

INDUSTRIAL DEVELOPMENT AGENCY

CAPITOL BUILDING, 4TH FLOOR, ALBANY, NY 12244



BABYLON INDUSTRIAL DEVELOPMENT AGENCY

Thomas E. Dolan
Chief Executive Officer

FORM APPLICATION FOR FINANCIAL ASSISTANCE

DATE: 10.20.21

APPLICATION OF:

National Compressor Exchange, Inc.

Company Name of Beneficial User of Proposed Project
(Not Realty or Special Purpose Entity (SPE) created for liability)

CURRENT ADDRESS:

75 Onderdonk Ave, Ridgewood, NY 11385

ADDRESS OF PROPERTY
TO RECEIVE BENEFITS:

1900 New Highway, Farmingdale NY 117355 Dubon Ct., Farmingdale NY 11735Tax Map # District 0100 Section 003.00 Block 01.00 Lot (s) 004.010**Tax Map #District 0100 Section 003.00 Block 01.00 Lot(s) 004.003**

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Part I: User (Applicant) & Owner Data (if different)**1. User Data (Applicant):****A. User:** National Compressor Exchange, Inc.**Address:** 75 Onderdonk Ave, Ridgewood, NY 11385**Federal Employer ID #:** [REDACTED] **Website:** www.nationalcompressor.com**NAICS Code:** 333415

(The North American Industry Classification System (NAICS) is the standard used by Federal statistical agencies in classifying business establishments for the purpose of collecting, analyzing, and publishing statistical data related to the U.S. business economy. www.census.gov/eos/www/naics/)

Name of User Officer Certifying Application: [REDACTED]**Title of Officer:** [REDACTED]**Phone Number:** [REDACTED] **E-mail:** [REDACTED]**B. Business Type:****Sole Proprietorship** ☒ **Partnership** ☐ **Privately Held** ☐**Public Corporation** ☐ **Listed on** _____**State of Incorporation/Formation:** New York**C. Nature of Business:**

(e.g., "manufacturer of _____ for _____ industry"; "distributor of _____")

Remanufacturer of air conditioning and refrigeration compressors**D. User Counsel:****Firm Name:** Evangelos Mihos, Esq.**Address:** 1010 Northern Blvd # 208, Great Neck, NY 11021**Individual Attorney:** Evangelos Mihos**Phone Number:** (516) 472-0888 **E-mail:** evangelos.mihos@mihoslaw.com

E. Principal Stockholders, Members or Partners, if any, of the User (5% or more equity):

Name	Percent Owned
Richard Straiano	100

F. Has the User, or any subsidiary or affiliate of the User, or any stockholder, partner, member, officer, director or other entity with which any of these individuals is or has been associated with:

- i. ever filed for bankruptcy, been adjudicated bankrupt or placed in receivership or otherwise been or presently is the subject of any bankruptcy or similar proceeding? (if yes, please explain)

NO

- ii. been convicted of a felony, or misdemeanor, or criminal offense (other than a motor vehicle violation)? (if yes, please explain)

NO

G. If any of the above persons (see "E", above) or a group of them, owns more than 50% interest in the User, list all other organizations which are related to the User by virtue of such persons having more than a 50% interest in such organizations.

NO

H. Is the User related to any other organization by reason of more than a 50% ownership? If so, indicate name of related organization and relationship:

NO

I. List parent corporation, sister corporations and subsidiaries:

N/A

- J. Has the User (or any related corporation or person) been involved in or benefited by any prior industrial development financing in the municipality in which this project is located, whether by this agency or another issuer? (Municipality herein means city, town or village, or if the project is not in an incorporated city, town or village, the unincorporated areas of the county in which it is located.) If so, explain in full:

NO

- K. List major bank references of the User:

JP MORGAN CHASE BANK

2. Owner Data

**** (for co-applicants for assistance or where a landlord/tenant relationship will exist between the owner and the user) ****

