

FIRST REALTY ASSOCIATES LLC

and

GLOBAL TISSUE GROUP, INC.

to

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

RECAPTURE AGREEMENT

Dated as of July 1, 2008

Town of Brookhaven Industrial Development Agency
(First Realty Associates LLC/Global Tissue Group, Inc. 2008 Facility)

RECAPTURE AGREEMENT

THIS RECAPTURE AGREEMENT, made and entered into as of July 1, 2008 (this "**Recapture Agreement**"), is from FIRST REALTY ASSOCIATES LLC, a limited liability company duly organized and validly existing under the laws of the State of New York, having its principal office at 1101 Lakeland Avenue, Bohemia, New York 11716 (the "**Company**"), and GLOBAL TISSUE GROUP, INC., a business corporation duly organized and validly existing under the laws of the State of New York, having its principal office at 1101 Lakeland Avenue, Bohemia, New York 11716 (the "**Sublessee**"), to the TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY, an industrial development agency and a public benefit corporation duly organized and validly existing under the laws of the State of New York, having its principal office at 1 Independence Hill, 3rd Floor, Farmingville, New York 11738 (the "**Agency**").

WITNESSETH:

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

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

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

Pursuant to and in accordance with the provisions of the aforesaid act and Chapter 358 of the Laws of 1970 of the State, as amended (collectively, the "**Act**"), the Agency was created and is empowered to undertake the providing, financing and leasing of the Facility defined below;

The Agency has agreed to acquire, construct, and equip a certain industrial development facility located in the Town of Brookhaven, New York (defined below), and to lease the Facility to the Company pursuant to a Lease Agreement between the Agency and the Company, dated as of July 1, 2008 (the "**Lease Agreement**");

The Facility shall consist of the acquisition of an approximately 23.4303 acre vacant parcel of land located near the intersection of the northerly side of Long Island Avenue and the westerly side of Patchogue Yaphank Road, West Yaphank, Town of Brookhaven, Suffolk County, New York (further identified as Tax Map. Nos. 0200-663.00-02.00-001.001, 0200-703.00-01.00-030.00, 0200-704.00-01.00-14.001, and 0200-663.00-02.00-003.002), and the

construction and equipping thereon of an approximately 166,300 square foot building including, without limitation, the furnishing and equipping of warehouse and distribution space to be used for the manufacturing and distribution of paper products such as facial tissues, bath tissues, napkins and paper towels (collectively, the "Facility"), all to be leased by the Agency to the Company for further sublease by the Company to, and used by, the Sublessee in the manufacturing and distribution of paper products for customers of the Sublessee;

The Company has agreed to sublease the Facility to the Sublessee pursuant to a certain Sublease Agreement, dated July 23, 2008 (the "Sublease Agreement"), between the Company and the Sublessee;

The Agency, the Company and the Sublessee have agreed to make certain payments-in-lieu-of-taxes pursuant to a Payment-in-Lieu-of-Tax Agreement, dated as of July 1, 2008 (the "PILOT Agreement"), by and among the Agency, the Company and the Sublessee;

The Agency has conferred on the Company and the Sublessee in connection with the acquisition, construction, equipping, financing and leasing of the Facility certain benefits, tax exemptions and other financial assistance more particularly described in Section 1(c) hereof, consisting of, among other things, sales and use tax exemptions on the acquisition, construction and equipping of the Facility, real property tax abatements (pursuant to the PILOT Agreement) and mortgage recording tax exemptions on the recording of the Mortgages;

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

AGREEMENT

1. Recapture of Agency Benefits. (a) It is understood and agreed by the parties hereto that the Agency is entering into the PILOT Agreement and the Lease Agreement in order to provide financial assistance to the Company and the Sublessee for the Facility and to accomplish the public purposes of the Act. In consideration therefor, the Company and the Sublessee hereby agree as follows:

- (i) If there shall occur a Recapture Event after July 23, 2008 but before the end of two (2) years thereafter, the Company and/or the Sublessee shall pay to the Agency, or to the State of New York, if so directed by the Agency (except as otherwise specified below) as a return of public benefits conferred by the Agency, one hundred percent (100%) of the Recaptured Benefits (as defined below);
- (ii) If there shall occur a Recapture Event after the end of two (2) years but before the end of four (4) years thereafter, the Company and/or the Sublessee shall

pay to the Agency, or to the State of New York, if so directed by the Agency (except as otherwise specified below) as a return of public benefits conferred by the Agency, seventy-five percent (75%) of the Recaptured Benefits;

- (iii) If there shall occur a Recapture Event after the end of four (4) years but before the end of six (6) years thereafter, the Company and/or the Sublessee shall pay to the Agency, or to the State of New York, if so directed by the Agency (except as otherwise specified below) as a return of public benefits conferred by the Agency, fifty percent (50%) of the Recaptured Benefits;
- (iv) If there shall occur a Recapture Event after the end of six (6) years but before the end of eight (8) years thereafter, the Company and/or the Sublessee shall pay to the Agency, or to the State of New York, if so directed by the Agency (except as otherwise specified below) as a return of public benefits conferred by the Agency, twenty-five percent (25%) of the Recaptured Benefits; and
- (v) If there shall occur a Recapture Event after July 23, 2016, the Company and/or the Sublessee shall not be obligated to pay to the Agency, or to the State of New York, any of the Recaptured Benefits; and

(b) The term "Recaptured Benefits" shall mean all direct monetary benefits, tax exemptions and other financial assistance, if any, derived from the Agency's participation in the transaction contemplated by the PILOT Agreement, the Sales Tax Letter, dated July 23, 2008 delivered by the Agency to the Company and the Sublessee (the "Sales Tax Letter") and the Lease Agreement including, but not limited to, the amount equal to 100% of: any exemption from any applicable mortgage recording tax with respect to the Facility on mortgages granted by the Agency, sales or use tax exemptions and real property tax abatements granted under the PILOT Agreement which amounts from time to time shall be payable directly to the Agency.

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

(1) A default by the Company and/or the Sublessee under the PILOT Agreement which remains uncured beyond any applicable notice and/or grace period, if any, provided thereunder; or

(2) A default by the Company under the Lease Agreement or the occurrence and continuation of an Event of Default under the Lease Agreement which remains uncured beyond any applicable notice and/or grace period, if any, provided thereunder; or

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

Notwithstanding the foregoing, a Recapture Event shall not be deemed to have occurred if the Recapture Event shall have arisen as a direct, immediate result of (i) a taking

or condemnation by governmental authority of all or part of the Facility, or (ii) the inability at law of the Company and/or the Sublessee after the Facility shall have been destroyed or damaged in whole or in part (such occurrence a "Loss Event") to rebuild, repair, restore or replace the Facility to substantially its condition prior to such Loss Event, which inability shall have arisen in good faith through no fault on the part of the Company, the Sublessee or any of their respective affiliates so long as the Company, the Sublessee or any of their respective affiliates have diligently and in good faith using commercially reasonable efforts pursued the rebuilding, repair, restoration or replacement of the Facility or part thereof.

(d) The Company and the Sublessee covenant and agree to furnish the Agency with written notification within thirty (30) days of learning of any Recapture Event during the term of this agreement, which notification shall set forth the terms of such Recapture Event.

(e) In the event any payment owing by the Company and/or the Sublessee under this Section shall not be paid on demand by the Agency, such payment shall bear interest from the date of such demand at a rate equal to ten percent (10%) per annum until the Company and/or the Sublessee shall have made such payment in full, together with such accrued interest to the date of payment, to the Agency (except as otherwise specified above).

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

2. Obligations Unconditional.

(a) The obligations of the Company and the Sublessee under this Recapture Agreement shall be absolute and unconditional and shall remain in full force and effect until the PILOT Agreement and the Lease Agreement have expired or been terminated, and such obligations shall not be affected, modified or impaired by any state of facts or the happening from time to time of any event, whether or not with notice to or the consent of the Company and the Sublessee.

(b) It is hereby expressly agreed that the Sublessee's obligations under this Recapture Agreement are not limited in any manner, and the Sublessee shall be liable for the payment of all recapture amounts with respect to the entire Facility.

(c) It is hereby also expressly agreed that the Company's obligations under this Recapture Agreement are not limited in any manner, and the Company shall be liable for the payment of all recapture amounts with respect to the entire Facility.

3. Condition to Reconveyance of Facility. The parties hereto agree that the Agency shall have no obligations to re-convey the Facility to the Company pursuant to the Lease Agreement until all payments to the Agency and the Town under Sections 5.3, 11.2 and 11.3 of the Lease Agreement, under the PILOT Agreement and hereunder have been paid in full.

4. Recordation of Recapture Agreement. The parties hereto agree that this Recapture Agreement shall be recorded as a lien against the Facility and as a covenant and restriction running with the Land until this Recapture Agreement has been discharged by the Agency.

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

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

7. Survival. All warranties, representations, and covenants made by the Company and the Sublessee herein shall be deemed to have been relied upon by the Agency and shall survive the delivery of this Recapture Agreement to the Agency regardless of any investigation made by the Agency.

8. Binding Effect. This Recapture Agreement shall inure to the benefit of and be binding upon the successors and assigns of each of the parties.

9. Notices. All notices, certificates and other communications under this Recapture Agreement shall be in writing and shall be deemed given when delivered personally or when sent by certified mail, return receipt requested, postage prepaid, and addressed as follows or to such other address as any party may specify in writing to the other:

To the Company:

First Realty Associates LLC
1101 Lakeland Avenue
Bohemia, New York 11716
Attn: Managing Member

To the Sublessee:

Global Tissue Group, Inc.
1101 Lakeland Avenue
Bohemia, New York 11716
Attn: Vice President/Secretary

With copies for Company and Sublessee to:

Law Offices of Andrew D. Presberg, P.C.
100 Corporate Plaza, Suite B102
Islandia, New York 11749
Attention: Andrew D. Presberg, Esq.

To the Agency:

Town of Brookhaven Industrial Development Agency
1 Independence Hill, 3rd Floor
Farmingville, New York 11738
Attn: Chief Executive Officer

A duplicate copy of each communication hereunder by the Company or the Sublessee shall be given to the Agency.

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

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

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

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

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


[Remainder of Page Intentionally Left Blank]

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

FIRST REALTY ASSOCIATES LLC

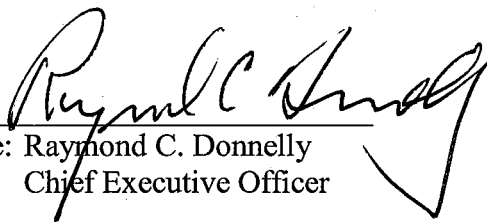
By: 
Name: Freydoun Elnkaveh
Title: Managing Member

GLOBAL TISSUE GROUP, INC.

By: 
Name: Freydoun Elnkaveh
Title: Vice President/Secretary

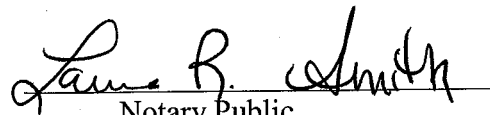
ACCEPTED:

TOWN OF BROOKHAVEN INDUSTRIAL
DEVELOPMENT AGENCY

By: 
Name: Raymond C. Donnelly
Title: Chief Executive Officer

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

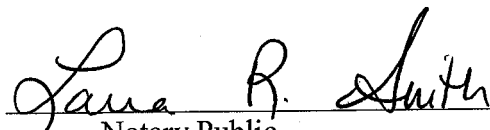
On the 23rd day of July in the year 2008, before me, the undersigned, a Notary Public in and for said State, personally appeared Freydoun Elnekaveh, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument, and acknowledged to me that he executed the same in his capacity, and that by his signature on the within instrument, the individual, or the person or entity on behalf of which the individual acted, executed the instrument.


Notary Public

LAURA R. SMITH
Notary Public, State of New York
Registration #: 01SM6174422
Qualified in Monroe County
Certificate Filed in Monroe County
Commission Expires 9/17/20 11

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

On the 23rd day of July in the year 2008, before me, the undersigned, a Notary Public in and for said State, personally appeared Freydoun Elnekaveh, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument, and acknowledged to me that he executed the same in his capacity, and that by his signature on the within instrument, the individual, or the person or entity on behalf of which the individual acted, executed the instrument.


Notary Public

LAURA R. SMITH
Notary Public, State of New York
Registration #: 01SM6174422
Qualified in Monroe County
Certificate Filed in Monroe County
Commission Expires 9/17/20 11

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

On the 7th day of July in the year 2008, before me, the undersigned, a Notary Public in and for said State, personally appeared Raymond C. Donnelly, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument, and acknowledged to me that he executed the same in his capacity, and that by his signature on the within instrument, the individual, or the person or entity on behalf of which the individual acted, executed the instrument.

Kathleen M Estabrook
Notary Public



10954232.4

Exhibit A

Real Property Description

COMMONWEALTH LAND TITLE INSURANCE COMPANY

SCHEDULE A
PROPERTY DESCRIPTION

The land referred to in this Policy is described as follows:

AMENDED 7/1/08
AMENDED 3/24/2008

PARCEL 1

ALL that certain plot, piece or parcel of land, situate, lying and being at West Yaphank, Town of Brookhaven, County of Suffolk and State of New York.

BEGINNING at a point formed by the intersection of the southerly side of Long Island Avenue with the westerly side of Patchogue Yaphank Road.

RUNNING THENCE along the westerly side of Patchogue Yaphank Road, South 02 degrees 24 minutes 48 seconds east 159.62 feet to a point and the northerly side of the Long Island Railroad;

THENCE along the northerly side of the Long Island Railroad, South 82 degrees 57 minutes 40 seconds west 159.79 feet to a point and land now or formerly of Nicholas Racanelli Associates;

THENCE along land now or formerly of Nicholas Racanelli Associates, North 05 degrees 10 minutes 33 seconds west 160.03 feet to a point and the southerly side of Long Island Avenue;

THENCE along the southerly side of Long Island Avenue, North 83 degrees 15 minutes 10 seconds east 167.46 feet to the point and place of BEGINNING.

FOR INFORMATION ONLY:

District: 0200 Section: 703.00 Block: 01.00 Lot: 030.000

PARCEL 2

ALL that certain plot, piece or parcel of land, situate, lying and being at West Yaphank, Town of Brookhaven, County of Suffolk and State of New York.

BEGINNING at a point formed by the intersection of the northerly side of Old Town Road, with the easterly side of Patchogue Yaphank Road;

RUNNING THENCE along the easterly side of Patchogue Yaphank Road, the following three [3] courses and distances:

1. North 39 degrees 29 minutes 40 seconds east 22.52 feet to a point;
2. North 38 degrees 49 minutes 40 seconds east 136.95 feet to a point;
3. North 46 degrees 08 minutes 10 seconds east 23.17 feet to a point and land now or formerly of 66 Partners LLC;

THENCE along land now or formerly of 66 Partners LLC, South 05 degrees 33 minutes 45 seconds east 211.80 feet to a point and the northerly side of Old Town Road;

THENCE along the northerly side of Old Town Road, North 62 degrees 46 minutes 49 seconds west 154.53 feet to the point place of BEGINNING.

FOR INFORMATION ONLY:

District: 0200 Section: 704.00 Block: 01.00 Lot: 014.001

SCHEDULE A
PROPERTY DESCRIPTION
(Continued)

PARCEL 3

ALL that certain plot, piece or parcel of land, situate, lying and being at West Yaphank, Town of Brookhaven, County of Suffolk and State of New York.

BEGINNING at a point at the southwesterly terminus of the arc of a curve connecting the westerly side of Patchogue Yaphank Road with the northerly side of Long Island Avenue ;

RUNNING THENCE along the northerly side of Long Island Avenue, South 83 degrees 15 minutes 10 seconds west 37.36 feet to a point and land now or formerly of REP C LLC;

THENCE along land or formerly of REP C LLC, North 05 degrees 10 minutes 33 seconds west 1,623.53 feet to a point and the southerly side of the Long Island Expressway;

THENCE along the southerly side of the Long Island Expressway, the following three [3] courses and distances:

1. North 77 degrees 19 minutes 00 seconds 896.92 feet to a point;
2. South 12 degrees 41 minutes 00 seconds 1.00 feet to a point;
3. North 77 degrees 19 minutes 00 second east 83.14 feet to a point and land now or formerly of the Long Island Expressway 66 LLC;

THENCE along land now or formerly of LIE 66 LLC, South 05 degrees 33 minutes 45 seconds east 454.72 feet to a point and the westerly side of Patchogue Yaphank Road;

THENCE along the westerly side of Patchogue Yaphank Road, the following five [5] courses and distances:

1. South 46 degrees 08 minutes 10 seconds west 79.51 feet to a point;
2. South 38 degrees 49 minutes 40 seconds west 140.78 feet to a point;
3. South 39 degrees 29 minutes 40 seconds west 436.04 feet to a point;
4. South 25 degrees 31 minutes 20 seconds west 392.43 feet to a point;
5. South 14 degrees 55 minutes 48 seconds west 383.76 feet to a point and the northeasterly terminus of the arc of a curve connecting the westerly side of Patchogue Yaphank Road with the northerly side of Long Island Avenue;

THENCE along said arc of a curve bearing to the right having a radius of 142.92 feet, the distance of 213.69 feet [said chord having a bearing of South 40 degrees 25 minutes 09 seconds west a distance of 194.33 feet] to the point and place of BEGINNING.

FOR INFORMATION ONLY:

District: 0200 Section: 663.00 Block: 02.00 Lot: 001.001 and 003.002

****NOTE:** District: 0200 Section: 663.00 Block: 02.00 Lot: 001.001 is now known as:

District: 0200 Section: 663.00 Block: 02.00 Lot: 001.002

District: 0200 Section: 663.00 Block: 02.00 Lot: 001.003

District: 0200 Section: 704.00 Block: 01.00 Lot: 015.000

FIRST REALTY ASSOCIATES LLC

and

GLOBAL TISSUE GROUP, INC.

and

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

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

Town of Brookhaven Industrial Development Agency
(First Realty Associates LLC/Global Tissue Group, Inc. 2008 Facility)

Originally Dated as of July 1, 2008

Amended and Restated as of October 1, 2020

Town of Brookhaven, Suffolk County, Longwood Central School District

Tax Account Numbers: 0200-703.00-01.00-030.000
 0200-704.00-01.00-014.001
 0200-704.00-01.00-015.001

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

THIS AMENDED AND RESTATED PAYMENT-IN-LIEU-OF-TAX AGREEMENT, dated as of October 1, 2020 (this "**Amended and Restated PILOT Agreement**"), is among FIRST REALTY ASSOCIATES LLC, a limited liability company duly organized and validly existing under the laws of the State of New York, having an office at 870 Expressway Drive South, Medford, New York 11763 (the "**Company**"), GLOBAL TISSUE GROUP, INC., a business corporation duly organized and validly existing under the laws of the State of New York, having an office at 870 Expressway Drive South, Medford, New York 11763 (the "**Sublessee**"), and TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY, a public benefit corporation of the State of New York, having its office at 1 Independence Hill, 2nd Floor, Farmingville, New York 11738 (the "**Agency**").

WITNESSETH:

WHEREAS, the Agency was created by Chapter 358 of the Laws of 1970 of the State of New York, as amended, pursuant to Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended (collectively, the "**Act**"); and

WHEREAS, the Agency previously provided its assistance in the acquisition of an approximately 23.4303-acre vacant parcel of land located near the northerly side of Long Island Avenue and the westerly side of Patchogue Yaphank Road, West Yaphank, Town of Brookhaven, Suffolk County, New York, and the construction and equipping thereon of an approximately 166,700 square foot building including, without limitation, the furnishing and equipping of warehouse and distribution space to be used for the manufacturing and distribution of paper products such as facial tissues, bath tissues, napkins and paper towels (the "**Facility**"), which Facility is leased by the Agency to the Company and subleased by the Company to the Sublessee for use by the Sublessee in the manufacturing and distribution of paper products for customers of the Sublessee; and

WHEREAS, the Agency currently leases the Facility to the Company pursuant to a certain Lease Agreement, dated as of July 1, 2008 (the "**Original Lease Agreement**"); and together with this Amendment of Lease Agreement, the "**Lease Agreement**"), between the Agency and the Company, a memorandum of which Original Lease Agreement was recorded in the Suffolk County Clerk's office on August 15, 2008 in Liber 12561 of Deeds, Page 746; and

WHEREAS, in connection with the leasing and subleasing of the Facility, the Agency, the Company, and the Sublessee entered into a certain Payment-in-Lieu-of Tax Agreement, dated as of July 1, 2008 (the "**Original PILOT Agreement**"); and together with this Amended and Restated PILOT Agreement, the "**PILOT Agreement**"), whereby the Company and Sublessee agreed to make payments in lieu of taxes on the Facility; and

WHEREAS, in connection with the leasing and subleasing of the Facility, the Agency, the Company, and the Sublessee entered into a certain Recapture Agreement, dated as of July 1, 2008 (the "**Original Recapture Agreement**"), which Original Recapture Agreement was recorded in the Suffolk County Clerk's office on August 15, 2008 in Liber 12561 of Deeds, Page 749; and

WHEREAS, the Company and Sublessee have now requested the Agency's assistance in granting an extension of benefits provided under the Original PILOT Agreement for a period of six (6) years (the "**PILOT Extension**"); and

WHEREAS, the Original PILOT Agreement shall be amended and restated pursuant to and in accordance with this Amended and Restated PILOT Agreement; and

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

WHEREAS, the Agency, the Company and the Sublessee deem it necessary and proper to enter into an agreement making provision for payments in lieu of taxes and such assessments by the Company to the Town of Brookhaven, New York, any existing incorporated village or any village which may be incorporated after the date hereof, within which the Facility is or may be wholly or partially located, Suffolk County, Longwood Central School District and appropriate special districts (hereinafter the "**Taxing Authorities**") in which any part of the Facility is or is to be located.

