked, or if the amount of such space or area be diminished or required by any federal, state or municipal authority or public utility, Owner shall not be subject to any liability, nor shall Tenant be entitled to any compensation or diminution or abatement of rent, nor shall such revocation, diminution or requisition be deemed constructive or actual eviction. Any tax, fee or change of municipal authorities for such vault or area shall be paid by Tenant.

Occupancy: 15. Tenant will not at any time use or occupy the demised premises in violation of the certificate of occupancy issued for the building of which the demised premises are a part. Tenant has inspected the demised premises and accepts them as is, subject to the riders annexed hereto with respect to Owner's work, if any. In any event, Owner makes no representation as to the condition of the demised premises, and Tenant agrees to accept the same subject to violations, whether or not of record.

Bankruptcy: 16. (a) Anything elsewhere in this lease to the contrary notwithstanding, this lease may be cancelled by Owner by the sending of a written notice to Tenant within a reasonable time after the happening of any one or more of the following events: (1) the commencement of a case in bankruptcy or under the laws of any state naming Tenant (or a guarantor of any of Tenant's obligations under this lease) as the debtor; or (2) the making by Tenant (or a guarantor of any of Tenant's obligations under this lease) of an assignment or any other arrangement for the benefit of creditors under any state statute. Neither Tenant nor any person claiming through or under Tenant, or by reason of any statute or order of court, shall thereafter be entitled to possession of the premises demised but shall forthwith quit and surrender the demised premises. If this lease shall be assigned in accordance with its terms, the provisions of this Article 16 shall be applicable only to the party then owning Tenant's interest in this lease.

(b) It is stipulated and agreed that in the event of the termination of this lease pursuant to (a) hereof, Owner shall forthwith, notwithstanding any other provisions of this lease to the contrary, be entitled to recover from Tenant as and for liquidated damages, an amount equal to the difference between the rent reserved hereunder for the unexpired portion of the term demised and the fair and reasonable rental value of the demised premises for the same period. In the computation of such damages the difference between any installment of rent becoming due hereunder after the date of termination, and the fair and reasonable rental value of the demised premises for the period for which such installment was payable, shall be discounted to the date of termination at the rate of four percent (4%) per annum. If such demised premises or any part thereof be re-let by the Owner for the unexpired term of said lease, or any part thereof, before presentation of proof of such liquidated damages to any court, commission or tribunal, the amount of rent reserved upon such re-letting shall be deemed to be the fair and reasonable rental value for the part or the whole of the demised premises so re-let during the term of the re-letting. Nothing herein contained shall limit or prejudice the right of the Owner to prove for and obtain as liquidated damages, by reason of such termination, an amount equal to the maximum allowed by any statute or rule of law in effect at the time when, and governing the proceedings in which, such damages are to be proved, whether or not such amount be greater, equal to, or less than, the amount of the difference referred to above.

Default: 17. (1) If Tenant defaults in fulfilling any of the covenants of this lease other than the covenants for the payment of rent or additional rent; or if the demised premises become vacant or deserted; or if any execution or attachment shall be issued against Tenant or any of Tenant's property, whereupon the demised premises shall be taken or occupied by someone other than Tenant; or if this lease be rejected under §365 of Title 11 of the U.S. Code (Bankruptcy Code); or if Tenant shall have failed, after five (5) days written notice, to redempt with Owner any portion of the security deposit hereunder which Owner has applied to the payment of any rent and additional rent due and payable hereunder; or if Tenant shall be in default with respect to any other lease between Owner and Tenant; or if Tenant shall fail to move into or take possession of the demised premises within thirty (30) days after the commencement of the term of this lease, then, in any one or more of such events, upon Owner serving a written fifteen (15) days notice upon Tenant specifying the nature of said default, and upon the expiration of said fifteen (15) days, if Tenant shall have failed to comply with, or remedy such default, or if the said default or omission complained of shall be of a nature that the same cannot be completely cured or remedied within said fifteen (15) day period, and if Tenant shall not have diligently commenced curing such default within such fifteen (15) day period, and shall not thereafter with reasonable diligence and in good faith, proceed to remedy or cure such default, then Owner may serve a written five (5) days notice of cancellation of this lease upon Tenant, and upon the expiration of said five (5) days this lease and the term thereunder shall end and expire as fully and completely as if the expiration of such five (5) day period were the day herein definitely fixed for the end and expiration of this lease and the term thereof; and Tenant shall then quit and surrender the demised premises to Owner, but Tenant shall remain liable as hereinafter provided.

(2) If the notice provided for in (1) hereof shall have been given, and the term shall expire as aforesaid; or if Tenant shall make default in the payment of the rent reserved herein, or any item of additional rent herein mentioned, or any part of either, or in making any other payment herein required; then, and in any of such events, Owner may without notice, re-enter the demised premises either by force or otherwise, and dispossess Tenant by summary proceedings or otherwise, and the legal representative of Tenant or other occupant of the demised premises, and remove their effects and hold the demised premises as if this lease had not been made, and Tenant hereby waives the service of notice of intention to re-enter or to institute legal proceedings to that end. If Tenant shall make default hereunder prior to the date fixed as the commencement of any renewal or extension of this lease, Owner may cancel and terminate such renewal or extension agreement by written notice.

Remedies of Owner and Waiver of Redemption: 18. In case of any such default, re-entry, expiration and/or dispossession by summary proceedings or otherwise, (a) the rent shall become due thereupon and be paid up to the time of such re-entry, dispossession and/or expiration, (b)

Owner may re-let the demised premises or any part or parts thereof, either in the name of Owner or otherwise, for a term or terms, which may at Owner's option be less than or exceed the period which would otherwise have constituted the balance of the term of this lease, and may grant concessions or free rent or charge a higher rental than that in this lease, and/or (c) Tenant or the legal representatives of Tenant shall also pay to Owner as liquidated damages for the failure of Tenant to observe and perform said Tenant's covenants herein contained, any deficiency between the rent hereby reserved and/or covenanted to be paid and the net amount, if any, of the rents collected on account of the lease or leases of the demised premises for each month of the period which would otherwise have constituted the balance of the term of this lease. The failure of Owner to re-let the demised premises, or any part or parts thereof, shall not release or affect Tenant's liability for damages. In computing such liquidated damages there shall be added to the said deficiency such expenses as Owner may incur in connection with re-letting, such as legal expenses, reasonable attorney's fees, brokerage, advertising and for keeping the demised premises in good order or for preparing the same for re-letting. Any such liquidated damages shall be paid in monthly installments by Tenant on the rent day specified in this lease, and any suit brought to collect the amount of the deficiency for any month shall not prejudice in any way the rights of Owner to collect the deficiency for any subsequent month by a similar proceeding. Owner, in putting the demised premises in good order or preparing the same for re-rental may, at Owner's option, make such alterations, repairs, replacements, and/or decorations in the demised premises as Owner, in Owner's sole judgment, considers advisable and necessary for the purpose of re-letting the demised premises, and the making of such alterations, repairs, replacements, and/or decorations shall not operate or be construed to release Tenant from liability hereunder as aforesaid. Owner shall in no event be liable in any way whatsoever for failure to re-let the demised premises, or in the event that the demised premises are re-let, for failure to collect the rent thereof under such re-letting, and in no event shall Tenant be entitled to receive any excess, if any, of such net rents collected over the sums payable by Tenant to Owner hereunder. In the event of a breach or threatened breach by Tenant of any of the covenants or provisions hereof, Owner shall have the right of injunction and the right to invoke any remedy allowed at law or in equity as if re-entry, summary proceedings and other remedies were not herein provided for. Mention in this lease of any particular remedy, shall not preclude Owner from any other remedy, in law or in equity. Tenant hereby expressly waives any and all rights of redemption granted by or under any present or future laws in the event of Tenant being evicted or dispossessed for any cause, or in the event of Owner obtaining possession of the demised premises, by reason of the violation by Tenant of any of the covenants and conditions of this lease, or otherwise.

Fees and Expenses: 19. If Tenant shall default in the observance or performance of any term or covenant on Tenant's part to be observed or performed under, or by virtue of, any of the terms or provisions in any article of this lease, after notice, if required, and upon expiration of any applicable grace period, if any, (except in an emergency), then, unless otherwise provided elsewhere in this lease, Owner may immediately, or at any time thereafter and without notice, perform the obligation of Tenant hereunder. If Owner, in connection with the foregoing, or in connection with any default by Tenant in the covenant to pay rent hereunder, makes any expenditures or incurs any obligations for the payment of money, including but not limited to reasonable attorney's fees, in instituting, prosecuting or defending any action or proceeding, and prevails in any such action or proceeding, then Tenant will reimburse Owner for such sums so paid, or obligations incurred, with interest and costs. The foregoing expenses incurred by reason of Tenant's default shall be deemed to be additional rent hereunder, and shall be paid by Tenant to Owner within ten (10) days of rendition of any bill or statement to Tenant therefore. If Tenant's lease term shall have expired at the time of making of such expenditures or incurring of such obligations, such sums shall be recoverable by Owner, as damages.

Building Alterations and Management: 20. Owner shall have the right at any time without the same constituting an eviction and without incurring liability to Tenant therefore, to change the arrangement and/or location of public entrances, passageways, doors, doorways, corridors, elevators, stairs, toilets or other public parts of the building, and to change the name, number or designation by which the building may be known. There shall be no allowance to Tenant for diminution of rental value and no liability on the part of Owner by reason of inconvenience, annoyance or injury to business arising from Owner or other Tenants making any repairs in the building or any such alterations, additions and improvements. Furthermore, Tenant shall not have any claim against Owner by reason of Owner's imposition of such controls of the manner of access to the building by Tenant's social or business visitors as the Owner may deem necessary for the security of the building and its occupants.

No Representations Owner: 21. Neither Owner nor Owner's agents have made any representations or promises with respect to the physical condition of the building, the land upon which it is erected or the demised premises, the rents, leases, expenses of operation or any other matter or

thing affecting or related to the demised premises, except as herein expressly set forth, and no rights, easements or licenses are acquired by Tenant by implication or otherwise, except as expressly set forth in the provisions of this lease. Tenant has inspected the building and the demised premises and is thoroughly acquainted with their condition and agrees to take the same "as-is", and acknowledges that the taking of possession of the demised premises by Tenant shall be conclusive evidence that the said premises and the building of which the same form a part were in good and satisfactory condition at the time such possession was so taken, except as to latent defects. All understandings and agreements heretofore made between the parties hereto are merged in this contract, which alone fully and completely expresses the agreement between Owner and Tenant, and any executory agreement hereafter made shall be ineffective to change, modify, discharge or effect an abandonment of it in whole or in part, unless such executory agreement is in writing and signed by the party against whom enforcement of the change, modification, discharge or abandonment is sought.

End of Term: 22. Upon the expiration or other termination of the term of this lease, Tenant shall quit and surrender to Owner the demised premises, "broom-clean", in good order and condition, ordinary wear and damages which Tenant is not required to repair as provided elsewhere in this lease excepted, and Tenant shall remove all its property. Tenant's obligation to observe or perform this covenant shall survive the expiration or other termination of this lease. If the last day of the term of this lease or any renewal thereof, falls on Sunday, this lease shall expire at noon on the preceding Saturday, unless it be a legal holiday, in which case it shall expire at noon on the preceding business day.

Quiet Enjoyment: 23. Owner covenants and agrees with Tenant that upon Tenant paying the rent and additional rent and observing and performing all the terms, covenants and conditions, on Tenant's part to be observed and performed, Tenant may peaceably and quietly enjoy the premises hereby demised, subject, nevertheless, to the terms and conditions of this lease including, but not limited to, Article 31 hereof, and to the ground leases, underlying leases and mortgages hereinbefore mentioned.

Failure to Give Possession: 24. If Owner is unable to give possession of the demised premises on the date of the commencement of the term hereof because of the holding-over or retention of possession of any tenant, undertenant or occupant, or if the demised premises are located in a building being constructed, because such building has not been sufficiently completed to make the demised premises ready for occupancy, or because of the fact that a certificate of occupancy has not been procured, or for any other reason, Owner shall not be subject to any liability for failure to give possession on said date and the validity of the lease shall not be impaired under such circumstances, nor shall the same be construed in any way to extend the term of this lease, but the rent payable hereunder shall be abated (provided Tenant is not responsible for Owner's inability to obtain possession or complete construction) until after Owner shall have given Tenant written notice that the Owner is able to deliver possession in condition required by this lease. If permission is given to Tenant to enter into possession of the demised premises, or to occupy premises other than the demised premises, prior to the date specified as the commencement of the term of this lease, Tenant covenants and agrees that such possession and/or occupancy shall be deemed to be under all the terms, covenants, conditions and provisions of this lease, except the obligation to pay the fixed annual rent set forth in the preamble to this lease. The provisions of this article are intended to constitute "an express provision to the contrary" within the meaning of Section 223-a of the New York Real Property Law.

No Waiver: 25. The failure of Owner to seek redress for violation of, or to insist upon the strict performance of, any covenant or condition of this lease or of any of the Rules or Regulations, set forth or hereafter adopted by Owner, shall not prevent a subsequent act which would have originally constituted a violation from having all the force and effect of an original violation. The receipt by Owner of rent and/or additional rent with knowledge of the breach of any covenant of this lease shall not be deemed a waiver of such breach, and no provision of this lease shall be deemed to have been waived by Owner unless such waiver be in writing signed by Owner. No payment by Tenant or receipt by Owner of a lesser amount than the monthly rent herein stipulated shall be deemed to be other than an account of the earliest stipulated rent, nor shall any endorsement or statement of any check or any letter accompanying any check or payment as rent be deemed an accord and satisfaction, and Owner may accept such check or payment without prejudice to Owner's right to recover the balance of such rent or pursue any other remedy in this lease provided. No act or thing done by Owner or Owner's agents during the term hereby demised shall be deemed an acceptance of a surrender of the demised premises, and no agreement to accept such surrender shall be valid unless in writing signed by Owner. No employee of Owner or Owner's agent shall have any power to accept the keys of said premises prior to the termination of the lease, and the delivery of keys to any such agent or employee shall not operate as a termination of the lease or a surrender of the demised premises.

Waiver of Trial by Jury: 26. It is mutually agreed by and between Owner and Tenant that the respective parties hereto shall, and they hereby do, waive trial by jury in any action proceeding or counterclaim brought by either of the parties hereto against the other (except for personal injury or property damage) on any matters whatsoever arising out of, or in any way connected with, this lease, the relationship of Owner and Tenant, Tenant's use of, or occupancy of, the demised premises, and any emergency statutory or any other statutory remedy. It is further mutually agreed that in the event Owner commences any proceeding or action for possession, including a summary proceeding for possession of the demised premises, Tenant will not interpose any counterclaim of whatever nature or description in any such proceeding, including a counterclaim under Article 4, except for statutory mandatory counterclaims.

Inability to Perform: 27. This lease and the obligation of Tenant to pay rent hereunder and perform all of the other covenants and agreements hereunder on part of Tenant to be performed shall in no way be affected, impaired or excused because Owner is unable to fulfill any of its obligations under this lease, or

to supply, or is delayed in supplying, any service expressly or impliedly to be supplied, or is unable to make, or is delayed in making, any repair, additions, alterations, or decorations, or is unable to supply, or is delayed in supplying, any equipment, fixtures, or other materials, if Owner is prevented or delayed from so doing by reason of strike or labor troubles or any cause whatsoever including, but not limited to, government preemption or restrictions, or by reason of any rule, order or regulation of any department or subdivision thereof of any government agency, or by reason of the conditions which have been or are affected, either directly or indirectly, by war or other emergency.

Bills and Notices: 28. Except as otherwise in this lease provided, any notice, statement, demand or other communication required or permitted to be given, rendered or made by either party to the other, pursuant to this lease or pursuant to any applicable law or requirement of public authority, shall be in writing (whether or not so stated elsewhere in this lease) and shall be deemed to have been properly given, rendered or made, if sent by registered or certified mail (express mail, if available), return receipt requested, or by courier guaranteeing overnight delivery and furnishing a receipt in evidence thereof, addressed to the other party at the address hereinabove set forth (except that after the date specified as the commencement of the term of this lease, Tenant's address, unless Tenant shall give notice to the contrary, shall be the building), and shall be deemed to have been given, rendered or made (a) on the date delivered, if delivered to Tenant personally, (b) on the date delivered, if delivered by overnight courier or (c) on the date which is two (2) days after being mailed. Either party may, by notice as aforesaid, designate a different address or addresses for notices, statements, demand or other communications intended for it. Notices given by Owner's managing agent shall be deemed a valid notice if addressed and set in accordance with the provisions of this Article. At Owner's option, notices and bills to Tenant may be sent by hand delivery.

Services Provided by Owner: 29. As long as Tenant is not in default under any of the covenants of this lease beyond the applicable grace period provided in this lease for the curing of such defaults, Owner shall provide: (a) necessary elevator facilities on business days from 8 a.m. to 6 p.m. and have one elevator subject to call at all other times; (b) heat to the demised premises when and as required by law, on business days from 8 a.m. to 6 p.m.; (c) water for ordinary lavatory purposes, but if Tenant uses or consumes water for any other purposes or in unusual quantities (of which fact Owner shall be the sole judge), Owner may install a water meter at Tenant's expense, which Tenant shall thereafter maintain at Tenant's expense in good working order and repair, to register such water consumption, and Tenant shall pay for water consumed as shown on said meter as additional rent as and when bills are rendered; (d) cleaning service for the demised premises on business days at Owner's expense provided that the same are kept in order by Tenant. If, however, said premises are to be kept clean by Tenant, it shall be done at Tenant's sole expense, in a manner reasonably satisfactory to Owner, and no one other than persons approved by Owner shall be permitted to enter said premises or the building, of which they are a part for such purpose. Tenant shall pay Owner the cost of removal of any of Tenant's refuse and rubbish from the building; (e) if the demised premises are serviced by Owner's air conditioning/cooling and ventilating system, air conditioning/cooling will be furnished to Tenant from May 15th through September 30th on business days (Mondays through Fridays, holidays excepted) from 8:00 a.m. to 6:00 p.m., and ventilation will be furnished on business days during the aforesaid hours except when air conditioning/cooling is being furnished as aforesaid. If Tenant requires air conditioning/cooling or ventilation for more extended hours on Saturdays, Sundays or on holidays, as defined under Owner's contract with the applicable Operating Engineers contract, Owner will furnish the same at Tenant's expense. RIDER to be added in respect to rates and conditions for such additional service; (f) Owner reserves the right to stop services of the heating, elevators, plumbing, air-conditioning, electric, power systems or cleaning or other services, if any, when necessary by reason of accident, or for repairs, alterations, replacements or improvements necessary or desirable in the judgment of Owner, for as long as may be reasonably required by reason thereof. If the building of which the demised premises are a part supplies manually operated elevator service, Owner at any time may substitute automatic control elevator service and proceed diligently with alterations necessary therefor without in any way affecting this lease or the obligations of Tenant hereunder.

Captions: 30. The Captions are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this lease nor the intent of any provisions thereof.

Definitions: 31. The term "office", or "offices", wherever used in this lease, shall not be construed to mean premises used as a store or stores, for the sale or display, at any time, of goods, wares or merchandise, of any kind, or as a restaurant, shop, booth, bootblack or other stand, barber shop, or for other similar purposes, or for manufacturing. The term "Owner" means a landlord or lessor, and as used in this lease means only the owner, or the mortgagee in possession for the time being, of the land and building (or the owner of a lease of the building or of the land and building) of which the demised premises form a part, so that in the event of any sale or sales or conveyance, assignment or transfer of said land and building, or of said lease, or in the event of a lease of said building, or of the land and building, the said Owner shall be, and hereby is, entirely freed and relieved of all covenants and obligations of Owner hereunder, and it shall be deemed and construed without further agreement between the parties or their successors in interest, or between the parties and the purchaser, at any such sale, or the said lessee of the building, or of the land and building, that the purchaser, grantee, assignee or transferee or the lessee of the building has assumed and agreed to carry out any and all covenants and obligations of Owner, hereunder. The words "re-enter" and "re-entry" as used in this lease are not restricted to their technical legal meaning. The term "business days" as used in this lease shall exclude Saturdays, Sundays and all days as observed by the State or Federal Government as legal holidays and those designated as holidays by the applicable building service union employees service contract, or by the applicable Operating Engineers contract, with respect to HVAC service. Wherever it is expressly provided in this lease that consent shall not be unreasonably withheld, such consent shall not be unreasonably delayed.

Adjacent
Excavation-
Shoring:


32. If an excavation shall be made upon land adjacent to the demised premises, or shall be authorized to be made, Tenant shall afford to the person causing or authorized to cause such excavation, a license to enter upon the demised premises for the purpose of doing such work as said person shall deem necessary to preserve the wall or the building, of which the demised premises form a part, from injury or damages, and to support the same by proper foundations, without any claim for damages or indemnity against Owner, or diminution or abatement of rent.

Rules and
Regulations:

33. Tenant and Tenant's servants, employees, agents, visitors, and licensees shall observe faithfully, and comply strictly with, the Rules and Regulations and such other and further reasonable Rules and Regulations as Owner and Owner's agents may from time to time adopt. Notice of any additional Rules or Regulations shall be given in such manner as Owner may elect. In case Tenant disputes the reasonableness of any additional Rules or Regulations hereafter made or adopted by Owner or Owner's agents, the parties hereto agree to submit the question of the reasonableness of such Rules or Regulations for decision to the New York office of the American Arbitration Association, whose determination shall be final and conclusive upon the parties hereto. The right to dispute the reasonableness of any additional Rules or Regulations upon Tenant's part shall be deemed waived unless the same shall be asserted by service of a notice, in writing, upon Owner, within fifteen (15) days after the giving of notice thereof. Nothing in this lease contained shall be construed to impose upon Owner any duty or obligation to enforce the Rules and Regulations or terms, covenants or conditions in any other lease, as against any other tenant, and Owner shall not be liable to Tenant for violation of the same by any other tenant, its servants, employees, agents, visitors or licensees.

Security:

34. Tenant has deposited with Owner the sum of ~~\$28,000~~ \$46,400 as security for the faithful performance and observance by Tenant of the terms, provisions and conditions of this lease; it is agreed that in the event Tenant defaults in respect of any of the terms, provisions and conditions of this lease, including, but not limited to, the payment of rent and additional rent, Owner may use, apply or retain the whole or any part of the security so deposited to the extent required for the payment of any rent and additional rent, or any other sum as to which Tenant is in default, or for any sum which Owner may expend or may be required to expend by reason of Tenant's default in respect of any of the terms, covenants and conditions of this lease, including but not limited to, any damages or deficiency in the re-

 Rider to be added if necessary.

letting of the demised premises, whether such damages or deficiency accrued before or after summary proceedings or other re-entry by Owner. In the case of every such use, application or retention, Tenant shall, within five (5) days after demand, pay to Owner the sum so used, applied or retained which shall be added to the security deposit so that the same shall be replenished to its former amount. In the event that Tenant shall fully and faithfully comply with all of the terms, provisions, covenants and conditions of this lease, the security shall be returned to Tenant after the date fixed as the end of the lease and after delivery of entire possession of the demised premises to Owner. In the event of a sale of the land and building, or leasing of the building, of which the demised premises form a part, Owner shall have the right to transfer the security to the vendee or lessee, and Owner shall thereupon be released by Tenant from all liability for the return of such security; and Tenant agrees to look to the new Owner solely for the return of said security, and it is agreed that the provisions hereof shall apply to every transfer or assignment made of the security to a new Owner. Tenant further covenants that it will not assign or encumber, or attempt to assign or encumber, the monies deposited herein as security, and that neither Owner nor its successors or assigns shall be bound by any such assignment, encumbrance, attempted assignment or attempted encumbrance.

Estoppel Certificate: 35. Tenant, at any time, and from time to time, upon at least ten (10) days prior notice by Owner, shall execute, acknowledge and deliver to Owner, and/or to any other person, firm or corporation specified by Owner, a statement 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), stating the dates to which the rent and additional rent have been paid, and stating whether or not there exists any default by Owner under this lease, and, if so, specifying each such default and such other information as shall be required of Tenant.

Successors
and Assigns:

36. The covenants, conditions and agreements contained in this lease shall bind and inure to the benefit of Owner and Tenant and their respective heirs, distributees, executors, administrators, successors, and except as otherwise provided in this lease, their assigns. Tenant shall look only to Owner's estate and interest in the land and building, for the satisfaction of Tenant's remedies for the collection of a judgment (or other judicial process) against Owner in the event of any default by Owner hereunder, and no other property or assets of such Owner (or any partner, member, officer or director thereof, disclosed or undisclosed), 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 Owner and Tenant hereunder, or Tenant's use and occupancy of the demised premises.

In Witness Whereof, Owner and Tenant have respectively signed and sealed this lease as of the day and year first above written,

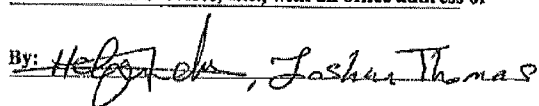
Witness for Owner:

Maxima Real Estate - Barclay LLC

By:  M. SULTAN.

Witness for Tenant:

Elhab Human Services, Inc., with an office address of

By:  Lashar Thomas

ACKNOWLEDGEMENT

STATE OF NEW YORK,

SS.:

COUNTY OF

On the _____ day of _____ in the year _____, 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(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

NOTARY PUBLIC

GUARANTY

FOR VALUE RECEIVED, and in consideration for, and as an inducement to Owner making the within lease with Tenant, the undersigned guarantees to Owner, Owner's successors and assigns, the full performance and observance of all the covenants, conditions and agreements, herein provided to be performed and observed by Tenant, including the "Rules and Regulations" as therein provided, without requiring any notice of non-payment, non-performance, or non-observance, or proof, or notice, or demand, whereby to charge the undersigned therefor, all of which the undersigned hereby expressly waives and expressly agrees that the validity of this agreement and the obligations of the guarantor hereunder shall in no way be terminated, affected or impaired by reason of the assertion by Owner against Tenant of any of the rights or remedies reserved to Owner pursuant to the provisions of the within lease. The undersigned further covenants and agrees that this guaranty shall remain and continue in full force and effect as to any renewal, modification or extension of this lease and during any period when Tenant is occupying the demised premises as a "statutory tenant." As a further inducement to Owner to make this lease, and in consideration thereof, Owner and the undersigned covenant and agree that in any action or proceeding brought by either Owner or the undersigned against the other on any matters whatsoever arising out of, under, or by virtue of, the terms of this lease or of this guaranty, that Owner and the undersigned shall and do hereby waive trial by jury.

Dated: in the year

Guarantor

Witness

Guarantor's Residence

Business Address

Firm Name

STATE OF NEW YORK

) ss:

COUNTY OF

On the day of in the year 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(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or this person upon behalf of which the individual(s) acted, executed the instrument

Notary Public

IMPORTANT - PLEASE READ

RULES AND REGULATIONS ATTACHED TO AND MADE A PART OF THIS LEASE IN ACCORDANCE WITH ARTICLE 33.