- A. Owner (together with the User, the "Applicant"): JASON RICHARD REALTY LLC

Address: 75 ONDERDONK AVENUE

RIDGEWOOD, NY 11385

Federal Employer ID #: [REDACTED] Website: _____

NAICS Code: 531120

Name of Owner Officer Certifying Application [REDACTED]

Title of Officer: [REDACTED]

Phone Number: [REDACTED] E-mail: [REDACTED]

- B. Business Type:

Sole Proprietorship ☒ Partnership ☐ Privately Held ☐

Public Corporation ☐ Listed on _____

State of Incorporation/Formation: _____

- C. Nature of Business:

(e.g., "manufacturer of _____ for _____ industry"; "distributor of _____"; or "real estate holding company")

REAL ESTATE HOLDING COMPANY

D. Are the User and the Owner Related Entities? Yes ☒ No ☐

i. If yes, the remainder of the questions in this Part I, Section 2 (with the exception of "F" below) need not be answered if answered for the Owner.

ii. If no, please complete all questions below.

E. Owner's Counsel:

Firm Name: _____

Address: _____

Individual Attorney: _____

Phone Number: _____ E-mail: _____

F. Principal Stockholders or Partners, if any (5% or more equity):

Name	Percent Owned
RICHARD STAIANO	51%
ROSE STAIANO	25%
JASON STAIANO	24%

G. Has the Owner, or any subsidiary or affiliate of the Owner, or any stockholder, partner, officer, director or other entity with which any of these individuals is or has been associated with:

i. ever filed for bankruptcy, been adjudicated bankrupt or placed in receivership or otherwise been or presently is the subject of any bankruptcy or similar proceeding? (if yes, please explain)

NO

ii. been convicted of a felony or criminal offense (other than a motor vehicle violation)? (if yes, please explain)

NO

- H. If any of the above persons (see "F", above) or a group of them, owns more than 50% interest in the Owner, list all other organizations which are related to the Owner by virtue of such persons having more than a 50% interest in such organizations.

N/A

- I. Is the Owner related to any other organization by reason of more than a 50% ownership? If so, indicate name of related organization and relationship:

N/A

- J. List parent corporation, sister corporations and subsidiaries:

N/A

- K. Has the Owner (or any related corporation or person) been involved in or benefited by any prior industrial development financing in the municipality in which this project is located, whether by this agency or another issuer? (Municipality herein means city, town or village, or if the project is not in an incorporated city, town or village, the unincorporated areas of the county in which it is located.) If so, explain in full:

N/A

- L. List major bank references of the Owner:

N/A

Part II – Operation at Current Location

1. Current Location Address: 75 Onderdonk Ave, Ridgewood, NY 11385
2. Owned or Leased: Owned
3. Describe your present location (acreage, square footage, number of buildings, number of floors, etc.):
66,000 sq feet first floor of one-level industrial building and 3000 sq foot second floor (office)

with 3 loading docks and one drive-in garage
4. Type of operation (manufacturing, wholesale, distribution, retail, etc.) and products and/or services:
Re-manufacturing of HVAC compressors and wholesale distribution of compressors and parts
5. Are other facilities or related companies of the Applicant located within the State?
Yes ☐ No ☒
 - A. If yes, list the Address:
6. If yes to above ("5"), will the completion of the project result in the removal of such facility or facilities from one area of the state to another OR in the abandonment of such facility or facilities located within the State? Yes ☒ No ☐
 - A. If no, explain how current facilities will be utilized:
 - B. If yes, please indicate whether the project is reasonably necessary for the Applicant to maintain its competitive position in its industry or remain in the State and explain in full:
It will help NCE expand its manufacturing base, maintain overhead costs and not to increase

the cost to the customer base. In addition, it will provide more space for future growth and

expansion.

7. Has the Applicant actively considered sites in another state? Yes ☒ No ☐

A. If yes, please list states considered and explain: Georgia and South Carolina

8. Is the requested financial assistance reasonably necessary to prevent the Applicant from moving out of New York State? Yes ☒ No ☐

A. Please explain: It will allow National Compressor Exchange to maintain NY presents, increase employment and expand customer base further on Long Island.