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

1. (a) As long as the Lease Agreement is in effect, the Company and the Sublessee agree to make payments in lieu of all real estate taxes and assessments (the "**PILOT Payments**") (in addition to paying all special ad valorem levies, special assessments or Special District Taxes and service charges against real property located in the Town of Brookhaven, Suffolk County, Longwood Central School District (including any existing incorporated village or any village which may be incorporated after the date hereof, within which the Facility is or may be wholly or partially located) which are or may be imposed for special improvements or special district improvements) which would be levied upon or with respect to the Facility if the Facility were owned by the Company exclusive of the Agency's interest therein (the "**Taxes on the Facility**"). Through the end of the 2019/2020 Tax Year, the amounts of such PILOT Payments are set forth in Exhibit A attached to the Original PILOT Agreement. PILOT Payments shall be allocated among the Taxing Authorities in proportion to the amount of real property tax and other taxes which would have been received by each Taxing Authority if the Facility was owned by the Company exclusive of the Agency's interest.

(b) Commencing with the 2020/2021 Tax Year, the Company and the Sublessee shall pay, as payments in lieu of taxes and assessments, inclusive of land and improvements, the amounts set forth on Exhibit A attached hereto and made a part hereof.

(c) The Company and the Sublessee shall pay, or cause to be paid, the amounts set forth in paragraphs 1(a) and (b) above, as applicable, after receipt of tax bills from

the Agency or the Taxing Authorities, as the case may be. Failure to receive a tax bill shall not relieve the Company or the Sublessee of their obligations to make all payments provided for hereunder. If, for any reason, the Company and/or the Sublessee does not receive an appropriate tax bill, the Company and the Sublessee shall have the responsibility and obligation to make all reasonable inquiries to the Agency and the Taxing Authorities and to have such a bill issued, and thereafter to make payment of the same no later than the due dates provided therein. PILOT Payments shall be made directly to the Agency. PILOT Payments made after the due date(s) as set forth in the applicable tax bills shall accrue interest (and penalties) at the rates applicable to late payments of taxes for the respective Taxing Authorities and as further provided in the General Municipal Law, including Section 874(5) thereof, which currently provides for an initial penalty of five percent (5%) of the amount due and an additional penalty of one percent (1%) per month on payments more than one (1) month delinquent. Anything contained in this paragraph (c) to the contrary notwithstanding, the Company and the Sublessee shall have the obligation to make all annual payments required by this paragraph (other than payments of penalties, if any) in two equal semi-annual installments on or prior to January 31 and May 31 of each year of the Lease Term or on such other due dates as may be established from time to time during the Lease Term.

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

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

2. In the event that the Agency's fee title interest in the Facility or any part thereof is terminated at such time in reference to any taxable status date as to make it impossible to place such Facility or part thereof on the tax rolls of the Town of Brookhaven, Suffolk County, Longwood Central School District, any existing incorporated village or any village which may be incorporated after the date hereof, within which the Facility is or may be wholly or partially located, or appropriate special districts, as the case may be, by such taxable status date, the Company and the Sublessee hereby agree to pay, at the first time taxes or assessments are due following the taxable status date on which such Facility or part thereof is placed on the tax rolls, an amount equal to the taxes or assessments which would have been levied on such Facility or part thereof had it been on the tax rolls from the time the Agency's interest in the Facility was terminated until the date of the tax rolls following the taxable status date as of which such Facility or part thereof is placed on the tax rolls. There shall be deducted from such amount any

amounts previously paid pursuant to this Amended and Restated PILOT Agreement by the Agency, the Company or the Sublessee to the respective Taxing Authorities relating to any period of time after the date of termination of the Lease Agreement. The provisions of this paragraph 2 shall survive the termination or expiration of the Lease Agreement. Any rights the Company and the Sublessee may have against its designee are separate and apart from the terms of this paragraph 2, and this paragraph 2 shall survive any transfer from the Agency to the Company.

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

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

5. As long as this Amended and Restated PILOT Agreement is in effect, the Agency and the Company agree that (i) the Company shall be deemed to be the owner of the Facility and of the Additional Facilities for purposes of instituting, and shall have the right to institute, administrative or judicial review of an assessment of the real estate with respect to the Facility and of the Additional Facilities pursuant to the provisions of Article 7 of the Real Property Tax Law or any other applicable law, as the same may be amended from time to time, and (ii) the Agency, at the request of the Company, shall request the Assessor of the Town of Brookhaven, or any other assessor having jurisdiction to assess the Facility, to take into consideration the value of surrounding properties of like character when assessing the Facility. Notwithstanding the foregoing, in the event that the assessment of the real estate with respect to the Facility and the Additional Facilities is reduced as a result of any such administrative or judicial review so that such complaining party would be entitled to receive a refund or refunds of taxes paid to the respective Taxing Authorities, if such complaining party were the owner of the Facility and the Additional Facilities exclusive of the Agency's interest therein, such complaining party shall not be entitled to receive a refund or refunds of the PILOT Payments paid pursuant to this Amended and Restated PILOT Agreement and the PILOT Payments set forth on Exhibit A hereto shall not be reduced. In no event shall the Agency be required to remit to the Company or any Taxing Authority any moneys otherwise due as a result of a reduction in the assessment of the Facility (or any part thereof) due to a certiorari review. If the Company receives a reduction in assessment in the last year of the Lease Agreement after it has made its final PILOT Payment, the Company acknowledges that it shall look solely to the Taxing Authorities for repayment or for a credit against the first payment(s) of Taxes on the Facility which will be due after the Facility is returned to the tax rolls. The Company hereby agrees that it will notify the Agency if the Company shall have requested a reassessment of the Facility or a reduction in the taxes on the Facility or shall have instituted any tax certiorari proceedings with respect to the Facility. The Company shall deliver to the Agency copies of all notices, correspondence, claims, actions and/or proceedings brought by or against the Company in connection with any reassessment of

the Facility, reduction of taxes with respect to the Facility or tax certiorari proceedings with respect to the Facility.

6. The Company and the Sublessee, in recognition of the benefits provided under the terms of this Amended and Restated PILOT Agreement, including, but not limited to, the formula for In-Lieu-of-Taxes Payments set forth in Exhibit A hereto, and for as long as the Lease Agreement is in effect, expressly waive any rights they may have for any exemption under Section 485-b of the Real Property Tax Law or any other exemption under any other law or regulation (except, however, for the exemption provided by Title I of Article 18-A of the General Municipal Law) with respect to the Facility. The Company and the Sublessee, however, reserve any such rights with respect to the Additional Facilities as referred to in paragraph 1(f) and with respect to the assessment and/or exemption of the Additional Facilities.

7. All notices, certificates and other communications hereunder shall be in writing and shall be either delivered personally or sent by certified mail, return receipt requested, or delivered by any national overnight express delivery service (in each case, postage or delivery charges paid by the party giving such communication) addressed as follows or to such other address as any party may specify in writing to the other:

The Agency:

Town of Brookhaven Industrial Development Agency
1 Independence Hill, 2nd Floor
Farmingville, New York 11738
Attention: Lisa MG Mulligan, Chief Executive Officer

The Company:

First Realty Associates LLC
870 Expressway Drive South
Medford, New York 11763
Attention: Freydoun Elnekaveh

With a copy to:

Jaspan Schlesinger LLP
300 Garden City Plaza
Garden City, New York 11530
Attention: Leslie Feifer, Esq.

The Sublessee:

Global Tissue Group, Inc.
870 Expressway Drive South
Medford, New York 11763
Attention: Philip Shaoul

With a copy to:

Jaspan Schlesinger LLP
300 Garden City Plaza
Garden City, New York 11530
Attention: Leslie Feifer, Esq.

Notice by mail shall be effective when delivered but if not yet delivered shall be deemed effective at 12:00 p.m. on the third Business Day after mailing with respect to certified mail and one Business Day after mailing with respect to overnight mail

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

9. This Amended and Restated PILOT Agreement shall become effective the date of execution by the parties and PILOT Payments hereunder shall commence with the 2020/2021 Tax Year. All taxes, assessments, special assessments, service charges, special ad valorem levies or similar tax equivalents due or to become due based upon prior taxable status dates shall be paid by the Company and Sublessee when due. Upon termination of the Lease Agreement, this Amended and Restated PILOT Agreement shall terminate.

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

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

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

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

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

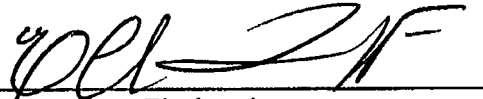
15. Except as provided in paragraphs 3 and 4, if any provision of this Amended and Restated PILOT Agreement (excluding paragraph 1) shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction, such provision so adjudged invalid, illegal or unenforceable shall be deemed separate, distinct and independent and the remainder of this Amended and Restated PILOT Agreement shall be and remain in full force and effect and shall not be invalidated or rendered illegal or unenforceable or otherwise affected by such holding or adjudication.

16. All capitalized terms used in this Amended and Restated PILOT Agreement and not otherwise defined herein shall have the meanings assigned thereto in the Schedule of Definitions attached to the Lease Agreement as Schedule A, which definitions are incorporated herein and made a part hereof.

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

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

FIRST REALTY ASSOCIATES LLC

By: 
Name: Freydoun Elnekaveh
Title: Member

GLOBAL TISSUE GROUP, INC.

By: _____
Name: Philip Shaoul
Title: President

**TOWN OF BROOKHAVEN INDUSTRIAL
DEVELOPMENT AGENCY**

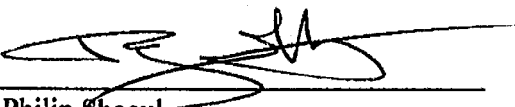
By: _____
Name: Lisa MG Mulligan
Title: Chief Executive Officer

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

FIRST REALTY ASSOCIATES LLC

By: _____
Name: Freydoun Elnekaveh
Title: Member

GLOBAL TISSUE GROUP, INC.

By:  _____
Name: Philip Shaoul
Title: President

**TOWN OF BROOKHAVEN INDUSTRIAL
DEVELOPMENT AGENCY**

By: _____
Name: Lisa MG Mulligan
Title: Chief Executive Officer

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

FIRST REALTY ASSOCIATES LLC

By: _____
Name: Freydoun Elnekaveh
Title: Member

GLOBAL TISSUE GROUP, INC.

By: _____
Name: Philip Shaoul
Title: President

**TOWN OF BROOKHAVEN INDUSTRIAL
DEVELOPMENT AGENCY**

By: Lisa MG Mulligan
Name: Lisa MG Mulligan
Title: Chief Executive Officer

EXHIBIT A

PILOT Schedule

Schedule of payments-in-lieu-of-taxes: Town of Brookhaven, (including any existing incorporated village and any village which may be incorporated after the date hereof, within which the Facility is wholly or partially located), Longwood Central School District, Suffolk County and Appropriate Special Districts

<u>Year</u>	<u>PILOT Payment</u>
2020/2021	\$10,672
2021/2022	\$66,095
2022/2023	\$134,833
2023/2024	\$206,294
2024/2025	\$280,560
2025/2026	\$357,714

EXHIBIT B

Legal Description of Real Property

COMMONWEALTH LAND TITLE INSURANCE COMPANY

SCHEDULE A

PROPERTY DESCRIPTION

The land referred to in this Policy is described as follows:

AMENDED 7/1/08
AMENDED 3/24/2008

PARCEL 1

ALL that certain plot, piece or parcel of land, situate, lying and being at West Yaphank, Town of Brookhaven, County of Suffolk and State of New York.

BEGINNING at a point formed by the intersection of the southerly side of Long Island Avenue with the westerly side of Patchogue Yaphank Road.

RUNNING THENCE along the westerly side of Patchogue Yaphank Road, South 02 degrees 24 minutes 48 seconds east 159.62 feet to a point and the northerly side of the Long Island Railroad;

THENCE along the northerly side of the Long Island Railroad, South 82 degrees 57 minutes 40 seconds west 159.79 feet to a point and land now or formerly of Nicholas Racanelli Associates;

THENCE along land now or formerly of Nicholas Racanelli Associates, North 05 degrees 10 minutes 33 seconds west 160.03 feet to a point and the southerly side of Long Island Avenue;

THENCE along the southerly side of Long Island Avenue, North 83 degrees 15 minutes 10 seconds east 167.46 feet to the point and place of BEGINNING.

FOR INFORMATION ONLY:

District: 0200 Section: 703.00 Block: 01.00 Lot: 030.000

PARCEL 2

ALL that certain plot, piece or parcel of land, situate, lying and being at West Yaphank, Town of Brookhaven, County of Suffolk and State of New York.

BEGINNING at a point formed by the intersection of the northerly side of Old Town Road, with the easterly side of Patchogue Yaphank Road;

RUNNING THENCE along the easterly side of Patchogue Yaphank Road, the following three [3] courses and distances:

1. North 39 degrees 29 minutes 40 seconds east 22.52 feet to a point;
2. North 38 degrees 49 minutes 40 seconds east 136.95 feet to a point;
3. North 46 degrees 08 minutes 10 seconds east 23.17 feet to a point and land now or formerly of 66 Partners LLC;

THENCE along land now or formerly of 66 Partners LLC, South 05 degrees 33 minutes 45 seconds east 211.80 feet to a point and the northerly side of Old Town Road;

THENCE along the northerly side of Old Town Road, North 62 degrees 46 minutes 49 seconds west 154.53 feet to the point place of BEGINNING.

FOR INFORMATION ONLY:

District: 0200 Section: 704.00 Block: 01.00 Lot: 014.001

SCHEDULE A
PROPERTY DESCRIPTION
(Continued)

PARCEL 3

ALL that certain plot, piece or parcel of land, situate, lying and being at West Yaphank, Town of Brookhaven, County of Suffolk and State of New York.

BEGINNING at a point at the southwesterly terminus of the arc of a curve connecting the westerly side of Patchogue Yaphank Road with the northerly side of Long Island Avenue ;

RUNNING THENCE along the northerly side of Long Island Avenue, South 83 degrees 15 minutes 10 seconds west 37.36 feet to a point and land now or formerly of REP C LLC;

THENCE along land or formerly of REP C LLC, North 05 degrees 10 minutes 33 seconds west 1,623.53 feet to a point and the southerly side of the Long Island Expressway;

THENCE along the southerly side of the Long Island Expressway, the following three [3] courses and distances:

1. North 77 degrees 19 minutes 00 seconds 896.92 feet to a point;
2. South 12 degrees 41 minutes 00 seconds 1.00 feet to a point;
3. North 77 degrees 19 minutes 00 second east 83.14 feet to a point and land now or formerly of the Long Island Expressway 66 LLC;

THENCE along land now or formerly of LIE 66 LLC, South 05 degrees 33 minutes 45 seconds east 454.72 feet to a point and the westerly side of Patchogue Yaphank Road;

THENCE along the westerly side of Patchogue Yaphank Road, the following five [5] courses and distances:

1. South 46 degrees 08 minutes 10 seconds west 79.51 feet to a point;
2. South 38 degrees 49 minutes 40 seconds west 140.78 feet to a point;
3. South 39 degrees 29 minutes 40 seconds west 436.04 feet to a point;
4. South 25 degrees 31 minutes 20 seconds west 392.43 feet to a point;
5. South 14 degrees 55 minutes 48 seconds west 383.76 feet to a point and the northeasterly terminus of the arc of a curve connecting the westerly side of Patchogue Yaphank Road with the northerly side of Long Island Avenue;

THENCE along said arc of a curve bearing to the right having a radius of 142.92 feet, the distance of 213.69 feet [said chord having a bearing of South 40 degrees 25 minutes 09 seconds west a distance of 194.33 feet] to the point and place of BEGINNING.

FOR INFORMATION ONLY:

District: 0200 Section: 663.00 Block: 02.00 Lot: 001.001 and 003.002

**NOTE: District: 0200 Section: 663.00 Block: 02.00 Lot: 001.001 is now known as:

District: 0200 Section: 663.00 Block: 02.00 Lot: 001.002

District: 0200 Section: 663.00 Block: 02.00 Lot: 001.003

District: 0200 Section: 704.00 Block: 01.00 Lot: 015.000

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY

(TOWN OF BROOKHAVEN, NEW YORK)

and

FIRST REALTY ASSOCIATES LLC

LEASE AGREEMENT

Dated as of July 1, 2008

Town of Brookhaven Industrial Development Agency
(First Realty Associates LLC/Global Tissue Group, Inc. 2008 Facility)

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LEASE AGREEMENT

THIS LEASE AGREEMENT, dated as of July 1, 2008 (this "Lease Agreement"), is between the TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY, a public benefit corporation of the State of New York, having its office at 1 Independence Hill, 3rd Floor, Farmingville, New York 11738 (the "Agency"), and FIRST REALTY ASSOCIATES LLC, a limited liability company duly organized and validly existing under the laws of the State of New York, having its office at 1101 Lakeland Avenue, Bohemia, New York 11716 (the "Company").

R E C I T A L S

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

WHEREAS, the aforesaid act authorizes the creation of industrial development agencies for the Public Purposes of the State; and

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

WHEREAS, pursuant to and in accordance with the provisions of the aforesaid act and of Chapter 358 of the Laws of 1970 of the State of New York, as may be amended from time to time (collectively, the "Act"), the Agency was created and is empowered to undertake the providing, financing and leasing of the Facility defined below; and

WHEREAS, the Facility shall consist of the acquisition of an approximately 23.4303 acre vacant parcel of land located near the intersection of the northerly side of Long Island Avenue and the westerly side of Patchogue Yaphank Road, West Yaphank, Town of Brookhaven, Suffolk County, New York (further identified as Tax Map. Nos. 0200-663.00-02.00-001.001, 0200-703.00-01.00-030.00, 0200-704.00-01.00-14.001, and 0200-663.00-02.00-003.002), and the construction and equipping thereon of an approximately 166,300 square foot building including, without limitation, the furnishing and equipping of warehouse and distribution space to be used for the manufacturing and distribution of paper products such as facial tissues, bath tissues, napkins and paper towels, to be leased by the Agency to the Company and subleased by the Company to, and used by, Global Tissue Group, Inc., a business corporation duly organized and validly existing under the laws of the State of New York (the "Sublessee"), in the manufacturing and distribution of paper products for customers of the Sublessee (the "Facility"), including the following in connection with the appointment of the Company and the Sublessee as the agents of the Agency, as they relate to the acquisition, construction and equipping of such

Facility, whether or not any materials or supplies described below are incorporated into or become an integral part of such Facility: (i) all purchases, leases, rentals and other uses of tools, machinery and equipment in connection with the acquisition, construction and equipping of the Facility, (ii) all purchases, rentals, uses or consumption of supplies, materials and services of every kind and description used in connection with acquisition, construction and equipping of the Facility, and (iii) all equipment, machinery and other tangible personal property (including installation costs with respect thereto) installed or placed in, upon or under such Facility; and

WHEREAS, the Agency proposes to acquire and lease the Facility and Allstate T.F.I., a duly organized and validly existing Illinois corporation authorized to transact business in the State of New York (the "First Mortgagee"), proposes to finance a portion of the acquisition and building costs thereof by lending an aggregate principal amount not to exceed \$15,000,000 to the Company (collectively, the "Loan"); and

WHEREAS, in order to evidence its obligation to repay a portion of the Loan made by the First Mortgagee to it, the Company will issue to the First Mortgagee a certain promissory note (the "Acquisition Note"), in the principal amount of the Acquisition Mortgage (as hereinafter defined); and

WHEREAS, in order to secure its obligations to the First Mortgagee under the Acquisition Note, the Company and the Agency will grant a mortgage on the Facility to the First Mortgagee, subject to permitted encumbrances thereon, pursuant to a certain Acquisition Loan Mortgage, Assignment of Leases, Rents and Contracts, Security Agreement and Fixture Filing, dated July 23, 2008 (the "Acquisition Mortgage"), from the Company and the Agency to the First Mortgagee; and

WHEREAS, in order to further secure its obligations to the First Mortgagee under the Acquisition Note, the Company will execute and deliver to the First Mortgagee, an Assignment of Leases and Rents, dated July 23, 2008 (the "Acquisition Loan Assignment of Rents"); and

WHEREAS, in order to evidence its obligation to repay a portion of the Loan made by the First Mortgagee to it, the Company will issue to the First Mortgagee a certain promissory note (the "Building Loan Note"), in the principal amount of the Building Loan Mortgage (as hereinafter defined); and

WHEREAS, in order to secure its obligations to the First Mortgagee under the Acquisition Note, the Company and the Agency will grant a mortgage on the Facility to the First Mortgagee, subject to permitted encumbrances thereon, pursuant to a certain Building Loan Mortgage, Assignment of Leases, Rents and Contracts, Security Agreement and Fixture Filing, dated July 23, 2008 (the "Building Loan Mortgage"), from the Company and the Agency to the First Mortgagee; and

WHEREAS, in order to further secure its obligations to the First Mortgagee under the Building Loan Note, the Company will execute and deliver to the First Mortgagee, an Assignment of Leases and Rents, dated July 23, 2008 (the "Building Loan Assignment of Rents"); and, together with the Acquisition Loan Assignment of Rents, the "Assignment of Rents"); and

relating to the Facility, the Facility would not have a "significant impact" or "significant effect" on the environment within the meaning of the SEQR Act.