1. The sidewalks, entrances, driveways, passages, courts, elevators, vestibules, stairways, corridors or halls shall not be obstructed or encumbered by Tenant or used for any purpose other than for ingress or egress from the demised premises, and for delivery of merchandise and equipment in a prompt and efficient manner using elevators and passageways designated for such delivery by Owner. There shall not be used in any space, or in the public hall of the building, either by any tenant or by jobbers or others in the delivery or receipt of merchandise, any hand trucks, except those equipped with rubber tires and safeguards. If said premises are situated on the ground floor of the building, Tenant thereof shall further, at Tenant's expense, keep the sidewalk and curb in front of said premises clear and free from ice, snow, dirt and rubbish.
2. The water and wash closets and plumbing fixtures shall not be used for any purposes other than those for which they were designed or constructed, and no sweepings, rubbish, rags, acids or other substances shall be deposited therein, and the expense of any breakage, stoppage, or damage resulting from the violation of this rule shall be borne by the Tenant, whether or not caused by the Tenant, or its clerks, agents, employees or visitors.
3. No carpet, rug or other article shall be hung or shaken out of any window of the building and Tenant shall not sweep or throw, or permit to be swept or thrown, from the demised premises any dirt or other substances into any of the corridors or halls, elevators, or out of the doors or windows or stairways of the building, and Tenant shall not use, keep or permit to be used or kept, any fuel or volatile gas or substance in the demised premises, or permit or suffer the demised premises to be occupied or used in a manner offensive or objectionable to Owner or other occupants of the building by reason of noise, odor, and/or vibrations, or interfere in any way with other tenants or those having business therein, nor shall any bicycles, vehicles, animals, fish, or birds be kept in or about the building. Smoking or carrying lighted cigars or cigarettes in the elevators of the building is prohibited.
4. No awnings or other projections shall be attached to the outside walls of the building without the prior written consent of Owner.
5. No sign, advertisement, notice or other lettering shall be exhibited, inscribed, painted or affixed by Tenant on any part of the outside of the demised premises or the building, or on the inside of the demised premises if the same is visible from the outside of the demised premises, without the prior written consent of Owner, except that the name of Tenant may appear on the entrance door of the demised premises. In the event of the violation of the foregoing by Tenant, Owner may remove same without any liability, and may charge the expense incurred by such removal to Tenant. Interior signs on door and directory tablet shall be inscribed, painted or affixed for Tenant at the expense of Tenant, and shall be of a size, color and style acceptable to Owner.
6. Tenant shall not mark, paint, drill into, or in any way deface, any part of the demised premises or the building of which they form a part. No boring, cutting or stinging of wires shall be permitted, except with the prior written consent of Owner, and no Owner may direct. Tenant shall not lay linoleum, or other similar floor covering, so that the same shall come in direct contact with the floor of the demised premises, and, if linoleum or other similar floor covering is desired to be used, an interlining of builder's deerskin felt shall be first affixed to the floor, by a paste or other material, soluble in water, the use of cement or other similar adhesive material being expressly prohibited.
7. No additional locks or bolts of any kind shall be placed upon any of the doors or windows by Tenant, nor shall any changes be made in existing locks or mechanism thereof. Tenant must, upon the termination of his tenancy, restore to Owner all keys of stores, offices and toilet rooms, either furnished to, or otherwise procured by, Tenant, and in the event of the loss of any keys so furnished, Tenant shall pay to Owner the cost thereof.
8. Freight, furniture, business equipment, merchandise and bulky matter of any description shall be delivered to and removed from the demised premises only on the freight elevators and through the service entrances and corridors, and only during hours

and in a manner approved by Owner. Owner reserves the right to inspect all freight to be brought into the building and to exclude from the building all freight which violates any of these Rules and Regulations of the lease, or which these Rules and Regulations are a part.

9. Canvassing, soliciting and peddling in the building is prohibited and Tenant shall cooperate to prevent the same.

10. Owner reserves the right to exclude from the building all persons who do not present a pass to the building signed by Owner. Owner will furnish passes to persons for whom Tenant requests same in writing. Tenant shall be responsible for all persons for whom he requests such pass, and shall be liable to Owner for all acts of such persons. Tenant shall not have a claim against Owner by reason of Owner excluding from the building any person who does not present such pass.

11. Owner shall have the right to prohibit any advertising by Tenant which in Owner's opinion, tends to impair the reputation of the building or its desirability as a building for offices, and upon written notice from Owner, Tenant shall refrain from or discontinue such advertising.

12. Tenant shall not bring or permit to be brought or kept in or on the demised premises, any inflammable, combustible, explosive, or hazardous fluid, material, chemical or substance, or cause or permit any odors of cooking or other processes, or any unusual or other objectionable odors, to permeate in, or emanate from, the demised premises.

13. If the building contains central air conditioning and ventilation, Tenant agrees to keep all windows closed at all times and to abide by all rules and regulations issued by Owner with respect to such services. If Tenant requires air conditioning or ventilation after the usual hours, Tenant shall give notice in writing to the building superintendent prior to 3:00 p.m. in the case of services required on weekdays, and prior to 3:00 p.m. on the day prior in case of after hours service required on weekends or on holidays. Tenant shall cooperate with Owner in obtaining maximum effectiveness of the cooling system by lowering and closing window blinds and/or drapes and curtains when the sun's rays fall directly on the windows of the demised premises.

14. Tenant shall not move any safe, heavy machinery, heavy equipment, bulky matter, or fixtures into or out of the building without Owner's prior written consent. If such safe, machinery, equipment, bulky matter or fixtures requires special handling, all work in connection therewith shall comply with the Administrative Code of the City of New York and all other laws and regulations applicable thereto, and shall be done during such hours as Owner may designate.

15. Refuse and Trash. (1) Compliance by Tenant. Tenant covenants and agrees, at its sole cost and expense, to comply with all present and future laws, orders, and regulations, of all state, federal, municipal, and local governments, departments, commissions and boards regarding the collection, sorting, separation and recycling of waste products, garbage, refuse and trash. Tenant shall sort and separate such waste products, garbage, refuse and trash into such categories as provided by law. Each separately sorted category of waste products, garbage, refuse and trash shall be placed in separate receptacles reasonably approved by Owner. Such separate receptacles may, at Owner's option, be removed from the demised premises in accordance with a collection schedule prescribed by law. Tenant shall remove, or cause to be removed by a contractor acceptable to Owner, at Owner's sole discretion, such items as Owner may expressly designate. (2) Owner's Rights in Event of Noncompliance. Owner has the option to refuse to collect or accept from Tenant waste products, garbage, refuse or trash (a) that is not separated and sorted as required by law or (b) which consists of such items as Owner may expressly designate for Tenant's removal, and to require Tenant to arrange for such collection at Tenant's sole cost and expense, utilizing a contractor satisfactory to Owner. Tenant shall pay all costs, expenses, fines, penalties, or damages that may be imposed on Owner or Tenant by reason of Tenant's failure to comply with the provisions of this Building Rule 15, and, at Tenant's sole cost and expense, shall indemnify, defend and hold Owner harmless (including reasonable legal fees and expenses) from and against any actions, claims and suits arising from such noncompliance, utilizing counsel reasonably satisfactory to Owner.

Address

Premises

TO

STANDARD FORM OF

Office
Please

The Real Estate Board of New York, Inc.
Copyright 2004. All rights Reserved.
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In the year

Dated

Rent Per Year

Rent Per Month

Term
From
To

Drawn by

Checked by

Entered by

Approved by

RIDER TO LEASE dated as of November 30, 2023, between Maxima Real Estate – Barclay LLC, as Owner, and Eihab Human Services, Inc., as Tenant

37. Definitions. For purposes of this lease, the term "Building" shall mean the building located at 615 Merrick Avenue, Westbury, NY 11554, of which the Demised Premises form a part, and the term "Real Property" shall mean the Building and the land and improvements appurtenant to and used in connection with the Building. For the purposes of this rider, all references to the term "Landlord" shall mean and refer to Owner.

38. Demised Premises. The parties hereby stipulate and agree that the Demised Premises (herein referred to as the "Demised Premises" or the "demised premises") contains 9,600 rentable square feet of space in the Building.

39. Term.

(a) The term ("Term", "term" or "Demised Term") of this lease, Tenant's right to occupy the Demised Premises and Tenant's obligation to pay Rent (as defined in Paragraph 43 hereof) and all items of additional rent shall commence on the earlier to occur of (i) receipt of IDA approval (as hereinafter defined), and (ii) the date Tenant takes occupancy of, or begins placing inventory, equipment or other personal property in, the Demised Premises (the "Commencement Date"). The Term of this lease shall expire on November 30, 2024 (the "Expiration Date").

(b) Tenant waives any right to rescind this lease under Section 223-a of the New York Real Property Law or any successor statute of similar import then in force and further waives the right to recover any damages which may result from Landlord's failure to deliver possession of the Demised Premises on the Commencement Date set forth in Paragraph 39(a) above.

(d) If Tenant or its agents and/or contractors enter the Demised Premises prior to the Commencement Date in order for Tenant to install its telephone and computer lines or furniture in preparation for Tenant's occupancy thereof, all of the provisions of this lease, except Tenant's obligation to pay Rent, shall govern such entry (including without limitation, Tenant's insurance and indemnification obligations). Any such entry shall be subject to Landlord's prior written consent and Tenant's satisfaction of the conditions of this paragraph. Prior to entering the Demised Premises Tenant shall deliver to Landlord (a) evidence of all insurance policies required to be maintained by Tenant under this lease, (b) evidence of insurance satisfactory to Landlord maintained by the contractors or vendors entering the Demised Premises and (c) Tenant and any contractors or vendors entering the Demised Premises on behalf of Tenant shall have entered into an early access and indemnity agreement on Landlord's form. Tenant shall coordinate Tenant's (and/or Tenant's contractors and/or Tenant's employees) entry upon the Demised Premises and the performance of the above-referenced installations (and the timing thereof) with Landlord, and Tenant (and Tenant's contractors and employees) shall not interfere with Landlord's performance of Landlord's Work (hereinafter defined), if any, in entering upon the Demised Premises and/or in performing such installations. In the event that Tenant (and/or Tenant's contractors and/or Tenant's employees) interferes with Landlord's performance of Landlord's Work, such interference shall be deemed a Tenant Delay (in addition to those delineated herein).

40. Signage. Landlord shall install Landlord's standard identification sign containing Tenant's name at the main entrance to the Demised Premises.

41. Relocation. Landlord may, upon not less than 90 days' notice to Tenant, move Tenant to other space in the Building comparable in size to the Premises. In such event, all terms hereof shall apply to the new space, except that Rent shall not increase as a result of such relocation. Landlord, at its expense, shall provide Tenant with tenant improvements in the new space at least equal in quality to those in the Premises. Landlord shall reimburse Tenant for Tenant's reasonable moving, re-cabling and stationery-replacement costs. The parties shall execute a written agreement prepared by Landlord memorializing the relocation.

42. IDA Provisions.

(a) Tenant hereby acknowledges that Landlord has entered into a lease and sublease with the Town of Hempstead Industrial Development Agency (the "IDA") for the granting of certain Benefits (defined herein) in connection with the Real Property. As used herein, the term "Benefits" collectively means: (i) exemption from real property taxes applicable to the Real Property subject to agreement to make payments in lieu thereof ("PILOT"), (ii) exemption from certain sales and use taxes, and (iii)

exemption from mortgage recording tax, all such Benefits being in form, substance and amounts acceptable to Landlord.

(b) Tenant acknowledges and agrees that notwithstanding anything to the contrary in this lease: (i) Landlord's interest in the Premises has been leased to the IDA and leased back to the Landlord pursuant to a certain lease agreement between the IDA, as sublandlord, and Landlord, as subtenant (the "IDA Master Lease"), (ii) Tenant's use and occupancy of the Premises will be subject and subordinate to the terms and conditions of the IDA Master Lease, (iii) this lease, Tenant's rights hereunder, and Tenant's ability to assign or sublease are subject to the approval of the IDA, (iv) upon demand, Tenant shall execute and deliver to Landlord the Tenant Agency Compliance Agreement (the "TACA"), in form and substance required by IDA, (v) Tenant shall report to Landlord on an annual basis on or before February 1st the number of full-time equivalent employees at the Premises (utilizing the IDA's criteria), together with salary ranges broken down by category in the form required by the IDA, and payroll records to the extent required by the IDA, and (vi) Tenant shall take such other actions and enter into such other documents as the IDA shall reasonably request with respect to the IDA Master Lease. During the term of the IDA Master Lease, this lease shall constitute a sub-sublease. In the event of the continuation of this lease following the termination or expiration of the IDA Master Lease, this lease shall thereafter constitute a direct lease.

(d) Tenant agrees that it will comply with the employment reporting and other obligations required by the IDA in connection with the IDA Master Lease, the granting of the Benefits or as otherwise required in the TACA. Tenant agrees to indemnify Landlord for any loss, cost or damages which Landlord may incur (including real property tax increases beyond the scheduled PILOT payments and any recapture of Benefits or "clawback" liability) from the loss of the Benefits or any breach of the IDA Master Lease resulting from Tenant's action or inaction, including without limitation, the failure to make required PILOT payments and failure to comply with IDA employment reporting obligations.

(d) This lease shall be subject to IDA consent. Tenant shall provide such information, documentation and certifications to the IDA as shall be required by the IDA to consider the request for its consent to this lease. If the IDA's consent is denied or is otherwise not obtained by January 31, 2024, Landlord or Tenant may terminate this lease without further obligation.

43. Rent

(a) During the term of this lease, Tenant shall pay minimum annual rent ("Rent") in the amount of \$278,400, payable in equal monthly installments of \$23,200.

(b) Additionally, should the Commencement Date be a date other than the first day of a calendar month, Tenant shall pay a pro rata portion of the Rent on a per diem basis, based upon the second full calendar month of the term (without regard for any Rent credit provided herein for such month), from such date to and including the last day of that current calendar month. The rent payable for such partial month shall be in addition to the Rent payable pursuant to the Rent schedule set forth above.

(c) The Rent hereinabove provided for shall be in addition to all other payments to be made by Tenant as herein provided except as set forth to the contrary in this lease. It is the purpose and intent of the parties hereto that the Rent shall be absolutely net to Landlord, except as set forth to the contrary in this lease, so that this lease shall yield, net to the Landlord, the Rent, and that all costs, expenses and obligations of every kind and nature whatsoever relating to the Demised Premises which may arise or become due during the term of this lease shall be paid by Tenant and that Landlord shall be indemnified and saved harmless by Tenant from and against the same, as items of additional rent.

(d) Any sums of money required to be paid by Tenant to Landlord in addition to the Rent under this Paragraph 43, shall be deemed additional rent, shall be paid upon demand without deduction or offset, and in the event Tenant fails to pay such additional rent, Landlord shall be entitled to the same remedies under this lease or by law, as are available to Landlord for the nonpayment of rent, including, without limitation, summary dispossession proceedings.

44. Utilities

In addition to the additional rent payable under Paragraph 47 below, and supplementing the provisions of Paragraph 12 of the printed form portion of this lease, Tenant shall pay to Landlord, as additional rent, within five (5) days of Landlord's invoice therefor, \$33,600 per annum for electrical service, payable in equal monthly installments of \$2,800. In addition, Tenant shall not use water for other than normal lavatory purposes.

45. Alterations.

(a) Supplementing Paragraph 3 of the printed form portion of this lease, with respect to any and all alterations, installations, additions and improvements (each, an "Alteration") permitted by Landlord to be performed by or on behalf of Tenant in the Demised Premises, (x) Tenant will deliver to Landlord certificates evidencing Worker's Compensation Insurance and Contractor's General Liability Insurance in the amount satisfactory to Landlord (but in no event less than the amounts set forth in paragraph 59 herein) prior to the commencement of such work and (y) any contractors or vendors entering the Demised Premises on behalf of Tenant shall have entered into an access and indemnity agreement on Landlord's form. Any and all Alterations and any and all structures or fixtures, except movable trade fixtures not attached to the realty, installed by or on behalf of Tenant shall be deemed attached to the freehold and automatically become the property of Landlord upon installation, unless Landlord shall elect otherwise. If Landlord elects to have Tenant remove same at the expiration of the term of this lease, Tenant shall, prior to the expiration or sooner termination of the term of this lease, perform such removal and repair, at its own cost and expense, any damage to the Demised Premises caused by said removal. Notwithstanding the foregoing, Landlord may, at its option, in lieu of requiring Tenant to perform such removal and restoration, invoice Tenant for the estimated cost for performing such work and Tenant shall pay such invoice, as additional rent, within thirty (30) days of such invoice. All Alterations (other than those performed by Landlord or its construction affiliate) made to the Demised Premises shall be subject to Landlord's construction inspection fee of 10% of the cost thereof which shall be payable, as additional rent, to Landlord's construction affiliate. In receiving such fee, neither Landlord nor Landlord's construction affiliate assumes any responsibility for the quality or manner in which such work is performed. Tenant shall not, without the express written consent of Landlord, enter upon the roof or attach or install anything thereon or make any Alterations thereto. With respect to any mechanic's lien for which Tenant is responsible for removing or bonding hereunder, Tenant shall reimburse Landlord for all costs and expenses incurred by Landlord in connection therewith (including, without limitation, reasonable attorneys' fees and disbursements of Landlord and any sums payable to Landlord's lender in connection therewith).

(b) Tenant shall not be permitted to make, or to engage a contractor or artist to make, any Alterations, decorations, installations, additions or other improvements ("Visual Alteration") which may be considered a work of visual art of any kind, and/or which might fall within the protections of the Visual Artists Rights Act of 1990 ("VARA") unless: (i) Tenant obtains, from each artist and/or contractor who will be involved in said Visual Alteration, valid written waivers of such artist's and/or contractor's rights under VARA in form and content reasonably acceptable to Landlord; and (ii) Landlord consents to such Visual Alteration in writing. In the event that a claim is brought under VARA with respect to any Visual Alteration performed in or about the Building by or at the request of Tenant or Tenant's agents or employees, Tenant shall indemnify and hold harmless Landlord against and from any and all such claims. If any action or proceeding shall be brought against Landlord by reason of such claim under VARA, Tenant agrees that Tenant, at its expense, will resist and defend such action or proceeding and will employ counsel satisfactory to Landlord therefor. Tenant shall also pay any and all damages sustained by Landlord as a result of such claim, including, without limitation, attorney's fees and the cost to Landlord of complying with VARA protections (which shall include damages sustained as a result of Landlord's inability to remove Visual Alterations from the Demised Premises). Failure of Tenant to strictly comply with the provisions of this Paragraph 45(b) shall be deemed a default under this lease, and Landlord shall be entitled to pursue all appropriate remedies provided herein, as well as at law or in equity. The provisions of this Paragraph 45(b) shall survive the expiration or sooner termination of this lease.

46. Intentionally omitted.

47. Common Areas. In the event that maintenance, repair and replacement of the Building, any building systems or the landscaped, parking and other common areas thereof are occasioned by the acts of omission or commission of Tenant, its agents, contractors, employees or invitees, Landlord shall perform the repair, at Tenant's sole cost and expense.

48. Repairs. Subject to the provisions of Paragraphs 9 and 59 of this lease, during the full term of this lease, Landlord shall make all structural repairs to the Demised Premises, except those which shall have been occasioned by the acts of omission or commission of Tenant, its agents, contractors, employees or invitees, which repairs Landlord shall make at Tenant's sole cost and expense. Structural repairs are hereby defined to be repairs to the roof supports, the bearing walls, foundation and the structural steel. Except for Landlord's obligations specifically set forth in this Paragraph 48, Tenant shall, at its own cost

and expense, keep the Demised Premises in good condition, repair and appearance at all times throughout the term of this lease including, without limitation, (i) maintenance, repair and replacement of the electrical, plumbing, sprinkler, heating, air conditioning, ventilation, life safety and all other mechanical systems servicing the Demised Premises; (ii) regularly-scheduled cleaning and maintenance of the interior of the Demised Premises together with snow and ice removal from the stairways and sidewalks adjacent to the Demised Premises; and (iii) the maintenance, repair and replacement of all windows, doors and plate glass. Tenant shall at all times obtain and keep in full force and effect for the benefit of Landlord and Tenant with a responsible company doing business in Nassau County approved by Landlord a service, repair and maintenance contract with respect to the heating, ventilating and air conditioning systems servicing the Demised Premises. A copy of such contract and renewals thereof shall, upon issuance and thereafter not later than ten (10) days prior to expiration, be furnished to Landlord together with evidence of payment.

49. Intentionally omitted.

50. Landlord's Financing. At the request of Landlord, Tenant agrees to furnish Landlord with a current financial statement prepared by a certified public accountant or any other instrument which may be needed by Landlord for purposes of financing, refinancing or selling the Real Property. If, in connection with obtaining such financing, refinancing or sale of the Real Property, a banking, insurance or other recognized institutional lender shall request reasonable modifications in this lease as a condition to such financing, Tenant will enter into an agreement reflecting such modifications provided that such modifications do not increase the obligations of Tenant hereunder (other than to a de minimis extent) or materially adversely affect the leasehold interest hereby created.

51. Use.

(a) Tenant covenants that the Demised Premises will not be used so as to interfere with other tenants in the Building. Tenant also covenants that no noise or fumes or odors will be created by Tenant so as to interfere with the quiet enjoyment of the other tenants of their respective demised portions of the Building or common areas. Landlord shall be the sole judge on the question of noise, fumes and odors.

(b) Tenant shall provide and maintain, at its expense, the hand-held fire extinguishers and carbon monoxide alarms, detectors or systems that are required to be maintained in Demised Premises by the governmental agency having jurisdiction over this matter.

(c) Tenant shall not obstruct or encumber, or cause to be obstructed or encumbered, the sidewalks, area ways or other public portions or common areas of the Real Property, without limitation, the parking area, driveways and access areas adjacent to the Demised Premises and used in conjunction therewith; nor shall Tenant use same nor permit same to be used for any purpose other than ingress and egress to and from the Demised Premises. However, Tenant may use the loading area appurtenant to the Demised Premises for loading and unloading. Tenant shall not store any materials, goods or other items outside the building or the Demised Premises including, without limitation, inventory, furniture, equipment, tractor trailers and/or containers.

(d) Tenant shall, at its own cost and expense, procure all necessary certificates, permits, orders or licenses which may be required for the conduct of its business by any governmental statute, regulation, ordinance or agency and that all governmental requirements relating to the use or uses of the Demised Premises by the Tenant shall be complied with by the Tenant at its own cost and expense. Tenant shall not abandon the Demised Premises.

(e) Tenant agrees that the value of the Demised Premises and the reputation of the Landlord will be seriously injured if the Demised Premises are used for any obscene or pornographic purposes or if any obscene or pornographic material is permitted in the Demised Premises. Tenant further agrees that Tenant will not permit any of these uses by Tenant or a sublessee or assignee of the Demised Premises. This Paragraph shall directly bind any successors in interest to Tenant. Tenant agrees that if at any time Tenant violates any of the provisions of this Paragraph, such violation shall be deemed a breach of a substantial obligation of the terms of this lease and objectionable conduct. Pornographic material is defined for purposes of this Paragraph as any written or pictorial matter with prurient appeal or any objects or instruments that are primarily concerned with lewd or prurient sexual activity. Obscene material is defined here as it is in Penal Law §235.00.

52. End of Term. In the event Tenant fails to surrender the Demised Premises to Landlord in the condition required by the terms of this lease on or before the expiration or earlier termination of this lease, Tenant shall: (i) pay as use and occupancy for each month of the holdover or any portion thereof

(including the time holding over in occupancy after the issuance of a judgment of possession and warrant of eviction through the date the Landlord regains possession of the Premises) an amount equal to two hundred (200%) percent of the Rent payable by Tenant for the month prior to the Expiration Date of the term of this lease, and otherwise observe, fulfill and perform all of its obligations under this lease, including, but not limited to, those pertaining to additional rent, in accordance with its terms; (ii) be liable to Landlord for any payment or rent concession which Landlord may be required to make to any tenant in order to induce such tenant not to terminate an executed lease covering all or any portion of the Demised Premises by reason of the holdover by Tenant; and (iii) be liable to Landlord for any damages suffered by Landlord (including any attorneys' fees and disbursements) as the result of Tenant's failure to surrender the Demised Premises. Notwithstanding anything contained in this Paragraph to the contrary, the demand for or the acceptance of any Rent or use and occupancy paid by Tenant pursuant to this Paragraph 52, shall not preclude Landlord from commencing and prosecuting a holdover or eviction action or proceeding or any action or proceeding in the nature thereof. The provisions of this Paragraph 52 shall be deemed to be an "agreement expressly providing otherwise" within the meaning of Section 232-c of the Real Property Law of the State of New York and any successor law of like import. 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 or summary proceeding which Landlord may institute to regain possession of the Demised Premises. No holding over by Tenant after the Term shall operate to extend the Term and nothing Landlord shall do shall be deemed consent by Landlord to such holding over. The holdover, with respect to all or any part of the Demised Premises, of a person deriving an interest in the Demised Premises from or through Tenant, including, but not limited to, an assignee or subtenant, shall be deemed a holdover by Tenant in the entire Demised Premises. If at any time during the last month of the Term Tenant shall have removed all or substantially all of Tenant's property from the Demised Premises, Landlord may, and Tenant hereby irrevocably grants to Landlord a license to, immediately enter and alter, renovate and redecorate the Demised Premises, without diminution, diminution or abatement of Rent, or incurring liability to Tenant for any compensation, and such acts shall have no effect upon this lease.

53. Landlord's Work. Tenant hereby accepts the Demised Premises in its current "as is" condition and agrees that Landlord shall not be obligated to perform any work, make any installation or incur any expense in order to prepare the Demised Premises for Tenant's occupancy.

54. Assignment/Subletting.

(a) Tenant covenants that it shall not assign this lease, by operation of law or otherwise, nor sublet the Demised Premises or any part thereof without the prior written consent of Landlord in each instance. Tenant may assign this lease or sublet the Demised Premises with Landlord's written consent provided:

(i) That such assignment or sublease is for a use which is in compliance with the terms of this lease, the then existing building and zoning regulations and the Certificate of Occupancy;

(ii) That at the time of such assignment or subletting or notice as provided for herein, there is no default under the terms of this lease on Tenant's part which has not been cured prior to the expiration of all applicable grace periods;

(iii) That in the event of an assignment, the assignee assumes in writing the performance of all of the terms and obligations to be performed by Tenant under this lease from and after the date of such assignment;

(iv) That a duplicate original of said assignment or sublease be delivered by certified mail to Landlord at the address herein set forth within ten (10) days from the said assignment or sublease and within ninety (90) days of the date that Tenant first provides Landlord with the information required under Paragraph 54(f) below;

(v) That, in the event Tenant shall request Landlord's consent to a proposed assignment of this lease or proposed sublease of all or a portion of the Demised Premises, Tenant shall pay or reimburse to Landlord the reasonable attorney fees and disbursements incurred by Landlord in processing such request;

(vi) Such assignment or subletting shall not, however, release Tenant from its liability for the full and faithful performance of all of the terms and conditions of this lease;

(vii) If this lease be assigned, or if the Demised Premises or any part thereof be sublet or occupied by anybody other than Tenant, Landlord may, after default by Tenant, collect Rent and additional rent from the assignee, subtenant or occupant, and apply the net amount collected to the Rent and additional rent herein reserved;

(b) Notwithstanding anything contained in this Paragraph 54 to the contrary, no assignment or subletting shall be made by Tenant in any event until Tenant has offered to terminate this lease as of the last day of any calendar month during the term hereof and to vacate and surrender the Demised Premises to Landlord on the date fixed in the notice served by Tenant upon Landlord (which date shall be no sooner than ninety (90) days after receipt by Landlord of the offer to terminate and no later than the date of such proposed assignment or the commencement date of such proposed sublease), and Landlord, within thirty (30) days after the receipt thereof, has not accepted in writing the offer by Tenant to cancel and terminate this lease and to vacate and surrender the Demised Premises.

(c) Notwithstanding anything contained to the contrary in this lease, in no event shall Tenant have the right to enter into more than one sublease at any time.

(d) Tenant shall not mortgage, pledge, hypothecate or otherwise encumber its interest under this lease without Landlord's prior written consent.

(e) Without affecting any of its other obligations under this lease, Tenant will pay Landlord as additional rent any sums or other economic consideration, which (i) are payable to Tenant as a result of an assignment or subletting whether or not referred to as rentals under the assignment or sublease (the reasonable costs and expenses incurred by Tenant in connection with the assignment or subletting in question provided such costs were approved by Landlord when it approved the assignment or sublease, which amounts, in the case of a sublease, shall be amortized on a straight line basis over the term of the sublease without interest, and in the case of an assignment shall be amortized on a straight line basis over the remaining term of this lease without interest, may be deducted from the rents, charges and other consideration payable by the assignee or subtenant to Tenant in connection with the assignment or subletting prior to the computation of amounts due to Landlord pursuant to this subsection (e)); and (ii) exceed in total the sums which Tenant is obligated to pay Landlord under this lease (prorated to reflect obligations allocable to that portion of the Demised Premises subject to such sublease), it being the express intention of the parties that Tenant shall not in any manner whatsoever be entitled to any profit by reason of such sublease or assignment. The failure or inability of the assignee or subtenant to pay rent pursuant to the assignment or sublease will not relieve Tenant from its obligations to Landlord under this Paragraph 54(e). Tenant will not amend the assignment or sublease in such a way as to reduce or delay payment of amounts which are provided in the assignment or sublease approved by Landlord. Any amendment or modification of an assignment or sublease shall be deemed to be a new assignment or sublease and shall require the prior written consent of Landlord.