9. Number of full-time employees at current location and average salary: 44

Average salary \$45,000.00

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Part III – Project Data**1. Project Type:****A. What type of transaction are you seeking?: (Check one)**Straight Lease ☒ Taxable Bonds ☐ Tax-Exempt Bonds ☐Equipment Only Straight Lease ☐**B. Type of benefit(s) the Applicant is seeking: (Check all that apply)**Sales Tax Exemption ☒ Mortgage Recording Tax Exemption ☒Real Property Tax Abatement: ☒**2. Location of project:****A. Street Address:** 1900 New Highway Farmingdale NY 11735 & 5 Dubon Ct, Farmingdale NY 11735**B. Tax Map:** District 0100 Section 003.00 Block 01.00 Lot(s) 004.010
Tax Map # District 0100 Section 003.00 Block 01.00 Lot(s) 004.003**C. Municipal Jurisdiction:**

i. Village: _____

ii. School District: Half Hollow Hillsiii. Library: Half Hollow Hills**D. Acreage:** 2.68 + 1.49**3. Project Components (check all appropriate categories):****A. Construction of a new building** ☐ Yes ☒ No
i. Square footage: _____**B. Renovations of an existing building** ☒ Yes ☐ No
i. Square footage: 40,000**C. Demolition of an existing building** ☐ Yes ☒ No
i. Square footage: _____**D. Land to be cleared or disturbed** ☐ Yes ☒ No
i. Square footage/acreage: _____**E. Construction of addition to an existing building** ☐ Yes ☒ No
i. Square footage of addition: _____

ii. Total square footage upon completion: _____

F. Acquisition of an existing building ☒ Yes ☐ No
i. Square footage of existing building: 40,000 + 31,873

G. Installation of machinery and/or Equipment

☒ Yes☐ Noi. List principal items or categories of equipment to be acquired: curing ovens, electricalrewind machines, conveyors, steel over head beams and hoists, material handling equip, air compressor, and more4. Current Use at Proposed Location:

A. Does the Applicant currently hold fee title to the proposed location?

5 Dubon Ct. - Dubon Group, LLCi. If no, please list the present owner of the site: 1900 New Hwy. - Anchor Real Estate, LLCB. Present use of the proposed location: 1900 New Hwy. - R&D Data Center5 Dubon Ct. - Warehouse and distribution of flooring products.C. Is the proposed location currently subject to an IDA transaction (whether through this Agency or another?) ☒ Yes ☐ No Pertaining to 5 Dubon Ct.i. If yes, explain: Daejin America, Inc. / Dubon Group, LLC are party to a Babylon IDA PILOT Agmt

D. Is there a purchase contract for the site? (if yes, attach):

☒ Yes☐ No

E. Is there an existing or proposed lease for the site? (if yes, attach):

☐ Yes☒ No5. Proposed Use:A. Describe the specific operations of the Applicant or other users to be conducted at the project site: re-manufacturing of a/c compressors, rewinding of electric motors, machining of compressorcasting and parts.B. Proposed product lines and market demands: All makes of a/c compressors:Carlyle, Carrier, Trane, Copeland, York, Frascold, Bitzer, etc.

C. If any space is to be leased to third parties, indicate the tenant(s), total square footage of the project to be leased to each tenant, and the proposed use by each tenant:

1900 New Highway building is being purchased subject to an existing lease of approx 14,000 with approx 18 monthsremaining. NCE usage will be approx 26,000.

D. Need/purpose for project (e.g., why is it necessary, effect on Applicant's business):

to increase the customer base, maintain costs to customers, increase employment, increase productivity

E. Will any portion of the project be used for the making of retail sales to customers who personally visit the project location? Yes ☐ No ☒

- i. If yes, what percentage of the project location will be utilized in connection with the sale of retail goods and/or services to customers who personally visit the project location? _____

6. Project Work:**A. Has construction work on this project begun? If yes, complete the following:**

i. Site Clearance:	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	% Complete	_____
ii. Foundation:	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	% Complete	_____
iii. Footings:	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	% Complete	_____
iv. Steel:	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	% Complete	_____
v. Masonry:	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	% Complete	_____
vi. Other:	_____			