(d) Neither the execution and delivery of any of the Agency Documents and the other documents contemplated thereby nor the consummation of the transactions contemplated thereby nor the fulfillment of or compliance with the provisions of any of the Agency Documents and the other documents contemplated thereby will conflict with or result in a breach of or constitute a default under any of the terms, conditions or provisions of the Act, any other applicable law or ordinance of the State or any political subdivision thereof or the Agency's Certificate of Establishment or by-laws, as amended, or of any corporate restriction or any agreement or instrument to which the Agency is a party or by which it is bound, or result in the creation or imposition of any Lien of any nature upon any of the Property of the Agency under the terms of the Act or any such law, ordinance, certificate of establishment, by-laws, restriction, agreement or instrument, except for Permitted Encumbrances.

(e) Each of the Agency Documents and the other documents contemplated thereby, as they pertain to the Agency, constitutes a legal, valid and binding obligation of the Agency enforceable against the Agency in accordance with its terms.

(f) The Agency has been induced to enter into this Lease Agreement by the undertaking of the Company to utilize the Facility in the Town of Brookhaven, Suffolk County, New York.

Section 2.2 Representations and Covenants of Company. The Company makes the following representations and covenants as the basis for the undertakings on its part herein contained:

(a) The Company is a limited liability company duly organized and validly existing under the laws of the State of New York, is in good standing under the laws of the State and it has full legal right, power and authority to execute, deliver and perform each of the Company Documents and the other documents contemplated thereby. Each of the Company Documents and the other documents contemplated thereby has been duly authorized, executed and delivered by the Company.

(b) Neither the execution and delivery of any of the Company Documents and the other documents contemplated thereby nor the consummation of the transactions contemplated thereby nor the fulfillment of or compliance with the provisions of any of the Company Documents and the other documents contemplated thereby will conflict with or result in a breach of or constitute a default under any of the terms, conditions or provisions of any law or ordinance of the State or any political subdivision thereof or of the Company's Articles of Organization, Operating Agreement, or any restriction or any agreement or instrument to which the Company is a party or by which it is bound, or result in the creation or imposition of any Lien of any nature upon any of the Property of the Company under the terms of any such law, ordinance, articles of organization, operating agreement, restriction, agreement or instrument, except for Permitted Encumbrances. The Facility and the design, acquisition, construction, equipping and operation thereof will conform with all applicable zoning, planning, building and environmental laws, ordinances, rules and regulations of governmental authorities having jurisdiction over the Facility. The Company shall defend, indemnify and hold harmless the Agency and the Bank for

expenses, including reasonable attorneys' fees, resulting from any failure by the Company to comply with the provisions of this subsection.

(c) Except as otherwise provided in the Mortgages, the Company shall perform or cause to be performed, for and on behalf of the Agency, each and every obligation of the Agency under and pursuant to the Mortgages.

(d) Each of the Company Documents and the other documents contemplated thereby constitutes a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms.

(e) The Company will complete construction of the Facility in accordance with the terms and provisions of the Plans and Specifications.

(f) The Facility is and will continue to be a "project" as such quoted term is defined in the Act. The Company will not take any action, or fail to take any action, which action or failure to act would cause the Facility not to constitute a "project" as such quoted term is defined in the Act.

ARTICLE III

FACILITY SITE AND TITLE INSURANCE

Section 3.1 Agreement to Convey to Agency. The Company has conveyed or has caused to be conveyed to the Agency (i) good and marketable title to the Land, including any buildings, structures or other improvements thereon, and (ii) lien-free title to the Equipment, in each case except for Permitted Encumbrances, and will convey or cause to be conveyed to the Agency lien-free title to the Equipment and Improvements acquired after the date hereof.

Section 3.2 Title Insurance. The Company has obtained or will obtain (i) a fee title insurance policy for the benefit of the Agency insuring title to the Land and the Improvements, and (ii) a mortgage title insurance policy for the benefit of the Bank insuring the Lien of the Mortgages on the Land and the Improvements, in each case in an amount equal to the fair market value of the Land and the Improvements, and in each case except for Permitted Encumbrances.

Section 3.3 Subordination of Lease Agreement. This Lease Agreement and any and all modifications, amendments, renewals and extensions hereof is subject and subordinate to the Mortgages and to any and all modifications, amendments, consolidations, extensions, renewals, replacements and increases thereof.

Section 3.4 Public Authorities Law Representations. The parties hereto acknowledge and agree that the Facility and the interest therein to be conveyed by this Lease Agreement are not "Property" as defined in Article 9, Title 5-A of the Public Authorities Law of the State because the Facility and the leasehold interests therein are securing a loan or other financial obligations of the Company. It is hereby acknowledged that the Facility and the leasehold interests therein pursuant to this Lease Agreement have been pledged to secure the Loans to the Company from each of the Banks. The Facility and the leasehold interests therein further secure the Company's obligations to the Agency under the PILOT Agreement, the Environmental

Compliance and Indemnification Agreement and this Lease Agreement, including the Company's obligation to acquire, construct, equip and maintain the Facility on behalf of the Agency and the Company's obligation to indemnify and hold harmless the Agency.

ARTICLE IV

ACQUISITION, CONSTRUCTION AND EQUIPPING OF FACILITY; MAKING OF THE LOAN

Section 4.1 Acquisition, Construction and Equipping of Facility.

(a) The Company agrees that, on behalf of the Agency, it will acquire, construct and equip the Facility in accordance with the Plans and Specifications.

(b) The Company may revise the Plans and Specifications from time to time with the written approval of the First Mortgagee, which approval may not be unreasonably withheld but which may be subject to such conditions as the First Mortgagee may deem appropriate.

(c) Title to all materials, equipment, machinery and other items of Property incorporated or installed in the Facility shall vest in the Agency immediately upon the Company's obtaining an interest in or to the materials, equipment, machinery and other items of Property. The Company shall execute, deliver and record or file all instruments necessary or appropriate so to vest title to such Property in the Agency and shall take all action necessary or appropriate to protect such title against claims of any third Persons.

(d) The Agency hereby appoints the Company and the Sublessee its true and lawful agents, and the Company and the Sublessee hereby accept such agency appointment (i) to acquire, construct and equip the Facility in accordance with the Plans and Specifications, and to maintain, repair and replace the Facility and any components thereof for the term of this Agreement, (ii) to make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions with any other Persons, and in general to do all things which may be requisite or proper, all for constructing the Improvements and acquiring and installing the Equipment with the same powers and with the same validity as the Agency could do if acting on its own behalf, (iii) to pay all fees, costs and expenses incurred in the construction of the Improvements and the acquisition and installation of the Equipment from funds made available therefor in accordance with this Lease Agreement, (iv) to ask, demand, sue for, levy, recover and receive all such sums of money, debts, dues and other demands whatsoever which may be due, owing and payable to the Agency under the terms of any contract, order, receipt or writing in connection with construction and completion of the Improvements and the acquisition and installation of the Equipment, and (v) to enforce the provisions of any contract, agreement, obligation, bond or other performance security. This agency appointment expressly excludes the Company and the Sublessee from purchasing motor vehicles, including any cars, trucks, vans or buses which are licensed by the Department of Motor Vehicles for use on public highways or streets.

(e) The Agency shall enter into, and accept the assignment of, such contracts as the Company may request in order to effectuate the purposes of this Section 4.1.

(f) The Company, as agent for the Agency, shall comply with all provisions of the Labor Law, the Executive Law and the Civil Rights Law of the State applicable to the construction and equipping of the Facility and shall include in all construction contracts all provisions that be required to be inserted therein by such provisions. The Company shall comply with the relevant policies of the Agency with respect to such laws, which are set forth as Exhibit C attached hereto. Except as provided in the preceding two sentences, the provisions of this subsection do not create any obligations or duties not created by applicable law outside of the terms of this Lease Agreement.

Section 4.2 Making of the Loans; Disbursement of Loan Proceeds. Each of the Banks have proposed to make the Loans to the Company and the proceeds of the Acquisition Loan and the Building Loan shall be disbursed to the Company in accordance with the Loan Agreement.

Section 4.3 Certificates of Completion. To establish the Completion Date, the Company shall deliver to the Agency and the First Mortgagee (i) a certificate signed by an Authorized Representative of the Company (a) stating that the acquisition, construction and equipping of the Facility has been completed in accordance with the Plans and Specifications therefor, and (b) stating that the payment for all labor, services, materials and supplies used in such acquisition, construction and equipping has been made or provided for; and (ii) such certificates as may be satisfactory to the Bank, including, without limitation, a final certificate of occupancy, if applicable. The Company agrees to complete the acquisition, construction and equipping of the Facility on or before October 31, 2009.

Section 4.4 Completion by Company.

(a) In the event that the Net Proceeds of the Acquisition Loan and the Building Loan are not sufficient to pay in full all costs of acquiring, constructing and equipping the Facility in accordance with the Plans and Specifications, the Company agrees to pay, for the benefit of the Agency and the First Mortgagee, all such sums as may be necessary in excess of the Net Proceeds of the Acquisition Loan and the Building Loan. Title to all portions of the Facility installed or constructed at the Company's cost or expense shall immediately upon such installation or construction vest in the Agency. The Company shall execute, deliver and record or file such instruments as the Agency or the First Mortgagee may request in order to perfect or protect the Agency's title to or the lien of the Mortgages on such portions of the Facility.

(b) The Company shall not be entitled to any reimbursement for such excess cost or expense from the Agency or the Bank, nor shall it be entitled to any diminution or abatement of any other amounts payable by the Company under this Lease Agreement.

Section 4.5 Remedies to be Pursued Against Contractors, Subcontractors, Materialmen and their Sureties. In the event of a default by any contractor, subcontractor, materialman or other Person under any contract made by it in connection with the Facility, or in the event of a breach of warranty or other liability with respect to any materials, workmanship or performance guaranty, the Company at its expense, either separately or in conjunction with others, may pursue any and all remedies available to it and the Agency, as appropriate, against the contractor, subcontractor, materialman or other Person so in default and against any surety for the performance of such contract. The Company, in its own name or in the name of the

Agency, may prosecute or defend any action or proceeding or take any other action involving any such contractor, subcontractor, materialman or surety or other Person which the Company deems reasonably necessary, and in such event the Agency, at the Company's expense, hereby agrees to cooperate fully with the Company and to take all action necessary to effect the substitution of the Company for the Agency in any such action or proceeding.

ARTICLE V

DEMISING CLAUSES AND RENTAL PROVISIONS

Section 5.1 Demise of Facility. The Agency hereby leases the Facility, consisting of the Land as particularly described in Exhibit A attached hereto, the Improvements and the Equipment as more particularly described in Exhibit B attached hereto, to the Company and the Company hereby takes the Facility from the Agency upon the terms and conditions of this Lease Agreement.

Section 5.2 Duration of Lease Term; Quiet Enjoyment.

(a) The Agency shall deliver to the Company sole and exclusive possession of the Facility (subject to Sections 3.3, 8.3 and 10.2 hereof) and the leasehold estate created hereby shall commence on the Closing Date and the Company shall accept possession of the Facility on the Closing Date.

(b) Except as provided in Section 10.2 hereof, the leasehold estate created hereby shall terminate at 11:59 p.m. EST (Eastern Standard Time) on April 30, 2019 or November 30, 2020 if PILOT Election is made to commence upon receiving the Certificate of Occupancy, or on such earlier date as may be permitted by Section 11.1 hereof; provided, however, that, except as provided in Section 10.2 and Article XI hereof, in the event that this Lease Agreement shall be terminated before the Loans shall have been paid in full or provision for such full payment shall have been made, then the Agency shall reconvey title to the Facility to the Company subject to the Lien of the Mortgages and subject to any other Liens recorded against the Facility in favor of a Bank or securing the Loans.

(c) Except as provided in Sections 3.3, 8.3 and 10.2 hereof, the Agency shall neither take nor suffer or permit any action to prevent the Company during the Lease Term from having quiet and peaceable possession and enjoyment of the Facility and will, at the request of the Company and at the Company's cost, cooperate with the Company in order that the Company may have quiet and peaceable possession and enjoyment of the Facility as hereinabove provided.

Section 5.3 Rents and Other Amounts Payable.

(a) The Company shall pay basic rent for the Facility as follows: One Dollar (\$1.00) per year commencing on the Closing Date and on each January 1 thereafter during the term of this Lease Agreement.

(b) In addition to the payments of rent pursuant to Section 5.3(a) hereof, throughout the Lease Term, the Company shall pay to the Agency as additional rent, within ten (10) days of receipt of demand therefor, the expenses of the Agency and the members thereof incurred (i) by

reason of the Agency's ownership or leasing of the Facility, or (ii) in connection with the carrying out of the Agency's duties and obligations under the Agency Documents, the payment of which is not otherwise provided for under this Lease Agreement. The foregoing shall not be deemed to include any annual or continuing administrative or management fee beyond any initial administrative fee or fee for services rendered by the Agency.

(c) The Company, under the provisions of this Section 5.3, agrees to make the above-mentioned payments in immediately available funds and without any further notice in lawful money of the United States of America. In the event the Company shall fail timely to make any payment required in Section 5.3(a) or 5.3(b), the Company shall pay the same together with interest on such payment at a rate equal to two percent (2%) plus the Prime Rate, but in no event at a rate higher than the maximum lawful prevailing rate, from the date on which such payment was due until and including the date on which such payment is made.

Section 5.4 Obligations of Company Hereunder Unconditional. The obligations of the Company to make the payments required in Section 5.3 hereof, and to perform and observe any and all of the other covenants and agreements on its part contained herein, shall be a general obligation of the Company, and shall be absolute and unconditional irrespective of any defense or any rights of setoff, recoupment or counterclaim it may otherwise have against the Agency. The Company agrees it will not (i) suspend, discontinue or abate any payment required hereunder, (ii) fail to observe any of its other covenants or agreements in this Lease Agreement, or (iii) terminate this Lease Agreement for any cause whatsoever unless and until the Loans have been paid in full. Subject to the foregoing provisions, nothing contained in this Section shall be construed to release the Agency from the performance of any of the agreements on its part contained in this Lease Agreement or to affect the right of the Company to seek reimbursement, and in the event the Agency should fail to perform any such agreement, the Company may institute such separate action against the Agency as the Company may deem necessary to compel performance or recover damages for non-performance, and the Agency covenants that it will not, subject to the provisions of Sections 3.3 and 8.3 and Article X hereof, take, suffer or permit any action which will adversely effect, or create any defect in, its title to the Facility or which will otherwise adversely effect the rights or estate of the Company hereunder, except upon written consent of the Company.

Section 5.5 Payment of Additional Moneys in Prepayment of Loan. In addition to any other moneys required or permitted to be paid pursuant to this Lease Agreement, the Company may, subject to the terms of the Notes and the Loan Agreement, if then in effect, pay moneys to the Bank to be used for the prepayment of the Loans at such time or times and on such terms and conditions as are provided in the Notes and the Loan Agreement, if then in effect.

Section 5.6 Rights and Obligations of the Company upon Prepayment of Loan. In the event the Loans shall have been paid in full prior to the termination date specified in Section 5.2(b) hereof (i) all references in this Lease Agreement to the Bank, the Loan Agreement, the Notes and the Mortgages shall be ineffective, and (ii) the Company shall be entitled, at its option, to the exclusive use, occupancy and enjoyment of the Facility from the date of such payment until the scheduled expiration of the Lease Term, on all of the terms and conditions hereof, except that the Company shall not be required to carry any insurance for the benefit of the Bank, or the Company may, at its option, require the Agency to convey the Facility

to the Company pursuant to the terms of Section 11.3 hereof. In the event of any such payment or the making of any such provision, the Agency, at the sole cost of the Company, shall obtain and record or file appropriate discharges or releases of the Mortgages and any other security interest relating to the Facility or this Lease Agreement.

ARTICLE VI

MAINTENANCE, MODIFICATIONS, TAXES AND INSURANCE

Section 6.1 Maintenance and Modifications of Facility by Company.

(a) The Company shall not abandon the Facility or cause or permit any waste to the Improvements. During the Lease Term, the Company shall not remove any part of the Facility outside of the jurisdiction of the Agency and shall (i) keep the Facility in as reasonably safe condition as its operations shall permit; (ii) make all necessary repairs and replacements to the Facility (whether ordinary or extraordinary, structural or nonstructural, foreseen or unforeseen); and (iii) operate the Facility in a sound and economic manner.

(b) With the written consent of the Agency and the First Mortgagee, which shall not be unreasonably withheld, the Company from time to time may make any structural additions, modifications or improvements to the Facility or any part thereof, provided such actions do not adversely affect the structural integrity of the Facility. All such additions, modifications or improvements made by the Company shall become a part of the Facility and the Property of the Agency. The Company agrees to deliver to the Agency all documents which may be necessary or appropriate to convey to the Agency title to such Property and to perfect or protect the lien of the Mortgages.

Section 6.2 Installation of Additional Equipment. Subject to the provisions of Section 8.10 hereof, the Company or any permitted sublessee of the Company from time to time may install additional machinery, equipment or other personal property in the Facility (which may be attached or affixed to the Facility), and such machinery, equipment or other personal property shall not become, or be deemed to become, a part of the Facility. The Company from time to time may create or permit to be created any Lien on such machinery, equipment or other personal property. Further, the Company from time to time may remove or permit the removal of such machinery, equipment and other personal property from the Facility, provided that any such removal of such machinery, equipment or other personal property shall not occur (i) if any Event of Default has occurred; or (ii) if any such removal shall adversely affect the structural integrity of the Facility or impair the overall operating efficiency of the Facility for the purposes for which it is intended, and provided further, that if any damage is occasioned to the Facility by such removal, the Company agrees promptly to repair such damage at its own expense.

Section 6.3 Taxes, Assessments and Utility Charges.

(a) The Company agrees to pay, as the same become due and before any fine, penalty, interest (except interest which is payable in connection with legally permissible installment payments) or other cost may be added thereto or become due or be imposed by operation of law for the non-payment thereof, (i) all taxes, payments in lieu of taxes and governmental charges of

any kind whatsoever which may at any time be lawfully assessed or levied against or with respect to the Facility and any machinery, equipment or other Property installed or brought by the Company therein or thereon, including, without limiting the generality of the foregoing, any sales or use taxes imposed with respect to the Facility or any part or component thereof, or the rental or sale of the Facility or any part thereof, and any taxes levied upon or with respect to the income or revenues of the Agency from the Facility; (ii) all utility and other charges, including service charges, incurred or imposed for or with respect to the operation, maintenance, use, occupancy, upkeep and improvement of the Facility; (iii) all assessments and charges of any kind whatsoever lawfully made by any governmental body for public improvements; and (iv) all payments under the PILOT Agreement and the Recapture Agreement; provided that, with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the Company shall be obligated under this Lease Agreement to pay only such installments as are required to be paid during the Lease Term.

(b) The Company may in good faith contest any such taxes, assessments and other charges. In the event of any such proceedings, the Company may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such proceedings and any appeal therefrom, provided, however, that (i) neither the Facility nor any part thereof or interest therein would be in any immediate danger of being sold, forfeited or lost by reason of such proceedings, and (ii) the Company shall have set aside on its books adequate reserves with respect thereto and shall have furnished such security, if any, as may be required in such proceedings or requested by the Agency or a Bank.

(c) The Agency agrees that if it or the Company contests any taxes, assessments or other charges provided for in paragraph (b) hereof, all sums returned, as a result thereof, will be promptly transmitted by the Agency to the Company and that the Company shall be entitled to retain all such amounts.

(d) Within thirty (30) days of receipt of written request therefor, the Company shall deliver to the Agency and each Bank official receipts of the appropriate taxing authorities or other proof reasonably satisfactory to the Agency and each Bank evidencing payment of any tax.

Section 6.4 Insurance Required. At all times throughout the Lease Term, including, when indicated herein, during the Construction Period, the Company shall, at its sole cost and expense, maintain or cause to be maintained insurance against such risks and for such amounts as are customarily insured against by businesses of like size and type and shall pay, as the same become due and payable, all premiums with respect thereto, including, but not necessarily limited to:

(a) Insurance against loss or damage by fire, lightning and other casualties customarily insured against, with a uniform standard extended coverage endorsement, such insurance to be in an amount not less than the full replacement value of the completed Improvements, exclusive of footings and foundations, as determined by a recognized appraiser or insurer selected by the Company, but in no event less than the principal amount of the Loan. During the Construction Period, such policy shall be written in the so-called "Builder's Risk Completed Value Non-Reporting Form" and shall contain a provision granting the insured permission to complete and/or occupy.

(b) Workers' compensation insurance, disability benefits insurance and each other form of insurance which the Company or any permitted sublessee is required by law to provide, covering loss resulting from injury, sickness, disability or death of employees of the Company or any permitted sublessee who are located at or assigned to the Facility. This coverage shall be in effect from and after the Completion Date or on such earlier date as any employees of the Company, any permitted sublessee, or any contractor or subcontractor first occupy the Facility.

(c) Insurance protecting the Agency and the Company against loss or losses from liability imposed by law or assumed in any written contract (including the contractual liability assumed by the Company under Section 8.2 hereof) or arising from personal injury, including bodily injury or death, or damage to the property of others, caused by an accident or other occurrence, with a limit of liability of not less than \$1,000,000 (combined single limit for personal injury, including bodily injury or death, and property damage); comprehensive automobile liability insurance covering all owned, non-owned and hired autos, with a limit of liability of not less than \$1,000,000 (combined single limit or equivalent for personal injury, including bodily injury or death, and property damage); and blanket excess liability coverage, in an amount not less than \$5,000,000 combined single limit or equivalent, protecting the Agency and the Company against any loss or liability or damage for personal injury, including bodily injury or death, or property damage. This coverage shall also be in effect during the Construction Period.

(d) During the Construction Period (and for at least one year thereafter in the case of Products and Completed Operations as set forth below), the Company shall cause the general contractor to carry liability insurance of the type and providing the minimum limits set forth below:

(i) Workers' compensation and employer's liability with limits in accordance with applicable law.