(f) At least thirty (30) days prior to any proposed subletting or assignment, Tenant shall submit to Landlord a written notice of the proposed subletting or assignment, which notice shall contain or be accompanied by the following information: (i) the name and address of the proposed subtenant or assignee; (ii) the nature and character of the business of the proposed subtenant or assignee and its proposed use of the premises to be demised; (iii) the most recent three (3) years of balance sheets and profit and loss statements of the proposed subtenant or assignee or other financial information satisfactory to Landlord; and (iv) such shall be accompanied by a copy of the proposed sublease or assignment of lease.

(g) The listing of an assignee's or subtenant's name on the door or Building directory shall not be deemed Landlord's consent hereunder.

55. Parking. The parking areas available for the use of the Tenant herein and the other tenants of the Building of which the Demised Premises form a part are to be used by Tenant, its servants, employees, agents, business invitees and patrons on a first come first served basis, subject to the rules and regulations of Landlord. However, in no event shall Tenant use more than its pro rata share (based on total rentable square feet) of parking spaces at the Building. It is also understood and agreed that Landlord shall have the right at any time to modify or alter the parking rules and regulations and the parking layout and traffic pattern in the parking areas and to diminish the available parking areas without any liability to Tenant or any diminution or abatement of rent or additional rent.

56. Cleaning and Rubbish Removal.

(a) All cleaning and janitorial work at the Demised Premises shall be done by Tenant at the sole cost and expense of Tenant. Tenant shall provide for its own trash, rubbish and garbage removal at its own expense and all rubbish, trash and garbage shall be kept at and removed from the Demised Premises subject to the rules and regulations of the appropriate municipal authorities having jurisdiction thereof, and shall at all times be kept in closed dumpsters to be provided by Tenant at its sole cost and expense in locations determined by Landlord.

(b) Tenant shall pay directly to the applicable governmental municipalities any waste generation fee(s) (including any service charges imposed in connection therewith) which are charged by such governmental municipalities in connection with Tenant's use of Tenant's designated dumpster at the Building (collectively, the "Waste Generation Fees"). Within fifteen (15) days of Tenant's receipt of official receipts stamped paid by the applicable governmental authorities, Tenant shall provide Landlord with copies of such receipts or other proof satisfactory to Landlord evidencing such payment. If Tenant fails to pay the Waste Generation Fees when due, Landlord may, but is not obligated to, pay such Waste Generation Fees and all such Waste Generation Fees paid by Landlord, plus any and all additional interest, penalties, costs and expenses incurred by Landlord in connection therewith, including reasonable attorney's fees, shall be deemed additional rent and shall be payable by Tenant upon demand. Tenant's payment of the Waste Generation Fees shall be in addition to (and not in lieu of) any amounts which Tenant may pay in connection with its removal of trash, rubbish and garbage from its Demised Premises.

57. Hazardous Materials. Tenant shall keep or cause the Demised Premises, the Building and the Real Property to be kept free of Hazardous Materials (hereinafter defined). Notwithstanding the foregoing, Tenant shall be entitled to keep and use, in compliance with all applicable laws and subject to the further provisions of this Paragraph 57, ordinary office cleaning materials in commercially reasonable quantities (the "Permitted Materials"). Without limiting the foregoing, Tenant shall not cause or permit the Demised Premises the Building or the Real Property to be used to generate, manufacture, refine, transport, treat, store, handle, dispose, transfer, produce or process Hazardous Materials (other than Permitted Materials) nor shall Tenant cause or permit, as a result of any intentional or unintentional act or omission on the part of Tenant or any person or entity claiming through or under Tenant or any of their employees, contractors, agents, visitors or licensees (collectively, "Related Parties"), a release of Hazardous Materials onto the Demised Premises, the Building or the Real Property or onto any other property. Tenant shall comply with and ensure compliance by all Related Parties with all applicable Federal, State and Local laws, ordinances, rules and regulations, whenever and by whomever triggered (including, without limitation, any regular testing regimes required by law; which testing, Landlord shall have the option to perform at Tenant's sole cost and expense), and shall obtain and comply with, and ensure that all Related Parties obtain and comply with, any and all approvals, registrations or permits required thereunder. Tenant shall (i) conduct and complete all investigations, studies, samplings, and testing, and all remedial removal and other actions necessary to clean up and remove such Hazardous Materials, on, from, or affecting the Demised Premises, the Building and the Real Property (a) in accordance with all applicable Federal, State and Local laws, ordinances, rules, regulations, policies, orders and directives, and (b) to the satisfaction of Landlord, and (ii) defend, indemnify, and hold harmless Landlord, its employees, agents, officers, members, partners, principals and directors, from and against any claims, demands, penalties, fines, liabilities, settlements, damages, costs, or expenses of whatever kind or nature, known or unknown, contingent or otherwise, arising out of, or in any way related to, (a) the presence, disposal, release, or threatened release of such Hazardous Materials which are on, from, or affecting the soil, water, vegetation, buildings, personal property, persons, animals, or otherwise; (b) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Materials; (c) any lawsuit brought or threatened, settlement reached, or government order relating to such Hazardous Materials; and/or (d) any violation of laws, orders, regulations, requirements, or demands of government authorities, or any policies or requirements of Landlord, which are based upon or in any way related to such Hazardous Materials, including, without limitation, attorney and consultant fees, investigation and laboratory fees, court costs, and litigation expenses. Tenant shall immediately notify Landlord in writing of any actual or threatened release of any Hazardous Materials on, in or about the Demised Premises, the Building or the Real Property, including notification to Landlord if Tenant receives any notice or requests for inspection or information from any Federal, State or local official or agency which pertains to Hazardous Materials. Copies of all reports, notices, correspondence, and other documents received from or submitted to governmental authorities, and of all technical data, test results, expert opinions and other materials generated in connection with the contamination or other response or remedial activities, shall be provided to Landlord. At the expiration or earlier termination of this lease or in the event this lease is terminated, or Tenant is dispossessed, Tenant shall deliver the Demised Premises to Landlord free of any and all Hazardous Materials so that the conditions of the Demised Premises shall conform with all applicable Federal, State and Local laws, ordinances, rules or regulations affecting the Demised Premises. In the event that Landlord has a good faith belief that there has been a release of Hazardous Materials for which Tenant is responsible

hereunder, Landlord shall have the right to engage an environmental engineering or consulting firm to conduct an inspection of the Building, Real Property and Demised Premises at Tenant's sole cost and expense. Tenant shall reimburse Landlord for the cost of any such inspection as well as the cost of any clean-up and testing performed pursuant thereto with respect to Hazardous Materials for which Tenant is responsible hereunder. For purposes of this paragraph, "Hazardous Materials" includes, without limitation, any petroleum or petroleum based products, crude oil, flammable explosives, radioactive materials, hazardous materials, hazardous wastes, hazardous or toxic substances, or related materials defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. Sections 9601, et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C. Sections 1801 et seq.), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Sections 9601, et seq.), and in the regulations adopted and publications promulgated pursuant thereto, or any other Federal, State or Local environmental law, ordinance, rule, or regulation. Tenant's obligations under this Paragraph 57 shall survive the expiration or earlier termination of the term of this lease.

58. Default.

(a) In addition to the rights and remedies set forth in Paragraphs 17 and 18 hereof, Landlord shall have the right to cancel this lease in the manner therein provided in the event that (i) Tenant shall have failed to pay any installment of Rent provided herein on the due date thereof or (ii) shall have defaulted in payment of additional rent set forth herein (and in the event no period is specified herein for the payment of additional rent, Tenant fails to make payment of additional rent for a period of ten (10) days after written notice and demand for payment of same), or (iii) Tenant has not, within three (3) days of notice from Landlord, commenced and diligently prosecuted the cure of a default, the continuation of which, is a threat to the safety or welfare of the Building occupants or public. If Tenant shall default (i) in the timely payment of any item of Rent and such default shall continue or be repeated for two consecutive months or for a total of four months in any period of twelve months, or (ii) in the performance of any particular term, condition or covenant of this lease more than six times in any period of twelve months, then notwithstanding that such defaults shall have been cured within the period after notice, if any, as provided in this lease, any further similar default shall be deemed a deliberate material breach of this lease and Landlord may serve a written notice of cancellation of lease as provided in Paragraph 17 hereof, without affording Tenant an opportunity to cure such further similar default.

(b) In any case in which the Rent or additional rent is not paid on the day when same is due, Tenant shall pay a late charge equal to 8-1/2 cents for each dollar so due, and in addition thereto, the sum of \$100.00 for the purpose of defraying expenses incident to the handling of such delinquent account. Tenant further agrees that the late charge imposed is fair and reasonable, complies with all laws, regulations and statutes, and constitutes an agreement between Landlord and Tenant as to the estimated compensation for costs and administrative expenses incurred by Landlord due to the late payment of rent by Tenant. Tenant further agrees that the late charge assessed pursuant to this lease is not interest, and the late charge does not create a borrower/lender or borrower/creditor relationship between Landlord and Tenant. The demand and collection of the aforesaid late charges shall in no way be deemed a waiver of any and all remedies that the Landlord may have under the terms of this lease by summary proceedings or otherwise in the event of a default in payment of rent or additional rent.

(c) In the event that Landlord shall bring any proceeding against Tenant for recovery of money damages, or for possession of the Demised Premises by reason of nonpayment of Rent or additional rent, or if Landlord shall otherwise engage an attorney in connection with the enforcement of any provision of this lease or for nonperformance by Tenant of the terms and conditions of this lease, or for breach of lease or if Landlord shall successfully defend an action by Tenant relating in any way to this lease, and Landlord shall incur costs and expenses by reason thereof or by reason of such default, such charges, including legal fees, shall be due and payable from Tenant as additional rent and shall become immediately due and payable upon the incurrence of same. In the event that Landlord shall institute summary proceedings for nonpayment of Rent or additional rent, the legal fees therefor shall be 25% of the amount demanded in the petition or \$5,000, whichever is greater. Said amount may be included in the petition and shall be deemed additional rent. This provision shall expressly apply following the expiration or early termination of this lease where the Tenant, subtenant or assignee continues in possession of the Demised Premises.

(d) Tenant agrees to give Landlord written notice of any proposed change in the ownership of the majority of the outstanding capital stock of Tenant or any change in the ownership of the majority of the assets of Tenant. Failure of Tenant to give the notice provided for in the preceding sentence shall be deemed a non-curable default by Tenant pursuant to this lease (that is, a default which has already extended beyond the applicable grace period, if any, following notice from Landlord), giving Landlord

the right, at its option, to cancel and terminate this lease or to exercise any and all other remedies available to Landlord hereunder or as shall exist at law or in equity.

(e) At any time after this lease is terminated or the Term shall have expired and come to an end or Landlord shall have re-entered upon the Demised Premises, as the case may be, whether or not Landlord shall have collected any monthly deficiencies pursuant to Paragraph 18 of the preprinted portion of this lease, Landlord, at its sole discretion, shall be entitled to recover from Tenant, and Tenant shall pay to Landlord, on demand, as and for liquidated and agreed final damages, a sum equal to the amount by which the Rent and additional rent reserved in this lease for the period which otherwise would have constituted the unexpired portion of the Term exceeds the then fair and reasonable rental value of the Demised Premises for the same period, both discounted to present worth at the rate of four (4%) per cent per annum. If, before presentation of proof of such liquidated damages to any court, commission, or tribunal, the Demised Premises, or any part thereof, shall have been relet by Landlord for the period which otherwise would have constituted the unexpired portion of the Demised Term, or any part thereof, the amount of Rent and additional rent reserved upon such reletting shall be deemed, prima facie, to be the fair and reasonable rental value for the part or the whole of the Demised Premises so relet during the term of the reletting.

(f) Nothing contained in this lease shall be construed as limiting or precluding the recovery by Landlord against Tenant of any sums or damages to which, in addition to the damages particularly provided above, Landlord may lawfully be entitled by reason of any default hereunder on the part of the Tenant. Anything in this lease to the contrary notwithstanding, during the continuation of any default by Tenant, Tenant shall not be entitled to exercise any rights or options, or to receive any funds or proceeds being held, under or pursuant to this lease.

(g) The specified remedies to which Landlord may resort hereunder are cumulative and are not intended to be exclusive of any other remedies or means of redress to which Landlord may lawfully be entitled, and Landlord may invoke any remedy allowed at law or in equity as if specific remedies were not herein provided for.

59. Insurance.

(a) Tenant shall, and shall require its contractors and subcontractors to, obtain and keep in full force and effect during the Term, at its own cost and expense, the following minimum insurance: (i) Commercial General Liability Insurance, on an occurrence form (CG 0001 or its equivalent) and such insurance shall afford protection in an amount of not less than One Million (\$1,000,000) Dollars coverage for bodily injury, death and property damage arising out of any one occurrence and Two Million (\$2,000,000) Dollars in the aggregate (such limit to apply on a "per location basis"), protecting Tenant as the insured and the Indemnified Parties (as hereinafter defined), as well as any other parties whose names have been provided by Landlord to Tenant in writing from time to time, as additional insureds (in a blanket endorsement form satisfactory to Landlord in its reasonable discretion) against any and all claims for personal injury, death or property damage, such insurance to provide primary coverage without contribution from any other insurance carried by or for the benefit of Landlord or any other party named as an additional insured. Such insurance shall include coverage for a blanket contractual liability covering the indemnification requirements of this lease and shall also include Products/Completed Operations (ii) "Special Perils" Property Insurance Form and to include the additional perils of loss from windstorm or hail including coverage for water damage from all causes including, without limitation, sprinkler leakage, sewer discharge or back up, water line breakage and overflow from other tenant's spaces (if applicable), flood and earthquake insuring Tenant's property including improvements and betterments made by or on the behalf of Tenant, (and including, without limitation, Business Interruption coverage providing for the payment of all rent and additional rent payable under this lease for a period of twelve (12) months including "Extra Expense" and Equipment Breakdown Insurance) insuring Tenant's property, equipment, and all items within the Premises which Tenant is obligated to maintain and/or replace, for the full insurable value thereof or replacement cost value thereof, whichever is greater without deduction for depreciation. This policy shall have an agree value endorsement or otherwise waive any coinsurance penalties; (iii) Workers Compensation Coverage and Employers Liability Coverage as required by law; (iv) New York DBL Coverage, as required by law; (v) Business Automobile Coverage in an amount of not less than One Million (\$1,000,000) Dollars combined single limit per accident for bodily injury or property damage (which policy form shall include coverage for "Any Auto" which includes autos owned, hired and non-owned); (vi) Umbrella Liability Coverage with limits of liability of not less than Five Million (\$5,000,000) Dollars per occurrence and general aggregate per location and shall be no less broad than the underlying policies, shall have the same inception and expiration date as the underlying coverage and shall include a "drop-down" provision in the event the limits of the underlying program are eroded; and (vii) any other insurance required by law. All of Tenant's insurance policies (including, without

limitation, policies carried by Tenant's contractors and subcontractors) with the exception of worker's compensation, shall include the Indemnified Parties as additional insureds. All policies including workers compensation shall contain a waiver of subrogation endorsement in favor of the additional insureds and be primary and non-contributory to other insurance carried by the additional insureds. All deductibles shall be paid by Tenant and shall not exceed \$5,000.00. None of Tenant's insurance policies may provide for a self-insured retention. Landlord may require Tenant to increase the limits of the liability coverage described in (i) above or obtain additional coverage, from time to time, to that amount of insurance which in Landlord's reasonable judgment is then being customarily required by landlords for similar space in buildings in the municipality in which the Building is located.

(b) All insurance required to be carried by Tenant pursuant to the terms of this lease (i) shall be written in form and substance satisfactory to Landlord by a good and solvent insurance company of recognized standing, admitted to do business in the State of New York, which shall be reasonably satisfactory to Landlord and shall be rated in Best's Insurance Guide or any successor thereto as having a Best's Rating of not less than "A" and a "Financial Size Category" of not less than "X", or if such ratings are not then in effect, the generally accepted equivalent thereof or such other financial rating as Landlord may at any time consider appropriate; and (ii) shall contain a provision that no act or omission of Tenant shall affect or limit the obligations of the insurance company to pay the amount of any loss sustained. Tenant shall procure, maintain and place such insurance and pay all premiums and charges therefor and upon failure to do so Landlord or any other additional insured party referred to above may, but shall not be obligated to, procure, maintain and place such insurance or make such payments, and in such event the Tenant agrees to pay the amount thereof, plus interest at the maximum rate permitted by law, to Landlord on demand and said sum shall be in each instance collectible as additional rent on the first day of the month following the date of payment by Landlord. Tenant shall cause to be included in all such insurance policies a provision to the effect that the same will be non-cancelable and that no material change in coverage shall be made thereto unless Landlord and all additional insureds referred to above shall have received at least thirty (30) days prior written notice thereof by certified mail, return receipt requested. The original insurance policies or appropriate certificates (on the form currently designated "Acord Form 27" or its equivalent) shall be deposited with Landlord on or prior to the commencement of the Term hereof. Any renewals, replacements or endorsements thereto shall also be deposited with Landlord to the end that said insurance shall be in full force and effect during the Term.

(c) Tenant shall cause each insurance policy carried by it and insuring its fixtures and contents, or the betterments and improvements made by Tenant, against loss by fire and other hazards to be written in a manner so as to provide that the insurer waives all right of recovery by way of subrogation against Landlord in connection with any loss or damage covered by any such policy or policies. Landlord shall not be liable to the Tenant for any loss or damage caused by fire or other hazards.

(d) Landlord will cause each insurance policy carried by Landlord and insuring the Building and Demised Premises against loss by fire and other hazards to be written in such a manner so as to provide that the insurer waives all right of recovery by way of subrogation against Tenant in connection with any loss or damage covered by such policy or policies. Tenant shall not be liable to Landlord for any loss or damage caused by fire or other hazard.

(e) If Tenant shall at any time fail to maintain insurance as, and to the extent, required hereunder, Tenant hereby releases Landlord from all loss or damage which could have been covered by such insurance if Tenant had maintained such insurance, including the deductible and/or uninsured portion thereof. In no event, however, shall the foregoing clause increase the liability Landlord may otherwise have under this lease for such loss or damage.

(f) All insurance coverage shall be provided in compliance with the requirements herein and shall contain no non-standard, special, and/or unusual exclusions or restrictive endorsements without the prior written consent of Landlord.

60. **Broker.** Tenant represents that this lease was brought about by Colliers International LI Inc., Jericho, NY, by Matthew Kueker, and NY Virtual Realty, New York, NY, by Andy T. Ahmend, (collectively the "Broker") as broker and all negotiations with respect to this lease were conducted exclusively with the Broker. Tenant agrees that if any claim is made for commissions by any other broker through or on account of any acts of Tenant, Tenant will indemnify, defend and hold Landlord free and harmless from any and all liabilities and expenses in connection therewith, including Landlord's reasonable attorney's fees. With respect to the foregoing, in the event Tenant elects to use any broker (the "New Broker") other than or together with the Broker in connection with the extension of this lease (whether by way of a renewal option or a separate extension agreement), Tenant shall be responsible for

(and indemnify Landlord against) the commission claimed by the New Broker and any liabilities and expenses, including reasonable attorney fees, incurred by Landlord with respect thereto.

61. Conditions of Landlord's Liability. Landlord and Landlord's agents and employees shall not be liable for, and Tenant waives all claims for, loss or damage to Tenant's business or damage to person or property sustained by Tenant resulting from any accident or occurrence (unless caused by or resulting from the negligence of Landlord other than accidents or occurrences against which Tenant is insured and except to the extent Tenant is contributorily negligent) in or upon the Demised Premises or the Building, including, but not limited to, claims for damage resulting from: (i) any equipment or appurtenances becoming out of repair; (ii) injury done or occasioned by wind; (iii) any defect in or failure of plumbing, heating or air conditioning equipment, electric wiring or installation thereof, gas, water, or steam pipes, stairs, porches, railings or walks; (iv) broken glass; (v) the backing up of any sewer pipe or downspout; (vi) the bursting, leaking or running of any tank, tub, washstand, water closet, waste pipe, drain or other pipe or tank in, upon or about the Building or the Demised Premises; (vii) the escape of steam or hot water; (viii) water, snow or ice being upon or coming through the roof, skylight, trapdoor, stairs, doorways, show windows, walks or any other place upon or near the Building or the Demised Premises or otherwise; (ix) the falling of any fixture, plaster, tile or stucco; and (x) any act, omission or negligence of other tenants, licensees or of any other persons or occupants of the Building or of adjoining or contiguous buildings or of owners of adjacent or contiguous property. Whenever Tenant shall claim under this lease that Landlord has unreasonably withheld or delayed its consent to some request of Tenant for which Landlord is specifically obligated to be reasonable under this lease, Tenant shall have no claim for damages by reason of such alleged withholding or delay, and Tenant's sole remedy thereof shall be a right to obtain specific performance or injunction but in no event with recovery of damages.

62. Partnership Tenant. If Tenant is a partnership (or is comprised of two (2) or more persons, individually or as co-partners of a partnership) or if Tenant's interest in this lease shall be assigned to a partnership (or to two (2) or more persons, individually or as co-partners of a partnership) pursuant to Paragraph 54 (any such partnership and such persons are referred to in this Paragraph as "Partnership Tenant"), the following provisions of this Section shall apply to such Partnership Tenant: (a) the liability of each of the parties comprising Partnership Tenant shall be joint and several, and (b) each of the parties comprising Partnership Tenant hereby consents in advance to, and agrees to be bound by, any modifications of this lease which may hereafter be made, and by any notices, demands, requests or other communications which may hereafter be given, by Partnership Tenant or by any of the parties comprising Partnership Tenant, and (c) any bills, statements, notices, demands, requests and other communications given or rendered to Partnership Tenant or to any of the parties comprising Partnership Tenant shall be deemed given or rendered to Partnership Tenant and to all such parties and shall be binding upon Partnership Tenant and all such parties, and (d) if Partnership Tenant shall admit new partners, all of such new partners shall, by their admission to Partnership Tenant, be deemed to have assumed performance of all of the terms, covenants and conditions of this lease on Tenant's part to be observed and performed, and (e) Partnership Tenant shall give prompt notice to Landlord of the admission of any such new partners, and upon demand of Landlord, shall cause each such new partner to execute and deliver to Landlord an agreement in form satisfactory to Landlord, wherein each such new partner shall assume performance of all of the terms, covenants and conditions of this lease on Tenant's part to be observed and performed (but neither Landlord's failure to request any such agreement nor the failure of any such new partner to execute or deliver any such agreement to Landlord shall vitiate the provisions of subdivision (d) of this Paragraph).

63. Miscellaneous.

(a) This lease shall not be recorded. No memorandum of this lease shall be recorded without the express written consent of Landlord.

(b) The invalidity or unenforceability of any provision of this lease shall in no way affect the validity or enforceability of any of the other provisions contained in this lease. Landlord and Tenant understand, agree and acknowledge that this lease has been freely negotiated by both parties and that, in the event of any controversy, dispute, or contest over the meaning, interpretation, validity, or enforceability of this lease or any of its terms and conditions, there shall be no inference, presumption or conclusion drawn whatsoever against either party by virtue of that party having drafted this lease or any portion hereof.

(c) There are no oral agreements between the parties hereto affecting this lease and this lease supersedes and cancels any and all previous representations, negotiations, arrangements and understandings, if any, between the parties hereto with respect to the subject matter hereof, and shall not be used to interpret or construe this lease.

(d) Wherever in this lease there is any conflict between the provisions of any of the preprinted portions of the lease and the non-preprinted portions of the lease (e.g. typewritten or handwritten changes to the pre-printed form and the provisions of this rider), the non-preprinted provisions shall be deemed to supersede the preprinted provisions.

(e) Any references in the printed portions of this lease to the City of New York and the Administrative Code of the City of New York are deemed deleted, and where applicable the town in which the Demised Premises is located and other local governmental authorities and their ordinances shall be substituted in lieu thereof.

(f) This lease may not be changed, modified or discharged, in whole or in part, orally, and no executory agreement shall be effective to change, modify or discharge, in whole or in part, this lease or any obligations under this lease, unless such agreement is set forth in a written instrument executed by the party against whom enforcement of the change, modification or discharge is sought. In addition, Tenant shall reimburse Landlord for any and all reasonable attorney fees incurred by Landlord in connection with the preparation, review, negotiation and/or consummation of any amendment, modification, instrument, agreement or other understanding made at the request of, or as an accommodation to, Tenant with respect to this lease.

(g) The mailing or delivery of a lease by the Landlord to a possible Tenant, its agent or attorney, shall not be deemed an offer nor shall any obligation or liability be created on the part of Landlord until such time as a lease, duly executed by the Landlord, is delivered to such possible Tenant, its agent or attorney.

(h) Tenant shall give notice to Landlord, promptly after Tenant learns thereof, of (i) any accident in or about the Demised Premises, (ii) all fires and other casualties within the Demised Premises, (iii) all damages to or defects in the Demised Premises, including the fixtures, equipment and appurtenances thereof for the repair of which Landlord might be responsible, and (iv) all damage to or defects in any parts or appurtenances of the Building's sanitary, electrical, heating, ventilating, air conditioning, elevator and other systems located in or passing through the Demised Premises or any part thereof.

(i) Supplementing Paragraph 34 of the preprinted portion of this lease, in the event that Landlord holds the security deposit in an interest bearing account, Landlord may retain such administrative expenses which Landlord is entitled to retain pursuant to Section 7-103 of the New York General Obligation Law or any successor statute.

(j) In the event that Tenant is not an individual, Tenant represents that the officer or officers, partner or partners, member or members or manager or managers executing this lease have the requisite authority to do so.

(k) Tenant hereby acknowledges that Landlord makes no representations as to the compatibility of the Building systems with Tenant's equipment, trade fixtures (including, without limitation, racking) and/or inventory.

(l) To the fullest extent permitted by law, Tenant shall, and shall require its contractors and subcontractors to, indemnify, hold harmless and defend Landlord, its subsidiaries, affiliates, partners, members, lenders, managing agents, construction company, subsidiaries, directors, officers, contractors, employees, agents and any ground lessor (collectively, the "Indemnified Parties") from and against any and all liabilities, claims, demands, damages, costs, expenses (including attorney fees) suits, judgments whether actual or alleged, including such for bodily injury or wrongful death to any person (including tenant employees and invitees) and property damage to any property, arising out of or in connection with the operations or business of the Tenant at the demised premises or Real Property; the acts or omissions of the Tenant, its sub-tenants, its employees, invitees, contractors, subcontractors or agents; or any breach of this lease or improper conduct. Upon notification by the Landlord of an indemnifiable event, Tenant at its own expense shall arrange for Landlord's defense (at Landlord's option) and confirm indemnification. Tenant will still be responsible to fulfill its obligations under this Article in the event Tenant or Tenant's insurance company does not accept a tender of claim by the Landlord. These indemnification provisions are to continue after lease expiration or earlier termination of this lease and are not limited by the amount of available insurance in place.

(m) This lease shall be construed in accordance with and governed by the internal laws (without reference to choice or conflict of laws) of the State of New York. In respect of any dispute between the

parties regarding the subject matter hereof, the parties hereby irrevocably consent and submit to in personam jurisdiction in the courts of New York, located in the counties of Nassau or Suffolk, including the United States courts located in said counties, and to all proceedings in such courts. The parties hereby agree that such courts shall be the venue and exclusive and proper forum in which to adjudicate any case or controversy arising either, directly or indirectly, under or in connection with this lease and that they will not contest or challenge the jurisdiction or venue of these courts.

(n) Notwithstanding anything contained to the contrary in this lease, Tenant hereby waives any right to recover against Landlord any indirect, consequential, special, punitive or incidental damages against Landlord in any cause of action, proceeding or claim arising out of, or in connection with, this lease.

(o) Tenant represents that its taxpayer identification number is 11-3376415

(p) Supplementing Paragraph 26 of the pre-printed portions of this lease, Tenant waives its right to bring a declaratory judgment action with respect to any provision of this lease or with respect to any notice sent pursuant to the provisions of this lease. Any breach of this paragraph shall constitute a material breach of substantial obligations of the tenancy, and shall be grounds for the immediate termination of this lease and Landlord may serve a written notice of cancellation of lease as provided in Paragraph 17 hereof. It is further agreed that in the event injunctive relief is sought by Tenant and such relief shall be denied, Landlord shall be entitled to recover the costs of opposing such an application, or action, including its attorneys' fees actually incurred, all as additional rent; it is the intention of the parties hereto that their dispute be adjudicated via summary proceeding.


(q) This lease may be executed in any number of counterparts, each of which shall be deemed an original instrument, but all such counterparts together shall constitute but one and the same agreement.