B. What is the current zoning? Industrial G**C. Will the project meet zoning requirements at the proposed location?**

Yes ☒ No ☐

D. If a variance or change of zoning is required, please provide the details/status of the variance or change of zone request:

N/A

E. Have site plans been submitted to the appropriate planning department? Yes ☐ No ☒

7. Project Completion Schedule:

A. What is the proposed commencement date for the acquisition and the construction/renovation/equipping of the project?

i. Acquisition: 12/1/21

ii. Construction/Renovation/Equipping: 9/15/22

B. Provide an accurate estimate of the time schedule to complete the project and when the first use of the project is expected to occur: _____

Purchase the building - Setup for equipment and electrical - Employees to start 4/15/22

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Part IV -- Project Costs and Financing**1. Project Costs:**

- A. Give an accurate estimate of cost necessary for the acquisition, construction, renovation, improvement and/or equipping of the project location:

<u>Description</u>	<u>Amount</u>
Land and/or building acquisition	\$ <u>8,500,000 + 6,150,000 = 14,650,000</u>
Building(s) demolition/construction	\$ <u>300,000</u>
Building renovation	\$ <u>250,000</u>
Site Work	\$ <u>50,000</u>
Machinery and Equipment	\$ <u>200,000</u>
Legal Fees	\$ <u>250,000</u>
Architectural/Engineering Fees	\$ <u>50,000</u>
Financial Charges	\$ _____
Other (Specify)	\$ _____
Total	\$ <u>15,750,000</u>

2. Method of Financing:

	<u>Amount</u>	<u>Term</u>
A. Tax-exempt bond financing:	\$ _____	_____ years
B. Taxable bond financing:	\$ _____	_____ years
C. Conventional Mortgage:	\$ <u>6,000,000</u>	<u>25</u> years
D. SBA (504) or other governmental financing:	\$ _____	_____ years
E. Public Sources (include sum of all State and federal grants and tax credits):	\$ _____	
F. Other loans:	\$ _____	_____ years
G. Owner/User equity contribution:	\$ <u>9,750,000</u>	_____ years

Total Project Costs \$ 15,750,000

- i. What percentage of the project costs will be financed from public sector sources?

0% _____

3. **Project Financing:** (**Complete only if Bond Financing is being utilized**)

- A. Have any of the above costs been paid or incurred (including contracts of sale or purchase orders) as of the date of this application? Yes ☐ No ☐

i. If yes, provide detail on a separate sheet.

- B. Are costs of working capital, moving expenses, work in progress, or stock in trade included in the proposed uses of bond proceeds? Give details:

- C. Will any of the funds borrowed through Agency Bonds be used to repay or refinance an existing mortgage or outstanding loan? Give details:

- D. Has the Applicant made any arrangements for the marketing or the purchase of the bond or bonds? If so, indicate with whom:

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Part V – Project Benefits**1. Mortgage Recording Tax Benefit:**

- A. Mortgage Amount for exemption (include sum total of construction/permanent/bridge financing):

\$ 6,000,000

- B. Estimated Mortgage Recording Tax Exemption (product of Mortgage Amount and current Mortgage Recording Tax Rate):

\$ 45,000

2. Sales and Use Tax Benefit:

- A. Gross amount of costs for goods and services that are subject to State and local Sales and Use Tax (such amount to benefit from the Agency's exemption):

\$ 750,000

- B. Estimated State and local Sales and Use Tax exemption (product of current State and Local Sales and Use Tax Rate and figure above):

\$ 64,688

- C. If your project has a landlord/tenant (owner/user) arrangement, please provide a breakdown of the number in "B" above:

i. Owner: \$ _____

ii. User: \$ _____

3. Real Property Tax Benefit:

- A. Identify and describe if the project will utilize a real property tax exemption benefit other than the Agency's PILOT benefit:

No

- B. Agency PILOT Benefit:

i. Term of PILOT requested: 12 years

- ii. Upon acceptance of this application, the Agency staff will create a PILOT schedule and indicate the estimated amount of PILOT Benefit based on anticipated tax rates and assessed valuation and attached such information to Exhibit A hereto. At such time, the Applicant will certify that it accepts the proposed PILOT schedule and requests such benefit to be granted by the Agency.