(ii) Comprehensive general liability providing coverage for:

Premises and Operations
 Products and Completed Operations
 Owners Protective
 Contractors Protective
 Contractual Liability
 Personal Injury Liability
 Broad Form Property Damage
 (including completed operations)
 Explosion Hazard
 Collapse Hazard
 Underground Property Damage Hazard

Such insurance shall have a limit of liability of not less than \$1,000,000 (combined single limit for personal injury, including bodily injury or death, and property damage).

- (iii) Comprehensive auto liability, including all owned, non-owned and hired autos, with a limit of liability of not less than \$1,000,000 (combined single limit for personal injury, including bodily injury or death, and property damage).
- (iv) Excess "umbrella" liability providing liability insurance in excess of the coverages in (i), (ii) and (iii) above with a limit of not less than \$5,000,000.

(e) A policy or policies of flood insurance in an amount not less than the principal amount of the Loans or the maximum amount of flood insurance available with respect to the Facility under the Flood Disaster Protection Act of 1973, as amended, whichever is less. This requirement will be waived upon presentation of evidence satisfactory to the Bank that no portion of the Land is located within an area identified by the U.S. Department of Housing and Urban Development as having special flood hazards.

Section 6.5 Additional Provisions Respecting Insurance.

(a) All insurance required by Section 6.4 hereof shall be procured and maintained in financially sound and generally recognized responsible insurance companies selected by the entity required to procure the same and authorized to write such insurance in the State. The company issuing the policies required by Section 6.4(a) shall be rated "A" or better by A.M. Best Co., Inc. in Best's Key Rating Guide. Such insurance may be written with deductible amounts comparable to those on similar policies carried by other companies engaged in businesses similar in size, character and other respects to those in which the procuring entity is engaged. All policies evidencing the insurance required by Sections 6.4(a) hereof shall contain a standard New York non-contributory mortgagee clause showing the interest of the Bank and shall provide for payment to the Bank of the Net Proceeds of insurance resulting from any claim for loss or damage thereunder, and all policies of insurance required by Section 6.4 hereof shall provide for at least thirty (30) days prior written notice of the restriction, cancellation or modification thereof to the Agency and the Bank. The policy evidencing the insurance required by Section 6.4(c) hereof shall name the Agency and the Bank as additional insureds. All policies evidencing the insurance required by Sections 6.4(d)(ii), (iii) and (iv) shall name the Agency and the Company as additional insureds. The Company acknowledges that mortgage and security interests in the policies of insurance required by Section 6.4(a) and the Net Proceeds thereof have been or may be granted by the Agency to the Bank pursuant to the Mortgages and the Company consents thereto. Upon request of the Bank, the Company will assign and deliver (which assignment shall be deemed to be automatic and to have occurred upon the occurrence of an Event of Default under the Mortgages) to the Bank, the policies of insurance required under Section 6.4(a), so and in such manner and form that the Bank shall at all times, upon such request and until the payment in full of the Loans, have and hold said policies and the Net Proceeds thereof, as collateral and further security under the Mortgages for the payment of the Loans. The policies under Section 6.4(a) shall contain appropriate waivers of subrogation.

(b) The policies (or certificates or binders) of insurance required by Sections 6.4(a) and (e) hereof shall be deposited with the Bank on or before the Closing Date. A copy of the policy (or certificates or binders) of insurance required by Section 6.4(c) hereof shall be delivered to the

Agency on or before the Closing Date. A copy of the policies (or certificates or binders) of insurance required by Sections 6.4(d)(ii), (iii) and (iv) hereof shall be delivered to the Agency on or before the Closing Date. The Company shall deliver to the Agency and the Bank before the first Business Day of each calendar year thereafter a certificate dated not earlier than the immediately preceding month reciting that there is in full force and effect, with a term covering at least the next succeeding calendar year, insurance of the types and in the amounts required by Section 6.4 hereof and complying with the additional requirements of Section 6.5(a) hereof. Prior to the expiration of each such policy or policies, the Company shall furnish to the Agency and any other appropriate Person a new policy or policies of insurance or evidence that such policy or policies have been renewed or replaced or are no longer required by this Lease Agreement. The Company shall provide such further information with respect to the insurance coverage required by this Lease Agreement as the Agency and the Bank may from time to time reasonably require.

Section 6.6 Application of Net Proceeds of Insurance. The Net Proceeds of the insurance carried pursuant to the provisions of Section 6.4 hereof shall be applied as follows: (i) the Net Proceeds of the insurance required by Sections 6.4(a) and (e) hereof shall be applied as provided in Section 7.1 hereof, and (ii) the Net Proceeds of the insurance required by Sections 6.4(b), (c), and (d) hereof shall be applied toward extinguishment or satisfaction of the liability with respect to which such insurance proceeds may be paid.

Section 6.7 Right of Bank to Pay Taxes, Insurance Premiums and Other Charges. If the Company fails (i) to pay any tax, together with any fine, penalty, interest or cost which may have been added thereto or become due or been imposed by operation of law for nonpayment thereof, payments in lieu of taxes pursuant to the PILOT Agreement, assessment or other governmental charge required to be paid by Section 6.3 hereof, (ii) to maintain any insurance required to be maintained by Section 6.4 hereof, (iii) to pay any amount required to be paid by any law or ordinance relating to the use or occupancy of the Facility or by any requirement, order or notice of violation thereof issued by any governmental person, (iv) to pay any mechanic's Lien which is recorded or filed against the Facility or any part thereof (unless contested in accordance with the provisions of Section 8.9(b) hereof), or (v) to pay any other amount or perform any act hereunder required to be paid or performed by the Company, the Agency or the Bank then providing a loan to the Company, may pay or cause to be paid such tax, payments in lieu of taxes pursuant to the PILOT Agreement, assessment or other governmental charge or the premium for such insurance or any such other payment or may perform any such act. No such payment shall be made or act performed by the Agency or the Bank until at least ten (10) days shall have elapsed since notice shall have been given by the Bank to the Agency, with a copy of such notice being given to the Company (or by the Agency to the Company and the Bank), and in the case of any tax, assessment or governmental charge or the amounts specified in clauses (iii) and (iv) hereof, no such payment shall be made in any event if the Company is contesting the same in good faith to the extent and as permitted by this Lease Agreement unless an Event of Default hereunder shall have occurred and be continuing. No such payment by the Agency or the Bank then providing a loan to the Company, shall affect or impair any rights of the Agency hereunder or of the Bank under the Mortgages arising in consequence of such failure by the Company. The Company shall, on demand, reimburse the Agency or the Bank for any amount so paid or for expenses or costs incurred in the performance of any such act by the

Agency or the Bank pursuant to this Section (which shall include all reasonable legal fees and disbursements), together with interest thereon from the date of payment of such amount, expense or cost by the Agency or the Bank at one percent (1%) in excess of the rate set forth in the Note, and such amount, together with such interest, shall become additional indebtedness secured by the Mortgages.

ARTICLE VII

DAMAGE, DESTRUCTION AND CONDEMNATION

Section 7.1 Damage or Destruction of the Facility.

(a) If the Facility or any part or component thereof shall be damaged or destroyed (in whole or in part) at any time during the Lease Term:

- (i) the Agency shall have no obligation to replace, repair, rebuild, restore or relocate the Facility; and
- (ii) there shall be no abatement or reduction in the amounts payable by the Company under this Lease Agreement or the PILOT Agreement (whether or not the Facility is replaced, repaired, rebuilt, restored or relocated); and
- (iii) the Company shall promptly give written notice thereof to the Agency and the Bank; and
- (iv) upon the occurrence of such damage or destruction, the Net Proceeds derived from the insurance shall be paid to the Bank and except as otherwise provided in Section 11.1 and subsection (d) hereof, applied by the Bank pursuant to the terms of the Mortgages; and
- (v) if the Facility is not replaced, repaired, rebuilt, restored or relocated, as provided herein and in Section 7.1(b) hereof, this Lease Agreement shall be terminated at the option of the Agency and the provisions either of Sections 11.2, 11.3 and 11.4 hereof or Section 7.1(f) hereof shall apply.

(b) Any replacements, repairs, rebuilding, restorations or relocations of the Facility by the Company after the occurrence of such damage or destruction shall be subject to the following conditions:

- (i) the Facility shall be in substantially the same condition and value as an operating entity as existed prior to the damage or destruction;
- (ii) the Facility shall continue to constitute a "project" as such term is defined in the Act;
- (iii) the Facility will be subject to no Liens, other than Permitted Encumbrances; and

(iv) any other conditions the Bank may reasonably impose.

(c) All such repair, replacement, rebuilding, restoration or relocation of the Facility shall be effected with due diligence in a good and workmanlike manner in compliance with all applicable legal requirements, shall be promptly and fully paid for by the Company in accordance with the terms of the applicable contracts, and shall automatically become a part of the Facility as if the same were specifically provided herein.

(d) If the Company shall exercise its option to terminate this Lease Agreement pursuant to Section 11.1 hereof, any Net Proceeds derived from insurance shall be applied to the payment of the amounts required to be paid by Section 11.2 hereof. If an Event of Default hereunder shall have occurred and the Bank shall have exercised its remedies under Section 10.2 hereof, such Net Proceeds shall be applied to the payment of the amounts required to be paid by Section 10.2 and Section 10.4 hereof.

(e) If the entire amount of all of the Loans and interest thereon has been fully paid, all such remaining Net Proceeds shall be paid to the Company.

(f) If the Facility has been substantially damaged or destroyed and is not replaced, repaired, rebuilt, restored or relocated, the Facility may be reconveyed to the Company subject to the Mortgages.

Section 7.2 Condemnation.

(a) If title to or use of the Facility shall be taken by Condemnation (in whole or in part) at any time during the Lease Term:

- (i) the Agency shall have no obligation to replace, repair, rebuild, restore or relocate the Facility or acquire, by construction or otherwise, facilities of substantially the same nature as the Facility ("Substitute Facilities"); and
- (ii) there shall be no abatement or reduction in the amounts payable by the Company under this Lease Agreement or the PILOT Agreement (whether or not the Facility is replaced, repaired, rebuilt, restored or relocated or Substitute Facilities acquired); and
- (iii) the Company shall promptly give written notice thereof to the Agency and the Bank; and
- (iv) upon the occurrence of such Condemnation, the Net Proceeds derived therefrom shall be paid to the Bank except as otherwise provided in Section 11.1 and subsection (d) hereof, applied by the Bank pursuant to the terms of the Mortgages; and
- (v) if the Facility is not replaced, repaired, rebuilt, restored or relocated or Substitute Facilities acquired, as provided herein and in Section 7.2(b) hereof, this Lease Agreement shall be terminated at the option of the

Agency and the provisions of Sections 11.2, 11.3 and 11.4 hereof or of Section 7.2(f) hereof shall apply.

(b) Any replacements, repairs, rebuilding, restorations or relocations of the Facility or acquisitions of Substitute Facilities by the Company after the occurrence of such Condemnation shall be subject to the following conditions:

- (i) the Facility or the Substitute Facilities shall be in substantially the same condition and value as an operating entity as existed prior to the Condemnation;
- (ii) the Facility or the Substitute Facilities shall continue to constitute a "project" as such term is defined in the Act;
- (iii) the Facility or the Substitute Facilities will be subject to no Liens, other than Permitted Encumbrances; and
- (iv) any other conditions the Bank then providing a loan to the Company may reasonably impose.

(c) All such repair, replacement, rebuilding, restoration or relocation of the Facility or acquisitions of Substitute Facilities shall be effected with due diligence in a good and workmanlike manner in compliance with all applicable legal requirements, shall be promptly and fully paid for by the Company in accordance with the terms of the applicable contracts, and shall automatically become a part of the Facility as if the same were specifically described herein.

(d) If the Company shall exercise its option to terminate this Lease Agreement pursuant to Section 11.1 hereof, any Net Proceeds derived from the Condemnation shall be applied to the payment of the amounts required to be paid by Section 11.2 hereof. If any Event of Default hereunder shall have occurred and the Bank shall have exercised its remedies under Section 10.2 hereof, such Net Proceeds shall be applied to the payment of the amounts required to be paid by Section 10.2 and Section 10.4 hereof.

(e) If the entire amount of all of the Loans and interest thereon has been fully paid, all such remaining Net Proceeds shall be paid to the Company.

(f) If the Facility has been substantially condemned and is not replaced, repaired, rebuilt, restored or relocated or Substitute Facilities are not acquired, constructed and equipped, the Facility may be reconveyed to the Company subject to the Mortgages.

Section 7.3 Condemnation of Company-Owned Property. The Company shall be entitled to the proceeds of any Condemnation award or portion thereof made for damage to or taking of any Property which, at the time of such damage or taking, is not part of the Facility.

Section 7.4 Waiver of Real Property Law Section 227. The Company hereby waives the provisions of Section 227 of the Real Property Law of the State or any law of like import now or hereafter in effect.

ARTICLE VIII

SPECIAL COVENANTS

Section 8.1 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 FACILITY OR THAT IT IS OR WILL BE SUITABLE FOR THE COMPANY'S PURPOSES OR NEEDS.

Section 8.2 Hold Harmless Provisions.

(a) The Company agrees that the Agency, its directors, members, officers, agents (except the Company) and employees shall not be liable for and agrees to defend, indemnify, release and hold the Agency, its directors, members, officers, agents (except the Company) and employees harmless from and against any and all (i) liability for loss or damage to Property or injury to or death of any and all Persons that may be occasioned by, directly or indirectly, any cause whatsoever pertaining to the Facility or arising by reason of or in connection with the occupation or the use thereof or the presence of any Person or Property on, in or about the Facility or the Land, and (ii) liability arising from or expense incurred by the Agency's financing, acquiring, constructing, equipping, owning and leasing of the Facility, including without limiting the generality of the foregoing all claims arising from the breach by the Company of any of its covenants contained herein, the exercise by the Company of the authority conferred upon it pursuant to Section 4.1(d) of this Lease Agreement and all causes of action and attorneys' fees (whether by reason of third party claims or by reason of the enforcement of any provision of this Lease Agreement (including without limitation this Section) or any of the other documents delivered on the Closing Date by the Agency) and any other expenses incurred in defending any claims, suits or actions which may arise as a result of any of the foregoing, provided that any such losses, damages, liabilities or expenses of the Agency are not incurred on account of and do not result from the gross negligence or intentional or willful wrongdoing of the Agency or any of its directors, members, officers, agents (except the Company) or employees. The foregoing indemnities shall apply notwithstanding the fault or negligence in part of the Agency, or any of its members, directors, officers, agents or employees, and irrespective of the breach of a statutory obligation or the application of any rule of comparative or apportioned liability. The foregoing indemnities are limited only to the extent of any prohibitions imposed by law, and upon the application of any such prohibition by the final judgment or decision of a competent court of law, the remaining provisions of these indemnities shall remain in full force and effect.

(b) Notwithstanding any other provisions of this Lease Agreement, the obligations of the Company pursuant to this Section 8.2 shall remain in full force and effect after the termination of this Lease Agreement until the expiration of the period stated in the applicable statute of limitations during which a claim, cause of action or prosecution relating to the matters herein described may be brought and the payment in full or the satisfaction of such claim, cause of action or prosecution relating to the matters herein described and the payment of all expenses and charges incurred by the Agency, or its respective members, directors, officers, agents and employees, relating to the enforcement of the provisions herein specified.

(c) In the event of any claim against the Agency or its respective members, directors, officers, agents or employees by any employee or contractor of the Company or anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, the obligations of the Company hereunder shall not be limited in any way by any limitation on the amount or type of damages, compensation, disability benefits or other employee benefit acts.

Section 8.3 Right to Inspect Facility. The Agency and the Bank and the duly authorized agents of either of them shall have the right at all reasonable times to inspect the Facility.

Section 8.4 Company to Maintain Its Existence. The Company agrees that during the Lease Term it will maintain its existence and will not dissolve, liquidate or otherwise dispose of substantially all of its assets and will not consolidate with or merge into another entity or permit one or more entities to consolidate with or merge into it without the consent of the Agency, which consent shall not be unreasonably withheld, delayed or denied.

Section 8.5 Qualification in State. The Company agrees that throughout the Lease Term it shall continue to be duly authorized to do business in the State.

Section 8.6 Agreement to File Annual Statements and Provide Information. The Company shall file with the New York State Department of Taxation and Finance an annual statement of the value of all sales and use tax exemptions claimed in connection with the Facility in compliance with Sections 874(8) and (9) of the New York State General Municipal Law. The Company shall submit a copy of such annual statement to the Agency at the time of filing with the Department of Taxation and Finance. The Company further agrees whenever requested by the Agency to provide and certify or cause to be provided and certified such information concerning the Company, its finances, its operations, its employment and its affairs necessary to enable the Agency to make any report required by law, governmental regulation, including, without limitation, any reports required by the Act or the Public Authorities Accountability Act of 2005, as amended from time to time, or any of the Agency Documents or Company Documents. Such information shall be provided within thirty (30) days following written request from the Agency.

Section 8.7 Books of Record and Account; Financial Statements. The Company at all times agrees to maintain proper accounts, records and books in which full and correct entries shall be made, in accordance with generally accepted accounting principles, of all transactions and events relating to the business and affairs of the Company. The Company shall furnish to the Agency and to the Bank, 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 the Company.

Section 8.8 Compliance With Orders, Ordinances, Etc.

(a) The Company, throughout the Lease Term, agrees that it will promptly comply, and cause any sublessee or occupant of the Facility to comply, with all statutes, codes, laws, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorizations, directions and requirements, ordinary or extraordinary, which now or at any time

hereafter may be applicable to the Facility or any part thereof or to the acquisition, construction and equipping thereof, or to any use, manner of use or condition of the Facility or any part thereof, of all federal, state, county, municipal and other governments, departments, commissions, boards, courts, authorities, officials and officers having jurisdiction of the Facility or any part thereof, or to the acquisition, construction and equipping thereof, or to any use, manner of use or condition of the Facility or any part thereof or of companies or associations insuring the premises.

(b) The Company shall keep or cause the Facility to be kept free of Hazardous Substances, except in compliance with all applicable federal, state and local laws or regulations. Without limiting the foregoing, the Company shall not cause or permit the Facility to be used to generate, manufacture, refine, transport, treat, store, handle, dispose, transfer, produce or process Hazardous Substances, except in compliance with all applicable federal, state and local laws or regulations, nor shall the Company cause or permit, as a result of any intentional or unintentional act or omission on the part of the Company or any contractor, subcontractor, tenant or subtenant, a release of Hazardous Substances onto the Facility or onto any other property. The Company shall comply with and ensure compliance by all contractors, subcontractors, tenants and subtenants with all applicable federal, state and local laws, ordinances, rules and regulations, whenever and by whomever triggered, and shall obtain and comply with, and ensure that all contractors, subcontractors, tenants and subtenants obtain and comply with, any and all approvals, registrations or permits required thereunder. The Company shall (i) conduct and complete all investigations, studies, sampling and testing, and all remedial, removal and other actions necessary to clean up and remove all Hazardous Substances, on, from or affecting the Facility (A) in accordance with all applicable federal, state and local laws, ordinances, rules, regulations and policies, (B) to the satisfaction of the Bank and the Agency, and (C) in accordance with the orders and directives of all federal, state and local governmental authorities; and (ii) defend, indemnify and hold harmless the Bank and the Agency, their employees, agents, officers, members 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 any Hazardous Substances which are on, from or affecting the soil, water, vegetation, buildings, personal property, persons, animals or otherwise, (B) any bodily injury, personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Substances, (C) any lawsuit brought or threatened, settlement reached or government order relating to such Hazardous Substances, and/or (D) any violation of laws, orders, regulations, requirements or demands of government authorities, or any policies or requirements of the Bank and the Agency, which are based upon or in any way related to such Hazardous Substances, including, without limitation, attorney and consultant fees, investigation and laboratory fees, court costs and litigation expenses. In the event the Mortgage is foreclosed, or the Company tenders a deed in lieu of foreclosure, the Company shall deliver the Facility free of any and all Hazardous Substances so that the condition of the Facility shall conform with all applicable federal, state and local laws, ordinances, rules or regulations affecting the Facility. The provisions of this Section shall be in addition to any and all other obligations and liabilities the Company may have to the Agency and the Bank at common law, and shall survive the transactions contemplated herein.

(c) Notwithstanding the provisions of subsections (a) and (b) hereof, the Company may in good faith contest the validity or the applicability of any requirement of the nature referred to in such subsections (a) and (b) by appropriate legal proceedings conducted in good faith and with due diligence. In such event, the Company may fail to comply with the requirement or requirements so contested during the period of such contest and any appeal therefrom, unless the Agency or the Bank shall notify the Company that by failure to comply with such requirement or requirements, the lien of the Mortgage as to any part of the Facility may be materially endangered or the Facility or any part thereof may be subject to loss, penalty or forfeiture, in which event the Company shall promptly take such action with respect thereto or provide such security as shall be satisfactory to the Bank and to the Agency. If at any time the then existing use or occupancy of the Facility shall, pursuant to any zoning or other law, ordinance or regulation, be permitted only so long as such use or occupancy shall continue, the Company shall use its best efforts not to cause or permit such use or occupancy to be discontinued without the prior written consent of the Agency and the Bank.

(d) Notwithstanding the provisions of this Section 8.8, if, because of a breach or violation of the provisions of subsection (a) or (b) hereof (without giving effect to subsection (c) hereof), either the Agency, the Bank or any of their respective members, directors, officers, agents or employees shall be threatened with a fine, liability, expense or imprisonment, then, upon notice from the Agency or the Bank, the Company shall immediately provide legal protection and/or pay amounts necessary in the opinion of the Agency or the Bank, as the case may be, and their respective members, directors, officers, agents and employees, to the extent permitted by applicable law, to remove the threat of such fine, liability, expense or imprisonment.