IN WITNESS WHEREOF, Landlord and Tenant have respectively signed this lease as of the day and year first above written.

Landlord:

Maxima Real Estate - Barclay LLC

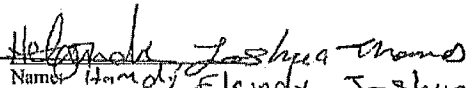
By:


Name: M. S. Smith
Title: member

Tenant:

Eihab Human Services, Inc.

By:


Name: Elindy-Joshua Thomas
Title: CEO

Arlyn Eames

From: Sosinsky, Gary <Gary.Sosinsky@macerich.com>
Sent: Wednesday, December 6, 2023 4:32 PM
To: Arlyn Eames; Edie Longo; twalsh@nixonpeabody.com; ewood@nixonpeabody.com; Mackey, Jim; dan.baker@gtlaw.com
Subject: FW: IDA Approval of Tenant Sublease - Valley Stream Green Acres LLC 2015 Facility - 1187 Green Acres Road South, Valley Stream, NY 11581 - Designer Jewelers
Attachments: Launch Parallel Provisions Chart for IDA.DOCX; Launch Trampoline Park - Green Acres Mall - Lease.DOCX

Some people who received this message don't often get email from gary.sosinsky@macerich.com. [Learn why this is important](#)
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.

Hello Arlyn:

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:** 34,181 feet
- **Tenant:** WSF Inc., a New York corporation, d/b/a Launch Entertainment Park
- **Address:** Space #0087B on the 2nd level, with a property address of: 1187 Green Acres Mall, Valley Stream, NY 11581
- **Estimated employees:** Approximately 46 full time employees
- **Estimated average salaries:** Approximately \$17 per hour for part time employees (approx. 49 part time employees); Approximately \$65,000.00/annum on average for salaried employees

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 and thank you,
Gary

Gary Sosinsky | AVP, Real Estate Counsel

.....
Macerich

11411 N Tatum Blvd
Phoenix, AZ 85028
p. 602.953.6333

LEASE AGREEMENT

BY AND BETWEEN

VALLEY STREAM GREEN ACRES LLC

AS LANDLORD

AND

WSF Inc.

doing business as

Launch Entertainment Park

AS TENANT

FOR PREMISES LOCATED WITHIN

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



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Exhibits

A	Depiction of Center
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C	Provisions for the Design and Construction of the Premises
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G	Quarterly and Annual Sales Statement Form
H	Letter of Credit Form

LEASE AGREEMENT

THIS LEASE AGREEMENT ("Lease") is made as of _____ ("Effective Date") by and between **VALLEY STREAM GREEN ACRES LLC**, a Delaware limited liability company ("Landlord"), and **WSF Inc.**, a New York corporation ("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 #0087B on the 2nd level, with a property address of: 1187 Green Acres Mall, Valley Stream, NY 11581 Section 2.1
- 1.3. **Floor Area of the Premises:** Approximately 34,181 square feet Section 2.1
- 1.4. **Term:** From the Delivery Date until the Expiration Date, unless extended or sooner terminated pursuant to the terms of this Lease.
- 1.5. **Required Opening Date:** 365 days following the Delivery Date Section 2.1
- 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 prior to the fifteenth (15th) anniversary of the Rent Commencement Date, subject to extension under Article 22 below, if applicable.
- 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 | \$1,025,430.00 | \$85,452.50 |
- †From the Rent Commencement Date
*Subject to increases pursuant to Section 3.4
- 1.9. **Percentage Rent Rate:** 12% (or 15%, as applicable. See Section 3.5.1 and 3.5.1.1) Section 3.5

1.10. **Annual
Breakpoint:**

Section 3.5

Dates

‡ - Expiration Date

Annual

Breakpoint*

\$10,000,000.00*

‡From the Rent Commencement Date

**Subject to adjustment and increases pursuant to Section 3.5.1 and 3.5.1.1

1.11. **Permitted Use:**

Tenant shall use the Premises primarily as a Launch indoor entertainment park, including a children's activity and gaming entertainment center operating under the Trade Name, with incidental sales of i) merchandise directly related to Tenant's trade name and the primary use and ii) snack foods and non-alcoholic beverages. The Premises shall be used for no other use or purpose.

Section 7.1

1.12. **Trade Name:**

Launch Entertainment Park

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:**

3 miles, 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

With a copy of notices to:

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

- 1.16. **Tenant's Address For Notices:** WSF Inc.
Attn: Wisam Assaedi
163-50 Crossbay Boulevard
Howard Beach, NY 11414

With a copy to:
Launch Holdco, LLC
920 Bald Hill Road
Warwick, RI 02886

With a copy of notices to:
JDE Law Firm, PLLC
2555 Richmond Avenue, FL. 2
Staten Island, NY 10314

1.17. **Address For Payment of Rent:** Valley Stream Green Acres LLC
Dept # 880508
P.O. Box 29650
Phoenix, AZ 85038-9650

1.18. **Landlord's Broker(s):** None.

1.19. **Tenant's Broker(s):** Bruce Herman, Booth Street Leasing

1.20. **Guarantor(s):** Yahya Assaedi and Saba Assaedi, husband and wife, and
Wisam Assaedi and Abeer Yahya Al Aaidi, husband and wife

1.21. **Rent Inquiry Address:** Landlord:
Phone: (866) 811-1095
Email: GreenAcresAR@macerich.com

Tenant:
WSF Inc.
Email: sammyalsidi@yahoo.com
Phone: (need phone)

1.22. **Landlord's Sales Reporting Address:** Valley Stream Green Acres LLC
Macerich Shared Services
P.O. Box 2188
Santa Monica, CA 90406-2188
Attention: Sales Associate

Phone: (866) 811-1095
Facsimile: (602) 953-8354
Email: greenacres.salesreporting@macerich.com

- 1.23. **Security Deposit:** \$170,905.00
- 1.24. **Letter of Credit** \$1,500,000.00

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 date that is 60 days after 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 25% 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, Fixed CAM and Tenant's Share of Real Estate Taxes 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 5% of the overdue amount ("Late Charge"); however, the Late Charge shall be waived for the first occurrence in any Lease Year as long as Tenant makes such payment within 5 days after Tenant's receipt of a delinquent payment reminder from Landlord (which delinquent payment reminder may be sent via U.S. mail or email to Tenant's Rent Inquiry Address listed in Article 1). Landlord shall not be required to give Tenant such delinquent payment reminder more than once in any Lease Year prior to assessing a Late Charge. 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 the first day of the second Lease Year and on the first day of each Lease Year 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 2%.

3.5. **Percentage Rent**

3.5.1. **Percentage Rent.** Tenant shall owe Percentage Rent to Landlord for each Lease Year commencing upon the calendar quarter 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 Quarterly Sales Statement for each calendar quarter 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 quarter 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.

3.5.1.1. **Conditional Increase the Percentage Rent Rate and Annual Breakpoint, and Proration.** In the event Tenant's Gross Sales reach or exceed \$12,000,000.00 in any consecutive 12 month period, then, commencing on the 1st day following that 12 month period, the Percentage Rent Rate will increase to 15%, which rate will apply for the remainder of the Term; and the Annual Breakpoint will increase to \$15,000,000.00. The Annual Breakpoint increases specified in the last sentence of and the remainder of the provisions of Section 3.5.1 above will continue to apply. In the event the increase in Annual Breakpoint occurs on a date other than the 1st day of any Lease Year, there will be two partial year calculations, and Tenant's Gross Sales for that Lease Year will be prorated for the

applicable periods of the applicable Annual Breakpoint as follows: a) for the period in which the 12% Percentage Rent Rate is applicable, Tenant's Annual Breakpoint applicable to that 12% Percentage Rent Rate will be reduced to reflect the actual number of days in the Lease Year that the 12% Percentage Rent Rate was applicable divided by 365, and b) for that period in which the 15% Percentage Rent Rate is applicable, Tenant's Annual Breakpoint applicable to that 15% Percentage Rent Rate will be reduced to reflect the actual number of days in the Lease Year that the 15% Percentage Rent Rate is applicable divided by 365, and Percentage Rent will be due accordingly.

3.5.2. **Sales Statements.** Within 15 days after the end of each calendar quarter, Tenant shall deliver to Landlord at Landlord's Sales Reporting Address a Quarterly Sales Statement specifying the Gross Sales made for the preceding calendar quarter. 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 Quarterly 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 Quarterly Sales Statement or Annual Sales Statement.

3.6. **Intentionally omitted.**

3.7. **Tenant's Share of Real Estate Tax Increases.** Commencing on the first day of the second Lease Year and continuing throughout the remainder of the Term, as extended, if applicable, in addition to Tenant's obligation to pay Fixed Minimum Rent and Percentage Rent provided for in Sections 3.4 and 3.5 above, Tenant shall pay Tenant's Tax Share as provided for herein. On or about the first anniversary of the Rent Commencement Date and annually thereafter, Landlord shall notify Tenant in writing of the anticipated Tenant's Tax Share for the following Lease Year. From and after the date of any such notice, Tenant shall pay 1/12th of the annual Tenant's Tax Share monthly, in advance, together with Tenant's payments of Fixed Minimum Rent (and Percentage Rent, if applicable) during the year on or before the first day of each month until Tenant is notified of an adjusted estimate.

3.7.1. **Annual Adjustments.** Following the end of each Lease Year, Landlord shall submit to Tenant a statement of Tenant's Tax Share for the preceding Lease Year (hereinafter "**Annual Statement of Real Estate Taxes**"). If the statement discloses that there was an underpayment for such Lease Year, Tenant shall pay to Landlord the amount of such underpayment within thirty (30) days after the date the statement is delivered to Tenant. If the statement discloses that Tenant made an overpayment for such Lease Year, Landlord shall apply the amount of the overpayment against the next installment(s) of Tenant's Tax Share until such overpayment has been exhausted; however, within thirty (30) days following the Expiration Date, any such excess sums not previously credited shall be refunded to Tenant.

3.7.2. **Definitions.** The following definitions will apply to this Section 3.7:

3.7.2.1. **"Tenant's Tax Share"** means Tenant's Share of the increases in Real Estate Taxes for the Center from Tenant's Base Tax Share.

3.7.2.2. **"Tenant's Share"** shall be equal to the Real Estate Taxes for the Center for the applicable Lease Year (less any contributions paid by Occupants occupying Excluded Floor Area), multiplied by a quotient the numerator of which is the Floor Area of the Premises and the denominator of which is the Floor Area of the Center (inclusive of the Premises, but exclusive of the Excluded Floor Area), which is from time-to-time occupied and open for business.

3.7.2.3. **"Excluded Floor Area"** means the total Floor Area of all of the following: Major Occupant Stores, the premises designated for occupancy by Occupants occupying between 15,000 and 50,000 square feet of Floor Area, all premises having an exterior entrance

(but only if the Center contains an enclosed mall), movie theatre premises, premises occupied by Occupants under pad leases, premises used for educational purposes, premises used for office purposes, premises used for restaurants, mezzanines, storage areas, premises occupied by Temporary Tenants, Landlord's management office(s), merchants' association offices, Marketing Service offices, maintenance buildings and offices, equipment rooms utilized by Landlord for the maintenance of the Common Area, and such facilities and areas the primary purpose of which is to afford services, convenience or recreation to customers and invitees of the Center or for municipal and community purposes, which include, without limitation, post offices, security and/or police offices, child care facilities, and rooms used for community or public meetings.

3.7.2.4. **"Tenant's Base Tax Share"** shall mean Tenant's Share of Real Estate Taxes that would have been payable for the first Lease Year calculated according to the terms of this Lease, if Tenant had been required to pay Tenant's Share of Real Estate Taxes for the first Lease Year.

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, 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.

3.9.1. **Letter of Credit.** In addition to the Security Deposit provided for in Section 1.23 and Section 3.9 above, Tenant shall provide Landlord with an irrevocable and unconditional letter of credit ("Letter of Credit") in the form attached hereto as Exhibit H solely in favor of Landlord and in the amount set forth in Section 1.24; provided, however, (a) Tenant shall renew or arrange for the renewal of the Letter of Credit at least 15 days prior to the expiration date thereof and on a continuing basis without lapse throughout the Term, (b) the issuing bank shall be a Federally insured institution acceptable to Landlord in its sole but reasonable discretion and which shall be located in the United States of America, (c) all costs and fees relating to the Letter of Credit (including, without limitation, issuance, renewal and drawing upon the Letter of Credit) shall be at Tenant's sole cost and expense and (d) the Letter of Credit shall expressly permit multiple or partial draws and shall expressly state that Landlord may draw down upon it upon written notice and without any inquiry by the issuing bank as to the accuracy of such notice. Landlord, in its sole discretion and without limiting Landlord's remedies under this Lease, at law or in equity, may draw down on the Letter of Credit in the event (i)

Tenant is in default of the Lease, (ii) Tenant fails to provide Landlord with a then-current replacement Letter of Credit within the time period set forth hereinabove or, if Landlord is unable to draw down on the Letter of Credit, Tenant shall deposit in cash with Landlord, upon demand, the amount set forth in Section 1.24. Notwithstanding the foregoing, commencing on the 2nd anniversary of the Rent Commencement Date, provided Tenant is not then in default of this Lease, Tenant will be permitted to provide a substitute Letter of Credit in the amount of one (1) year of Rent to be effective on the first day of the 3rd Lease Year. In the event Tenant is in default under the Lease as of the date of the reduction of the Letter of Credit under this Section 3.9.1, then such reduction will not occur until any such default has been cured, so as such, Tenant's right to provide a substitute Letter of Credit in the amount of one (1) year of Rent will be suspended during any period when Tenant is in default of this Lease and will resume when Tenant has cured such default. Furthermore, as of the expiration of the 3rd Lease Year, provided Tenant is not then in default of this Lease, Tenant will be permitted to cause the Letter of Credit not to be renewed. In the event Tenant is in default under the Lease as of the expiration of the 3rd Lease Year, then such non-renewal will not occur until such any such default has been cured.

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 (i) constitute an eviction or disturbance of Tenant's use and possession of the Premises, (ii) constitute a termination of this Lease, (iii) entitle Tenant to an abatement of any Rent (except as expressly set forth in Section 6.2 below) or (iv) relieve Tenant from performing any of its obligations under this Lease. Furthermore, Tenant shall arrange for and pay for the removal of all rubbish from the Premises directly from the provider of such services to the Center.

6.2. If (i) there is an interruption in any of the Utilities due to the gross negligence or willful misconduct of Landlord or the Landlord Parties ("Utility Interruption") and (ii) the Utility Interruption materially and adversely interferes with Tenant's use and occupancy of the Premises such that Tenant cannot reasonably conduct business upon the Premises and (iii) Tenant does not use the Premises during the period of the Utility Interruption and (iv) Tenant has notified Landlord in writing of the Utility Interruption ("Utility Interruption Notice"), then if the Utility Interruption continues for three consecutive days following the date Landlord receives the Utility Interruption Notice, Fixed Minimum Rent shall be abated commencing on the fourth consecutive day following the date Landlord receives the Utility Interruption Notice and continuing until the earlier of the date the Utility Interruption ceases or Tenant conducts any business upon the Premises.

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 clean and working 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 25% 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. Notwithstanding the immediately foregoing to the contrary, for the first 2 times in any Lease Year that Tenant has failed to comply with the provisions of this Section 7.1, the foregoing sum shall not apply (except in the event of a Vacation) unless Tenant has failed to comply with the provisions of this Section 7.1 within 24 hours after receipt of Landlord's written notice of such failure. Landlord shall not be required to give Tenant such notice more than one time in any Lease Year prior to assessing said sum.

7.1.1. **Tenant's Right to Suspend Business Operations.** Notwithstanding anything contained in Section 7.1 to the contrary, Tenant shall not be required to operate for business at the Premises on the following days:

7.1.1.1. **Holidays.** On Thanksgiving Day (unless a majority of the other Occupants at the Center are anticipated to be open on Thanksgiving Day), Christmas Day or Easter Sunday.

7.1.1.2. **Remodeling.** For a period of not more than 10 consecutive days for the purpose of remodeling the Premises; provided, however, (a) Tenant shall notify the Center manager at least 30 days prior to the proposed date of temporary closure; (b) such remodeling work shall be subject to the provisions of Article 8; (c) in no event shall Tenant be permitted to temporarily close for remodeling hereunder more than one time in any 5-year period without the Center manager's prior approval (which shall not be unreasonably withheld); and (d) in no event shall Tenant be permitted to temporarily close for remodeling during the period commencing upon November 1st and continuing through the immediately following January 31st in any single calendar year.

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) intentionally omitted; (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 Repair and Maintenance Obligations.** Landlord shall maintain in good order, condition and repair the exterior structural walls, load bearing walls, the outside face of the exterior walls, foundations, exterior roofs and all Utility Facilities serving the Premises on a non-exclusive basis (except to the extent that the applicable utility provider is responsible for the repair and maintenance of any such Utility Facilities). Landlord shall be under no obligation to maintain, repair or replace any portion of the Premises (except as otherwise expressly set forth in this Section 8.1), nor shall Landlord be liable for any failure to make any such repairs or to perform any maintenance required of Landlord hereunder unless Tenant has notified Landlord, in writing, of the need of such repairs or maintenance, and such failure shall then persist for an unreasonable period of time after such written notice (such period shall not exceed 30 days, provided such period shall be subject to reasonable extensions so long as Landlord is using reasonable efforts in good faith to make such repairs or maintenance).

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.

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. Notwithstanding anything contained in this Section 8.3 to the contrary, upon 30 days' prior written notice to Landlord, which notice shall be accompanied by samples of colors and materials to be used, Tenant shall be permitted to perform Improvements without Landlord's consent in the first instance, provided (i) Tenant's proposed Improvements are non-structural and do not change or otherwise affect Tenant's storefront, the Building and/or any of the Building systems (which systems shall include, without limitation, water, gas, heat, electricity, steam, chilled water, hot water, lighting, power, HVAC, telephone service, sewer service, fire/life safety and all other systems and services made available for the general use, convenience and/or benefit of more than one Occupant of the Building), (ii) the proposed cost of such Improvements does not exceed \$100,000.00 in the aggregate, (iii) the proposed Improvements comply with Governmental Regulations, (iv) Tenant has obtained any necessary building permits required by any applicable governmental authorities for such Improvements, and (v) Tenant's proposed Improvements are not located in the Design Control Area as defined in the Tenant Package, then Tenant may submit a written proposal describing the proposed Improvements together with a schedule detailing the work to be performed to the manager of the Center. Upon the Center manager's approval of such plans, Tenant may perform such Improvements without submitting plans for such Improvements in accordance with Exhibit C and without payment of the Plan Review Fee, but subject to the other provisions set forth hereinabove; provided, however, in the event the manager of the Center deems the proposed Improvements do not meet each of the conditions set forth in (i) through (v) above, the proposed Improvements shall be submitted for Landlord's approval as set forth in Exhibit C. In no event shall Tenant be permitted to perform any work in connection with any such Improvements during the period commencing upon November 1st and continuing through the immediately following January 31st of any single year.

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. Tenant will be permitted to install its standard signage on the exterior of the Premises to the

maximum extent permitted under Governmental Regulations, subject to Landlord's prior review of the specifications and installation method and Tenant's compliance with the Tenant Package.

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, including all Tenant's signs (including the Storefront Sign) but exclusive of Attached Fixtures 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 150% 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 Section 10.3 or otherwise has breached or acted unreasonably under this Section 10.3, 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.

10.6. **Corporate Transfers.** Notwithstanding anything contained in this Article 10 to the contrary, Landlord's consent shall not be required for a Transfer to a corporation or entity (a) into or with which Tenant is merged or consolidated, (b) to which all or substantially all of Tenant's assets are transferred, provided Tenant is the Tenant entity on Page 1 of this Lease, or (c) acquiring in one contemporaneous transaction all the leases and assets of Tenant's other stores (but in any event, at least three (3) of Tenant's stores in the New York Metropolitan area; provided that, in any of such events, in each instance, each and every one of the following requirements has been satisfied:

10.6.1. The successor of Tenant has a tangible net worth, computed in accordance with generally accepted accounting principles, at least equal to \$20,000,000.00 calculated in 2023 U.S. Dollars. Proof reasonably satisfactory to Landlord of such net worth shall be delivered to Landlord at least 10 days prior to the Proposed Transfer Date.

10.6.2. Any such Transfer shall be subject to all of the terms and provisions of this Lease

(including, without limitation, the Permitted Use), and such Transferee shall assume, in a written document reasonably satisfactory to Landlord and delivered to Landlord prior to the effective date of such Transfer, all the obligations of Tenant under this Lease.

10.6.3. Tenant shall remain fully liable for all obligations to be performed by Tenant under this Lease.

10.6.4. Tenant shall pay Landlord, promptly on demand, the Review Fee.

10.6.5. Tenant shall notify Landlord in writing no less than 10 business days prior to the effective date of such transaction by providing Landlord with the name of such resulting entity and such other details as Landlord may reasonably request.

10.6.6. Such Transfer is not a subterfuge by Tenant to avoid its obligations under the Lease.

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. The number of parking spaces contained within the Common Area will comply with Governmental Regulations.

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. **Intentionally Omitted.**

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. **Intentionally Omitted.**

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 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%. For the purpose of determining the amount of Tenant's Share of Real Estate Taxes which constitute "unpaid Rent which would have been earned after termination" or which constitute "unpaid Rent for the balance of the term" (as referenced in subparagraphs [b] and [c] hereof), such amounts shall be deemed to increase annually for the balance of the Term by an amount equal to the average annual percentage increase in Real Estate Taxes during the 3 calendar years preceding the year in which this Lease was terminated, or, if such termination shall occur prior to the expiration of the third calendar year occurring during the Term of this Lease, then the amount of Tenant's Share of Real Estate Taxes shall be deemed to increase monthly for the balance of the Term by an amount equal to the average monthly percentage increase in Tenant's Share of Real Estate Taxes during all of the calendar months preceding the month in which this Lease was terminated.

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 (including, subject to the rights and interests of any Mortgagees or any holders of any other encumbrances affecting the Center, the unpledged rents or other income therefrom or net sales

proceeds therefor). 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 120 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 and Tenant shall each have the right to audit the other party's books and records respecting Gross Sales and Tenant's Share of Real Estate Taxes (respectively) upon not less than 20 days' prior written notice to the other party. Such audits shall be conducted during business hours by a non-contingency fee auditor who was not previously employed by the other and is not employed by a competitor of the other at such offices as the audited party shall reasonably specify. A party may not conduct an audit (a) more than once in each Lease Year or (b) while such party is in default of the Lease. If an audit should disclose that the audited party shall have misstated Gross Sales or overstated Tenant's Share of Real Estate Taxes (as applicable) by more than 5%, then the audited party shall pay to the other party 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 or refunding any overpayment made under this Lease as a result of such understatement or overstatement, as applicable. 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. If Tenant fails to audit Landlord's books and records for Tenant's Share of Real Estate Taxes within 2 years after the expiration of any calendar year, Tenant's right to audit Landlord's books and records for such year shall be deemed waived.

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 reasonable 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 15 business 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. Landlord shall use good faith efforts to ensure that the Rules are enforced in a uniform and consistent manner against similarly situated Occupants.

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.

22. OPTIONS TO EXTEND.

22.1. **Option to Extend.** Landlord hereby grants Tenant one (1) option ("**Option to Extend Term**") to extend the initial Term ("**Initial Term**"), which must be exercised by written notice ("**Notice to Extend Term**") delivered by Tenant to Landlord at least twelve (12) months, but not more than eighteen (18) months, prior to the then current Expiration Date, in accordance with the provisions of this Section 22.1. The Option to Extend Term shall extend the term of this Lease for an additional sixty (60) months ("**Extended Term**") commencing upon the expiration of the Initial Term. This Lease shall be extended for the Extended Term upon all the same terms, covenants and conditions contained in this Lease, specifically excluding Fixed Minimum Rent adjustments in Section 3.4. Fixed Minimum Rent for the 1st year of the Extended Term shall be increased on the first day of the Extended Term (in lieu of the Rent Adjustment provided for in Section 3.4 above) to 110% of the Fixed Minimum Rent payable in the final Lease Year of the initial Term of the Lease; and at the commencement of each succeeding Lease Year during the remainder of the Extended Term, the annual Fixed Minimum Rent will be increased by 2%. Tenant shall have no further right to extend the term of this Lease beyond the Extended Term. In no event shall Tenant have the right to exercise the Option to Extend Term while Tenant is delinquent in the payment of any Rent, not open and operating for business in the Premises or otherwise in default of this Lease.

22.1.1. **Documentation.** Following Landlord's receipt of a Notice to Extend Term, Landlord may prepare an amendment to this Lease setting forth the Extended Term pursuant to this Section 22.1 ("**Extended Term Amendment**"). The failure of either or both Landlord or Tenant to execute the Extended Term Amendment shall not have the effect of nullifying Tenant's Notice to Extend Term, and this Lease shall nevertheless be extended for the Extended Term, as herein provided.

22.1.2. **Personal Option.** The Option to Extend Term is personal to Tenant named at page 1 of this Lease. If Tenant effects a Transfer after the exercise of the Option to Extend Term, but prior to the commencement of the Extended Term, the Option to Extend Term shall lapse and this Lease shall expire as if the Option to Extend Term had not been exercised, unless such restriction is expressly waived in writing by Landlord (which election shall be in Landlord's sole 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:

WSF INC.,
a New York corporation

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

EXHIBIT A DEPICTION OF CENTER



NORTH

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, add to or omit whole or in part any structure, and/or improvements, and/or Common Area, and/or land area shown on this plan. The plan is subject to change and modification as may be made by Landlord or required by any authority having jurisdiction. All dimensions and areas shown on this plan are approximate and may vary from actual conditions. Occupant indicated herein is or will remain a tenant in the Center and nothing set forth in this plan is a representation, agreement or statement of fact except as specifically set forth in the Lease.

LEGEND:
— CENTER BOUNDARY LINE

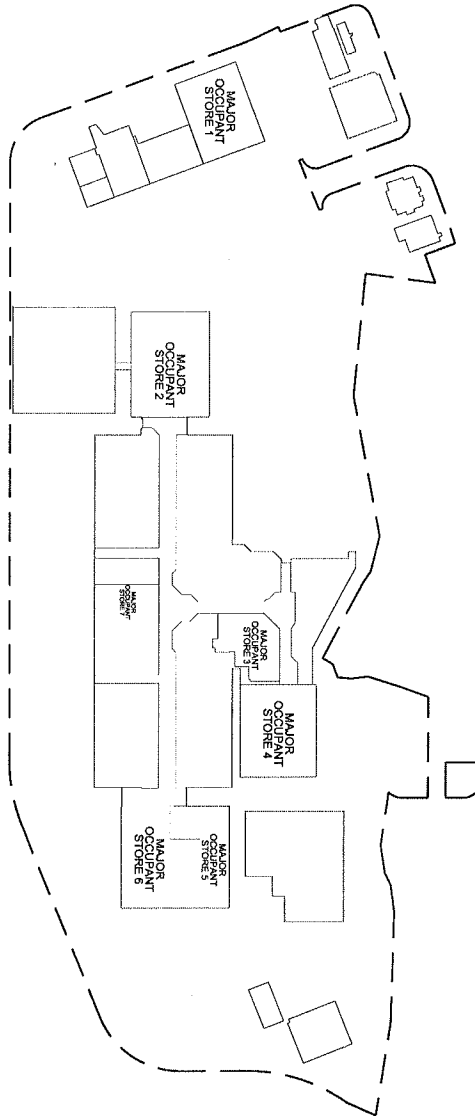
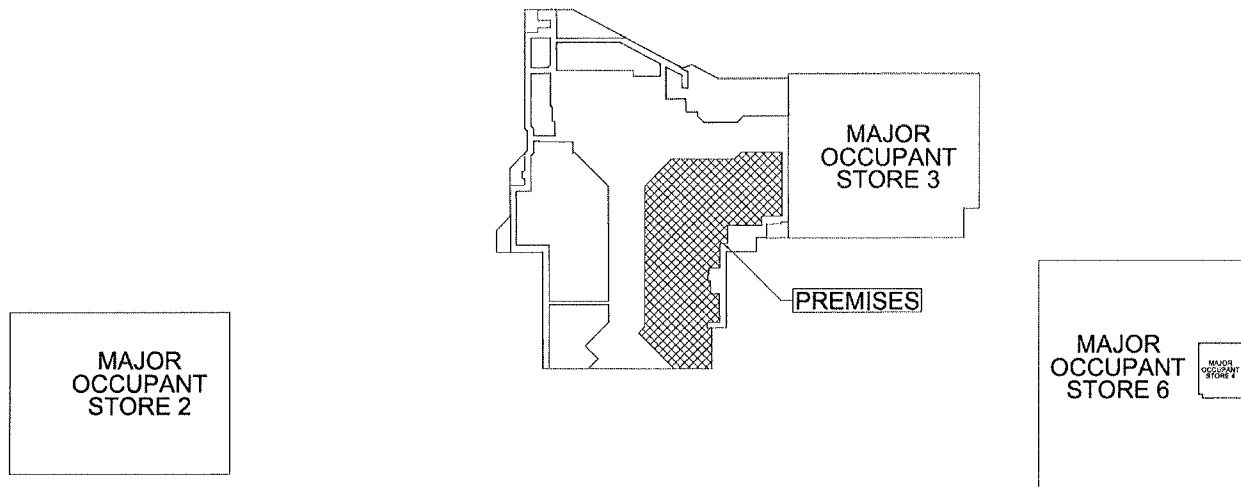


EXHIBIT B DEPICTION OF PREMISES



GREEN ACRES SECOND 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 delete whole or in part any structure, section improvements, and/or Common Area, and/or land acquisition 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 distances are approximate. This plan is not to be construed as a warranty of representation or agreement that any (Original and/or) Service or will remain a tenant in this space (subject) or for any other space in this Center and nothing in this plan is intended to be a representation, agreement or assurance of any kind or benefit in this Center.