(e) Notwithstanding any provisions of this Section, the Bank and the Agency each retain the right to defend themselves in any action or actions which are based upon or in any way related to such Hazardous Substances. In any such defense of themselves, the Bank and the Agency shall each select their own counsel, and any and all costs of such defense, including, without limitation, attorney and consultant fees, investigation and laboratory fees, court costs and litigation expenses, shall be paid by the Company.

Section 8.9 Discharge of Liens and Encumbrances.

(a) The Company, throughout the Lease Term, shall not permit or create or suffer to be permitted or created any Lien, except for Permitted Encumbrances, upon the Facility or any part thereof by reason of any labor, services or materials rendered or supplied or claimed to be rendered or supplied with respect to the Facility or any part thereof.

(b) Notwithstanding the provisions of subsection (a) hereof, the Company may in good faith contest any such Lien. In such event, the Company may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom, unless the Agency or the Bank shall notify the Company that by nonpayment of any such item or items, the lien of the Mortgages may be materially endangered or the Facility or any part thereof may be subject to loss or forfeiture; in which event the Company shall promptly secure payment of all such unpaid items by filing a bond, in form and substance satisfactory to the Bank and the Agency, thereby causing such Lien to be removed or by taking such other actions as may be

satisfactory to the Bank and the Agency to protect their respective interests. Mechanics' Liens shall be discharged or bonded within sixty (60) days of the filing or perfection thereof.

Section 8.10 Identification of Equipment. All Equipment which is or may become the Property of the Agency pursuant to the provisions of this Lease Agreement shall be properly identified by the Company by such appropriate records, including computerized records, as may be approved by the Agency and the Bank. All Equipment and other Property of whatever nature affixed or attached to the Land or used or to be used by the Company in connection with the Land or the Improvements shall be deemed presumptively to be owned by the Agency, rather than the Company, unless the same were utilized for purposes of construction of the Facility or were installed by the Company and title thereto was retained by the Company as provided in Section 6.2 of this Lease Agreement and such Equipment and other Property were properly identified by such appropriate records as were approved by the Agency and the Bank.

Section 8.11 Depreciation Deductions and Investment Tax Credit. The parties agree that, as between them, the Company shall be entitled to all depreciation deductions with respect to any depreciable property comprising a part of the Facility and to any investment credit with respect to any part of the Facility.

Section 8.12 Employment Opportunities; Notice of Jobs. The Company covenants and agrees that, in consideration of the participation of the Agency in the transactions contemplated herein, it 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 Facility 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 Facility is located (collectively, the "Referral Agencies"). The Company 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.

ARTICLE IX

RELEASE OF CERTAIN LAND; ASSIGNMENTS AND SUBLEASING; MORTGAGE AND PLEDGE OF INTERESTS

Section 9.1 Restriction on Sale of Facility; Release of Certain Land.

(a) Except as otherwise specifically provided in this Article IX and in Article X hereof, the Agency shall not sell, convey, transfer, encumber or otherwise dispose of the Facility or any part thereof or any of its rights under this Lease Agreement without the prior written consent of the Company and the Bank.

(b) With the prior written consent of the Bank (which consent may not be unreasonably withheld but may be subject to such reasonable conditions as the Bank may deem appropriate), the Agency and the Company from time to time may release from the provisions of this Lease Agreement and the leasehold estate created hereby any part of, or interest in, the Land which is

not necessary, desirable or useful for the Facility. In such event, the Agency, at the Company's sole cost and expense, shall execute and deliver, and request the Bank to execute and deliver, any and all instruments necessary or appropriate so to release such part of, or interest in, the Land and convey such title thereto or interest therein, free from the Lien of the Mortgages, to the Company or such other Person as the Company may designate. As a condition to such conveyance, the Bank shall be provided with a copy of the instrument transferring such title or interest in such Land, an instrument survey (if the Bank so requests) of the Land to be conveyed, together with a certificate of an Authorized Officer of the Company stating that there is then no Event of Default under this Lease Agreement and that such part of, or interest in, the Land is not necessary, desirable or useful for the Facility.

(c) No conveyance of any part of, or interest in, the Land effected under the provisions of this Section 9.1 shall entitle the Company to any abatement or diminution of the rents payable by it under this Lease Agreement or any abatement or diminution of the amounts payable by it under the PILOT Agreement.

Section 9.2 Removal of Equipment.

(a) The Agency shall not be under any obligation to remove, repair or replace any inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary item of Equipment. In any instance where the Company determines that any item of Equipment has become inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary, the Company, with the prior written consent of the Bank (which consent may not be unreasonably withheld but may be subject to such reasonable conditions as the Bank may deem appropriate), may remove such items from the Facility and may sell, trade-in, exchange or otherwise dispose of the same, as a whole or in part, free from the Lien of the Mortgage, provided that such removal will not materially impair the operation of the Facility for the purpose for which it is intended or change the nature of the Facility so that it does not constitute a "project" under the Act.

(b) The Agency shall execute and deliver to the Company all instruments necessary or appropriate to enable the Company to sell or otherwise dispose of any such item of Equipment. The Company shall pay any costs (including counsel fees) incurred in transferring title to any item of Equipment removed pursuant to this Section 9.2.

(c) The removal of any item of Equipment pursuant to this Section shall not entitle the Company to any abatement or diminution of the rents payable by it under this Lease Agreement or any abatement or diminution of the amounts payable by it under the PILOT Agreement.

Section 9.3 Assignment and Subleasing.

(a) This Lease Agreement may not be assigned, in whole or in part, and the Facility may not be subleased, in whole or in part (except pursuant to the Sublease Agreement), without the prior written consent of the Bank and the Agency in each instance. Any assignment or sublease shall be on the following conditions, as of the time of such assignment or sublease:

- (i) no assignment or sublease shall relieve the Company from primary liability for any of its obligations hereunder;

- (ii) the assignee or sublessee shall assume the obligations of the Company hereunder to the extent of the interest assigned or subleased;
- (iii) the Company shall, within ten (10) days after the delivery thereof, furnish or cause to be furnished to the Agency and to the Bank a true and complete copy of such assignment or sublease and the instrument of assumption;
- (iv) neither the validity nor the enforceability of the Lease Agreement or any of the Loan Documents shall be adversely affected thereby;
- (v) the Facility shall continue to constitute a "project" as such quoted term is defined in the Act; and
- (vi) any sublessee will execute and deliver an agency compliance agreement, in form and substance satisfactory to the Agency.

(b) If the Bank or the Agency shall so request, as of the purported effective date of any assignment or sublease pursuant to subsection (a) of this Section 9.3, the Company at its cost shall furnish the Bank and the Agency with an opinion, in form and substance satisfactory to the Bank and the Agency, (i) of Transaction Counsel as to item (v) above, and (ii) of Independent Counsel as to items (i), (ii) and (iv) above.

Section 9.4 Mortgage and Pledge of Agency's Interests to Bank. The Agency shall (i) mortgage its interest in the Facility, and (ii) pledge and assign its rights to and interest in this Lease Agreement and in all amounts payable by the Company pursuant to Section 5.3 hereof and all other provisions of this Lease Agreement (other than Unassigned Rights) to the Bank as security for the payment of the principal of and interest on the Loans. The Company hereby acknowledges and consents to such mortgage and pledge and assignment by the Agency. Notwithstanding the foregoing, all indemnities herein contained shall subsequent to such mortgage, pledge and assignment continue to run to the Agency for its benefit as well as for the benefit of the Bank.

Section 9.5 Pledge of Company's Interest to Bank. The Company shall pledge and assign its rights to and interest in this Lease Agreement to the Bank as security for the payment of the principal of and interest on the Loans. The Agency hereby acknowledges and consents to such pledge and assignment by the Company.

Section 9.6 Merger of Agency.

(a) Nothing contained in this Lease Agreement shall prevent the consolidation of the Agency with, or merger of the Agency into, or transfer of title to the entire Facility to, any other public benefit corporation or political subdivision which has the legal authority to own and lease the Facility, provided that upon any such consolidation, merger or transfer, the due and punctual performance and observance of all the agreements and conditions of this Lease Agreement to be kept and performed by the Agency shall be expressly assumed in writing by the public benefit corporation or political subdivision resulting from such consolidation or surviving such merger or to which the Facility shall be transferred.

(b) Within thirty (30) days after the consummation of any such consolidation, merger or transfer of title, the Agency shall give notice thereof in reasonable detail to the Company and the Bank and shall furnish to the Company and the Bank, at the sole cost and expense of the Company, a favorable opinion of Independent Counsel as to compliance with the provisions of Section 9.6(a) hereof. The Agency promptly shall furnish such additional information with respect to any such transaction as the Company or the Bank may reasonably request.

ARTICLE X

EVENT OF DEFAULT AND REMEDIES

Section 10.1 Event of Default Defined.

(a) Each of the following shall be an "Event of Default" under this Lease Agreement:

- (i) the failure by the Company to pay or cause to be paid, on the date due, the amounts specified to be paid pursuant to Section 5.3 hereof and such failure continues for a period of 10 days after written notice thereof from the Agency to the Company;
- (ii) the failure by the Company to observe and perform any covenant contained in Sections 6.4, 6.5, 8.4 and 9.3 hereof;
- (iii) the failure by the Company to pay or cause to be paid on the dates due, the amounts specified to be paid pursuant to the PILOT Agreement;
- (iv) the invalidity, illegality or unenforceability of the PILOT Agreement, or the failure due to an action or inaction on the part of the Company to observe and perform any material covenant contained in the PILOT Agreement;
- (v) significant employment reductions not reflective of the Sublessee's business cycles and/or local, national and international economic conditions or the failure of the Sublessee to materially fulfill its requirement to create or maintain eighty-three (83) full time equivalent ("FTE") employees at the Facility upon the completion of the Facility and at least one hundred and five (105) FTE employees at the Facility commencing on the second anniversary of the completion of the Facility and continuing thereafter for the term of this Lease Agreement and the PILOT Agreement, which is the number of permanent jobs at the Facility indicated in the Sublessee's application submitted to the Agency (FTE shall mean the number of employees of the Sublessee calculated on a 37.5 hours per week basis);
- (vi) sale or closure of the Facility and/or departure of the Company or the Sublessee from the Town of Brookhaven;

- (vii) any representation or warranty of the Company herein or in any of the Company Documents or the application for financial assistance filed by the Company and the Sublessee with the Agency shall prove to have been false or misleading in any material respect;
- (viii) the failure by the Company to observe and perform any covenant, condition or agreement hereunder on its part to be observed or performed (except obligations referred to in 10.1(a)(i), (ii) and (xi)) for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, has been given to the Company by the Agency or the Bank;
- (ix) the dissolution or liquidation of the Company; or the failure by the Company to release, stay, discharge, lift or bond within thirty (30) days any execution, garnishment, judgment or attachment of such consequence as may impair its ability to carry on its operations; or the failure by the Company generally to pay its debts as they become due; or an assignment by the Company for the benefit of creditors; or the commencement by the Company (as the debtor) of a case in Bankruptcy or any proceeding under any other insolvency law; or the commencement of a case in Bankruptcy or any proceeding under any other insolvency law against the Company (as the debtor) in which a court having jurisdiction in the premises enters a decree or order for relief against the Company as the debtor in such case or proceeding, or which case or proceeding is consented to by the Company or remains undismissed for forty (40) days, or in which the Company consents to or admits the material allegations against it; or a trustee, receiver or agent (however named) is appointed or authorized to take charge of substantially all of the property of the Company for the purpose of enforcing a lien against such Property or for the purpose of general administration of such Property for the benefit of creditors;
- (x) an Event of Default under any of the Mortgages shall have occurred and be continuing;
- (xi) an Event of Default under the Loan Documents shall have occurred and be continuing;
- (xii) the invalidity, illegality or unenforceability of any of the Loan Documents; or
- (xiii) a breach of any covenant or representation contained in Section 8.8 hereof with respect to environmental matters shall have occurred.

(b) Notwithstanding the provisions of Section 10.1(a), if by reason of force majeure any party hereto shall be unable in whole or in part to carry out its obligations under Sections 4.1 and 6.1 of this Lease Agreement, and if such party shall give notice and full particulars of such force

majeure in writing to the other party and to the Bank within a reasonable time after the occurrence of the event or cause relied upon, such obligations under this Lease Agreement of the party giving such notice (and only such obligations), so far as they are affected by such force majeure, shall be suspended during continuance of the inability, which shall include a reasonable time for the removal of the effect thereof. The term "force majeure" as used herein shall include, without limitation, acts of God, strikes, lockouts or other industrial disturbances, acts of public enemies, acts, priorities or orders of any kind of the government of the United States of America or of the State or any of their departments, agencies, governmental subdivisions or officials, any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fire, hurricanes, storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, breakage or accident to machinery, transmission pipes or canals, shortages of labor or materials or delays of carriers, partial or entire failure of utilities, shortage of energy or any other cause or event not reasonably within the control of the party claiming such inability and not due to its fault. The party claiming such inability shall remove the cause for the same with all reasonable promptness. It is agreed that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the party having difficulty, and the party having difficulty shall not be required to settle any strike, lockout and other industrial disturbances by acceding to the demands of the opposing party or parties.

Section 10.2 Remedies on Default.

(a) Whenever any Event of Default shall have occurred, the Agency or the Bank may take, to the extent permitted by law, any one or more of the following remedial steps:

- (i) declare, by written notice to the Company, to be immediately due and payable, whereupon the same shall become immediately due and payable: (A) all unpaid installments of rent payable pursuant to Section 5.3(a) and (b) hereof, (B) all unpaid and past due payments in lieu of taxes pursuant to the PILOT Agreement, and (C) all other payments due under this Lease Agreement; provided, however, that if an Event of Default specified in Section 10.1(a)(vii) hereof shall have occurred, such installments of rent and other payments due under this Lease Agreement shall become immediately due and payable without notice to the Company or the taking of any other action by the Agency or the Bank;
- (ii) terminate this Lease Agreement, reconvey the Facility to the Company and terminate the PILOT Agreement (in connection with which the Agency shall have the right to execute an appropriate deed with respect to the Facility and to place the same on record in the Suffolk County Clerk's Office, at the expense of the Company, and in such event the Company waives delivery and acceptance of such deed and the Company hereby appoints the Agency its true and lawful agent and attorney-in-fact (which appointment shall be deemed to be an agency coupled with an interest), with full power of substitution to file on its behalf all affidavits, questionnaires and other documentation necessary to accomplish the recording of such deed; or

- (iii) take any other action at law or in equity which may appear necessary or desirable to collect the payments then due or thereafter to become due hereunder and under the PILOT Agreement, to secure possession of the Facility, and to enforce the obligations, agreements or covenants of the Company under this Lease Agreement and under the PILOT Agreement.

(b) Reserved.

(c) Any sums payable to the Agency as a consequence of any action taken pursuant to this Section 10.2 (other than those sums attributable to Unassigned Rights) shall be paid to the Bank and applied to the payment of the Loans.

(d) No action taken pursuant to this Section 10.2 shall relieve the Company from its obligation to make all payments required by Section 5.3 hereof.

(e) After an Event of Default shall have occurred, the Company shall have the right upon notice to the Agency and the Bank to enter the Facility with agents or representatives of the Agency and the Bank to remove any equipment or other personalty owned by the Company if such equipment or personalty is not part of the Facility.

Section 10.3 Remedies Cumulative. No remedy herein conferred upon or reserved to the Agency or the Bank is intended to be exclusive of any other available remedy, but each and every such remedy shall be cumulative and in addition to every other remedy given under this Lease Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Agency or the Bank, as appropriate, to exercise any remedy reserved to it in this Article X, it shall not be necessary to give any notice, other than such notice as may be expressly required in this Lease Agreement.

Section 10.4 Agreement to Pay Attorneys' Fees and Expenses.

(a) In the event the Company should default under any of the provisions of this Lease Agreement and the Agency should employ attorneys or incur other expenses for the collection of amounts payable hereunder or the enforcement of performance or observance of any obligations or agreements on the part of the Company herein contained, the Company shall, on demand therefor, pay to the Agency the reasonable fees of such attorneys and such other expenses so incurred.

(b) In the event the Company should default under any of the provisions of this Lease Agreement and the Bank should employ attorneys or incur other expenses for the collection of amounts payable hereunder or the enforcement of performance or observance of any obligations or agreements on the part of the Company herein contained, the Company shall, on demand therefor, pay to the Bank the reasonable fees of such attorneys and such other expenses so incurred.

Section 10.5 No Additional Waiver Implied by One Waiver. In the event any agreement contained herein should be breached by any party and thereafter waived by any other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

ARTICLE XI

EARLY TERMINATION OF LEASE AGREEMENT; OPTION IN FAVOR OF COMPANY

Section 11.1 Early Termination of Lease Agreement. The Company shall have the option to terminate this Lease Agreement at any time that the Loans have been paid in full or are subject to prepayment in whole pursuant to the terms of the Notes and upon filing with the Agency and the Bank a certificate signed by an Authorized Representative of the Company stating the Company's intention to do so pursuant to this section and the date upon which such payments required by Section 11.2 hereof shall be made (which date shall not be less than forty-five (45) nor more than ninety (90) days from the date such certificate is filed) and upon compliance with the requirements set forth in Section 11.2 hereof.

Section 11.2 Conditions to Early Termination of Lease Agreement. In the event the Company exercises its option to terminate this Lease Agreement in accordance with the provisions of Section 11.1 hereof, the Company shall make the following payments:

(a) To the Bank: an amount certified by the Bank that will be sufficient to pay the principal of and interest on the Loans.

(b) To the Agency or the Taxing Authorities (as such term is defined in the PILOT Agreement), as appropriate pursuant to the PILOT Agreement: all amounts due and payable under the PILOT Agreement as of the date of the conveyance described in Section 11.3 hereof.

(c) To the Agency: an amount certified by the Agency to be sufficient to pay all unpaid fees and expenses of the Agency incurred under the Agency Documents.

(d) To the appropriate Person: an amount sufficient to pay all other fees, expenses or charges, if any, due and payable or to become due and payable under the Loan Documents.

Section 11.3 Obligation to Purchase Facility. Upon termination or expiration of the Lease Term, in accordance with Sections 5.2 or 11.1 hereof, the Company shall purchase the Facility from the Agency for the purchase price of One Dollar (\$1.00) plus all unpaid payments in lieu of taxes pursuant to the PILOT Agreement through the date upon which this Lease Agreement terminates or expires. The Company shall purchase the Facility by giving written notice to the Agency and to the Bank (which may be contained in the certificate referred to in Section 11.1 hereof) (i) declaring the Company's election to purchase, and (ii) fixing the date of closing of such purchase, which shall be the date on which this Lease Agreement is to be terminated.

Section 11.4 Conveyance on Purchase. At the closing of any purchase of the Facility pursuant to Section 11.3 hereof, the Agency shall, upon receipt of the purchase price, deliver and

request the Bank to deliver to the Company all necessary documents (i) to convey to the Company title to the Property being purchased, as such Property exists, subject only to the following: (A) any Liens to which title to such Property was subject when conveyed to the Agency, (B) any Liens created at the request of the Company, to the creation of which the Company consented or in the creation of which the Company acquiesced, (C) any Permitted Encumbrances (other than the Lien of the Mortgages), and (D) any Liens resulting from the failure of the Company to perform or observe any of the agreements on its part contained in this Lease Agreement or arising out of an Event of Default hereunder, (ii) to release and convey to the Company all of the Agency's rights and interest in and to any rights of action or any Net Proceeds of insurance or Condemnation awards with respect to the Facility (but not including any Unassigned Rights), and (iii) to discharge and release the Mortgages and any other security interest held by the Bank. Upon the conveyance of the Facility by the Agency to the Company pursuant to this Article XI, the PILOT Agreement shall terminate.

ARTICLE XII

MISCELLANEOUS

Section 12.1 Notices. All notices, certificates and other communications hereunder shall be in writing and shall be either delivered personally or sent by certified mail, postage prepaid, return receipt requested, addressed as follows or to such other address as any party may specify in writing to the other:

To the Agency

Town of Brookhaven Industrial Development Agency
1 Independence Hill, 3rd Floor
Farmingville, New York 11738
Attention: Chief Executive Officer

To the Company

First Realty Associates LLC
1101 Lakeland Avenue
Bohemia, New York 11716
Attention: President

To the First Mortgagee

Allstate T.F.I.
Allstate Plaza South G5C
3075 Sanders Road
Northbrook, Illinois 60062
Attention: Commercial Mortgage Loan Servicing Manager

To LIDC

Long Island Development Corporation
45 Seaman Avenue
Bethpage, New York 11714
Attention: Loan Department

Section 12.2 Binding Effect. This Lease Agreement shall inure to the benefit of and shall be binding upon the parties and their respective successors and assigns.

Section 12.3 Severability. In the event any provision of this Lease Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 12.4 Amendments, Changes and Modifications. This Lease Agreement may be amended, changed, modified, altered or terminated only in a writing executed by the parties hereto and only upon receipt of the concurring written consent of the Bank.

Section 12.5 Execution of Counterparts. This Lease Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 12.6 Applicable Law. This Lease Agreement shall be governed exclusively by the applicable laws of the State, without regard or reference to its conflict of laws principles.

Section 12.7 List of Additional Equipment; Further Assurances.

(a) Upon the Completion Date with respect to the Facility and the installation of all of the Equipment therein, the Company shall prepare and deliver to the Agency and the Bank a schedule listing all of the Equipment not previously described in this Lease Agreement. If requested by the Agency or the Bank, the Company shall thereafter furnish to the Agency and the Bank, within sixty (60) days after the end of each calendar year, a schedule listing all of the Equipment not theretofore previously described herein or in the aforesaid schedule.

(b) The Agency and the Company shall execute and deliver all instruments and shall furnish all information necessary or appropriate to perfect or protect any security interest created or contemplated by this Lease Agreement and the Mortgage.

Section 12.8 Survival of Obligations. This Lease Agreement shall survive the making of the Loan and the performance of the obligations of the Company to make payments required by Section 5.3 and all indemnities shall survive the foregoing and any termination or expiration of this Lease Agreement and the payment of the Loan.

Section 12.9 Table of Contents and Section Headings Not Controlling. The Table of Contents and the headings of the several Sections in this Lease Agreement have been prepared for convenience of reference only and shall not control or affect the meaning of or be taken as an interpretation of any provision of this Lease Agreement.


Section 12.10 References to the Bank. All references to the term Bank within this Lease Agreement and the other Transaction Documents shall be deemed to include the First Mortgagee, NY Urban and LIDC only at such time as the First Mortgagee, NY Urban and LIDC have executed and delivered the credit facilities described herein.

IN WITNESS WHEREOF, the Agency and the Company have caused this Lease Agreement to be executed in their respective names by their duly authorized representatives, all as of July 1, 2008.

TOWN OF BROOKHAVEN INDUSTRIAL
DEVELOPMENT AGENCY

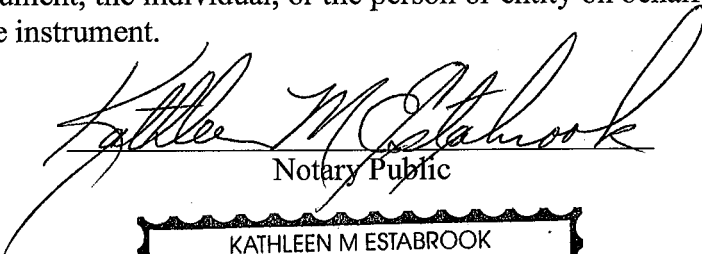
By: 
Name: Raymond C. Donnelly
Title: Chief Executive Officer

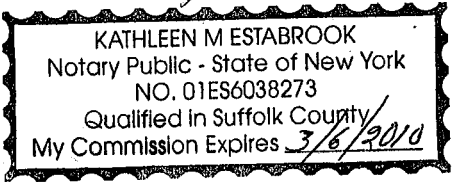
FIRST REALTY ASSOCIATES LLC

By: 
Name: Freydoun Elnkaveh
Title: Managing Member

STATE OF NEW YORK)
 : SS.:
COUNTY OF SUFFOLK)

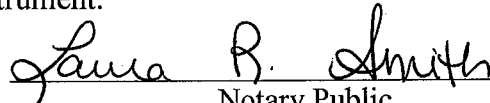
On the 7th day of July in the year 2008, before me, the undersigned, a Notary Public in and for said State, personally appeared Raymond C. Donnelly, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument, and acknowledged to me that he executed the same in his capacity, and that by his signature on the within instrument, the individual, or the person or entity on behalf of which the individual acted, executed the instrument.


Notary Public



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

On the 23rd day of July in the year 2008, before me, the undersigned, a Notary Public in and for said State, personally appeared Freydoun Elnekaveh, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument, and acknowledged to me that he executed the same in his capacity, and that by his signature on the within instrument, the individual, or the person or entity on behalf of which the individual acted, executed the instrument.



Notary Public

LAURA R. SMITH
Notary Public, State of New York
Registration #: 01SM6174422
Qualified in Monroe County
Certificate Filed in Monroe County
Commission Expires 9/17/2011

EXHIBIT A

Legal Description of Real Property

COMMONWEALTH LAND TITLE INSURANCE COMPANY

SCHEDULE A
PROPERTY DESCRIPTION

The land referred to in this Policy is described as follows:

AMENDED 7/1/08
AMENDED 3/24/2008

PARCEL 1

ALL that certain plot, piece or parcel of land, situate, lying and being at West Yaphank, Town of Brookhaven, County of Suffolk and State of New York.

BEGINNING at a point formed by the intersection of the southerly side of Long Island Avenue with the westerly side of Patchogue Yaphank Road.

RUNNING THENCE along the westerly side of Patchogue Yaphank Road; South 02 degrees 24 minutes 48 seconds east 159.62 feet to a point and the northerly side of the Long Island Railroad;

THENCE along the northerly side of the Long Island Railroad, South 82 degrees 57 minutes 40 seconds west 159.79 feet to a point and land now or formerly of Nicholas Racanelli Associates;

THENCE along land now or formerly of Nicholas Racanelli Associates, North 05 degrees 10 minutes 33 seconds west 160.03 feet to a point and the southerly side of Long Island Avenue;

THENCE along the southerly side of Long Island Avenue, North 83 degrees 15 minutes 10 seconds east 167.46 feet to the point and place of BEGINNING.

FOR INFORMATION ONLY:

District: 0200 Section: 703.00 Block: 01.00 Lot: 030.000

PARCEL 2

ALL that certain plot, piece or parcel of land, situate, lying and being at West Yaphank, Town of Brookhaven, County of Suffolk and State of New York.

BEGINNING at a point formed by the intersection of the northerly side of Old Town Road, with the easterly side of Patchogue Yaphank Road;

RUNNING THENCE along the easterly side of Patchogue Yaphank Road, the following three [3] courses and distances:

1. North 39 degrees 29 minutes 40 seconds east 22.52 feet to a point;
2. North 38 degrees 49 minutes 40 seconds east 136.95 feet to a point;
3. North 46 degrees 08 minutes 10 seconds east 23.17 feet to a point and land now or formerly of 66 Partners LLC;

THENCE along land now or formerly of 66 Partners LLC, South 05 degrees 33 minutes 45 seconds east 211.80 feet to a point and the northerly side of Old Town Road;

THENCE along the northerly side of Old Town Road, North 62 degrees 46 minutes 49 seconds west 154.53 feet to the point place of BEGINNING.

FOR INFORMATION ONLY:

District: 0200 Section: 704.00 Block: 01.00 Lot: 014.001

SCHEDULE A
PROPERTY DESCRIPTION
(Continued)

PARCEL 3

ALL that certain plot, piece or parcel of land, situate, lying and being at West Yaphank, Town of Brookhaven, County of Suffolk and State of New York.

BEGINNING at a point at the southwesterly terminus of the arc of a curve connecting the westerly side of Patchogue Yaphank Road with the northerly side of Long Island Avenue ;

RUNNING THENCE along the northerly side of Long Island Avenue, South 83 degrees 15 minutes 10 seconds west 37.36 feet to a point and land now or formerly of REP C LLC;

THENCE along land or formerly of REP C LLC, North 05 degrees 10 minutes 33 seconds west 1,623.53 feet to a point and the southerly side of the Long Island Expressway;

THENCE along the southerly side of the Long Island Expressway, the following three [3] courses and distances:

1. North 77 degrees 19 minutes 00 seconds 896.92 feet to a point;
2. South 12 degrees 41 minutes 00 seconds 1.00 feet to a point;
3. North 77 degrees 19 minutes 00 second east 83.14 feet to a point and land now or formerly of the Long Island Expressway 66 LLC;

THENCE along land now or formerly of LIE 66 LLC, South 05 degrees 33 minutes 45 seconds east 454.72 feet to a point and the westerly side of Patchogue Yaphank Road;

THENCE along the westerly side of Patchogue Yaphank Road, the following five [5] courses and distances:

1. South 46 degrees 08 minutes 10 seconds west 79.51 feet to a point;
2. South 38 degrees 49 minutes 40 seconds west 140.78 feet to a point;
3. South 39 degrees 29 minutes 40 seconds west 436.04 feet to a point;
4. South 25 degrees 31 minutes 20 seconds west 392.43 feet to a point;
5. South 14 degrees 55 minutes 48 seconds west 383.76 feet to a point and the northeasterly terminus of the arc of a curve connecting the westerly side of Patchogue Yaphank Road with the northerly side of Long Island Avenue;

THENCE along said arc of a curve bearing to the right having a radius of 142.92 feet, the distance of 213.69 feet [said chord having a bearing of South 40 degrees 25 minutes 09 seconds west a distance of 194.33 feet] to the point and place of BEGINNING.

FOR INFORMATION ONLY:

District: 0200 Section: 663.00 Block: 02.00 Lot: 001.001 and 003.002

**NOTE: District: 0200 Section: 663.00 Block: 02.00 Lot: 001.001 is now known as:

District: 0200 Section: 663.00 Block: 02.00 Lot: 001.002

District: 0200 Section: 663.00 Block: 02.00 Lot: 001.003

District: 0200 Section: 704.00 Block: 01.00 Lot: 015.000

EXHIBIT B

Equipment

All equipment, fixtures, machinery, building materials and items of personal property acquired, constructed and installed or to be acquired, constructed and installed in connection with the completion of the Town of Brookhaven Industrial Development Agency's/First Realty Associates LLC/Global Tissue Group, Inc. 2008 Facility located at Patchogue-Yaphank Road, Yaphank, Town of Brookhaven, Suffolk County, New York.

EXHIBIT C

COMPLIANCE WITH LABOR LAW, EXECUTIVE LAW AND CIVIL RIGHTS LAW

The purpose of the Town of Brookhaven Industrial Development Agency (the "Agency") is to provide benefits that reduce costs and financial barriers to the creation and to the expansion of business and enhance the number of jobs in the Town of Brookhaven.

The Agency has consistently sought to ensure that skilled and fair paying construction jobs be encouraged in straight-lease transactions with the Agency.

Now therefore, the parties to the attached Lease Agreement (the "Agreement") further agree to be bound by the following, which are hereby made a part of the Agreement.

I. The Company agrees that:

(a) no laborer, workman or mechanic, in the employ of the Company or any contractor, subcontractor or other person doing or contracting to construct and equip the Facility shall be permitted or required to work more than eight hours in any one calendar day or more than five days in any one week, except in the emergencies set forth in the Labor Law; and

(b) to the extent applicable and required by law, the Company shall comply with the provisions of the Labor Law of the State of New York (the "Labor Law"), including Section 220 thereof. While such Labor Law does not presently require or obligate the Company to pay the prevailing rate of wages as such term is defined in Section 220-d thereof, the Company acknowledges that it has been advised that it is the policy of the Agency to encourage the Company to voluntarily comply with such provisions.

II. To the extent required by law, the Company agrees that:

(a) in the hiring of employees for the performance of work in acquiring, constructing and equipping the Facility, or for the manufacture, sale or distribution of materials, equipment or supplies in connection with the acquisition, construction and equipping of the Facility, neither the Company nor any contractor, subcontractor nor any person acting on behalf of the Company shall by reason of race, creed, color, disability, sex, or national origin, marital status or Vietnam veteran era status discriminate against any citizen of the State of New York who is qualified and available to perform the work to which the employment relates;

(b) neither the Company nor any contractor, subcontractor, nor any person on their behalf shall, in connection with the acquisition, construction and equipping of the Facility, discriminate against or intimidate any employee hired for the performance of work involved in acquiring, constructing and equipping the

Facility on account of race, creed, color, disability, sex, national origin, marital status or Vietnam era veteran status; and

(c) the aforesaid provisions of this section covering every contract for the manufacture, sale or distribution of materials, equipment or supplies in connection with the acquisition, construction and equipping of the Facility shall be limited to operations performed within the territorial limits of the State of New York.

III. To the extent required by law, the Company will comply with the applicable provisions of Sections 291-299 of the Executive Law, and with the Civil Rights Law, will furnish all information and reports deemed necessary by the State Division of Human Rights, and will permit access to its books, records and accounts by the State Division of Human Rights, the Attorney General and the Industrial Commissioner for the purposes of investigation to ascertain compliance with the non-discrimination clauses, the Executive Law and the Civil Rights Law.

SCHEDULE A

SCHEDULE OF DEFINITIONS

“Acquisition Loan” means the loan in the aggregate principal amount of \$4,191,677.13 given by the First Mortgagee to the Company pursuant to the terms of the Acquisition Loan Documents.

“Acquisition Loan Assignment of Rents” means the Assignment of Leases and Rents, dated July 23, 2008, given by the Company to the First Mortgagee, as the same may be modified, amended, renewed or extended from time to time.

“Acquisition Loan Documents” means, collectively, the Acquisition Mortgage, the Acquisition Loan Assignment of Rents, the Acquisition Note and any other documents executed and delivered to the First Mortgagee in connection with the Acquisition Loan.

“Acquisition Mortgage” means the Acquisition Loan Mortgage, Assignment of Leases, Rents and Contracts, Security Agreement and Fixture Filing, covering, among other things, the Facility and given by the Agency and the Company to the First Mortgagee as security for the Acquisition Loan, as the same may be modified, amended, renewed or extended from time to time.

“Acquisition Note” means the Promissory Note, given by the Company to the First Mortgagee evidencing the Acquisition Loan for the Facility.

“Act” means, collectively, Title 1 of Article 18-A of the General Municipal Law of the State, enacted into law as Chapter 1030 of the Laws of 1969 of the State, as amended, together with Chapter 358 of the Laws of 1970 of the State, as amended.

“Agency” means (i) the Town of Brookhaven Industrial Development Agency, its successors and assigns, and (ii) any local governmental body resulting from or surviving any consolidation or merger to which the Agency or its successors may be a party.

“Agency Compliance Agreement” means the Agency Compliance Agreement, dated as of July 1, 2008, by and between the Agency and the Sublessee.

“Agency Documents” means the Lease Agreement, the Environmental Compliance and Indemnification Agreement, the PILOT Agreement, the Recapture Agreement, the Mortgages, the Bridge Loan Assignment and the Agency Compliance Agreement.

“Approving Resolution” means the resolution adopted by the Agency on April 21, 2008, authorizing the execution and delivery of the Agency Documents, as such resolution may be amended and supplemented from time to time.

“Assignment of Rents” means collectively, the Acquisition Loan Assignment of Rents and the Building Loan Assignment of Rents.

“Authorized Representative” means, in the case of the Agency, the Chairman, the Vice Chairman, the Secretary, the Assistant Secretary or the Chief Executive Officer of the Agency; in the case of the Company, any Member; in the case of the Sublessee, the President, Treasurer, any Vice President or the Secretary; and, in the case of any of the foregoing, such additional persons as, at the time, are designated to act on behalf of the Agency, the Company or the Sublessee, as the case may be, by written certificate furnished to the Bank and to the Agency, the Company or the Sublessee, as the case may be, containing the specimen signature of each such person and signed on behalf of (i) the Agency by the Chairman, the Vice Chairman, the Secretary, the Assistant Secretary or the Chief Executive Officer of the Agency, (ii) the Company by any Member of the Company or (iii) the Sublessee by the President, the Treasurer, any Vice President or the Secretary.

“Bank” shall mean collectively, the First Mortgagee, NY Urban and LIDC or their respective successors or assigns, or any surviving, resulting or transferee banking institution authorized to do business in the State.

“Bill of Sale” means the Bill of Sale, dated the Closing Date, given by the Company to the Agency with respect to the Equipment, as the same may be amended from time to time.

“Bridge Loan Assignment” means the Absolute Assignment of Leases and Rents, dated the Closing Date, from the Agency and the Company to NY Urban, with respect to the Bridge Loan Mortgage.

“Bridge Loan Documents” means, collectively, the Bridge Loan Mortgage, the Bridge Loan Assignment, the Bridge Mortgage Note and any other documents executed and delivered to NY Urban in connection with the Bridge Mortgage Loan.

“Bridge Loan Mortgage” means the Mortgage and Security Agreement, dated after the Closing Date, covering, among other things, the Facility and given by the Agency and the Company to NY Urban as security for the Bridge Mortgage Loan, as the same may be modified, amended, renewed or extended from time to time.

“Bridge Mortgage Loan” means the loan in the aggregate principal amount of \$2,350,000 given by NY Urban to the Company pursuant to the terms of the Bridge Loan Documents.

“Bridge Mortgage Note” means the Bridge Mortgage Promissory Note, given by the Company to NY Urban evidencing the Bridge Mortgage Loan for the Facility.

“Building Loan” means the loan in the aggregate principal amount of \$10,808,322.87 given by the First Mortgagee to the Company pursuant to the terms of the Building Loan Documents.

“Building Loan Documents” means, collectively, the Building Loan Mortgage, the Building Loan Assignment of Rents, the Building Loan Note and any other documents executed and delivered to the First Mortgagee in connection with the Building Loan.

“Building Loan Mortgage” means the Building Loan Mortgage, Assignment of Leases, Rents and Contracts, Security Agreement and Fixture Filing, covering, among other things, the

Facility and given by the Agency and the Company to the First Mortgagee as security for the Building Loan, as the same may be modified, amended, renewed or extended from time to time.

“Building Loan Assignment of Rents” means the Assignment of Leases and Rents, dated July 23, 2008, given by the Company to the First Mortgagee, as the same may be modified, amended, renewed or extended from time to time.

“Building Loan Note” means the Promissory Note, given by the Company to the First Mortgagee evidencing the Building Loan for the Facility.

“Business Day” means any day other than a Saturday, a Sunday, a legal holiday or a day on which banking institutions in New York, New York or any city in which the principal office of the Bank is located are authorized by law or executive order to remain closed.

“Closing Date” means the date of delivery of the Deed.

“Company” means First Realty Associates LLC, a limited liability company duly organized and validly existing under the laws of the State of New York, and its successors and assigns.

“Company Documents” means the Bill of Sale, the Deed, the Lease Agreement, the Environmental Compliance and Indemnification Agreement, the PILOT Agreement, the Recapture Agreement, the Sublease Agreement, and the Loan Documents to which it is a party.

“Completion Date” means the date of completion of the Facility as certified pursuant to Section 4.3 of the Lease Agreement.

“Condemnation” means the taking of title to, or the use of, Property under the exercise of the power of eminent domain by any governmental entity or other Person acting under governmental authority.

“Construction Period” means the period (a) beginning on the earlier of (i) the date of commencement of acquisition, construction and equipping of the Facility, which date shall not be prior to January 24, 2007, or (ii) the Closing Date, and (b) ending on the Completion Date.

“Deed” means the Bargain and Sale Deed, dated the Closing Date, given by the Company to the Agency with respect to the Land and the existing improvements thereon.

“Environmental Compliance and Indemnification Agreement” means the Environmental Compliance and Indemnification Agreement, dated as of July 1, 2008, among the Agency, the Company and the Sublessee.

“Equipment” means all machinery, equipment and other personal property used and to be used in connection with the Facility, as described in Exhibit B to the Lease Agreement.

“Event of Default” (a) when used with respect to the Lease Agreement, means any of the events defined as an Event of Default by Section 10.1 of the Lease Agreement, and (b) when

used with respect to the Mortgage, means any of the events defined as an Event of Default in the Mortgage.

“Facility” means the Land, the Improvements and the Equipment leased to the Company under the Lease Agreement.

“Facility Services” means all services necessary for the acquisition, construction and equipping of the Facility.

“First Mortgage” means (i) Allstate T.F.I., a business corporation duly organized under the laws of the State of Illinois, authorized to transact business in the State of New York, or (ii) its successors or assigns, or (iii) any surviving, resulting or transferee banking institution authorized to do business in the State.

“Hazardous Substance” means, without limitation, any flammable, explosive, radon, radioactive materials, asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, petroleum, petroleum constituents, petroleum products, methane, hazardous materials, hazardous wastes, hazardous or toxic substances or related materials, pollutants, or toxic pollutants, as defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Sections 9601, et seq.), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Sections 6901, et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C. Sections 1801, et seq.), the Toxic Substances Control Act, as amended (15 U.S.C. Sections 2601, et seq.), the Federal Water Pollution Control Act, as amended (33 U.S.C. Sections 1251 et seq.), Articles 17 and 27 of the New York State Environmental Conservation Law, or any other applicable Environmental Law and the regulations promulgated thereunder.

“Improvements” means all those buildings, improvements, structures and other related facilities (i) affixed or attached to the Land and (ii) not part of the Equipment, all as they may exist from time to time.

“Independent Counsel” means an attorney or attorneys or firm or firms of attorneys duly admitted to practice law before the highest court of any state of the United States of America or in the District of Columbia and not a full time employee of the Agency, the Company, the Sublessee or the Bank.

“Land” means the real property leased by the Agency to the Company pursuant to the Lease Agreement and more particularly described in Exhibit A attached thereto.

“Lease Agreement” means the Lease Agreement, dated as of July 1, 2008, between the Agency, as lessor, and the Company, as lessee, with respect to the Facility, as the same may be amended from time to time.

“Lease Term” means the duration of the leasehold estate created by the Lease Agreement as specified in Section 5.2 of the Lease Agreement.

“LIDC” means (i) Long Island Development Corporation, a banking corporation duly organized under the laws of the State of New York, or (ii) its successors or assigns, or (iii) any surviving, resulting or transferee banking institution authorized to do business in the State.

“LIDC Loan” means the loan in the aggregate principal amount of \$3,000,000 given by LIDC to the Company pursuant to the terms of the LIDC Loan Documents.

“LIDC Loan Documents” means, collectively, the LIDC Loan Mortgage, the LIDC Loan Note and any other documents executed and delivered to LIDC in connection with the LIDC Loan.

“LIDC Loan Mortgage” means the LIDC Loan Mortgage and Security Agreement covering, among other things, the Facility and given by the Agency and the Company to LIDC as security for the LIDC Loan, as the same may be modified, amended, renewed or extended from time to time.

“LIDC Loan Note” means the LIDC Promissory Note, given by the Company to LIDC evidencing the LIDC Loan for the Facility.