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

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, except that Landlord will be responsible for substantial completion of Landlord's Work specified on Exhibit C-1 attached hereto and incorporated herein prior to the Delivery Date. 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 all Tenant's furniture, equipment and Personal Property, plus the completion of the items listed as Tenant's Additional Work on Exhibit C-2 attached hereto, 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**").

Green Acres Mall - Launch Entertainment Park - NSR

Launch Trampoline Park - Green Acres Mall - Lease - 11.30.23 -

Retail Mall Fixed

10021136

Form Version 5.0

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 will ensure that its General Contractor posts and carries a Construction and Payment Completion Bond for the full value of all of Tenant's Work provided for under the Lease during the full term of the conduct of Tenant's Work, proof of which bond will be provided to Landlord's Tenant Coordinator at the Pre-Con construction meeting prior to the commencement of Tenant's Work. 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.

5. **CONSTRUCTION ALLOWANCE**

5.1. **Construction Allowance.** So long as Tenant is not in default of this Lease, Tenant shall be entitled to receive from Landlord a one-time contribution for the purchase of, and payment for, Qualified Items up to a maximum of \$1,318,550.00 ("**Construction Allowance**"). Landlord shall have the right to deduct, from any installment(s) of the Construction Allowance to be paid to Tenant, any Rent owed by Tenant to Landlord pursuant to the Lease at the time such installment(s) is due and payable.

5.2. **Qualified Items.** "Qualified Items" means (a) the contract price for contractors and subcontractors who undertake improvements upon the Premises pursuant to this Exhibit C and (b) the materials purchased and installed or constructed as improvements upon the Premises pursuant to the provisions of this Exhibit C (excluding, however, Personal Property), (c) architects', engineers' and other construction consultants' fees and costs and (d) permits, licenses, fees and other payments for building permits.

5.3. **Disbursement of the Construction Allowance.** The Construction Allowance shall be payable as follows:

(i) \$791,130.00 (\$23.15 psf) will be recaptured by Tenant as a credit against up to 100% of each payment of Fixed Minimum Rent due and payable in an amount not to exceed \$791,130.00 commencing on the 1st of the month following the date clauses (a) – (d) of 5.3(ii) are satisfied as provided for below; and

(ii) a cash payment by Landlord in an amount not to exceed \$527,420.00 will be payable within 30 days, after the later to occur of (a) the date Tenant initially opens the Premises for business to the public, (b) the date Landlord receives the complete Close-Out Package, (c) the date Landlord receives a form W-9, Request for Taxpayer Identification Number and Certification (or any substitute form designated by the United States federal government), for Tenant, completed and signed by Tenant or an Authorized Officer of Tenant, as the case may be, and (d) the date Landlord receives written request therefor from Tenant.

Any credit against Fixed Minimum Rent pursuant to this Section 5.3(i) will not affect Tenant's obligations to pay Percentage Rent or Additional Rent and, for purposes of calculating Percentage Rent, Fixed Minimum Rent shall not be deemed to have been abated by the provisions of this Section 5.3. In the event the Lease terminates prior to exhaustion of the recapture amount, no remaining amount will be refunded to Tenant. In the event Tenant is in default of the Lease prior to the exhaustion of the entire recapture amount, Landlord may apply any outstanding amounts owed by Landlord against the amounts owing by Tenant under the Lease until the rent credit is fully credited. Tenant

shall deliver the information set forth in (b), (c) and (d) above to tcphoenix@macerich.com or to the following address:

Tenant Coordination Administration
c/o Macerich
11411 North Tatum Boulevard
Phoenix, AZ 85028

5.4. **Landlord's Right to Dispute.** Landlord's payment of the Construction Allowance shall not constitute Landlord's approval or acceptance of Tenant's Work. Landlord may dispute in good faith any request for payment based upon material non-compliance with the Approved Plans or due to any materially substandard work ("**Substandard Work**"). If Landlord identifies any Substandard Work, Landlord shall provide Tenant with a statement identifying the Substandard Work, and Landlord may withhold payment from the Construction Allowance until Landlord receives reasonable evidence that the Substandard Work has been corrected. If Tenant disputes Landlord's determination of Substandard Work, the matter shall be resolved by Landlord's designated architect and Tenant's Architect. Landlord's obligation to disburse the Construction Allowance shall be suspended during any period when Tenant is disputing Landlord's determination of Substandard Work.

5.5. **Event of Termination Prior to Expiration Date.** If for any reason this Lease is terminated prior to the Expiration Date, then the Unamortized Landlord Costs shall become immediately due and payable to Landlord and any portion of the Construction Allowance which had not been disbursed by Landlord to Tenant as of such date shall be retained by Landlord and Tenant shall have no right or claim thereto.

**EXHIBIT C-1
LANDLORD'S WORK**

- Phase I and ACM sampling testing, and remediation, if required by Governmental Regulations.
- Demolition of existing vertical transportation
- Structural infill of the openings after demolition
- Interior demolition
- Sprinkler grid with upturned heads
- Install separate valve for sprinkler main
- One (1) new common egress stair
- Separate utilities for the Premises from the combined utilities for the level below the Premises
- New utility meter in Landlord electric room

**EXHIBIT C-2
TENANT'S ADDITIONAL WORK**

- Structural floor reinforcing, to the extent required for Tenant's load on the floor
- Perimeter gyp board
- Electrical
 - Electrical service:
 - Recircuit existing panels for 2nd level
 - Modify electrical within the Premises
 - Exit and emergency lighting as needed
 - Fire alarm per Nassau County fire department code
 - Sanitary & domestic water services
 - New water meter for 2nd level - sub meter typically installed in the restroom areas, with a remote read outside of the Premises for Landlord to read without accessing the Premises
 - Existing sanitary & water stubs as-is, where-is for 2nd level
 - Sprinkler Services
 - All work to modify existing sprinkler grid to suit Tenant's layout
 - HVAC Services
 - All ductwork and distribution by Tenant to suit layout
 - Recircuit existing RTU - 2nd level
 - Service/repair existing RTU - 2nd level
 - Any new supplemental HVAC
- Acoustical and vibration floor isolation and sound attenuation to minimize sound and vibration penetration to level below the Premises and maximize sound attenuation between the Premises and the level below the Premises.
- Level the existing floor
- Install new interior Tenant storefront.

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 5% 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 specified in Exhibit C-1 substantially complete.

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.

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. **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.

2.28. **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.

2.29. **Lease Year** means, as to the first Lease Year, the period from the Rent Commencement Date through the date preceding the first 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 first Lease Year shall continue through the last day of the calendar month in which such first anniversary date occurs), and as to each subsequent Lease Year, the period of twelve consecutive months thereafter; however, the last Lease Year shall end upon the Expiration Date.

2.30. **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.

2.31. **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.

2.32. **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.

2.33. **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.

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

2.35. **Intentionally omitted.**

2.36. **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.

2.37. **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.

2.38. **Intentionally omitted.**

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 \$2,500.00; 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 \$1,250.00, and (b) if the scope of the plans depicts nothing more than the Storefront Sign, such sum shall be in the amount of \$500.00.

2.41. **Quarterly 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

2.42. **Real Estate Taxes** means, without limitation, all taxes (except for franchise, gift, estate, inheritance or net income taxes [unless and then only to the extent that net income taxes are a substitute for real estate taxes]), assessments and reassessments (whether resulting from any new construction, renovation or replacement of existing improvements or a transfer of all or any portion of the Center or otherwise), whether special or general, bonds, permit fees, license fees, license taxes, levies and penalties imposed, assessed or levied against the Center or any portion thereof by any authority having the direct or indirect power to impose, assess or levy the same, including, without limitation, any city, county, state or federal government or agency thereof, or any school, agricultural, lighting, drainage, fire, street, sanitary, community facilities or other improvement district thereof; all taxes, fees and/or charges on the operation and use of the Center or Common Area imposed by any federal, state or local governmental entity; taxes on Landlord's personal property used in connection with the maintenance or operation of the Center or made available for general use, convenience or benefit of more than one (1) Occupant; all impositions (whether or not such impositions constitute tax receipts to governmental agencies) in substitution, partially or totally, of any impositions now or previously included within the definition of real estate taxes, including, without limitation, those imposed or required by governmental agencies to increase tax increments to governmental agencies and for such services as fire protection, street, sidewalk and road maintenance, refuse removal and/or for other governmental services formerly provided without charge to property owners or occupants (it being the intention of Landlord and Tenant that all such new and/or increased impositions and all similar impositions be included within the definition of Real Estate Taxes for purposes of this Lease); interest on the foregoing to the extent any of the same are paid in installments; and the costs of professionals and counsel to analyze tax bills and/or prosecute any challenges, protests, refunds and appeals. An Administrative Charge shall be calculated on Real Estate Taxes prior to calculating Tenant's Share of Real Estate Taxes.

2.43. **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.

2.44. **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.

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

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

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

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

2.49. **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.

2.50. **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.

2.51. **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.

2.52. **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.

2.53. **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.

2.54. **Tenant's Share** means a fraction, the numerator of which is the Floor Area of the Premises and the denominator of which is the Floor Area of the Center (inclusive of the Premises, but exclusive of the Excluded Floor Area), which is from time-to-time occupied and open for business.

2.55. **Transfer** and **Transferring** mean an Assignment, a Subletting, and/or a transfer, assignment or hypothecation of 50% 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.

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

2.57. **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.

2.58. **Unamortized Tenant Costs** shall mean an amount equal to the remaining unamortized net cost paid by Tenant for initial Improvements (less all amounts either [a] paid by Landlord toward such Improvements, or [b] spent by Tenant on Personal Property) 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.

2.59. **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.

2.60. **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.

2.61. **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.

Proposed Redevelopment. As of the date hereof, Landlord is considering redeveloping all or a portion of the Center, which may include the demolition and construction of new improvements (collectively, "**Proposed Redevelopment**"). The Premises are located adjacent to a phase of the Proposed Redevelopment. The parties acknowledge and agree that in no event shall any rights, covenants or restrictions granted to or imposed upon the parties by this Lease extend beyond the boundary of the Center. Any phases of the Proposed Redevelopment may or may not be developed and, if so, may be developed or redeveloped as retail, office, non-retail, residential, mixed-use and commercial purposes. Notwithstanding anything to the contrary contained in the Lease, Tenant further acknowledges and agrees that (a) if Landlord determines, in its sole and absolute discretion, to perform all or any portion of the Proposed Redevelopment, the exact location, configuration and size of the Proposed Redevelopment, including the Center, the premises of any Occupant (including the Premises), any and all Major Occupants and the Common Area shall be subject to change and/or adjustment; and (b) during the Proposed Redevelopment, barricades and other obstacles may be placed in and around the Center and/or the Premises and the work of the Proposed Redevelopment may affect access to or visibility of the Premises; however, Landlord shall use good faith efforts to perform the Proposed Redevelopment in a manner designed to minimize any interference with Tenant's conduct of business at the Premises. Tenant shall have no approval rights whatsoever with respect to the Proposed Redevelopment, the plans and specifications therefor or the construction thereof. Landlord shall have no obligation to perform all or any portion of the Proposed Redevelopment and nothing contained in this Section 2 or elsewhere in the Lease shall be deemed to be a representation, warranty or inducement of any kind whatsoever that Landlord shall perform all or any portion of the Proposed Redevelopment.

- 2.2. **Intentionally Omitted.**

- 2.3. **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.

- 2.4. **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.

- 2.5. **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 material or monetary 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 ten [10] 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.

- 2.6. **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.

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

3. **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.

- 2.8. **Exhibit C, Section 2, 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.
- 2.9. **Exhibit D, Section 2.27, Landlord Parties.** Landlord Parties shall also include the Town of Hempstead Industrial Development Agency of the Town of Hempstead, New York.

EXHIBIT F

Exhibit F has been Intentionally Omitted

EXHIBIT G
QUARTERLY AND ANNUAL SALES STATEMENT FORM

Center: _____

Store Name/Number: _____

	CERTIFIED GROSS SALES
January-March	_____
April-June	_____
July - September	_____
October- December	_____
TOTALS	_____

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

Name: _____

Title: _____

Authorized Signatory

EXHIBIT H
LETTER OF CREDIT FORM

Date

[Name and Address of Financial Institution]

Irrevocable Standby Letter of Credit

No. _____

Issuance Date: _____

Expiration Date: _____

Applicant: _____

Beneficiary
Valley Stream Green Acres LLC
% Macerich Management Company
401 Wilshire Boulevard
Suite 700
Santa Monica, CA 90401

Ladies/Gentlemen:

We hereby establish our Irrevocable Standby Letter of Credit in your favor for the account of the above referenced Applicant in the amount of _____ U.S. Dollars (\$_____.00) available for payment at sight by your draft drawn on us when accompanied by the following documents:

1. An original copy of this Irrevocable Standby Letter of Credit; and
2. Beneficiary's dated statement purportedly signed by an authorized signatory or agent reading: "This draw in the amount of _____ U.S. Dollars (\$ _____) under your Irrevocable Standby Letter of Credit No. _____ represents funds due and owing to us pursuant to the terms of that certain lease, by and between _____, as landlord, and _____, as tenant, and/or any amendment to the lease or any other agreement between such parties related to the lease."

It is a condition of this Irrevocable Standby Letter of Credit that it will be considered automatically renewed without amendment for a one year period upon the expiration date set forth above and upon each anniversary of such date, unless at least 60 days prior to such expiration date or applicable anniversary thereof, we notify you in writing, by certified mail return receipt requested or by recognized overnight courier service, that we elect not to so renew this Irrevocable Standby Letter of Credit. A copy of any such notice shall also be sent, in the same manner, to: Valley Stream Green Acres LLC, c/o Macerich, 401 Wilshire Boulevard, Suite 700, Santa Monica, California 90401, Attention: Finance Department.

In addition to the foregoing, we understand and agree that you shall be entitled to draw upon this Irrevocable Standby Letter of Credit in accordance with 1 and 2 above at any time during the from period 60 days prior to the then-current expiration date in the event that we elect not to renew this Irrevocable Standby Letter of Credit and, in addition, you provide us with a dated statement purportedly signed by an authorized signatory or agent of Beneficiary stating that the Applicant has failed to provide you with an acceptable substitute irrevocable standby letter of credit in accordance with the terms of the above referenced lease.

We further acknowledge and agree that: (a) upon receipt of the documentation required herein, we will honor your draws against this Irrevocable Standby Letter of Credit without inquiry into the accuracy of Beneficiary's signed statement and regardless of whether Applicant disputes the content of such statement; (b) this Irrevocable Standby Letter of Credit shall permit partial draws and, in the event you elect to draw upon less than the full stated amount hereof, the stated amount of this Irrevocable Standby Letter of Credit shall be automatically reduced by the amount of such partial draw; and (c) you shall be entitled to transfer

your interest in this Irrevocable Standby Letter of Credit from time-to-time and more than one time without our approval and without charge. In the event of a transfer, we reserve the right to require reasonable evidence of such transfer as a condition to any draw hereunder.

This Irrevocable Standby Letter of Credit is subject to the International Standby Practice - ISP98 ICC Publication No. 590. In addition, this Irrevocable Standby Letter of Credit shall, as to matters not governed by the Uniform Customs, be governed by and construed in accordance with the law of the State of _____.

We hereby engage with you to honor drafts and documents drawn under and in compliance with the terms of this Irrevocable Standby Letter of Credit. Requests for payment under this Irrevocable Standby Letter of Credit shall be final and conclusive for all purposes without verification by us and shall not be subject to refutation, denial or contest. This Irrevocable Standby Letter of Credit sets forth in full the terms of our undertaking and such undertaking shall not in any way be modified, amended or amplified by reference to any document, instrument or agreement referred to herein or in which this Irrevocable Standby Letter of Credit is referred to or to which this Irrevocable Standby Letter of Credit relates, and any such reference shall not be deemed to incorporate herein by reference any document, instrument or agreement.

Drafts drawn on this Irrevocable Standby Letter of Credit as well as all communications to us with respect to this Irrevocable Standby Letter of Credit, must be addressed to our office located at _____ to the attention of _____.

Drafts and other communications may be delivered to us at the address set forth in the preceding sentence, by mail, messenger, or by overnight courier.

At the option of the Beneficiary, drawings may be made on this Irrevocable Standby Letter of Credit by electronic presentation as follows: _____.

Very truly yours,

By: _____

Name: _____

Title: ____

GUARANTEE OF LEASE

THIS GUARANTEE OF LEASE ("Guarantee") is made as of _____ by YAHYA ASSAEDI AND SABA ASSAEDI, husband and wife, jointly and severally (collectively, "Guarantor"), whose address is set forth below.

WHEREAS, VALLEY STREAM GREEN ACRES LLC, a Delaware limited liability company ("Landlord") and WSF INC., a New York corporation ("Tenant") have entered into that certain Lease Agreement dated _____ ("Lease"), concerning the premises commonly referred to as Space No. 0087B ("Premises") in the commercial project known as Green Acres Mall ("Center"), located in the Village 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 the execution of the foregoing Lease by Landlord and as a material inducement to Landlord to execute the Lease, Guarantor hereby absolutely, presently, continually, unconditionally and irrevocably guarantees as follows:

1. Commencing on the 3rd anniversary of the Rent Commencement Date, 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: Yahya Assaedi And Saba
Assaedi
122-16 85TH Avenue
Kew Gardens, NY 11415

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, reasonable 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. 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).

21. **Limitation on Liability.** Notwithstanding anything to the contrary contained in this Guarantee, Guarantor's liabilities hereunder and under the Lease shall be limited to an amount equal to 12 full calendar months of Rent (as such term is defined in the Lease), calculated as of the date of the default. In addition to the foregoing, Guarantor shall also be liable for (a) Landlord's costs of collection and attorneys' fees; and (b) all of Landlord's costs, liabilities, fines, damages, penalties, judgments, and losses arising from Tenant's default under Articles 5 – Indemnity and Insurance, 9 – Surrender of Premises, and 19 – Hazardous Materials.

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

GUARANTOR:

YAHYA ASSAEDI

SABA ASSAEDI

GUARANTEE OF LEASE

THIS GUARANTEE OF LEASE ("Guarantee") is made as of _____ by **WISAM ASSAEDI AND ABEER YAHYA AL AAIDI**, husband and wife, jointly and severally (collectively, "Guarantor"), whose address is set forth below.

WHEREAS, **VALLEY STREAM GREEN ACRES LLC**, a Delaware limited liability company ("Landlord") and **WSF INC.**, a New York corporation ("Tenant") have entered into that certain Lease Agreement dated _____ ("Lease"), concerning the premises commonly referred to as Space No. 0087B ("Premises") in the commercial project known as Green Acres Mall ("Center"), located in the Village 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 the execution of the foregoing Lease by Landlord and as a material inducement to Landlord to execute the Lease, Guarantor hereby absolutely, presently, continually, unconditionally and irrevocably guarantees as follows:

1. Commencing on the 3rd anniversary of the Rent Commencement Date, 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	Wisam Assaedi and Abeer Yahya Al To	Valley Stream Green Acres
Guarantor:	Aaidi	LLC
	85-04 121st Street	401 Wilshire Boulevard, Suite
	Kew Gardens, NY 11415	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, reasonable 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. 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).

21. **Limitation on Liability.** Notwithstanding anything to the contrary contained in this Guarantee, Guarantor's liabilities hereunder and under the Lease shall be limited to an amount equal to 12 full calendar months of Rent (as such term is defined in the Lease), calculated as of the date of the default. In addition to the foregoing, Guarantor shall also be liable for (a) Landlord's costs of collection and attorneys' fees; and (b) all of Landlord's costs, liabilities, fines, damages, penalties, judgments, and losses arising from Tenant's default under Articles 5 – Indemnity and Insurance, 9 – Surrender of Premises, and 19 – Hazardous Materials.

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

GUARANTOR:

WISAM ASSAEDI

ABEER YAHYA AL AAIDI

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

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 2.7	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

CEO's REPORT

November 21, 2023

**Indicates new proposal not included in prior reports*

ACTIVE PROJECTS:

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 project is awaiting a closing date. 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: Elizabetta Coschignano, Esq., 47 Broadway, Wilbur Breslin, Pres.

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 workforce 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. 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 adopted on February 24, 2022. The company is currently trying to obtain financing. The project was re-authorized on 7/18/23. The site plan does not comply with the current application before the IDA, so additional corrections are required.

Sunrise of Oceanside NY Propco, LLC – The developers seek to transform the vacant property at 374 Atlantic Avenue, Oceanside an construct 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. 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 officer 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. A closing will be held in 2024. 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. We are awaiting a closing date. 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.

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. This project was induced at the October 2023 Meeting. Contact: Dan Deegan, Esq.

Conklin Estates - The developers seek to construct sixteen 2-story, 16- units of market rental housing development located at 37 Conklin Ave, Woodmere. There will also be parking on the ground level. The building area will be approximately 24,092 square feet and there will be 42 total parking spaces on the site. This will be on approximately .8242 acres. The unit will be as follows: 12-2 bedrooms, 2 bath units and 4-3 bedroom , 2.5 bath units This is considered a transit orient development due to its proximity to the LIRR. The project costs are \$5.5 million. This project was induced at the October 2023 Meeting. 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. The project 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 story 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. This project was Induced at the September 2023 Board Meeting. Contact: Dan Deegan, Esq., John Gordon, Esq, Principal & Barbara Murphy,

Wellington – 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. This project was Induced at the September Board Meeting, and the public hearing was held on October 10, 2023. This project was authorized at the October 2023 Meeting. Contacts: Alex Rivero, Peter Curry, Esq.

Dover Freeport - Dover which is a wholesale distributor of food and operates retail hospitality restaurant currently is in a PILOT program that ends in 2023. The applicant seeks to upgrade current operations at its office/warehouse in Freeport. They anticipate making \$2.350 million in improvements including floor coverings, wall coverings, garage door, a new HVAC system with energy saving equipment, a new loading deck, LED lighting, an energy efficient computer system and new phone equipment system. Benefits would include a new 15-year PILOT extension, and a sales tax exemption on equipment and improvement materials. The project was induced at our November 2023 Meeting. A hearing was held on the 11th of December. Final Inducement will be before the board this December 2023 Meeting.

***Palmetto-RPT LS PropCo LLC** - The developer seeks to construct a 103,600 square foot hotel on a 1.65-acre site on Ring Road in Roosevelt Field. The hotel will house 170 rooms with a lobby, bar and three thousand square feet of meeting space under the management of the Marriot. It is expected to be an approximately \$75.6 million dollar project. Contacts: Charle King, CFO, Palmetto (864-327-4038), John Gordon, Forchelli, Deegan and Terrana (516-248-1700)

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

RESOLUTION

TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY

CONTRACT WITH MASSA & ASSOCIATES, INC.

WHEREAS, the Town of Hempstead Industrial Development Agency deems it necessary to have all financial information reviewed and audited by a certified public accountant and actuary firm and;

WHEREAS, the governmental Accounting Standards Board has released a statement establishing standards for the measurement, recognition and display of post-employment benefits, expenditures and related liabilities other than pensions; and

WHEREAS, the Agency has selected the actuary firm of Massa & Associates Inc. to enter into a contract for review year 2023 with the IDA to prepare all reports, statements and updates related to the post-employment benefits of all employees as required by the GASB 74/75,

NOW, THEREFORE, BE IT

RESOLVED, the Town of Hempstead Industrial Development Agency hereby retains Massa & Associates, Inc., 100 North Centre Avenue, Suite 400, Rockville Centre, NY 11570, as the actuary firm for the Agency, subject to the approval of a contract as to form by Agency Counsel, for an amount not to exceed \$2,054 for the post-employment benefit reports, statements and updates for the 2023 Audited Financial Statements

Adopted: .

Ayes:

Nays:

Resolution Number: 052-2023

Chairman: _____

**AGREEMENT BETWEEN MASSA & ASSOCIATES, INC.
AND THE TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY
REGARDING ACTUARIAL SERVICES**

This Agreement is made and entered into this _____ day of _____, 2023, by and between Massa & Associates, Inc. (hereinafter called the "Actuaries") and the Town of Hempstead Industrial Development Agency (hereinafter called "TOH Industrial Development Agency"). This agreement specifies the services that will be provided by the Actuaries for the Postemployment Health Insurance Benefits for employees of the TOH Industrial Development Agency.

Actuarial Services

The Actuaries will determine costs and liabilities as of December 31, 2023. These costs and liabilities will be used to create a report subject to requirements of GASB 74/75. The report will provide all information required by the accountants for the TOH Industrial Development Agency.

The Actuaries will issue the report in a time frame that is acceptable to the TOH Industrial Development Agency. After the report has been issued, the Actuaries will make it a priority to provide supplementary information and confirmations requested by the accountants. The report will be issued and all required information will be provided to the accounts no later than March 1, 2024.

Fee for Services

The fee for these services is \$2,054. It will be payable after all of the services above have been completed.

The parties have caused this Agreement to be executed by their duly authorized officers on this _____ day of _____, 2023.

Massa & Associates, Inc.

By: _____

Title: _____

Date: _____

Town of Hempstead Industrial Development Agency

By: _____

Title: _____

Date: _____

RESOLUTION

TOWN OF HEMPSTEAD
INDUSTRIAL DEVELOPMENT AGENCY

CONTRACT WITH SHEEHAN AND COMPANY
2023/2024

WHEREAS, the Town of Hempstead Industrial Development Agency deems it necessary to have all financial information reviewed and audited by a certified public accountant and;

WHEREAS, the Agency has selected the firm of Sheehan and Company to audit the financial records of the Agency for the calendar year of 2023 and;

WHEREAS, Sheehan and Company will enter into a contract with the IDA to file all necessary tax documents for 2023, to file the Annual Financial Statement with the State of New York for 2023, to furnish the Board with audited financial statements for 2023, as well as to review of the agency's financial records for the calendar year of 2024 on a quarterly basis, and to assist with the preparation of the Budget and State Report filing in 2024.

NOW, THEREFORE, BE IT

RESOLVED, the Town of Hempstead Industrial Development Agency hereby retains Sheehan and Company, 165 Orinoco Drive, Brightwaters, as the auditors for the Agency, subject to the approval of a contract as to form by Agency Counsel, for an amount not to exceed \$29,500.00 for the filing of all necessary tax documents for 2023, the filing of the Annual Financial Statement with the State of New York for 2023, the furnishing to the Board with audited financial statements for 2023, as well as reviewing the agency's financial records for the calendar year of 2024 on a quarterly basis, and assisting with the preparation of the Budget and State Report filing in 2024.

Adopted:

Ayes:

Nays:

Resolution Number: 053-2023

Chairman



165 Orinoco Drive
Brightwaters, NY 11718
T: 631.665.7040 | F: 631.665.7014

15 South Bayles Avenue
Port Washington, NY 11050
T: 516.883.5510 | F: 516.767.7438

www.sheehancpa.com

November 1, 2023

To the Board of Directors and Management
Town of Hempstead Industrial Development Agency
350 Front Street
Hempstead, New York 11550-4037

We are pleased to confirm our understanding of the services we are to provide Town of Hempstead Industrial Development Agency (the Agency or the Organization), a component unit of the Town of Hempstead, New York, for the year ended December 31, 2023.