“Lien” means any interest in Property securing an obligation owed to a Person, whether such interest is based on the common law, statute or contract, and including but not limited to the security interest arising from a mortgage, encumbrance, pledge, conditional sale or trust receipt or a lease, consignment or bailment for security purposes. The term “Lien” includes reservations, exceptions, encroachments, easements, rights-of-way, covenants, conditions, restrictions, leases and other similar title exceptions and encumbrances, including but not limited to mechanics’, materialmen’s, warehousemen’s, carriers’ and other similar encumbrances, affecting real property. For the purposes of this definition, a Person shall be deemed to be the owner of any Property which it has acquired or holds subject to a conditional sale agreement or other arrangement pursuant to which title to the Property has been retained by or vested in some other Person for security purposes.

“Loan” or “Loans” mean collectively, the Acquisition Loan, the Building Loan, the Bridge Loan and the LIDC Loan given by the Bank to the Company.

“Loan Agreement” means the Building Loan Contract, dated the Closing Date, given by the Company to the First Mortgagee, as the same may be amended from time to time.

“Loan Documents” means, collectively, the Acquisition Loan Documents, the Building Loan Documents, the Bridge Loan Documents, the LIDC Loan Documents, and any other documents executed and delivered to the Bank in connection with the Loans.

“Mortgage” or “Mortgages” means, collectively, the Acquisition Loan Mortgage, the Building Loan Mortgage, the Bridge Loan Mortgage and the LIDC Mortgage.

“Net Proceeds” means so much of the gross proceeds with respect to which that term is used as remain after payment of all expenses, costs and taxes (including attorneys’ fees) incurred in obtaining such gross proceeds.

"NY Urban" means (i) New York Urban Funding, Inc., a banking corporation duly organized under the laws of the State of New York or (ii) its successors or assigns, or (iii) any surviving, resulting or transferee banking institution authorized to do business in the State.

"Note" or "Notes" means, collectively, the Acquisition Loan Note, the Building Loan Note, the Bridge Loan Note and the LIDC Loan Note.

"Permitted Encumbrances" means (i) exceptions to title set forth in the Title Report, (ii) the Mortgages and/or the Assignment of Rents, (iii) the Lease Agreement, (iv) utility, access and other easements and rights-of-way, restrictions and exceptions that do not materially impair the utility or the value of the Property affected thereby for the purposes for which it is intended, (v) mechanics', materialmen's, warehousemen's, carriers' and other similar Liens which are approved in writing by the Bank or its counsel, (vi) Liens for taxes not yet delinquent and (vii) the Sublease Agreement.

"Person" or "Persons" means an individual, partnership, corporation, trust or unincorporated organization, and a government or agency or political subdivision or branch thereof.

"PILOT Agreement" means the Payment-in-Lieu-of-Tax Agreement, dated as of July 1, 2008, among the Company, the Sublessee and the Agency, as amended from time to time.

"Plans and Specifications" means the plans and specifications for the Improvements, prepared for the Company and approved by the Bank and the Agency, as revised from time to time in accordance with the Lease Agreement.

"Prime Rate" means the rate designated by the Bank from time to time as its "prime rate."

"Property" means any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible.

"Public Purposes" shall mean the State's objective to create industrial development agencies for the benefit of the several counties, cities, villages and towns in the State and to empower such agencies, among other things, to acquire, construct, reconstruct, lease, improve, maintain, equip and sell land and any building or other improvement, and all real and personal properties, including, but not limited to, machinery and equipment deemed necessary in connection therewith, whether or not now in existence or under construction, which shall be suitable for manufacturing, warehousing, research, commercial, recreation or industrial facilities, including industrial pollution control facilities, in order to advance job opportunities, health, general prosperity and the economic welfare of the people of the State and to improve their standard of living.

"Recapture Agreement" means the Recapture Agreement, dated as of July 1, 2008, among the Company, the Sublessee and the Agency, as amended from time to time.

"Schedule of Definitions" means the words and terms set forth in this Schedule of Definitions attached to the Lease Agreement, as the same may be amended from time to time.

“SEQR Act” means the State Environmental Quality Review Act and the regulations thereunder.

“State” means the State of New York.

“Sublease Agreement” means the Sublease Agreement, dated July 23, 2008, between the Company, as sublessor, and the Sublessee, as sublessee, as amended from time to time.

“Sublessee” means Global Tissue Group, Inc., a business corporation duly organized and validly existing under the laws of the State of New York, as Sublessee, under the Sublease Agreement and its successors and assigns.

“Sublessee Documents” means the Sublease Agreement, the Environmental Compliance and Indemnification Agreement, the PILOT Agreement, the Recapture Agreement, the Agency Compliance Agreement and certain of the Loan Documents to which it is a party.

“Substitute Facilities” means facilities of substantially the same nature as the proposed Facility.

“Title Report” means Certificate of Title No. VAI-06250 issued by Commonwealth Land Title Insurance Company to the Bank and the Agency on March 4, 2008, redated and recertified on the Closing Date.

“Transaction Counsel” means the law firm of Nixon Peabody LLP.

“Transaction Documents” means the Agency Documents, the Company Documents, the Sublessee Documents and the Loan Documents.

“Unassigned Rights” means the rights of the Agency and moneys payable pursuant to and under Sections 5.3(b), 6.4(b), (c) and (d), 6.7, 8.1, 8.2, 8.8, 8.9, 8.12 and 10.2(a)(i)(B) (in each case with respect to Section 10.2 upon a continuing default in payment by the Company or the Sublessee under the PILOT Agreement), 10.4, 11.2(b) and 12.8 of the Lease Agreement.

FIRST REALTY ASSOCIATES LLC

and

GLOBAL TISSUE GROUP, INC.

and

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
(SUFFOLK COUNTY, NEW YORK)

PAYMENT-IN-LIEU-OF-TAX AGREEMENT

Town of Brookhaven Industrial Development Agency
(First Realty Associates LLC/Global Tissue Group, Inc. 2008 Facility)

Dated as of July 1, 2008

Town of Brookhaven, Suffolk County, Longwood Central School District

Property Address: Patchogue-Yaphank Road, Yaphank, Town of
Brookhaven, Suffolk County, New York

Tax Account Numbers: Parcel 1 0200-663.00-02.00-001.001;
Parcel 2 0200-703.00-01.00-030.00;
Parcel 3 0200-704.00-01.00-14.001; and
0200-663.00-02.00-003.002.

PAYMENT-IN-LIEU-OF-TAX AGREEMENT

THIS PAYMENT-IN-LIEU-OF-TAX AGREEMENT, dated as of July 1, 2008 (this "PILOT Agreement"), is by and among FIRST REALTY ASSOCIATES LLC, a limited liability company duly organized and validly existing under the laws of the State of New York, having an office at 1101 Lakeland Avenue, Bohemia, New York 11716 (the "Company"), GLOBAL TISSUE GROUP, INC., a business corporation duly organized and validly existing under the laws of the State of New York, having its principal office at 1101 Lakeland Avenue, Bohemia, New York 11716 (the "Sublessee"), and the TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY, an industrial development agency and a public benefit corporation duly organized and validly existing under the laws of the State of New York, having its principal office at 1 Independence Hill, 3rd Floor, Farmingville, New York 11738 (the "Agency").

W I T N E S S E T H:

WHEREAS, the Agency was created by Chapter 358 of the Laws of 1970 of the State of New York, as amended, pursuant to Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended (collectively, the "Act"); and

WHEREAS, the Agency has agreed to acquire title to certain real property located at Patchogue-Yaphank Road, Yaphank, Town of Brookhaven, Suffolk County, New York, more particularly described in Exhibit E attached hereto (the "Land"), and to acquire, construct and equip a certain industrial development facility thereon (the "Facility"), more particularly described in the Lease Agreement, dated as of July 1, 2008 (the "Lease Agreement"), by and between the Agency, as lessor, and the Company, as lessee; and

WHEREAS, the Agency has agreed to lease the Facility to the Company pursuant to the Lease Agreement such that title will remain in the Agency throughout the Lease Term (as such term is defined in the Lease Agreement); and

WHEREAS, the Company has agreed to sublease the Facility to the Sublessee pursuant to a Sublease Agreement, dated July 23, 2008 (the "Sublease Agreement"), by and between the Company, as sublessor, and the Sublessee, as sublessee; and

WHEREAS, the Agency, the Company and the Sublessee have entered into a Recapture Agreement, dated as of July 1, 2008 (the "Recapture Agreement"), pursuant to which the Agency has the right to recapture certain economic benefits and assistance granted to the Company and the Sublessee upon the terms and conditions set forth in the Recapture Agreement; and

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

partially located) which are or may be imposed for special improvements or special district improvements; and

WHEREAS, the Agency, the Company and the Sublessee deem it necessary and proper to enter into an agreement making provision for payments in lieu of taxes and such assessments by the Company and the Sublessee to the Town of Brookhaven, any existing incorporated village or any village which may be incorporated after the date hereof, within which the Facility is or may be wholly or partially located, Longwood Central School District and appropriate special districts (hereinafter the "Taxing Authorities") in which any part of the Facility is or is to be located;

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

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

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

(c) Commencing, at the sole option and discretion of the Company and the Sublessee, jointly and severally, at the earlier of (i) the first fiscal tax year of the Taxing Authorities following the first taxable status date after the issuance of a certificate of occupancy to the Company and/or the Sublessee for the Facility by the appropriate governmental entity or (ii) written notice from the Company and the Sublessee to the Agency setting forth the effective date for commencement of the payments in accordance with Exhibit A hereto subject to Section 8 hereof (which effective date can be no later than the date set forth in (i) above), the Company and the Sublessee shall pay, as payments in lieu of taxes and assessments, the amounts set forth on Exhibit A attached hereto and made a part hereof, subject to Section 8 hereof.

(d) The Company and the Sublessee, jointly and severally, shall pay, or cause to be paid, the amounts set forth in paragraphs 1(b) and (c) above, as applicable, after receipt of tax bills from the Agency or the Taxing Authorities, as the case may be. Failure to receive a tax bill shall not relieve the Company and the Sublessee of their respective obligations to make all payments provided for hereunder. If, for any reason, the Company

and/or the Sublessee do not receive an appropriate tax bill, the Company and the Sublessee shall have the responsibility and obligation to make all reasonable inquiries to the Taxing Authorities and to have such a bill issued, and thereafter to make payment of the same no later than the due dates provided therein. Payments shall be made directly to the Taxing Authorities as directed by the tax bill. Payments made after the due date(s) as set forth in the applicable tax bills shall accrue interest (and penalties) at the rates applicable to late payments of taxes for the respective Taxing Authorities and as further provided in the General Municipal Law, including Section 874(5) thereof, which currently provides for an initial penalty of five percent (5%) of the amount due and an additional penalty of one percent (1%) per month on payments more than one month delinquent.

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

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

2. In the event that title to the Facility or any part thereof is transferred from the Agency to the Company at such time in reference to any taxable status date as to make it impossible to place such Facility or part thereof on the tax rolls of the Town of Brookhaven, Longwood Central School District, any existing incorporated village or any village which may be incorporated after the date hereof, within which the Facility is or may be wholly or partially located, or appropriate special districts, as the case may be, by such taxable status date, the Company and the Sublessee, jointly and severally, hereby agree to pay at the first time taxes or assessments are due following the taxable status date on which such Facility or part thereof is placed on the tax rolls, an amount equal to the taxes or assessments which would have been levied on such Facility or part thereof had it been on the tax rolls from the time the Company took title until the date of the tax rolls following the taxable status date as of which such Facility or part thereof is placed on the tax rolls. There shall be deducted from such amount any amounts previously paid pursuant to this PILOT Agreement by the Agency, the Company or the Sublessee to the respective Taxing Authorities relating to any period of time after the date of transfer of title to the Company. The provisions of this paragraph 2, shall survive the termination or expiration of the Lease Agreement.

3. In the event the Facility or any part thereof is declared to be subject to taxation for taxes or assessments by an amendment to the Act or other legislative change or

by a final judgment of a court of competent jurisdiction, the obligations of the Company and the Sublessee hereunder shall, to such extent, be null and void.

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

5. As long as this PILOT Agreement is in effect, but only during such tax years as the Company and the Sublessee shall be paying amounts under Exhibits B, C or D hereof, the Agency, the Company and the Sublessee agree that (i) the Company shall be deemed to be the owner of the Facility and of the Additional Facilities for purposes of instituting, and shall have the right to institute, judicial review of an assessment of the real estate with respect to the Facility and the Additional Facilities pursuant to the provisions of Article 7 of the Real Property Tax Law or any other applicable law, as the same may be amended from time to time, and (ii) the Agency shall request the Assessor of the Town of Brookhaven, or any other assessor having jurisdiction to assess the Facility, to take into consideration the value of surrounding properties of like character when assessing the Facility. Notwithstanding the foregoing, in the event that the assessment of the real estate with respect to the Facility and the Additional Facilities is reduced as a result of any such judicial review so that such complaining party would be entitled to receive a refund or refunds of taxes paid to the respective Taxing Authorities if such complaining party were the owner of the Facility and the Additional Facilities, such complaining party shall not be entitled to receive a refund or refunds of the payments in lieu of taxes paid pursuant to this PILOT Agreement. In that event, such complaining party shall be entitled to receive a credit against future payments in lieu of taxes and assessments to be paid pursuant to this PILOT Agreement, as and when collected by the Agency or the affected tax jurisdictions as defined in Section 854 of the General Municipal Law, as amended (as the case may be), in an amount equal to any refund that such complaining party would be entitled to receive if such complaining party were the owner of the Facility and the Additional Facilities; provided, however, that the Agency shall have no obligation to provide a credit against any payments-in-lieu-of taxes or assessments which it has remitted to any of the respecting Taxing Authorities before the date the Agency receives written notice from the complaining party that it seeks a credit. In no event shall the Agency be required to remit to the Company or the Sublessee or any Taxing Authority any moneys otherwise due as a result of a reduction in the assessment of the Facility (or any part thereof) due to a certiorari review. If the Company or the Sublessee receive a reduction in assessment in the last year of the Lease Agreement after they have made their final payments in lieu of taxes, the Company and the Sublessee acknowledge that they shall look solely to the Taxing Authorities for repayment or for a credit against the first payment(s) of Taxes on the Facility which will be due after the Facility is returned to the tax rolls. The Company and the Sublessee hereby agree that they will notify the Agency if the Company and/or the Sublessee shall have requested a reassessment of the Facility or a reduction in the taxes on the Facility or shall have instituted any tax certiorari proceedings with respect to the Facility. The Company shall deliver to the Agency copies of all notices, correspondence, claims, actions and/or proceedings brought by or against the Company and/or the Sublessee in

connection with any reassessment of the Facility, reduction of taxes with respect to the Facility or tax certiorari proceedings with respect to the Facility.

6. As long as this PILOT Agreement is in effect and the Company and the Sublessee have been paying PILOT payments under Exhibit A hereof, and for a period of two years after the expiration or termination of this PILOT Agreement, the Company and the Sublessee agree that the Company shall not institute judicial review of an assessment of the real estate with respect to the Facility pursuant to the provisions of Article 7 of the Real Property Tax Law or any other applicable law, as the same may be amended from time to time.

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

8. The Company and the Sublessee recognize and agree that the Agency, in addition to the exercise of the Agency's remedies under the Lease Agreement or the Recapture Agreement, shall have the right at the Agency's sole discretion to revise and increase the formula for payment in lieu of taxes (the "Formula"), both retroactively and prospectively, to be paid by the Company and the Sublessee pursuant to Exhibit A, Exhibit B, Exhibit C or Exhibit D hereto, as set out below:

(a) If the Company and/or the Sublessee substantially change, modify or amend their respective proposed method of operations so as to adversely effect the total number of FTE employees within the meaning of Section 8(e) hereof resulting in the number of FTE employees being less than the number of FTE employees set forth in Section 8(e)(ii) hereof (hereinafter "Substantial Change") at any time after the provisions of paragraph 1(c) hereof become effective but before the end of two years thereafter, then at all times subsequent to the date of the Substantial Change, and so long as this PILOT Agreement remains in effect, the Agency shall have the right at its sole discretion to revise and increase the Formula as set forth on Exhibit A, both retroactively and prospectively, and the Company and the Sublessee shall pay the amounts set forth on Exhibit B attached hereto and made a part hereof in lieu and in place of the amounts set forth on Exhibit A.

(b) If the Company and/or the Sublessee effect a Substantial Change at any time subsequent to two years after the provisions of paragraph 1(c) become effective but before the end of three years thereafter, then at all times subsequent to the date of Substantial Change, and so long as this PILOT Agreement remains in effect, the Agency shall have the right at its sole discretion to revise and increase the Formula as set forth on Exhibit A, both

retroactively and prospectively, and the Company and the Sublessee shall pay the amounts set forth on Exhibit C attached hereto and made a part hereof in lieu and in place of the amounts set forth on Exhibit A.

(c) If the Company and/or the Sublessee effect a Substantial Change at any time subsequent to three years after the provisions of paragraph 1(c) become effective but before the end of four years thereafter, then at all times subsequent to the date of Substantial Change, and so long as this PILOT Agreement remains in effect, the Agency shall have the right at its sole discretion to revise and increase the Formula as set forth on Exhibit A, both retroactively and prospectively, and the Company and the Sublessee shall pay the amounts set forth on Exhibit D attached hereto and made a part hereof in lieu and in place of the amounts set forth on Exhibit A.

(d) If the Company and/or the Sublessee effect a Substantial Change at any time after four years from the date the provisions of paragraph 1(c) hereof become effective, there shall be no change, either retroactively or prospectively, in the Formula as set forth on Exhibit A.

(e) In exercising its reasonable discretion to make the aforesaid retroactive and prospective changes in the Formula as set forth on Exhibit A, the Agency shall consider the following circumstances, any one of which may be deemed to constitute a Substantial Change:

(i) Sale or closure of the Facility and/or departure of the Company or the Sublessee from the Town of Brookhaven.

(ii) Significant employment reductions not reflective of the Sublessee's business cycles and/or local, national and international economic conditions or the failure of the Sublessee to materially fulfill its requirement to create or maintain eighty-three (83) full time equivalent ("FTE") employees at the Facility upon the completion of the Facility and at least one hundred and five (105) FTE employees at the Facility commencing on the second anniversary of the completion of the Facility and continuing thereafter for the term of the Lease Agreement and this PILOT Agreement, which is the number of permanent jobs at the Facility indicated in the Sublessee's application submitted to the Agency (FTE shall mean the number of employees of the Sublessee calculated on a 37.5 hours per week basis).

(iii) Any significant deviations from the information and data provided to the Agency in the Sublessee's application for assistance which would constitute a significant diminution of the Sublessee's activities in or commitment to the Town of Brookhaven.

(f) The Agency shall notify the Company and the Sublessee in writing of any increase in the Formula and the effective date(s) and amount(s) of such increase, retroactive and/or prospective. If the Formula is adjusted so that increased payments are due for any tax year in which the Company and the Sublessee has paid less than the full amount then due, the

Company and the Sublessee shall remit such additional sum due to the Agency within 30 days after delivery of such notice. Notwithstanding anything to the contrary herein, in no event shall any increase hereunder exceed the amounts calculated pursuant to the exhibits annexed hereto relating to the time that such Substantial Change occurred.

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

The Agency:

Town of Brookhaven Industrial Development Agency
1 Independence Hill, 3rd Floor
Farmingville, New York 11738
Attention: Chief Executive Officer

To the Company:

First Realty Associates LLC
1101 Lakeland Avenue
Bohemia, New York 11716
Attention: Managing Member

To the Sublessee:

Global Tissue Group, Inc.
1101 Lakeland Avenue
Bohemia, New York 11716
Attention: President

With copies for Company and Sublessee to:

Law Offices of Andrew D. Presberg, P.C.
100 Corporate Plaza, Suite B102
Islandia, New York 11749
Attention: Andrew D. Presberg, Esq.

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

10. Failure by the Agency in any instance to insist upon the strict performance of any one or more of the obligations of the Company and/or the Sublessee under this PILOT Agreement, or to exercise any election herein contained, shall in no manner be or be deemed to be a waiver by the Agency of any of the Company's and/or the Sublessee's defaults or

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

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

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

13. This PILOT Agreement shall be governed by and construed in accordance with the internal laws of the State of New York, without regard or reference to its conflict of laws principles.

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

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

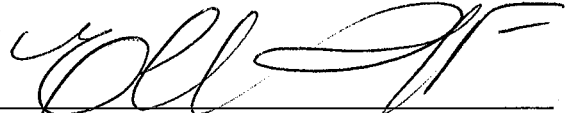
16. This PILOT Agreement shall be binding upon and inure to the benefit of the parties, their respective successors, heirs, distributees and assigns.

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

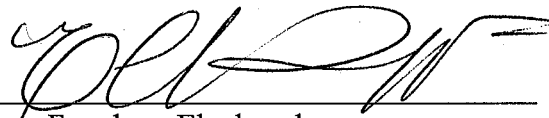
(Remainder of page intentionally left blank)

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

FIRST REALTY ASSOCIATES LLC

By: 
Name: Freydoun Elnkaveh
Title: Managing Member

GLOBAL TISSUE GROUP, INC.

By: 
Name: Freydoun Elnkaveh
Title: Vice President/Secretary

TOWN OF BROOKHAVEN INDUSTRIAL
DEVELOPMENT AGENCY

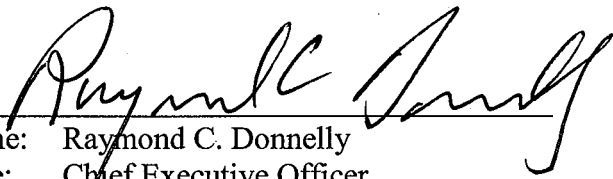
By: 
Name: Raymond C. Donnelly
Title: Chief Executive Officer

EXHIBIT A

Formula for In-Lieu-of-Taxes Payment: Town of Brookhaven, (including any existing incorporated village and any village which may be incorporated after the date hereof, within which the Facility is wholly or partially located), Suffolk County, Longwood Central School District and Appropriate Special Districts

Definitions

X = assessment based on a transfer of title as of the date of this PILOT Agreement of the land and those improvements existing as of April 21, 2008.