Audit Scope and Objectives

We will audit the financial statements of the Agency, and the disclosures, which collectively comprise the basic financial statements of the Agency as of and for the year ended December 31, 2023. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as Management's Discussion and Analysis (MD&A), to supplement the Agency's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. As part of our engagement, we will apply certain limited procedures to the Agency's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by U.S. generally accepted accounting principles (U.S. GAAP) and will be subjected to certain limited procedures, but will not be audited:

- Management's Discussion and Analysis
- Schedule of Proportionate Share of the Net Pension Liability

- Schedule of Pension Contributions
- Schedule of Changes in the Agency's Total Other Postemployment Benefits (OPEB) Liability and Related Ratios

We have also been engaged to report on supplementary information other than RSI that accompanies the Agency's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America and will provide an opinion on it in relation to the financial statements as a whole in a report combined with our auditor's report on the financial statements:

- Budgetary Comparison Schedule

We have also been engaged to audit the Schedule of Cash, Cash Equivalents, and Investments of the Agency as of December 31, 2023, as required by Section 2925 of the New York State Public Authorities Law and Section 201.3 of the New York State Public Authorities Law (collectively, the Investment Guidelines).

For purposes of this engagement letter, the basic financial statements and Schedule of Cash, Cash Equivalents, and Investments of the Agency are referred to collectively as "the financial statements".

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with U.S. GAAP; and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

The objectives also include reporting on internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, non-compliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.

Auditor's Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of your accounting records of the Agency and other procedures we consider necessary to enable us to express such an opinion. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional

disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts and direct confirmation of receivables and certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement, and they may bill you for responding to those inquiries.

We have identified the following significant risk of material misstatement as part of our audit planning:

- Management override of controls
- GASB 96, *Subscription-Based Information Technology Arrangements*, is effective for the Agency's 2023 year. Risk exists relating to implementation and disclosure of this new standard.

Please note that the risk assessment process is fluid throughout the engagement and modifications may be made to our identification of significant risks during the audit process.

We may, from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Our audit of financial statements does not relieve you of your responsibilities.

The audit documentation for this engagement is the property of Sheehan & Company, CPA, PC (Sheehan) and constitutes confidential information. However, we may be requested to make certain audit documentation available to regulators pursuant to authority given to it by law or regulation. If requested, access to such audit documentation will be provided under the supervision of Sheehan personnel. Furthermore, upon request, we may provide copies of selected audit documentation to regulators. The regulator may intend, or decide, to distribute the copies or information contained therein to others, including other government agencies.

Audit Procedures - Internal Control

We will obtain an understanding of the government and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinion. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other non-compliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation or the override of internal control. An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures - Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Agency's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance, and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Nonattest Services

We will provide the following additional nonattest services:

- We will assist in the drafting of the financial statements and related notes in conformity with U.S. generally accepted accounting principles based on information provided by you. The responsibility for the financial statements and all representations contained therein remains with management and those charged with governance.
- We will maintain detailed depreciation schedules for the Agency based on information provided by management, including the assignment of asset lives, salvage values and depreciation methods.
- The requirements of Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB 96) are effective for the Agency's current fiscal year. We are available to assist management with implementation of

this new standard as required by the New York State Comptroller's Office, however the responsibility for the financial statements and related implementation of GASB 96 remains with management.

These non-audit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. The other services are limited to the services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You are responsible for all management decisions and for performing all management functions and for designating an individual possessing suitable skill, knowledge and/or experience to oversee the nonattest services we will provide. You are responsible for establishing and maintaining internal controls, including monitoring ongoing activities. You are responsible for evaluating the adequacy and results of the above nonattest services performed and accepting responsibility for the results of such services. This includes your review and approval of all adjustments we may propose to the accounting records of the Agency or its financial statements as a result of these services.

By signing this engagement letter, we have assumed that you are the person responsible for these nonattest matters of the Agency from whom we shall receive all inquiries and requests. If this is not a correct assumption, please furnish us with the name of the individual with whom this work should be coordinated.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with accounting principles generally accepted in the United States of America, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and

transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by GAAS and *Government Auditing Standards*.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and non-compliance with provisions of laws, regulations or contracts or grant agreements that we report.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with accounting principles generally accepted in the United States of America. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with U.S. GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with U.S. GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

With regard to publishing the financial statements on your website, you understand that websites are a means of distributing information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information on the website with the original document.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and

providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to any non-audit services we may provide. You will be required to acknowledge in the management representation letter our assistance with any non-audit services and that you have approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee any non-audit services we may provide by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Management agrees to indemnify Sheehan for any damages, including attorney fees, caused in whole or part, by the Organization's failure to fulfill these responsibilities, including from any negligent or intentional misrepresentations made by the Organization or Management, or its affiliates, officers, directors or employees in the management representation letter, or in connection with the services provided under this engagement letter.

Client Promises

The Agency hereby promises that it will make every diligent effort to maintain proper books and records that accurately reflect its business activities that will be completely truthful with Sheehan and that Sheehan may rely upon both oral and written statements and responses to questions. The Organization further promises to immediately advise Sheehan if it becomes aware of any inaccuracy in its recordkeeping or dishonesty in any of its business dealings, including its statements to Sheehan. The Agency acknowledges that the promises are the cornerstone of its relationship with Sheehan., are made to induce Sheehan to accept this audit engagement and that Sheehan would not accept this engagement without such promises.

Electronic Signatures and Copies

All parties to this agreement agree that a digital signature shall be effective to prove each party's agreement to the terms of this document. An electronically transmitted signature to this agreement, if included, will be deemed an acceptable original for purposes of consummating this agreement and binding the party providing such electronic signature. Furthermore, the parties agree that the terms of this agreement may be proved through an electronic facsimile, including a scanned electronic copy in Portable Document Format (PDF) or other digital format and that no original hard-copy document need be retained to prove the terms of this agreement. This agreement may be transmitted in electronic format and shall not be denied legal effect solely because it was formed or transmitted, in whole or in part, by electronic record.

E-mail Communication

Sheehan disclaims and waives, and you release Sheehan from, any and all liability for the interception or unintentional disclosure of e-mail transmissions or for the unauthorized use or failed delivery of e-mails transmitted or received by Sheehan in connection with the services we are being engaged to perform under this agreement.

Mediation Provision

Disputes arising under this agreement (including the scope, nature and quality of services to be performed by us, our fees and other terms of the engagement) shall be submitted to mediation. A competent and impartial third-party, acceptable to both parties, shall be appointed to mediate and each disputing party shall pay an equal percentage of the mediator's fees and expenses. No suit or arbitration proceedings shall be commenced under this agreement until at least 60 days after the mediator's first meeting with the involved parties. If the dispute requires litigation, the court shall be authorized to impose all defense costs against any non-prevailing party found not to have participated in the mediation process in good faith.

Offers of Employment

At any time during the course of our engagement hereunder, should management offer an employee of Sheehan a position of employment within the Agency or any affiliated or related organizations, or enter into substantive discussions with such an employee concerning possible employment by the Organization, we request that we be notified of your intentions immediately. Professional standards require that we remain independent and any offers of employment to a current employee of Sheehan may impede that independence. As a result, additional procedures may be required to ensure the independence and integrity of management's financial statements and that may result in additional costs.

The Agency acknowledges that Sheehan has incurred significant costs in recruiting and training its personnel. Therefore, without the prior written consent of Sheehan, the Agency agrees not to recruit or hire any Sheehan personnel. In the event that the Agency hires any Sheehan employee, the Agency agrees to pay Sheehan a fee of 35% of the employee's current base salary at Sheehan as liquidated damages to cover the cost of replacing such employee. This fee is due upon notification to Sheehan that the employee has been hired.

Damages Limited to Lesser of Actual Damages or Fees Paid

By signing this engagement letter, you agree that our liability arising from this engagement shall be limited to the lesser of any actual damages which may have been caused by our negligent acts or omissions, or the amount of the fees which you pay for our services for this engagement.

Hosting Services

Management accepts responsibility for the Agency's own financial and non-financial information system as well as its own electronic security and back-up services for data or records. Management acknowledges that Sheehan does not take custody of or store the Agency's data or records and that the Agency will be provided with a copy of all such data and records at the conclusion of the engagement such that the Agency's records are complete.

Reporting

We will issue a written report upon completion of our audit of Agency's financial statements. Our report will be addressed to the Board of Directors of the Agency. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or issue reports, or we may withdraw from this engagement.

If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming an opinion on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express an opinion or issue a report, or withdrawing from the engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will state (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control and compliance. The report will also state that the report is not suitable for any other purpose. If during our audit we become aware that Agency is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Engagement Administration, Fees and Other

We understand that your employees will prepare all confirmations or schedules we request and will locate any invoices and other documents selected by us for testing.

We will provide copies of our reports to the Agency; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Sheehan and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to regulators or their designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Sheehan personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by regulators. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party contesting the audit finding for guidance prior to destroying the audit documentation.

Kevin G. Schmutz, CPA and Alyson Terwilliger, CPA are the engagement partners and are responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. Audit fieldwork is expected to begin by early February 2024 and a draft of the financial statements is expected to be delivered approximately 4-5 weeks after the receipt of all requested information. Issued financial statements are expected to be delivered by March 29, 2024. Our audit engagement ends on delivery of our audit report. Any follow-up services that might be required will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service.

Our fee for these services will be \$29,500. This fee assumes there are no significant changes to the Agency's internal control structure and no significant impact of any new GASB pronouncements to the Agency, including GASB 96, the new standard effective for the year ended December 31, 2023. Should this occur, a new fee estimate will be discussed and arrived at before any work commences. Our invoices for these fees will be rendered as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for non-payment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not

completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination.

We will schedule the engagement based in part on deadlines, working conditions and the availability of your key personnel. We will plan the engagement based on the assumption that your personnel will cooperate and provide assistance by performing tasks such as preparing requested schedules, retrieving supporting documents and preparing confirmations. If your personnel are unavailable to provide the necessary assistance in a timely manner it may substantially increase the work we have to do to complete the engagement within the established deadlines, resulting in an increase in fees over our original fee estimate. Should this occur, a new fee estimate will be discussed and arrived at before any work commences.

Our stated fees for this engagement, as set forth in this Agreement, may increase to the extent Sheehan is required to perform additional work to assist your personnel or reperform work as a result of being provided inaccurate documents or schedules.

We will not undertake any accounting services (including but not limited to reconciliation of accounts and preparation of requested schedules) or increase our fees as set forth in this Agreement without first discussing the same with the Agency, and obtaining approval, which approval will be reflected through a written change order or additional engagement letter for such additional work.

The fees are based upon time required by the individuals assigned to the engagement. Individual hourly rates vary according to the degree of responsibility involved and skill required. Bills for services are due when rendered and interim billings may be submitted as work progresses. This estimate does not include additional services outside the scope of the work described above, that will be billed at our standard hourly rates. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of personnel assigned to your engagement.

Our rates are currently as follows:

Partners	\$425 - \$450
Directors	\$370 - \$390
Managers	\$300 - \$350
Supervisors	\$280 - \$290
Seniors/Semi-seniors	\$175 - \$210
Staff	\$150 - \$170
Bookkeeping	\$150 - \$175
Administrative	\$135 - \$140

If, as a result of our services to you with respect to our engagement, we are required or requested by government regulation, subpoena, or other legal process to provide information or documents to you or a third-party, or to provide our personnel as witnesses, in connection with legal or administrative proceedings in which we are not a party, we shall be entitled to compensation for our time and reimbursement for our reasonable out-of-pocket expenditures (including legal fees)

in complying with such requests or demands. Nothing herein, however, is intended to relieve us of our duty to observe the confidentiality requirements of our profession.

No legal proceeding or action, regardless of form, with respect to a claim arising out of or relating to the services provided under this agreement may be brought by either of us more than one year after the date of delivery of the report(s) and/or tax returns contemplated by this engagement.

This agreement shall be governed by the law of the State of New York without regard to choice of law principles. Any action brought in connection with, arising from or relating to this Agreement, shall be brought exclusively in the federal or state courts located in New York, county of New York and the parties hereby irrevocably consent to the jurisdiction of such courts. We reserve the right to amend any of the terms in this letter at any time as a result of any changes in laws or regulations affecting the accounting profession, which may preclude us from providing the services described in this letter on the terms we have agreed upon.

It is hereby understood and agreed that this engagement is being undertaken solely for the benefit of the Agency and management and that no other person, organization or entity shall be authorized to enforce the terms of this engagement.

This letter comprises the complete and exclusive statement of the agreement between us, superseding all proposals oral or written and all other communications between us and may be modified only by a writing signed by our firm and the Agency. If any provision of this letter is determined to be unenforceable, all other provisions shall remain in force.

You have requested that we provide you with a copy of our most recent external peer review report and any subsequent reports received during the contract period. Accordingly, our most recent peer review report accompanies this letter.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the attached copy and return it to us.

Very truly yours,


Sheehan & Company C.P.A., P.C.

KGS:at
Enc.

RESPONSE:

This letter correctly sets forth the understanding of the Town of Hempstead Industrial Development Agency.

Board Member Signature: _____

Title: _____

Management Signature: _____

Title: _____



CERTIFIED PUBLIC ACCOUNTANTS

Report on the Firm's System of Quality Control

November 29, 2022

To The Owners of Sheehan & Company CPA P.C. and the Peer Review Committee of the Pennsylvania Institute of CPAs.

We have reviewed the system of quality control for the accounting and auditing practice of Sheehan & Company CPA P.C. (the firm) in effect for the year ended June 30, 2022. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards). A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System review as described in the standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control based on our review.

Required Selections and Considerations

Engagements selected for review included an engagement performed under *Government Auditing Standards* and audits of employee benefit plans.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Sheehan & Company CPA P.C. in effect for the year ended June 30, 2022, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Sheehan & Company CPA P.C. has received a peer review rating of *pass*.

Henderson Hutcherson
& McCullough, PLLC

1200 Market Street, Chattanooga, TN 37402 | T 423.756.7771 | F 423.265.8125

AN INDEPENDENT MEMBER OF THE BDO ALLIANCE USA

RESOLUTION

TOWN OF HEMPSTEAD
INDUSTRIAL DEVELOPMENT AGENCY

PROCUREMENT OF ADVERTISING/MARKETING FIRM
Giovatto Agency
2024 Contract

WHEREAS, the Advertising/Marketing Committee of the Town of Hempstead Industrial Development Agency (TOHIDA) makes a recommendation to the full board at meeting on December 19, 2023 to hire Giovatto Agency, 307 West Penn St., Long Beach, NY, 11561 to host and maintain the TOHIDA website and;

WHEREAS, the budget has been allocated for hosting and maintenance of the TOHIDA website, for an amount not to exceed \$5,000.00 for the calendar year 2024;

NOW, THEREFORE, BE IT

RESOLVED, that the Town of Hempstead Industrial Development Agency has chosen to enter into a contract with Giovatto Agency, 307 West Penn St, Long Beach, NY, 11561, for the period beginning January 1, 2024 – December 31, 2024, to host and maintain the TOHIDA website, for an amount not to exceed \$5,000.00 for the calendar year 2024, subject to approval of a contract as to form by Agency Counsel.

Adopted:

Ayes:

Nays:

Resolution Number: 054-2023

Chairman

Giovatto Agency

2024 Agency of record Terms of Agreement for the Town of Hempstead

Industrial Development Agency (TOHIDA)

This agreement confirms that Giovatto advertising agency is appointed as marketing advertising and sales promotion agency of record for the Town of Hempstead Industrial Development Agency (TOHIDA)

The following terms will apply:

1) This agreement with the Giovatto agency shall become effective January 1, 2024, and shall continue for a minimum of one (1) year, unless terminated on at least (30) days prior by written notice given to the Town of Hempstead Industrial Development Agency, or by Giovatto agency.

Such notice of termination shall be sent by registered or certified mail, return receipt requested, to the principal place of business of the party to whom such notice is directed. In the event of giving such notice of cancellation, Giovatto agency shall nevertheless continue to receive the remuneration earned pursuant to this agreement during such (30) day to the date of termination of all advertising.

2) For Creative, preparation and Production, Giovatto agency will prepare a cost estimate. When TOHIDA shall evidence its approval of a written estimate submitted by the Giovatto agency by signing and approving the same, Giovatto agency may enter into contracts.

3) All advertising run in all media, including but not limited to newspapers, magazines, billboards, radio and television, Internet, will be placed through Giovatto agency and all media billing will be sent directly to the Giovatto agency and Giovatto agency will bill out Media costs to the Town of Hempstead IDA, at the gross rate. Media billing will be sent to the Town Of Hempstead IDA at the end of each month; payment is requested within (7) days of receipt.

4) If upon TOHIDA requests, media contracts are taken out and client-agency relations are severed, TOHIDA agrees to pay "short rate" on any outstanding contract obligations.

Giovatto Agency

5) The Giovatto agency will perform the following services for TOHIDA in connection with the planning, preparation, and placing of advertising and marketing materials:

- a. Review your services and your marketing strategies.
- b. Analyze your present and potential markets and marketing objectives.
- c. Create, prepare and submit for your review and approval advertising and marketing materials.
- d. Employee on your behalf our knowledge of available media and means that can be profitably used to advertise and promote your services.
- e. Write, design, illustrate or otherwise prepare your advertisement and marketing materials, including commercials, radio or TV to be broadcast or other appropriate forms of advertising and marketing materials subject to your approval.
- f. What is the space, time or other means to be used for your advertising and handle media billing and payments endeavoring to secure the most advantageous rates available, subject to your approval?

6) The proposed annual budget is to be allocated to media insertions, creative, and production expenses.

7) Payment terms for creative and production charges will be invoiced to TOHIDA on a per project basis; payment is requested within (seven) days from receipt of invoice.

8) As between you and us, all advertising material prepared by the Giovatto agency and accepted and paid for by TOHIDA for use in advertising here will become TOHIDA property. It is understood that there may be limitations on the use and ownership of materials by virtue of the Rights of the third-party. We will advise you of the existence of such limitations.

NOTE: 2024 HOSTING and MAINTENANCE = \$5,000

If the above accordance with your understanding and agreement, kindly indicate your consent here too by signing in the place provided below on both copies enclosed here in and returning one copy to us

Giovatto agency by full:_____ Date:_____

Accepted and agreed: Town of Hempstead Industrial Development Agency (TOHIDA)

By full: _____ Date:_____

11/01/2023

GIOVATTO

STRATEGY / CREATIVE / MEDIA

INVOICE

***Town of Hempstead
Industrial Development Agency
Attn: Fred Parola***

***Invoice# 012024IDA
Invoice date 10/26/23***

TERMS: PAYABLE UPON RECEIPT

Website Maintenance

Website Maintenance for 2024

Includes hosting, any revisions and corrections.

\$5,000.00

\$5,000.00

TOTAL DUE:

\$5,000.00

Remit to:

Giovatto Advertising, Inc.
307 West Penn Street
Long Beach, NY. 11561

Town of Hempstead Industrial Development Agency Sexual Harassment Policy

The Town of Hempstead Industrial Development Agency is committed to maintaining a workplace free from sexual harassment. Sexual harassment is a form of workplace discrimination. All employees are required to work in a manner that prevents sexual harassment in the workplace. This Policy is one component of the Town of Hempstead Industrial Development Agency's commitment to a discrimination-free work environment. Sexual harassment is against the law and all employees have a legal right to a workplace free from sexual harassment and employees are urged to report sexual harassment by filing a complaint internally with the Town of Hempstead Industrial Development Agency. Employees can also file a complaint with a government agency or in court under federal, state or local antidiscrimination laws.

Policy:

1. The Town of Hempstead Industrial Agency's policy applies to all employees, applicants for employment, interns, whether paid or unpaid, contractors and persons conducting business, regardless of immigration status, with the Town of Hempstead Industrial Development Agency. In the remainder of this document, the term "employees" refers to this collective group.
2. Sexual harassment will not be tolerated. Any employee or individual covered by this policy who engages in sexual harassment or retaliation will be subject to remedial and/or disciplinary action (e.g., counseling, suspension, termination).
3. Retaliation Prohibition: No person covered by this Policy shall be subject to adverse action because the employee reports an incident of sexual harassment, provides information, or otherwise assists in any investigation of a sexual harassment complaint. The Town of Hempstead Industrial Development Agency will not tolerate such retaliation against anyone who, in good faith, reports or provides information about suspected sexual harassment. Any employee of the Town of Hempstead Industrial Development Agency who retaliates against anyone involved in a sexual harassment investigation will be subjected to disciplinary action, up to and including termination. All employees, paid or unpaid interns, or non-employees working in the workplace who believe they have been subject to such retaliation should inform a supervisor, manager, Chairman, or Agency Counsel. All employees, paid or unpaid interns or non-employees who believe they have been a target of such retaliation may also seek relief in other available forums, as explained below in the section on Legal Protections.
4. Sexual harassment is offensive, is a violation of our policies, is unlawful, and may subject the Town of Hempstead Industrial Development Agency to liability for harm to targets of sexual harassment. Harassers may also be individually subject to liability. Employees of every level who engage in sexual harassment, including managers and supervisors who engage in sexual harassment or who allow such behavior to continue, will be penalized for such misconduct.

5. The Town of Hempstead Industrial Development Agency will conduct a prompt and thorough investigation that ensures due process for all parties, whenever management receives a complaint about sexual harassment, or otherwise knows of possible sexual harassment occurring. Town of Hempstead Industrial Development Agency will keep the investigation confidential to the extent possible. Effective corrective action will be taken whenever sexual harassment is found to have occurred. All employees, including managers and supervisors, are required to cooperate with any internal investigation of sexual harassment.
6. All employees are encouraged to report any harassment or behaviors that violate this policy. The Town of Hempstead Industrial Development Agency will provide all employees a complaint form for employees to report harassment and file complaints.
7. Managers and supervisors are **required** to report any complaint that they receive, or any harassment that they observe or become aware of, to Agency Counsel of the IDA.
8. This policy applies to all employees, paid or unpaid interns, and non-employees and all must follow and uphold this policy. This policy must be provided to all employees and should be posted prominently in all work locations to the extent practicable (for example, in a main office, not an offsite work location) and be provided to employees upon hiring.

What Is “Sexual Harassment”?

Sexual harassment is a form of sex discrimination and is unlawful under federal, state, and (where applicable) local law. Sexual harassment includes harassment on the basis of sex, sexual orientation, self-identified or perceived sex, gender expression, gender identity and the status of being transgender.

Sexual harassment includes unwelcome conduct which is either of a sexual nature, or which is directed at an individual because of that individual's sex when:

- Such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile or offensive work environment, even if the reporting individual is not the intended target of the sexual harassment;
- Such conduct is made either explicitly or implicitly a term or condition of employment; or
- Submission to or rejection of such conduct is used as the basis for employment decisions affecting an individual's employment.

A sexually harassing hostile work environment includes, but is not limited to, words, signs, jokes, pranks, intimidation or physical violence which are of a sexual nature, or which are directed at an individual because of that individual's sex. Sexual harassment also consists of any unwanted verbal or physical advances, sexually explicit derogatory statements or sexually discriminatory remarks made by someone which are offensive or objectionable to the recipient, which cause the recipient discomfort or humiliation, which interfere with the recipient's job performance.

Sexual harassment also occurs when a person in authority tries to trade job benefits for sexual favors. This can include hiring, promotion, continued employment or any other terms, conditions or privileges of employment. This is also called “quid pro quo” harassment.

Any employee who feels harassed should report so that any violation of this policy can be corrected promptly. Any harassing conduct, even a single incident, can be addressed under this policy.

Examples of sexual harassment

The following describes some of the types of acts that may be unlawful sexual harassment and that are strictly prohibited:

- Physical acts of a sexual nature, such as:
 - Touching, pinching, patting, kissing, hugging, grabbing, brushing against another employee’s body or poking another employee’s body;
 - Rape, sexual battery, molestation or attempts to commit these assaults.
- Unwanted sexual advances or propositions, such as:
 - Requests for sexual favors accompanied by implied or overt threats concerning the target’s job performance evaluation, a promotion or other job benefits or detriments;
 - Subtle or obvious pressure for unwelcome sexual activities.
- Sexually oriented gestures, noises, remarks or jokes, or comments about a person’s sexuality or sexual experience, which create a hostile work environment.
- Sex stereotyping occurs when conduct or personality traits are considered inappropriate simply because they may not conform to other people’s ideas or perceptions about how individuals of a particular sex should act or look.
- Sexual or discriminatory displays or publications anywhere in the workplace, such as:
 - Displaying pictures, posters, calendars, graffiti, objects, promotional material, reading materials or other materials that are sexually demeaning or pornographic. This includes such sexual displays on workplace computers or cell phones and sharing such displays while in the workplace.
- Hostile actions taken against an individual because of that individual’s sex, sexual orientation, gender identity and the status of being transgender, such as:
 - Interfering with, destroying or damaging a person’s workstation, tools or equipment, or otherwise interfering with the individual’s ability to perform the job;
 - Sabotaging an individual’s work;
 - Bullying, yelling, name-calling.
 -

Who can be a target of sexual harassment?

Sexual harassment can occur between any individuals, regardless of their sex or gender. New York Law protects employees, paid or unpaid interns, and non-employees, including independent contractors, and those employed by companies contracting to provide services in the workplace.

Harassers can be a superior, a subordinate, a coworker or anyone in the workplace including an independent contractor, contract worker, vendor, client, customer or visitor.

Where can sexual harassment occur?

Unlawful sexual harassment is not limited to the physical workplace itself. It can occur while employees are traveling for business or at employer sponsored events or parties. Calls, texts, emails, and social media usage by employees can constitute unlawful workplace harassment, even if they occur away from the workplace premises, on personal devices or during non-work hours.

Retaliation

Unlawful retaliation can be any action that could discourage a worker from coming forward to make or support a sexual harassment claim. Adverse action need not be job-related or occur in the workplace to constitute unlawful retaliation (e.g., threats of physical violence outside of work hours).

Such retaliation is unlawful under federal, state, and (where applicable) local law. The New York State Human Rights Law protects any individual who has engaged in "protected activity." Protected activity occurs when a person has:

- made a complaint of sexual harassment, either internally or with any anti-discrimination agency;
- testified or assisted in a proceeding involving sexual harassment under the Human Rights Law or other anti-discrimination law;
- opposed sexual harassment by making a verbal or informal complaint to management, or by simply informing a supervisor or manager of harassment;
- reported that another employee has been sexually harassed; or
- encouraged a fellow employee to report harassment.

Even if the alleged harassment does not turn out to rise to the level of a violation of law, the individual is protected from retaliation if the person had a good faith belief that the practices were unlawful. However, the retaliation provision is not intended to protect persons making intentionally false charges of harassment.

Reporting Sexual Harassment

Preventing sexual harassment is everyone's responsibility. The Town of Hempstead Industrial Development Agency cannot prevent or remedy sexual harassment unless it knows about it. Any employee, paid or unpaid intern or non-employee who has been subjected to behavior that may

constitute sexual harassment is encouraged to report such behavior to Management, Counsel, CEO or Chairman. Anyone who witnesses or becomes aware of potential instances of sexual harassment should report such behavior to a supervisor, manager, Counsel, CEO or Chairman.

Reports of sexual harassment may be made verbally or in writing. A form for submission of a written complaint is attached to this Policy, and all employees are encouraged to use this complaint form. Employees who are reporting sexual harassment on behalf of other employees should use the complaint form and note that it is on another employee's behalf.

Employees, paid or unpaid interns or non-employees who believe they have been a target of sexual harassment may also seek assistance in other available forums, as explained below in the section on Legal Protections.

Supervisory Responsibilities

All supervisors and managers who receive a complaint or information about suspected sexual harassment, observe what may be sexually harassing behavior or for any reason suspect that sexual harassment is occurring, **are required** to report such suspected sexual harassment to CEO or Chairman.

In addition to being subject to discipline if they engaged in sexually harassing conduct themselves, supervisors and managers will be subject to discipline for failing to report suspected sexual harassment or otherwise knowingly allowing sexual harassment to continue.

Supervisors and managers will also be subject to discipline for engaging in any retaliation.

Complaint and Investigation of Sexual Harassment

All complaints or information about sexual harassment will be investigated, whether that information was reported in verbal or written form. Investigations will be conducted in a timely manner and will be confidential to the extent possible.

An investigation of any complaint, information or knowledge of suspected sexual harassment will be prompt and thorough, commenced immediately and completed as soon as possible. The investigation will be kept confidential to the extent possible. All persons involved, including complainants, witnesses and alleged harassers will be accorded due process, as outlined below, to protect their rights to a fair and impartial investigation.

Any employee may be required to cooperate as needed in an investigation of suspected sexual harassment. Town of Hempstead Industrial Development Agency will not tolerate retaliation against employees who file complaints, support another's complaint or participate in an investigation regarding a violation of this policy.

While the process may vary from case to case, investigations should be done in accordance with the following steps:

- Upon receipt of complaint, the Counsel, CEO or the Chairman will conduct an immediate review of the allegations, and take any interim actions (e.g., instructing the respondent to refrain from communications with the complainant), as appropriate. If complaint is verbal, encourage the individual to complete the “Complaint Form” in writing. If he or she refuses, prepare a Complaint Form based on the verbal reporting.
- If documents, emails or phone records are relevant to the investigation, take steps to obtain and preserve them.
- Request and review all relevant documents, including all electronic communications.
- Interview all parties involved, including any relevant witnesses;
- Create a written documentation of the investigation (such as a letter, memo or email), which contains the following:
 - A list of all documents reviewed, along with a detailed summary of relevant documents;
 - A list of names of those interviewed, along with a detailed summary of their statements;
 - A timeline of events;
 - A summary of prior relevant incidents, reported or unreported; and
 - The basis for the decision and final resolution of the complaint, together with any corrective action(s).
- Keep the written documentation and associated documents in a secure and confidential location.
- Promptly notify the individual who reported and the individual(s) about whom the complaint was made of the final determination and implement any corrective actions identified in the written document.
- Inform the individual who reported of the right to file a complaint or charge externally as outlined in the next section.

Legal Protections And External Remedies

Sexual harassment is not only prohibited by Town of Hempstead Industrial Development Agency but is also prohibited by state, federal, and, where applicable, local law.

Aside from the internal process at Town of Hempstead Industrial Development Agency, employees may also choose to pursue legal remedies with the following governmental entities. While a private attorney is not required to file a complaint with a governmental agency, you may seek the legal advice of an attorney.

In addition to those outlined below, employees in certain industries may have additional legal protections.

State Human Rights Law (HRL)

The Human Rights Law (HRL), codified as N.Y. Executive Law, art. 15, § 290 et seq., applies to all employers in New York State with regard to sexual harassment, and protects employees, paid or unpaid interns and non-employees, regardless of immigration status. A complaint alleging violation of the Human Rights Law may be filed either with the Division of Human Rights (DHR) or in New York State Supreme Court.

Complaints with DHR may be filed any time **within one year** of the harassment. If an individual did not file at DHR, they can sue directly in state court under the HRL, **within three years** of the alleged sexual harassment. An individual may not file with DHR if they have already filed a HRL complaint in state court.

Complaining internally to Town of Hempstead Industrial Development Agency does not extend your time to file with DHR or in court. The one year or three years is counted from date of the most recent incident of harassment.

You do not need an attorney to file a complaint with DHR, and there is no cost to file with DHR.

DHR will investigate your complaint and determine whether there is probable cause to believe that sexual harassment has occurred. Probable cause cases are forwarded to a public hearing before an administrative law judge. If sexual harassment is found after a hearing, DHR has the power to award relief, which varies but may include requiring your employer to take action to stop the harassment, or redress the damage caused, including paying of monetary damages, attorney's fees and civil fines.

DHR's main office contact information is: NYS Division of Human Rights, One Fordham Plaza, Fourth Floor, Bronx, New York 10458. You may call (718) 741-8400 or visit: www.dhr.ny.gov.

Contact DHR at (888) 392-3644 or visit dhr.ny.gov/complaint for more information about filing a complaint. The website has a complaint form that can be downloaded, filled out, notarized and mailed to DHR. The website also contains contact information for DHR's regional offices across New York State.

Civil Rights Act of 1964

The United States Equal Employment Opportunity Commission (EEOC) enforces federal anti-discrimination laws, including Title VII of the 1964 federal Civil Rights Act (codified as 42 U.S.C. § 2000e et seq.). An individual can file a complaint with the EEOC anytime within 300 days from the harassment. There is no cost to file a complaint with the EEOC. The EEOC will investigate the complaint and determine whether there is reasonable cause to believe that discrimination has occurred, at which point the EEOC will issue a Right to Sue letter permitting the individual to file a complaint in federal court.

The EEOC does not hold hearings or award relief but may take other action including pursuing cases in federal court on behalf of complaining parties. Federal courts may award remedies if discrimination is found to have occurred. In general, private employers must have at least 15 employees to come within the jurisdiction of the EEOC.

An employee alleging discrimination at work can file a "Charge of Discrimination." The EEOC has district, area, and field offices where complaints can be filed. Contact the EEOC by calling 1-800-669-4000 (TTY: 1-800-669-6820), visiting their website at www.eeoc.gov or via email at info@eeoc.gov.

If an individual filed an administrative complaint with DHR, DHR will file the complaint with the EEOC to preserve the right to proceed in federal court.

Local Protections

Many localities enforce laws protecting individuals from sexual harassment and discrimination. An individual should contact the county, city, or town in which they live to find out if such a law exists. For example, employees who work in New York City may file complaints of sexual harassment with the New York City Commission on Human Rights. Contact their main office at Law Enforcement Bureau of the NYC Commission on Human Rights, 40 Rector Street, 10th Floor, New York, New York; call 311 or (212) 306-7450; or visit www.nyc.gov/html/cchr/html/home/home.shtml.

Contact the Local Police Department

If the harassment involves unwanted physical touching, coerced physical confinement or coerced sex acts, the conduct may constitute a crime. Contact the local police department.

Adopted:

Resolution: 055-2023

Ayes:

Nays:

Florestano Girardi, Chairman

TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY

Records Retention and Disposition Policy

WHEREAS, the Town of Hempstead Industrial Development Agency (“the Agency”) intends to establish a uniform policy for the retention and disposal of records; and

WHEREAS, the Agency intends to follow the guidance of the Town of Hempstead and New York State authorities regarding records management; and

WHEREAS, records management is an integral function of an Industrial Development Agency as it pertains to compliance with New York State governing authorities; and

WHEREAS, an Agency “record” shall be defined as any book, paper, map, photograph, electronic file, information-recording device, regardless of physical form or characteristic, that is made, produced, executed, or received by any officer of the Agency pursuant to law or in connection with any Agency transaction; and

WHEREAS, all Agency records are considered to be the property of the Town of Hempstead Industrial Development Agency, and therefore no individual Agency employee has, by virtue of his or her position, any personal or property rights to such records, even though he or she may have created, composed, written, developed, compiled, or received them; and

WHEREAS, New York State Law (Penal Law, 175.20 and 175.25) prohibits tampering with public records and makes such offenses either a class A misdemeanor or a class D felony, and that the unauthorized destruction, removal from files, or use of government records is prohibited; and

WHEREAS, in accordance with Article 57-A of NYS Arts & Cultural Affairs Law and Part 185 of 8-CRR-NY Records of Public Corporations, the Agency shall establish procedures for the orderly and efficient management of records;

NOW THEREFORE, BE IT RESOLVED, that in accordance with New York State Law, the Agency shall designate a Records Management Officer (RMO), who will be charged with the administration of the management of current and archival records in conformity with the Laws of the State of New York, and shall furthermore be the legal custodian of the records. Appointment of the RMO shall be made by the Agency’s Board of Directors; and

BE IT FURTHER RESOLVED, that access to records shall be made, pursuant to and governed by Article 6 of the Public Officers Law of the State of New York; and

BE IT FURTHER RESOLVED, that Agency Counsel is hereby designated as the appeal entity for determination of denials to access to records. The counsel shall within 10 days of receipt of an appeal fully explain in writing to the person or entity requesting access to the record, the reason for denial; and

BE IT FURTHER RESOLVED, that Agency Counsel may take any and all appropriate steps to recover agency records which have been removed from proper custody, and may, when necessary, institute any and all actions in a court of competent jurisdiction to recover such records; and

BE IT FURTHER RESOLVED that the Agency shall establish a Records Management Committee, designated to work closely with and provide advice to the RMO, and shall consist of the CEO, CFO, two members of the Board of Directors and IDA Counsel. Such appointments shall be made by the Agency Board of Directors; and

BE IT FURTHER RESOLVED, the Town of Hempstead Industrial Development Agency hereby adopts the guidance contained within the Records Retention and Disposition Schedule for New York Local Government Records (LGS-1) containing the legal minimum retention periods for municipal and governmental records; and

BE IT FURTHER RESOLVED, that:

- (a) only those records that are described in the Schedule for New York Local Government Records (LGS-1) will be disposed of and/or destroyed, after they have met the minimum retention periods described therein; and
- (b) only those records will be disposed of that do not have sufficient administrative, fiscal, legal or historical value to merit retention beyond established legal minimum periods; and therefore

BE IT FURTHER RESOLVED, that the Agency will retain records for minimum of 7 years and a maximum of "Permanent", pursuant to LGS-1 Economic/Industrial Development, Items 337-338; and

NOW THEREFORE, BE IT RESOLVED, the Town of Hempstead Industrial Development Agency authorizes the implementation of the Records Retention and Disposition Policy.

Resolution Number: 056-2023

Adopted:

Ayes:

Nays:

Flo Girardi, Chairman

Standard Project Procedures

TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY

1. Applications for new projects, together with an Environmental Assessment Form, application fee, a detailed breakdown of project costs and a narrative description of the project, must be submitted to the Town of Hempstead IDA (TOHIDA/the Agency) no later than the 1st of the month for the Monthly Board meeting. Incomplete Applications will not be accepted and will not be placed on Agenda for consideration. The application must be finalized with an Executed Recapture Policy and PILOT Schedule.
2. The attorney or law firm listed on the application in connection with the TOHIDA financing will be expected to give the usual and customary opinions of borrowers Counsel in such TOHIDA financing including, without limitation, zoning, site plan, public approvals, opinions and SEQR compliance opinions. If such attorneys are not willing or able to give such opinion, the applicant must engage competent and experienced counsel, satisfactory to TOHIDA, to render such opinions.
3. An application fee of \$3,000.00 will be required upon submission of application package. In addition a \$500.00 fee payable to the Agency will be required for the engagement of an outside firm to develop the Cost Benefit Analysis and is to be paid at the time of submitting the formal application. The \$3,500 fee will not be applied to the final administrative fee. The fee for the basic Cost Benefit Analysis is \$2,500.00 or \$7,000.00 for a more comprehensive Cost Benefit Analysis.
4. The Agency will not move ahead of any other governmental authorities until all necessary permits, variances, governmental approvals and site plans have been approved, and copies of such approvals have been submitted to the Agency. The Agency may induce a project prior to the Applicant receiving all necessary permits, variances, governmental approvals and site plans if the inducement resolution states that any final authorization of the project or the issuance of Bonds will be subject to the Applicant having obtained all such necessary permits, variances, governmental approvals and site plans, or if deemed ministerial. The Agency will not hold a public hearing until all approvals have been granted and copies of the approvals received by the TOHIDA. The Agency reserves the right to request a copy of an appraisal by a licensed appraiser prior to inducing a project or prior to granting final approval of a project. Notwithstanding the foregoing, a public hearing may be held and an inducement resolution issued where the situs of the project has been approved by the applicable government entity for rezoning and all that

remains outstanding is a non-discretionary ministerial approval, such as site plans or an approval under Section 239 of the General Municipal Law.

5. The Agency reserves the right to request the status of any and all tax certiorari cases prior to inducing a project.
6. The Agency will not consider an inducement resolution for a project until the TOHIDA staff completes a Cost Benefit Analysis, PILOT Schedule and Feasibility Study, if applicable, and if the Agency's Transaction Counsel confirms a filing of a SEQR. The Agency will not hold a public hearing or adopt an authorizing resolution before SEQR is completed and finalized. If the Agency is to be included in a coordinated SEQR, notification will be made to the lead agency that we are an interested party. When a preliminary inducement resolution is required under the Internal Revenue Code (the "Code") for the issuance of tax-exempt bonds, language will be included in the resolution and a final inducement will be adopted.
7. Enhanced benefits are based on policies set forth in the Agency's Uniform Tax Exemption Policy. Any PILOT Agreement which provides for enhanced benefit shall include provisions for recapture or adjustment of benefits if a material change occurs (as defined in the PILOT agreement).
8. All notices of Public Hearings shall be mailed by TOHIDA staff to elected officials representing the area in which the PILOT is proposed, including State, County (including the County Legislator), Town (Town Clerk, Supervisor & the Town Board member from the District in which the PILOT parcel is located) and Village elected official (Mayor) as well as to the School Superintendent, School Clerk and President of the Board of Education of any School District located within the area of the proposed PILOT, but excluding the County Clerk, County Comptroller and District Attorney.
9. All public notices advertising the date, time, place and agenda of public hearings and Board meetings are to be published 10 days prior to the meeting/hearing and 3 days prior to any Special Board meeting, in a newspaper of general circulation in the Town of Hempstead.
10. Notice of regularly scheduled TOHIDA Board meetings and the agenda thereof, shall be posted by the TOHIDA staff on the Town's bulletin boards and on the TOHIDA website at least 7 days prior to each Board meeting and at least 3 days before each Special Board meeting. Notice of regularly scheduled Board meetings and an agenda thereof, shall also be

mailed by TOHIDA staff to the local press, (Newsday) at least 7 days prior to a regularly scheduled Board meeting and at least 3 days prior to a Special Board meeting.

11. Prior to adopting a final authorizing resolution approving any transaction and the granting of economic benefits in connection therewith and the issuance of Bonds, the Agency shall hold a public hearing as required by the IDA Act and the Code. A stenographer will record the minutes and furnish them to the IDA to become part of the official record. The agency shall, to the extent practicable, stream all open meetings and public hearings on its website in real time. The agency shall post video recordings of all open meetings and public hearings on its website within five business days of the meeting or hearing and shall maintain such recordings for a period of not less than five years. The CEO and/or the Deputy Executive Director are hereby directed to publish public notices in a newspaper of general circulation in the Town of Hempstead. The CEO and/or the Deputy Executive Director are hereby authorized to pay the costs of such publication without the need of any further approvals by this Board. The CEO and/or the Deputy Executive Director are further directed and authorized to mail notice of such public hearing to each affected tax jurisdiction as required by the IDA Act. Public Notices of Public Hearings shall be published after the Agency has adopted an inducement resolution for a project; provided, however, if in order to coordinate the 10-day public notice requirement under the IDA Act with the Agency's meeting schedule it is necessary to publish a public notice prior to inducement, then the Chairman or the CEO, upon consultation with Counsel to the Agency and Transaction Counsel, may publish a public notice for such transaction.
12. The Agency will require a copy of an executed commitment agreement between the Applicant and the lender, a title report, a survey certified to the Agency, a Phase I Environmental Audit (If Applicable), certified copies of organizational documents of the applicant and if applicable a Phase II Environmental Audit, before a closing date can be scheduled.
13. All Applicants will require permission by the Agency in order to sublease any space within the Facility, subject to the applicable Agency fees.
14. Assignments must include the actual PILOT Schedule to be filed with the taxing jurisdictions.
15. The Agency may require a written agreement by the Applicant to remain within the Town of Hempstead for specified time frame and such agreement will state the number of jobs to be created or retained by the Applicant.

16. Use of the Sales Tax Exemption beyond the expiration date will require approval of the board. Extension of sales tax benefits will require a fee payable to the Agency. (See Fee Schedule)
17. Yearly compliance affidavits will be required by the Agency at the end of each calendar year. All projects will be required to provide employment figures and documentation, certificates of insurance, a letter regarding any pending litigation, sales tax exemption documents, and any other documents required by the Lease Agreement.
18. An initial compliance fee will be required at the closing of each transaction. An annual compliance fee will be required each year thereafter for the life of the project. Upon the termination of the project, a termination fee will be required. (See Fee Schedule)
19. All projects must submit their ST-60's to the Agency for all contractors within 30 days of their appointment and their bi-annual report of exemption. The Agency shall report any failure by the applicant, or any of its contractors to comply with this requirement, to the New York Department of Taxation.
20. The Agency shall deliver all sales tax exemption documents at the closing. The sales tax exemption will also include the stipulation that if the Applicant does not adhere to the guidelines specified, the Applicant will be reported to the New York State Department of Taxation and Finance by the Agency. The sales tax exemption will also be revoked retroactively to the date of issuance if the transaction is not closed. Each sales tax exemption shall state that it shall expire on the earlier of the completion of the Project or a specified date. In addition, sales tax exemptions for straight lease transactions shall also state that the sales tax exemption shall expire on the date that the Applicant has incurred a specific dollar amount of sales tax exemptions.
21. The Staff of the Agency shall circulate to all Board members, with copies to Agency Counsel and Transaction Counsel, an Agenda, as approved by the Chairman, one week prior to the Agency's Board meeting. The Staff shall circulate an Agenda change if necessary, no later than the end of business two days before a Board meeting. Copies of internal resolutions to be adopted by the Board shall be attached to the Agenda. The Board in its sole discretion may, but is not required to, consider matters brought to its attention at a meeting which were not included on the Agenda.
22. The Agenda for Board meetings shall follow the following format:
 - I. New Business/Transaction Resolutions, Applications and

- Presentations
- II. New Business
- III. Reading of the Minutes
- IV. Old Business
- V. Treasurer's Report
- VI. Committee Reports
- VII. Executive Session
- VIII. Unfinished Business
- IX. Adjournment

- 23. Except when it is necessary for the Board to go into an Executive Session, all meetings of the Board of the Agency shall be conducted in compliance with the New York State Open Meetings Law and shall be open to the Public.
- 24. No documents will be released until the Agency is paid in full.
- 25. The Board in its sole discretion may waive any of these procedures as may be necessary.

APPLICANT DUTIES

- 1. All applications for a PILOT (except for affordable housing projects using shelter rent calculations) shall include an independent appraisal from a certified and licensed real estate appraiser, or a letter from a reputable tax/certiorari law firm that specializes in this area of law, and said appraisal shall set forth as of the date of the PILOT application, the value of the proposed building(s) to be constructed or renovated, in its finished (completed) condition. A lender's mortgage appraisal shall not be considered an independent appraisal for application purposes.

Amended by Governance Committee:

Adopted: 11/21/23

Resolution: 057-2023

Ayes:

Nays:

Chairman, Flo Girardi

TOWN OF Hempstead Industrial Development Agency POLICY ON FUND BALANCE

It is Board's fiduciary duty is to provide a fiscally responsible financial plan that considers both the short and long-term needs of the IDA.

While the expenditures for the base operations of the IDA are stable, the revenue streams are typically dependent on the number and magnitude of projects that are approved. Even when one or more projects may be pending, the actual timing of closings is dependent upon many external factors, including the ability of the applicant to obtain financing, the current economic conditions, and relationships with the applicant's key business partners. These factors contribute to a sometimes extended period of time between the company's IDA application and closing.

Level of Fund Balance

Given the possibility of a lengthy period elapsing before project fees are realized, a reasonable minimum, fund balance level would be approximately four times the average annual expenses. The maximum target level will be eight times the average annual budget for the previous three years.

Actions to be Taken to Maintain the Fund Balance

If the fund balance is projected to fall below the minimum targeted level by calendar year, a plan for recommended expenditure reductions and/or revenue increases shall be submitted to the Finance Committee as well as the CEO and the Chief Financial Officer. The plan to restore the minimum/maximum fund balance will be presented and adopted by the Board.

The Policy, and the determination of the appropriate minimum/maximum balance amount, shall be reviewed annually.

Created: 11/14/2023

Resolution# 058 - 2023

Ayes:

Nays:

Adopted:

Florestano Girardi
Chairman

RESOLUTION
TOWN OF HEMPSTEAD
INDUSTRIAL DEVELOPMENT AGENCY

SALARY INCREASE
Chief Executive Officer
Frederick E. Parola

WHEREAS, Frederick E. Parola began employment effective January 1, 2018 as the part-time CEO of the Hempstead IDA as an hourly employee, and

WHEREAS, Frederick E. Parola shall continue to work part time expanding to a maximum of seven days bi-weekly and not to exceed seven days per pay period, unless approval for additional hours is granted by the IDA Chairman, and

WHEREAS, the Agency shall increase the hourly salary for Frederick E. Parola to **\$96.93**, plus reimbursable expenses, payable in arrears on alternate Fridays coinciding with payroll of full time employees, and

WHEREAS, Frederick E. Parola shall not receive any other benefits associated with employment with the Hempstead IDA, including but not limited to health insurance, dental insurance, time accrual, longevity or health benefit buy back.

NOW, THEREFORE, BE IT

RESOLVED, effective January 1, 2024, the Agency shall employ Frederick E. Parola as its Chief Executive Officer, at an hourly salary of **\$96.93**, plus reimbursable expenses with no additional benefits granted by the Town of Hempstead Industrial Development Agency.

Adopted:

Ayes:

Nays:

Resolution: 060-2023

Chairman: _____

RESOLUTION
Town of Hempstead
Industrial Development Agency

SALARY INCREASE
Chief Financial Officer
Edie M. Longo

WHEREAS, Edie M. Longo began employment effective September 1, 2018 as the part-time CFO of the Hempstead IDA as an hourly employee, and

WHEREAS, Edie M. Longo shall continue to work part time for a maximum of 24 hours a week and not to exceed 6 days per pay period, unless approval for additional hours is granted by the IDA Chairman, and

WHEREAS, the Agency shall increase the hourly salary of Edie M. Longo to **\$78.67**, plus reimbursable expenses, payable in arrears on alternate Fridays coinciding with payroll of full time employees and shall not be paid in excess of \$30,000.00 annually, and

WHEREAS, Edie M. Longo shall continue to receive eyeglass and dental benefits only associated with her part time employment; and

WHEREAS, the Hempstead IDA will continue to provide family coverage health insurance, but will not provide any additional active benefits such as time accrual, longevity or health benefit buy back.

NOW, THEREFORE, BE IT

RESOLVED, effective January 1, 2024, the Agency shall employ Edie M. Longo as its Chief Financial Officer at an hourly salary of **\$78.67**, not to exceed \$30,000.00 annually plus reimbursable expenses granted by the Town of Hempstead Industrial Development Agency.

Adopted:

Ayes:

Nays:

Resolution: 061-2023

Chairman: _____

RESOLUTION
Town of Hempstead
Industrial Development Agency

SALARY INCREASE
Agency Administrator
Lorraine Rhoads

WHEREAS, Lorraine Rhoads began employment effective January 2, 2019 as the part-time Agency Administrator of the Hempstead IDA as an hourly employee, and

WHEREAS, Lorraine Rhoads shall continue to work part time for a maximum of 24 hours a week and not to exceed 6 days per pay period, unless approval for additional hours is granted by the IDA Chairman, and

WHEREAS, the Agency shall increase the hourly salary for Lorraine Rhoads to **\$57.13**, plus reimbursable expenses, payable in arrears on alternate Fridays coinciding with payroll of full time employees, and

WHEREAS, Lorraine Rhoads shall continue to receive eyeglass and dental benefits only associated with her part time employment; and

WHEREAS, the Hempstead IDA will not provide any additional active benefits such as time accrual, longevity or health benefit buy back.

NOW, THEREFORE, BE IT

RESOLVED, effective January 1, 2024, the Agency shall employ Lorraine Rhoads as its part-time Agency Administrator at an hourly salary of **\$57.13** plus reimbursable expenses granted by the Town of Hempstead Industrial Development Agency.

Adopted:

Ayes:

Nays:

Resolution: 062-2023

Chairman: _____

RESOLUTION
TOWN OF HEMPSTEAD
INDUSTRIAL DEVELOPMENT AGENCY

SALARY INCREASE
Deputy Financial Officer
Arlyn Eames

WHEREAS, Arlyn Eames is employed by the Town of Hempstead Industrial Development Agency as the Deputy Financial Officer,

NOW, THEREFORE, BE IT

RESOLVED, that effective January 1, 2024 the Agency shall increase the annual salary of Arlyn Eames to **\$110,658.27**, with consideration of additional adjustments to the current salary level (not inclusive of longevity or health insurance buy back during the calendar year) and she shall continue to receive all other benefits outlined in resolutions 023-1998, 032-2008.

Adopted:

Ayes:

Nays:

Resolution Number: 063-2023

Approved as to available funds:

Chairman

RESOLUTION
TOWN OF HEMPSTEAD
INDUSTRIAL DEVELOPMENT AGENCY

SALARY INCREASE
Deputy Executive Director
Michael Lodato

WHEREAS, Michael Lodato is employed by the Town of Hempstead Industrial Development Agency as the Deputy Executive Director,

NOW, THEREFORE, BE IT

RESOLVED, that effective January 1, 2024 the Agency shall increase the annual salary of Michael Lodato **\$107,876.26**, with consideration of additional adjustments to the current salary level (not inclusive of longevity or health insurance buy back during the calendar year) and he shall continue to receive all other benefits outlined in resolutions 023-1998, 024-2010.

Adopted:

Ayes:

Nays:

Resolution Number: 064-2023

Approved as to available funds:

Chairman

RESOLUTION
Town of Hempstead
Industrial Development Agency

SALARY INCREASE
Deputy Agency Administrator
Laura Tomeo

WHEREAS, Laura Tomeo is employed by the Town of Hempstead Industrial Development Agency as the Deputy Agency Administrator,

NOW, THEREFORE, BE IT

RESOLVED, effective January 1, 2024, the Agency shall increase the annual salary for Laura Tomeo to **\$94,039.85**, with consideration of additional adjustments to the current salary level (not inclusive of longevity or health insurance buy back during the calendar year) and she shall continue to receive benefits as outlined in Resolutions 023-1998, 069-2018.

Adopted:

Ayes:

Nays:

Resolution: 065-2023

Approved as to available funds:

Chairman

2024 IDA Meeting Schedule

All Board meetings will meet on **Tuesdays** at **9:00 a.m.**
in the **Old Courtroom, 350 Front Street, 2nd floor,**
unless another designation is made.

January 23	February 27	March 19
April 16	May 21	June 18
July 23	August 20	September 17
October 22	November 19	December 17

Adopted:

Resolution: 066-2023

Ayes:

Nays:

RESOLUTION

TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY and LOCAL DEVELOPMENT CORPORATION

NEW YORK STATE ECONOMIC DEVELOPMENT COUNCIL MEMBERSHIP FOR 2024

WHEREAS, the Town of Hempstead Industrial Development Agency endeavors to support business and community activities; and

WHEREAS, the Town of Hempstead IDA encourages its members and staff to interface with the business community; and

WHEREAS, the Agency and Corporation seeks to promote the sharing and exchanging of information with other influential business leaders, bankers and real estate brokers in the Town of Hempstead and around Long Island.

NOW, THEREFORE, BE IT

RESOLVED, that the Town of Hempstead Industrial Development Agency authorizes payment to the New York State Economic Development Council, 111 Washington Avenue, 4th Floor, Albany, New York, 12210, for an amount not to exceed \$1,500.00 and subject to the filing and approval of the necessary documentation, for the purpose of continuing the IDA membership with the New York State Economic Development Council for 2024.

Adopted:

Ayes:

Nays:

Resolution Number: 067-2023

Chairman

**New York State Economic Development
Council**

111 Washington Avenue, 4th Floor

Albany, NY 12210 US

(518) 426-4058

silva@nysedc.org

www.nysedc.org

Invoice



BILL TO

Mr. Frederick E. Parola

Town of Hempstead IDA

350 Front Street, Room 240

Hempstead, NY 11550-4040

INVOICE #	DATE	TOTAL DUE	DUE DATE	TERMS	ENCLOSED
14883	01/01/2024	\$1,500.00	01/31/2024	Net 30	

DESCRIPTION	QTY	RATE	AMOUNT
2024 Membership Renewal Dues – EDO Level 3 (Membership Dues cover 2024 Calendar year January 1st through December 31st) * * In compliance with The Omnibus Budget Reconciliation Act of 1993, 65% of your NYSEDC membership dues are deductible as a business expense. Further information on this new law should be obtained from your tax advisor. * * *	1	1,500.00	1,500.00

BALANCE DUE

\$1,500.00



December 04, 2023

Dear FRED,

2023 was another strong year for the New York State Economic Development Council (NYSEDC). We continue to experience significant organizational growth, developed several programs that will aid economic development efforts, and notched legislative wins that will give our members additional tools to assist their communities.