Y = increase in assessment above X resulting from the acquisition, construction and equipping of the Facility.

Normal Tax Due = Those payments for taxes and assessments, other than special ad valorem levies, special assessments and service charges against real property located in the Town of Brookhaven (including any existing incorporated village or any village which may be incorporated after the date hereof, within which the Facility is wholly or partially located) which are or may be imposed for special improvements or special district improvements, that the Company and the Sublessee would pay without exemption.

Payment

Tax Year (following first taxable status date after the election by the Company and the Sublessee, more specifically set forth in paragraph 1(c) of this PILOT Agreement)

<u>Year</u>	<u>Formula</u>
2009/2010 10/11	100% normal tax on X and 0% normal tax on Y
2010/2011 11/12	100% normal tax on X and 0% normal tax on Y
2011/2012 12/13	100% normal tax on X and 0% normal tax on Y
2012/2013 13/14	100% normal tax on X and 0% normal tax on Y
2013/2014 14/15	100% normal tax on X and 0% normal tax on Y
2014/2015 15/16	100% normal tax on X and 0% normal tax on Y
2015/2016 16/17	100% normal tax on X and 0% normal tax on Y
2016/2017 17/18	100% normal tax on X and 0% normal tax on Y
2017/2018 18/19	100% normal tax on X and 0% normal tax on Y
2018/2019 19/20	100% normal tax on X and 0% normal tax on Y
2019/2020 and 20/21 thereafter	100% normal tax on X and 100% normal tax on Y

EXHIBIT B

Formula for In-Lieu-of-Taxes Payment: Town of Brookhaven (including any existing incorporated village and any village which may be incorporated after the date hereof, within which the Facility is wholly or partially located), Suffolk County, Longwood Central School District and Appropriate Special Districts

Definitions

X = assessment based on a transfer of title as of the date of this PILOT Agreement of the land and those improvements existing as of April 21, 2008.

Y = increase in assessment above X resulting from the acquisition, renovation and equipping of the Facility.

Normal Tax Due = Those payments for taxes and assessments, other than special ad valorem levies, special assessments and service charges against real property located in the Town of Brookhaven (including any existing incorporated village or any village which may be incorporated after the date hereof, within which the Facility is wholly or partially located) which are or may be imposed for special improvements or special district improvements, that the Company and the Sublessee would pay without exemption.

Payment

Tax Year (following first taxable status date after the election by Company and the Sublessee, more specifically set forth in paragraph 1(c) of this PILOT Agreement)

<u>Year</u>	<u>Formula</u>
2009/2010	100% normal tax on X and 50% normal tax on Y
2010/2011	100% normal tax on X and 55% normal tax on Y
2011/2012	100% normal tax on X and 60% normal tax on Y
2012/2013	100% normal tax on X and 65% normal tax on Y
2013/2014	100% normal tax on X and 70% normal tax on Y
2014/2015	100% normal tax on X and 75% normal tax on Y
2015/2016	100% normal tax on X and 80% normal tax on Y
2016/2017	100% normal tax on X and 85% normal tax on Y
2017/2018	100% normal tax on X and 90% normal tax on Y
2018/2019	100% normal tax on X and 95% normal tax on Y
2019/2020 and thereafter	100% normal tax on X and 100% normal tax on Y

EXHIBIT C

Formula for In-Lieu-of-Taxes Payment: Town of Brookhaven (including any existing incorporated village and any village which may be incorporated after the date hereof, within which the Facility is wholly or partially located), Suffolk County, Longwood Central School District and Appropriate Special Districts

Definitions

X = assessment based on a transfer of title as of the date of this PILOT Agreement of the land and those improvements existing as of April 21, 2008.

Y = increase in assessment above X resulting from the acquisition, renovation and equipping of the Facility.

Normal Tax Due = Those payments for taxes and assessments, other than special ad valorem levies, special assessments and service charges against real property located in the Town of Brookhaven (including any existing incorporated village or any village which may be incorporated after the date hereof, within which the Facility is wholly or partially located) which are or may be imposed for special improvements or special district improvements, that the Company and the Sublessee would pay without exemption.

Payment

Tax Year (following first taxable status date after the election by Company and the Sublessee, more specifically set forth in paragraph 1(c) of this PILOT Agreement)

<u>Year</u>	<u>Formula</u>
2009/2010	100% normal tax on X and 0% normal tax on Y
2010/2011	100% normal tax on X and 10% normal tax on Y
2011/2012	100% normal tax on X and 40% normal tax on Y
2012/2013	100% normal tax on X and 47.50% normal tax on Y
2013/2014	100% normal tax on X and 55% normal tax on Y
2014/2015	100% normal tax on X and 62.50% normal tax on Y
2015/2016	100% normal tax on X and 70% normal tax on Y
2016/2017	100% normal tax on X and 77.50% normal tax on Y
2017/2018	100% normal tax on X and 85% normal tax on Y
2018/2019	100% normal tax on X and 92.50% normal tax on Y
2019/2020 and thereafter	100% normal tax on X and 100% normal tax on Y

EXHIBIT D

Formula for In-Lieu-of-Taxes Payment: Town of Brookhaven (including any existing incorporated village and any village which may be incorporated after the date hereof, within which the Facility is wholly or partially located), Suffolk County, Longwood Central School District and Appropriate Special Districts

Definitions

X = assessment based on a transfer of title as of the date of this PILOT Agreement of the land and those improvements existing as of April 21, 2008.

Y = increase in assessment above X resulting from the acquisition, renovation and equipping of the Facility

Normal Tax Due = Those payments for taxes and assessments, other than special ad valorem levies, special assessments and service charges against real property located in the Town of Brookhaven (including any existing incorporated village or any village which may be incorporated after the date hereof, within which the Facility is wholly or partially located) which are or may be imposed for special improvements or special district improvements, that the Company and the Sublessee would pay without exemption.

Payment

Tax Year (following first taxable status date after the election by Company and the Sublessee, more specifically set forth in paragraph 1(c) of this PILOT Agreement)

<u>Year</u>	<u>Formula</u>
2009/2010	100% normal tax on X and 0% normal tax on Y
2010/2011	100% normal tax on X and 10% normal tax on Y
2011/2012	100% normal tax on X and 20% normal tax on Y
2012/2013	100% normal tax on X and 38.75% normal tax on Y
2013/2014	100% normal tax on X and 47.50% normal tax on Y
2014/2015	100% normal tax on X and 56.25% normal tax on Y
2015/2016	100% normal tax on X and 65% normal tax on Y
2016/2017	100% normal tax on X and 73.75% normal tax on Y
2017/2018	100% normal tax on X and 82.50% normal tax on Y
2018/2019	100% normal tax on X and 91.25% normal tax on Y
2019/2020 and thereafter	100% normal tax on X and 100% normal tax on Y

EXHIBIT E

LEGAL DESCRIPTION OF REAL PROPERTY

COMMONWEALTH LAND TITLE INSURANCE COMPANY

SCHEDULE A
PROPERTY DESCRIPTION

The land referred to in this Policy is described as follows:

AMENDED 7/1/08
AMENDED 3/24/2008

PARCEL 1

ALL that certain plot, piece or parcel of land, situate, lying and being at West Yaphank, Town of Brookhaven, County of Suffolk and State of New York.

BEGINNING at a point formed by the intersection of the southerly side of Long Island Avenue with the westerly side of Patchogue Yaphank Road.

RUNNING THENCE along the westerly side of Patchogue Yaphank Road, South 02 degrees 24 minutes 48 seconds east 159.62 feet to a point and the northerly side of the Long Island Railroad;

THENCE along the northerly side of the Long Island Railroad, South 82 degrees 57 minutes 40 seconds west 159.79 feet to a point and land now or formerly of Nicholas Racanelli Associates;

THENCE along land now or formerly of Nicholas Racanelli Associates, North 05 degrees 10 minutes 33 seconds west 160.03 feet to a point and the southerly side of Long Island Avenue;

THENCE along the southerly side of Long Island Avenue, North 83 degrees 15 minutes 10 seconds east 167.46 feet to the point and place of BEGINNING.

FOR INFORMATION ONLY:

District: 0200 Section: 703.00 Block: 01.00 Lot: 030.000

PARCEL 2

ALL that certain plot, piece or parcel of land, situate, lying and being at West Yaphank, Town of Brookhaven, County of Suffolk and State of New York.

BEGINNING at a point formed by the intersection of the northerly side of Old Town Road, with the easterly side of Patchogue Yaphank Road;

RUNNING THENCE along the easterly side of Patchogue Yaphank Road, the following three [3] courses and distances:

1. North 39 degrees 29 minutes 40 seconds east 22.52 feet to a point;
2. North 38 degrees 49 minutes 40 seconds east 136.95 feet to a point;
3. North 46 degrees 08 minutes 10 seconds east 23.17 feet to a point and land now or formerly of 66 Partners LLC;

THENCE along land now or formerly of 66 Partners LLC, South 05 degrees 33 minutes 45 seconds east 211.80 feet to a point and the northerly side of Old Town Road;

THENCE along the northerly side of Old Town Road, North 62 degrees 46 minutes 49 seconds west 154.53 feet to the point place of BEGINNING.

FOR INFORMATION ONLY:

District: 0200 Section: 704.00 Block: 01.00 Lot: 014.001

SCHEDULE A
PROPERTY DESCRIPTION
(Continued)

PARCEL 3

ALL that certain plot, piece or parcel of land, situate, lying and being at West Yaphank, Town of Brookhaven, County of Suffolk and State of New York.

BEGINNING at a point at the southwesterly terminus of the arc of a curve connecting the westerly side of Patchogue Yaphank Road with the northerly side of Long Island Avenue ;

RUNNING THENCE along the northerly side of Long Island Avenue, South 83 degrees 15 minutes 10 seconds west 37.36 feet to a point and land now or formerly of REP C LLC;

THENCE along land or formerly of REP C LLC, North 05 degrees 10 minutes 33 seconds west 1,623.53 feet to a point and the southerly side of the Long Island Expressway;

THENCE along the southerly side of the Long Island Expressway, the following three [3] courses and distances:

1. North 77 degrees 19 minutes 00 seconds 896.92 feet to a point;
2. South 12 degrees 41 minutes 00 seconds 1.00 feet to a point;
3. North 77 degrees 19 minutes 00 second east 83.14 feet to a point and land now or formerly of the Long Island Expressway 66 LLC;

THENCE along land now or formerly of LIE 66 LLC, South 05 degrees 33 minutes 45 seconds east 454.72 feet to a point and the westerly side of Patchogue Yaphank Road;

THENCE along the westerly side of Patchogue Yaphank Road, the following five [5] courses and distances:

1. South 46 degrees 08 minutes 10 seconds west 79.51 feet to a point;
2. South 38 degrees 49 minutes 40 seconds west 140.78 feet to a point;
3. South 39 degrees 29 minutes 40 seconds west 436.04 feet to a point;
4. South 25 degrees 31 minutes 20 seconds west 392.43 feet to a point;
5. South 14 degrees 55 minutes 48 seconds west 383.76 feet to a point and the northeasterly terminus of the arc of a curve connecting the westerly side of Patchogue Yaphank Road with the northerly side of Long Island Avenue;

THENCE along said arc of a curve bearing to the right having a radius of 142.92 feet, the distance of 213.69 feet [said chord having a bearing of South 40 degrees 25 minutes 09 seconds west a distance of 194.33 feet] to the point and place of BEGINNING.

FOR INFORMATION ONLY:

District: 0200 Section: 663.00 Block: 02.00 Lot: 001.001 and 003.002

****NOTE:** District: 0200 Section: 663.00 Block: 02.00 Lot: 001.001 is now known as:

District: 0200 Section: 663.00 Block: 02.00 Lot: 001.002

District: 0200 Section: 663.00 Block: 02.00 Lot: 001.003

District: 0200 Section: 704.00 Block: 01.00 Lot: 015.000

NIXON PEABODY^{LLP}
ATTORNEYS AT LAW

1100 Clinton Square
Rochester, New York 14604
Direct Dial: (585) 263-1055
Direct Fax: (866) 351-8783
E-Mail: lsmith@nixonpeabody.com

July 29, 2008

CERTIFIED MAIL RETURN RECEIPT REQUESTED

James Ryan
Sole Assessor
Town of Brookhaven
One Independence Hill
Farmingville, New York 11738

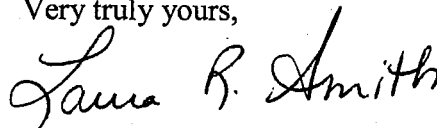
RE: Town of Brookhaven Industrial Development Agency
(First Realty Associates LLC/Global Tissue Group, Inc. 2008 Facility)

Dear Mr. Ryan:

Enclosed, please find a completed Form RP 412-a Application for Real Property Tax Exemption with respect to the above-referenced transaction, which closed on July 23, 2008. Also enclosed are copies of the Payment-in-Lieu-of-Tax Agreement, dated as of July 1, 2008 (the "PILOT Agreement"), and the Bargain and Sale Deed, which Bargain and Sale Deed has been presented for recording in the Suffolk County Clerk's office.

Please contact our office should you have any questions. Thank you.

Very truly yours,



Laura R. Smith
Paralegal

/lrs
Enclosures

cc: Distribution List (w/enclosures)

Distribution List

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Hon. Steve Levy
Suffolk County Executive
County of Suffolk
100 Veterans Memorial Highway
P.O. Box 6100
Hauppauge, New York 11788

Hon. Brian X. Foley
Town Supervisor
Town of Brookhaven
One Independence Hill
Farmingville, New York 11738

Dr. Allan Gerstenlauer
Superintendent of Schools
Longwood Central School District
35 Yaphank Middle Island Road
Middle Island, New York 11953-2369

FIRST CLASS MAIL

Raymond C. Donnelly
Chief Executive Officer
Town of Brookhaven Industrial
Development Agency
One Independence Hill, 3rd Floor
Farmingville, New York 11738

Annette Eaderesto, Esq.
Town Attorney
Town of Brookhaven
One Independence Hill, 3rd Floor
Farmingville, New York 11738



INDUSTRIAL DEVELOPMENT AGENCIES
APPLICATION FOR REAL PROPERTY TAX EXEMPTION
(Real Property Tax Law, Section 412-a and General Municipal Law, Section 874)

1. INDUSTRIAL DEVELOPMENT AGENCY (IDA)

Name Town of Brookhaven Industrial Development Agency
Street 1 Independence Hill, 3rd Floor
City Farmingville
Telephone no. Day (631) 451-6563
Evening ()
Contact Raymond C. Donnelly
Title Chief Executive Officer

2. OCCUPANT (IF OTHER THAN IDA)

(If more than one occupant attach separate listing)

Name Global Tissue Group, Inc.
Street 1101 Lakeland Avenue
City Bohemia
Telephone no. Day (631) 419-1300
Evening ()
Contact Freydoun Elnekaveh
Title Vice President/Secretary

3. DESCRIPTION OF PARCEL

- a. Assessment roll description (tax map no./roll year)
b. Street address Yaphank Road
c. City, Town or Village West Yaphank
d. School District Longwood Central School District
e. County Suffolk
f. Current assessment
g. Deed to IDA (date recorded; liber and page)
Title to IDA 07/13/08 -Liber and Page Unavailable

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

- a. Brief description (include property use)
Construction of an approximately 166,300 square foot building for warehouse and distribution of paper related products
b. Type of construction unavailable
c. Square footage app. 166,300 sq ft
d. Total cost app. \$18,000,000
e. Date construction commenced unavailable
f. Projected expiration of exemption (i.e. date when property is no longer possessed, controlled, supervised or under the jurisdiction of IDA)
December 31, 2019

5. SUMMARIZE AGREEMENT (IF ANY) AND METHOD TO BE USED FOR PAYMENTS TO BE MADE TO MUNICIPALITY REGARDLESS OF STATUTORY EXEMPTION

(Attach copy of the agreement or extract of the terms relating to the project).

- a. Formula for payment see attached PILOT Agreement
b. Projected expiration date of agreement December 31, 2019

c. Municipal corporations to which payments will be made

	Yes	No
County <u>Suffolk</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Town/City <u>Brookhaven</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Village <u>West Yaphank</u>		
School District <u>Longwood Central</u>	<input checked="" type="checkbox"/>	
<u>School District</u>		

d. Person or entity responsible for payment

Freydoun Elnekaveh
 Name _____
 Title Managing Member
 Address 1101 Lakeland Avenue
Bohemia, NY
 Telephone () 631-419-1300

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

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

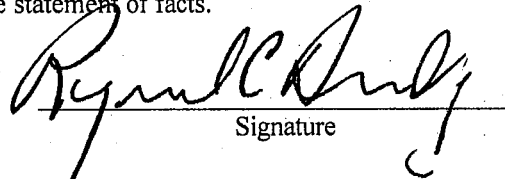
If yes, list the statutory exemption reference and assessment roll year on which granted:
exemption _____ assessment roll year _____

7. A copy of this application, including all attachments, has been mailed or delivered on 07/29/08 (date) to the chief executive official of each municipality within which the project is located as indicated in Item 3.

CERTIFICATION

I, Raymond C. Donnelly, Chief Executive Officer of
 Name Title
Town of Brookhaven Industrial Development Agency hereby certify that the information
 Organization
 on this application and accompanying papers constitutes a true statement of facts.

July 23, 2008
Date


Signature

FOR USE BY ASSESSOR

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

Date

Assessor's signature

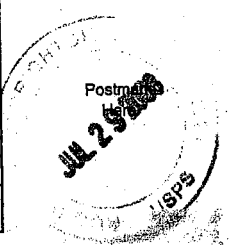
7007 1490 0002 2000 2493 9982

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L. Smith (070236/606) **OFFICIAL USE**

Postage	\$ 1.68
Certified Fee	2.70
Return Receipt Fee (Endorsement Required)	2.20
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 6.58



Sent To: **Hon. Brian X. Foley**
Town Supervisor
Town of Brookhaven
Street, Apt. No., or PO Box No.: **One Independence Hill**
City, State, ZIP+4: **Farmingville, NY 11738**

PS Form 3800, August 2006 See Reverse for Instructions

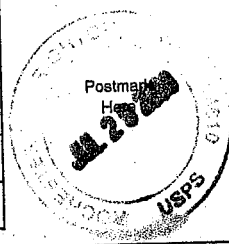
7007 0220 0002 2493 9982

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Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 6.58



Sent To: **James Ryan**
Sole Assessor
Town of Brookhaven
Street, Apt. No., or PO Box No.: **One Independence Hill**
City, State, ZIP+4: **3rd Floor Farmingville, NY 11738**

PS Form 3800, August 2006 See Reverse for Instructions

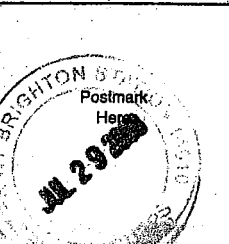
7007 1490 0002 2000 2493 9982

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Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 6.58



Sent To: **Dr. Allan Gerstenlauer**
Superintendent of Schools
Longwood Central School District
Street, Apt. No., or PO Box No.: **35 Yaphank Middle Island Road**
City, State, ZIP+4: **Middle Island, NY 11953-2369**

PS Form 3800, August 2006 See Reverse for Instructions

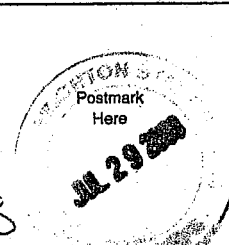
7007 0220 0002 2493 9982

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Return Receipt Fee (Endorsement Required)	2.20
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 6.58



Sent To: **Hon. Steve Levy**
Suffolk County Executive
County of Suffolk
Street, Apt. No., or PO Box No.: **H. Lee Dennison Building**
City, State, ZIP+4: **100 Veterans Memorial Highway Hauppauge, NY 11788**

PS Form 3800, August 2006 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 		A. Signature <input checked="" type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee <i>Paul Nowicki</i>	
1. Article Addressed to: James Ryan Sole Assessor Town of Brookhaven One Independence Hill 3 rd Floor Farmingville, NY 11738 (070236/606)		B. Received by (Printed Name) <i>Paul Nowicki</i> C. Date of Delivery D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <i>Exp</i>	
2. Article Number (Transfer from service label) 7007 0220 0002 2493 9982		3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
PS Form 3811, February 2004		Domestic Return Receipt	
		102595-02-M-1540	

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 		A. Signature <input type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee <i>Paul Nowicki</i>	
1. Article Addressed to: Hon. Brian X. Foley Town Supervisor Town of Brookhaven One Independence Hill Farmingville, NY 11738 (070236/606)		B. Received by (Printed Name) <i>PAUL Nowicki</i> C. Date of Delivery D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input checked="" type="checkbox"/> No	
2. Article Number (Transfer from service label) 7007 1490 0002 3820 6388		3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
PS Form 3811, February 2004		Domestic Return Receipt	
		102595-02-M-1540	

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 		A. Signature <input type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee <i>Fred Vansawo</i>	
1. Article Addressed to: Dr. Allan Gerstenlauer Superintendent of Schools Longwood Central School District 35 Yaphank Middle Island Road Middle Island, NY 11953-2369 (070236/606)		B. Received by (Printed Name) <i>Fred Vansawo</i> C. Date of Delivery <i>7-31-8</i> D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input checked="" type="checkbox"/> No	
2. Article Number (Transfer from service label) 7007 1490 0002 3820 6395		3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
PS Form 3811, February 2004		Domestic Return Receipt	
		102595-02-M-1540	