Over the past twelve months, the NYSEDC:

- Successfully advocated for the reauthorization of \$50 Million for the RESTORE NY Program in the 2023 state budget.
- Worked with and led a group of state EDOs to introduce the Federal Onshore Act, which will create a new federal shovel ready funding program administered by the Economic Development Administration (EDA).
- Advocated for the \$100 Million Downtown Revitalization and \$100 Million New York Forward Programs.
- Worked with several statewide associations to advocate for the passage of S1045/A1567, priority legislation that will include PILOTs in the 2% tax cap growth formula.
- Coordinated and led the New York Loves Nano (NYLN) team at Semicon West, Semi SIA Awards Dinner, and the SEMI Industry Strategy Symposium (ISS).
- Coordinated and led a New York team at the Industrial Asset Management Council (IAMC) Spring and Fall 2023 Forums.
- Coordinated and led a team from New York at the 2023 Bio International Convention in Boston.
- Held our Economic Development Conference with a record attendance of 330 and provided high level programming.
- Hosted our 2023 Annual Meeting with over 270 attendees.
- Hosted the 2023 Workforce and Economic Development Conference with over 400 attendees in Syracuse.
- Held two IDA Academy training sessions in Hyde Park and Lyons Falls with over 150 attendees.
- Launched phase two of our Cyber and Homeland Security Industry Cluster Analysis, focusing on attracting new private sector investment to New York.
- Developed a semiconductor asset map which will include policy recommendations for attracting the semiconductor industry.
- Conducted an IDA Economic Impact Study to highlight the great work our members are doing to advance their local and regional economies.
- Launched an economic development/IDA public awareness campaign.
- Continued to expand our digital communications, increased our social media presence, and tripled our e-blast distribution list and increased our email open rate to over 50%.

This work does NOT happen without your membership and support of the NYSEDC. Thank you for your leadership and commitment to economic development in New York State. We pledge to continue working on your behalf to help you and your communities prosper. The enclosed invoice details your membership renewal for 2024.

Please do not hesitate to reach out if you have questions or would like additional information. Wishing you and your family a happy, healthy, and safe holiday season and prosperous 2024.

Sincerely,

Ryan M. Silva
Executive Director

Ratifying and Confirming
RESOLUTION
Town of Hempstead
Industrial Development Agency

Accepting the Proposal of Todd Shapiro Associates
To Provide Consulting Services to the Agency

WHEREAS, the Agency's mission is to enhance job opportunities, health, prosperity and general welfare in the Town of Hempstead, and

WHEREAS, consistent with its mission, the Agency works with the economic development community to attract business and industry to the Town, and

WHEREAS, the Agency is seeking to increase its contact with business and labor leaders, developers and local media, and

WHEREAS, in an effort to increase its contact with the above-mentioned groups, the agency is seeking the services of a consultant with experience in matters involving industrial development, government operations, media relations and public relations, and

WHEREAS, Todd Shapiro Associates, Inc., 380 N. Broadway, Ste. 310, Jericho, New York 11753, (billing: 62 Sackett Street, Hicksville, New York) has proposed a contract with the Agency to provide a continuation of their consulting services for the terms under which such services shall be provided,

NOW, THEREFORE, BE IT

RESOLVED, December 19, 2023, the said Todd Shapiro Associates, Inc. (hereinafter "the consultant") shall provide consulting services to the agency pursuant to the following terms and conditions;

1. The consultant shall provide advice to the Agency's CEO with respect to marketing, media and public relations for the Agency including, but not limited to, the development of advertising messages and the placement of advertising in the print and electronic media, and shall act as the Agency's spokesperson if necessary.
2. The consultant will prepare, and retain agency approval for, distribution of press releases for all induced and closed projects, including quotes from applicants and photos of the project during construction and after completion, and shall attend all scheduled Agency board meetings.

3. The consultant will prepare and upload posts to social media, including Instagram, Twitter and Facebook. The consultant will required to post a minimum of ten social media posts per month, including on the IDA website. All social media posts will be approved by the Agency prior to being posted.
4. For their services, the consultant shall be paid no more than a total of \$30,000.00, at the rate of \$2,500.00 per month. Such payments shall be made, in arrears and upon submission of an Agency voucher/claim form.
5. In providing services to the Agency under this resolution, the consultant shall at all times, act as an independent contractor and not as an employee of the Agency. As such, Todd Shapiro Associates shall not be entitled to benefits other than the payment provided for in paragraph 4, above. It shall be the consultant's responsibility to make any and all tax payments, which may be due by the Agency and payable as a result of payments made to them.
6. The term of this agreement is 12 months, commencing on January 1, 2024 and ending December 31, 2024. This agreement shall be cancelable, by either the Agency or the consultant, on 30 days' written notice. Such notice shall be by certified mail, return receipt requested. Any notice mailed under this paragraph shall be sent as follows (unless, by certified mail, return receipt requested, either of the parties has provided the other party with a different address for notices):

To the Agency: 350 Front Street, Room 234A, Hempstead, New York 11550
To Mr. Shapiro: 380 N. Broadway, Ste. 310, Jericho, New York 11753 (billing:
62 Sackett Street, Hicksville, New York 11801)

Adopted:

Ayes:

Nays:

Resolution Number: 059-2023

Chairman, Flo Girardi

Budget Line: Professional Fees



Todd Shapiro Associates, Inc.
Public Relations

December 6, 2023

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

The Town of Hempstead Industrial Development Agency will retain Todd S. Shapiro Associates, Inc. as a public relations consultant for the period commencing on January 1, 2024 and ending on December 31, 2024. In that capacity, the Consultant will provide advice to the Agency on matters involving industrial development, advice with respect to media relations for the Agency and shall act as the Agency's spokesperson if necessary. Todd S. Shapiro Associates will also prepare and retain approval for distribution of press releases for all induced and closed projects, including quotes from applicants and photos of the project during construction and after completion. In addition, Todd S. Shapiro Associates will do social media postings for the Hempstead IDA on Instagram, Twitter and Facebook and post a minimum of ten social media posts per month, including on the website. All posts will be approved by the Hempstead IDA prior to being posted. Periodically blast emails will go out with an approved list from the IDA.

For his services, the consultant shall be paid at a rate of \$30,000.00 annually. Such payments shall be made in arrears and upon submission of an IDA claim form. Each monthly installment will be for \$2,500.00. In providing services to the Agency under this contract, the Consultant shall at all times be acting as an independent contractor and not as an employee of the Town of Hempstead IDA. It shall be the Consultant's responsibility to make any and all tax payments, which may be due by the Agency and payable as a result of payments made to him. By execution of the agreement, the Town of Hempstead IDA agrees to indemnify, hold harmless and defend Todd S. Shapiro Associates, Inc., against all claims and/or litigation and/or liability, arising from services performed under this Agreement and/or information supplied to Todd S. Shapiro Associates, Inc. by the Town of Hempstead IDA, unless said claims, litigation and/or liability results, directly or indirectly, from the negligence, malfeasance, failure to act or breach or failure of performance hereunder by Todd S. Shapiro Associates, Inc., its agents, servants and/or employees. The term of the agreement is 12 months, ending December 31, 2024. This Agreement shall be cancelable, by either the Agency or the Consultant, on 30 days written notice.

Todd Shapiro, President
Todd S. Shapiro Associates, Inc.

Todd S. Shapiro, President

Date:

12/6/2023

Accepted By:

Date:

Frederick E. Parola, CEO
Town of Hempstead IDA

Bigger tax breaks for developers

Suffolk aims to boost affordable rental housing

BY VERA CHINESE

vera.chinese@newsday.com

Developers in Suffolk County now have bigger financial incentives to create affordable rental housing as well as designate units for veterans and those with physical and intellectual disabilities.

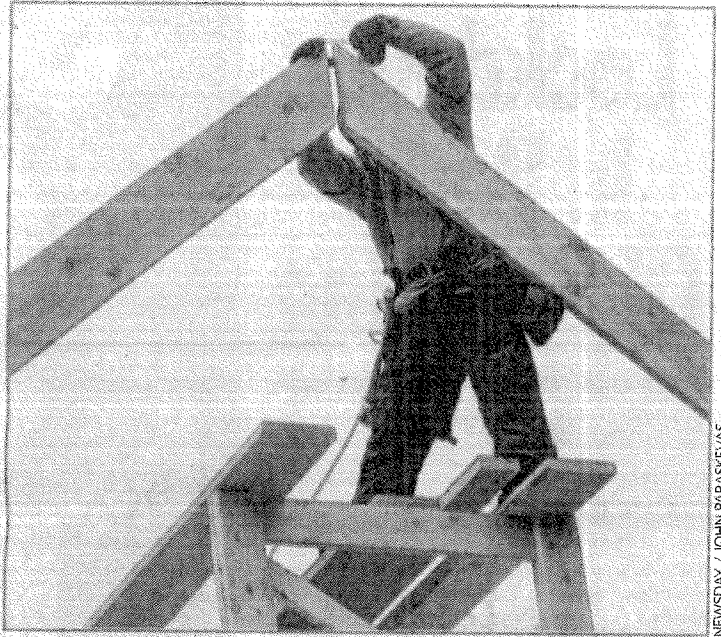
The Suffolk County Industrial Development Agency's board of directors voted unanimously Thursday to implement a policy offering "enhanced" benefits to developers in exchange for creating additional units.

The policy notes it has been the agency's long-standing practice to award benefits to projects that set aside 10% of units at reduced rates for people earning less than 80% of area median income. That equals \$102,000 annually for a family of four on Long Island in 2023, according to the U.S. Department of Housing and Urban Development.

Enhanced financial assistance will be available to projects that set aside more than 10% of units as affordable, those that have even lower income eligibility requirements and those that reserve units for veterans and disabled people.

The benefits will be decided on a case-by-case basis and could include longer terms for tax abatements or larger tax reductions in the early years of a project, according to Suffolk County IDA acting Executive Director Kelly Murphy.

"We need housing of every kind in Suffolk County, but the intention of this policy is to create as many affordable units as possible and to ensure the variety of housing needs for Suffolk County's diverse populations are met," Murphy said. "Especially true in today's climate, margins can be razor thin when constructing multifamily housing, which is why this policy seeks to provide a scale of in-



NEWSDAY / JOHN PARASKEVAS

Incentives also offered for units for veterans and disabled.

number of affordable units and their designations to be created."

David Gallo, president of Georgica Green Ventures LLC, which has developed around 1,000 units of affordable housing across Long Island in the past 10 years, called the policy "forward thinking."

"I hope it's successful in creating more diversity in housing," said Gallo, who has an 11-year-old daughter with physical and intellectual disabilities.

But Legis. Al Krupski (D-Cutchogue) noted that while the policy addresses a short-term need, the region must create more units that will be affordable in perpetuity.

"That's the goal, creating something not just for today," Krupski said.

IDAs can only mandate that projects designate units as affordable during the life of the tax abatements, which typically run from 10 to 15 years, according to Murphy.

Mike Florio, CEO of the Long Island Builders Institute, which represents home builders and remodelers, said the group supports the policy.

Suffolk County Legis. Nick Caracappa (C-Selden) and Legis. Jim Mazzarella (R-

cluding veterans and the disabled in the policy. Legislation sponsored by Caracappa and signed into law this year requires affordable housing projects that receive county funding to set aside units for veterans and disabled residents. Both legislators attended the IDA meeting to speak in favor of the policy.

Also Thursday, the IDA board voted 5-0 to recapture 75% of the benefits awarded since 2016 to a Copiague cleaning product company. Ecoclean Solutions Inc. owner Eric Sternberg told the board he sold the business' assets in 2020.

Newsday reported in 2016 the Suffolk IDA had awarded the company, which produces environmentally friendly cleaning products, \$258,700 in tax breaks over 12 years in exchange for creating five jobs.

Sternberg asked to terminate the agreement without paying the money back, arguing that he created jobs while the company was active. The board denied his request. The total amount the company must return has not yet been calculated, Murphy said.

"If clients don't fulfill their promise to the constituents, then they have to return the



Board Members
Florestano Girardi
Eric C. Mallette
Jack Majkut
Robert Bedford
Thomas Grech
Jerry Kornbluth PhD
Jill Mollitor

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

November 21, 2023, 9:00 a.m.
Old Court Room, 350 Front Street, 2nd Floor, Hempstead

Agenda: Village Business: Village of Freeport: Presentation and Consideration of an Inducement Resolution for a PILOT extension and sales tax exemption for Dover Freeport LLC, 27 St. John's Place, Freeport (tabled from October), **Village of Hempstead:** Consideration of Termination of Benefits for FAD Henry Street Food Corp., 216-228 Henry Street, Hempstead (Tabled from September and October), **New Business:** Consideration of a sales tax exemption extension (of time only) for Beechwood Merrick LLC, 695 Merrick Avenue, Westbury, Consideration of a sales tax exemption extension (of time only) for Prosperity Ave Holdings LLC/Paul's Auto Collision, Inc. 2022 Facility, 585 Commercial Avenue, Garden City, new York, Consideration of a Tenant Consent for 200 West Optic LLC dba My Eye Dr. at Equity One Northeast/Regency Centers LP, 900 Old Country Road, Westbury, Consideration of a Tenant Consent for Dream Snack of NY Inc. dba Wetzl's Pretzels at Valley Stream Green Acres Mall, 2034 Green Acres Mall, Valley Stream, **New Business – Other, CEO's Report, Old Business: None, Reading and Approval of Previous Meeting Minutes:** Consideration and Adoption of the Minutes of October 24, 2023, **Report of the Treasurer:** Financial Statements and Expenditure List, October 18, 2023 – November 14, 2023, **Executive Session, Adjournment**

Those in attendance:

Florestano Girardi, Chairman
Tom Grech, Vice Chairman
Eric C. Mallette, Treasurer
Jack Majkut, Secretary
Robert Bedford, Board Member
Jill Mollitor, Board Member
Jerry Kornbluth, Board Member

Village of Freeport:

Mayor Robert T. Kennedy
Vilma Lancaster
LaDonna Taylor
Mark Davella

Village of Hempstead Members:

Joylette Williams

Also in attendance:

Frederick E. Parola, CEO
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
Barry Carrigan, Nixon Peabody
John E. Ryan, Agency Counsel
Alan Wax, Todd Shapiro Associates, Inc. (electronically)

Excused:

Dan Oppenheimer
Stacey Lucas
Kevin Boone, Hempstead Member

The meeting was called to order at 9:02 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:

Presentation and Consideration of an Inducement Resolution for a PILOT Extension and Sales Tax Exemption for Dover Freeport LLC, 27 St. John's Place, Freeport: Peter Kramer the attorney for the applicant addressed the board. Mayor John Kennedy of Freeport and Mark Davella, Freeport Village Member spoke highly of Dover Caterers in Freeport. The current property is a PILOT program. This PILOT is set to expire on 12/31/23. The applicant is a wholesale distributor to the food and hospitality industry. This location has office and warehouse operations. The applicant seeks to upgrade its current operations by installing new furniture, floor coverings, trade equipment, garage doors, new HVAC systems, energy efficient equipment, loading dock, LED Lighting, an EV charging station and fleet, an energy efficient computer system and new phone system. The building is on 2.5 acres of land and is approximately 39,000 square feet in size. The applicant seeks to extend their PILOT an additional 15 years and requested a Sales Tax Exemption in the amount of \$2,350,000. Tom Grech made a motion to adopt an Inducement Resolution for a PILOT Extension and Sales Tax Exemption for Dover Freeport LLC, 27 St. John's Place, Freeport. This motion was seconded by Flo Girardi. All were in favor. Motion carried.

Village of Hempstead:

Consideration of a Termination of Benefits for FAD Henry Street Food Corp., 216-228 Henry Street, Hempstead (Tabled from September and October): Dan Baker the attorney representing the client updated the Board on the status of the new SBA loan they are seeking so they can complete the project. They have not currently received confirmation on the new loan. Dan Baker will update the IDA on the loan status and receipt of the building permit. No vote and no action taken.

New Business:

Consideration of a Sales Tax Exemption Extension (of time only) for Beechwood Merrick LLC, 695 Merrick Avenue, Westbury: The applicant is requesting a 6-month extension of the Sales Tax Exemption with no additional funds granted, expiring June 30, 2024. The project was completed and in operation when the first extension was granted, the opening of the restaurant portion was set back, as the company encountered difficulties securing a food and beverage operator coming out of the COVID lock downs. Flo Girardi made a motion to approve a Sales Tax Exemption Extension of time only for Beechwood Merrick LLC, 695 Merrick Avenue, Westbury. This motion was seconded by Eric Mallette. All were in favor. Motion carried.

Consideration of a Sales Tax Exemption Extension (of time only) for Prosperity Avenue Holdings LLC/Paul's Auto Collision, Inc. 2022 Facility, 585 Commercial Avenue, Garden City, New York: Beechwood Merrick is requesting a 6-month extension of the Sales Tax Exemption of time to complete the project, due to unanticipated delays caused by supply chain issues and other delays in part due to economic disruption caused by the COVID 19 Pandemic. The extension will bring us to June 30, 2024, with no additional funds granted. Flo Girardi made a motion to approve a Sales Tax Exemption Extension of time only for Beechwood Merrick LLC, 695 Merrick Avenue, Westbury. This motion was seconded by Tom Grech. All were in favor. Motion carried.

Consideration of a Tenant Consent for 200 West Optics LLC dba My Eye Dr. at Equity One Northeast/Regency Centers LP, 900 Old Country Road, Westbury: The leased premises of approximately 1,563 square feet and will create

approximately 5 jobs shall be used and occupied for the retail sale and display of eyewear related accessories and the performance of eye examinations. The lease expiration will be 10/31/2028 with one (1) five-year option. Flo Girardi made a motion to approve a Tenant Consent for 200 West Optics LLC dba My Eye Dr. at Equity One Northeast/Regency Centers LP, 900 Old Country Road, Westbury. This motion was seconded by Robert Bedford. All were in favor. Motion carried.

Consideration of a Tenant Consent for Dream Snack of NY Inc. dba Wetzl's Pretzels at Valley Stream Green Acres, 2034 Green Acres Mall, Valley Stream: Flo Girardi made a motion to approve a Tenant Consent for Dream Snack of NY Inc. doing business as, Wetzl's Pretzels at Valley Stream Green Acres, 2034 Green Acres Mall, Valley Stream. Avenue. The Tenant will occupy approximately 940 square feet of space and will create approximately (10) jobs. This motion was seconded by Jack Majkut. All were in favor. Motion carried.

Executive Session: Flo Girardi made a motion to go into executive session at 9:16 a.m. to discuss matters of litigation and personnel. This motion was seconded by Robert Bedford. All were in favor. Motion carried.

Flo Girardi made a motion to come out of executive session at 10:00 a.m. This motion was seconded by Eric Mallette. All were in favor. Motion carried.

Consideration and Approval of Salary Increases for Arlyn Eames, Michael Lodato and Laura Tomeo (hand up): Flo Girardi made a motion to approve the salary increases for Arlyn Eames, Michael Lodato and Laura Tomeo. This motion was seconded by Eric Mallette. All were in favor. Motion carried.

New Business -Other:

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 October 24, 2023, Board Meeting: Eric Malette made a motion to waive the reading and adopt the minutes of October 24, 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 October 18, 2023 – November 14, 2023.

Committee Updates: There were no updates.

Adjournment: With all business concluded. Flo Girardi made a motion to adjourn the meeting at 10:06 a.m. This motion was seconded by Eric Mallette. All were in favor. Motion carried.

Jack Majkut, Secretary
December 19, 2023

8:42 AM

12/12/23

Accrual Basis

Town of Hempstead I. D. A.

Account QuickReport

As of December 12, 2023

Type	Date	Num	Name	Memo	Split	Amount	Balance
200 · Cash							65,649.91
200-13 · Bank of America - 9419794381-Ck							65,649.91
Check	11/17/2023	52350	PAROLA, FREDERI...	522-52 Pay Pe...	-SPLIT-	-1,830.78	63,819.13
Check	11/17/2023	52351	LONGO, EDITH M.	522-52 Pay Pe...	-SPLIT-	-565.67	63,253.46
Check	11/17/2023	52352	RHOADS, LORRAINE	522-52 Pay Pe...	-SPLIT-	-1,115.03	62,138.43
Check	11/17/2023	52353	Arlyn C. Eames	522-52 Pay Pe...	-SPLIT-	-3,132.83	59,005.60
Check	11/17/2023	52354	Lodato, Michael	522-52 Pay Pe...	-SPLIT-	-2,873.43	56,132.17
Check	11/17/2023	52355	Laura N. Tomeo	522-52 Pay Pe...	-SPLIT-	-2,176.32	53,955.85
General Journal	11/17/2023	S&Co ...	Bank of America	522-52 Pay Pe...	602-04 · FICA ...	-5,489.32	48,466.53
Check	11/27/2023	31337	Optimum	07858-547683...	522-07 · Office ...	-273.69	48,192.84
Check	11/27/2023	31338	READY REFRESH b...	Acct# 042347...	522-07 · Office ...	-51.97	48,140.87
Check	11/27/2023	31352	AFLAC	NQR44- Invoic...	602-11 · AFLA...	-230.58	47,910.29
Check	11/27/2023	31353	Todd Shapiro	Consultant -N...	522-01 · Profes...	-2,500.00	45,410.29
Check	11/29/2023	31354	The New York Times	VOID: Subscri...	522-05 · Dues ...	0.00	45,410.29
General Journal	11/29/2023	S&Co ...	The New York Times	For CHK 3135...	522-05 · Dues ...	-70.80	45,339.49
General Journal	11/29/2023	S&Co ...	The New York Times	Reverse of GJ...	522-05 · Dues ...	70.80	45,410.29
Check	11/29/2023	31355	The New York Times	Subscription A...	522-05 · Dues ...	-70.80	45,339.49
Check	11/30/2023	52356	PAROLA, FREDERI...	522-52 Pay Pe...	-SPLIT-	-1,683.69	43,655.80
Check	12/01/2023	52357	LONGO, EDITH M.	522-52 Pay Pe...	-SPLIT-	-565.68	43,090.12
Check	12/01/2023	52358	RHOADS, LORRAINE	522-52 Pay Pe...	-SPLIT-	-976.77	42,113.35
Check	12/01/2023	52359	Arlyn C. Eames	522-52 Pay Pe...	-SPLIT-	-3,218.17	38,895.18
Check	12/01/2023	52360	Lodato, Michael	522-52 Pay Pe...	-SPLIT-	-2,957.36	35,937.82
Check	12/01/2023	52361	Laura N. Tomeo	522-52 Pay Pe...	-SPLIT-	-2,259.82	33,678.00
General Journal	12/01/2023	S&Co ...	Bank of America	522-52 Pay Pe...	602-04 · FICA ...	-5,448.07	28,229.93
Transfer	12/01/2023			Funds Transfe...	200-14 · Bankof...	50,000.00	78,229.93
Check	12/04/2023	31356	TOH Department of ...	Health Ins. - I...	522-70 · Health...	-9,539.51	68,690.42
Check	12/04/2023	31357	Town of Hemsptead-...	Printing - Inv. ...	522-21 · Printing	-28.46	68,661.96
Check	12/04/2023	31358	Newsday Media Group	Acct. 088764...	522-22 · Public ...	-768.00	67,893.96
Check	12/05/2023	electro...	N.Y.S & LOCAL EMP...	Code 51313 - ...	-SPLIT-	-839.78	67,054.18
Check	12/07/2023	31359	Newsday Media Group	Acct. 088764...	522-22 · Public ...	-488.00	66,566.18
Check	12/07/2023	31360	Todd Shapiro	Consultant -D...	522-01 · Profes...	-2,500.00	64,066.18
Check	12/07/2023	31361	Town of Hemsptead -...	Postage Nove...	522-19 · Postag...	-280.93	63,785.25
Check	12/07/2023	31362	TOH Dept of General...	RENT Decem...	522-12 · Rent E...	-2,500.00	61,285.25
Check	12/07/2023	31363	Camoin Associates	Inv. #20241 Al...	522-77 · Cost B...	-7,000.00	54,285.25
Check	12/07/2023	31364	Camoin Associates	Inv. #20242 13...	522-77 · Cost B...	-7,000.00	47,285.25
Check	12/11/2023	31365	Newsday Media Group	Acct. 088764...	522-22 · Public ...	-448.00	46,837.25
Total 200-13 · Bank of America - 9419794381-Ck						-18,812.66	46,837.25
Total 200 · Cash						-18,812.66	46,837.25
TOTAL						-18,812.66	46,837.25

8:43 AM
12/12/23
Accrual Basis

Town of Hempstead I. D. A.
Account QuickReport
As of December 12, 2023

Type	Date	Num	Name	Memo	Split	Amount	Balance
200 · Cash							3,031,890.84
200-14 · BankofAmerica MMS - 9419794402							3,031,890.84
Deposit	11/21/2023			Deposit -Hillcr...	-SPLIT-	10,500.00	3,042,390.84
Deposit	12/01/2023			Deposit	2850-00 · PILO...	674.09	3,043,064.93
Transfer	12/01/2023			Funds Transfe...	200-13 · Bank o...	-50,000.00	2,993,064.93
Deposit	12/08/2023			Deposit	-SPLIT-	11,000.00	3,004,064.93
Total 200-14 · BankofAmerica MMS - 9419794402						-27,825.91	3,004,064.93
Total 200 · Cash						-27,825.91	3,004,064.93
TOTAL						-27,825.91	3,004,064.93

8:43 AM

12/12/23

Accrual Basis

Town of Hempstead I. D. A.
Balance Sheet
As of December 12, 2023

	Dec 12, 23
ASSETS	
Current Assets	
Checking/Savings	
200-22 · Checking (FNBLI)187009667	10,000.00
200-21 · Oper Invest MM(FNBLI) 186702577	390,649.56
200-20 · Severance (FNBLI) 186702585	388,599.42
200-19 · HlthRetirement (FNBLI)186702593	1,342,400.41
200 · Cash	
200-02 · Petty Cash	63.71
200-13 · Bank of America - 9419794381-Ck	46,837.25
200-14 · BankofAmerica MMS - 9419794402	3,004,064.93
Total 200 · Cash	3,050,965.89
Total Checking/Savings	5,182,615.28
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
Total Current Assets	5,066,747.75
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
450-00 · Leasehold improvement	
450-02 · Accumulated Amort.	-90,950.40
450-03 · 2009 Leasehold improvements	84,273.98
450-01 · Leasehold Improvements	14,140.00
Total 450-00 · Leasehold improvement	7,463.58
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
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
Total Fixed Assets	7,463.58
Other Assets	
Deferred outflows of resources	
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
700-3 · Diff - expect/actual exp GASB68	7,735.00
700-1 · Changes in Agency cont GASB68	-52,127.00
Total Deferred outflows of resources	711,665.00
Total Other Assets	711,665.00
TOTAL ASSETS	5,785,876.33
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
550-00 · Accrued Expenses	-11,521.22
602-00 · Payroll Liabilities	
602-09 · NY Unemployment	-1,494.48

8:43 AM
12/12/23
Accrual Basis

Town of Hempstead I. D. A.
Balance Sheet
As of December 12, 2023

	Dec 12, 23
602-01 · Retirement W/H	105.35
602-04 · FICA Tax W/H Social Sec.	-0.01
602-06 · Retirement Loan	771.00
602-07 · Disability W/H	205.20
Total 602-00 · Payroll Liabilities	-412.94
Total Other Current Liabilities	-11,934.16
Total Current Liabilities	-11,934.16
Long Term Liabilities	
Deferred inflows of resources	
500-5 · Changes in assumption OPEB	32,975.00
500-4 · Change in assumptions	2,876.00
500-2 · Change in pro - employer & prop	23,857.00
500-1 · Difference between expect/act	334,468.00
Total Deferred inflows of resources	394,176.00
605 · Net pension liability - pro. sh	-102,539.00
603-00 · Postretirement health benefits	1,450,586.00
602 · -10 Compensated absences	103,824.24
Total Long Term Liabilities	1,846,047.24
Total Liabilities	1,834,113.08
Equity	
3000 · Opening Bal Equity	498,858.39
909-00 · Fund Balance	2,958,213.15
Net Income	494,691.71
Total Equity	3,951,763.25
TOTAL LIABILITIES & EQUITY	5,785,876.33