**** This application will not be deemed complete and final until Exhibit A hereto has been completed and executed. ****

Part VI – Employment Data

1. List the Applicant's and each users present employment, and estimates of (i) employment at the proposed project location at the end of year one and year two following project completion and (ii) the number of residents of the Labor Market Area* ("LMA") that would fill the full-time and part-time jobs at the end of year second year following completion:

	<u>Present</u>	<u>First Year</u>	<u>Second Year</u>	<u>Residents of LMA</u>
Full-Time	<u>0</u>	<u>35</u>	<u>45</u>	<u>25</u>
Part-Time**	<u>0</u>	<u>2</u>	<u>2</u>	<u>0</u>

* The Labor Market Area includes the Town of Babylon, Nassau and Suffolk Counties.

Full-Time Employee shall mean, with respect to an Annual Period, an individual on the payroll of, receiving customary benefits from, and directly employed during such Annual Period by, any Company Group Entity (and excluding any individuals employed by temporary employment or similar agencies) and each of whom works within the Town for any Company Group Entity during such Annual Period on a "full-time basis" (*i.e.*, working at least a 35-hour week, subject to customary vacation, holiday and sick leave).

****Agency converts Part-time staff to Full-Time Equivalent Employee** as follows, with respect to an Annual Period, two (2) individuals on the payroll of, receiving customary benefits from, and directly employed during such Annual Period by, any Company Group Entity (and excluding any individuals employed by temporary employment or similar agencies) and each of whom works within the Town for any Company Group Entity during such Annual Period on a "part-time basis" (*i.e.*, working at least a 20-hour week, subject to customary vacation, holiday and sick leave).

2. Salary and Fringe Benefits:

Category of Jobs to be Retained and Created	Number of Employees	Average Salary or Range of Salary	Average Fringe Benefits or Range of Fringe Benefits
Management	1	\$145,000	3% 401K Er; Up to \$2400/year Med.Ins.
Professional			
Administrative	11	\$85,000	3% 401K Er; Up to \$2400/year Med.Ins.
Production	27	\$40,000	3% 401K Er; Up to \$2400/year Med.Ins.
Supervisor	1	\$75,000.	3% 401K Er; Up to \$2400/year Med.Ins.
Laborer			
Other	1	\$40,000	3% 401K Er; Up to \$2400/year Med.Ins.

Note: The Agency reserves the right to visit the facility to confirm that job creation numbers are being met.

3. Annualized salary range of jobs to be created in the first two years (see question #1).

FROM \$ 35,000 TO \$ 45,000

4. List the number of *Construction jobs (if applicable) to be created by the Applicants Project.

	<u>First Year</u>	<u>Second Year</u>	<u>Third Year</u>
* Full-Time	_____	_____	_____
** Part-Time	_____	_____	_____

*Construction jobs are defined as full-time equivalents (FTE), or 2,080-hour units of labor (one construction period job equates to one full-time job for 1 year).

**A part-time or temporary job may be considered one job by other models, but would constitute only a fraction of a job. For example, if a laborer or craftsman worked only 3 months on a construction or renovation project (assuming no overtime), that would be considered one-quarter of a job.

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Part VII – Representations, Certifications and Indemnification

1. Is the Applicant in any litigation which would have a material adverse effect on the Applicant's financial condition? (if yes, furnish details on a separate sheet)

Yes ☐ No ☒

2. Has the Applicant or any of the management of the Applicant, the anticipated users or any of their affiliates, or any other concern with which such management has been connected, been cited for a violation of federal, state or local laws or regulations with respect to:

- a. Labor practices,
(with respect to workers and/or their working conditions and/or their wages, including but not limited to pending or threatened labor strikes, hand billing, consumer boycotts, mass demonstrations or other similar incidents; unfair labor practices complaints; incurred, or potentially incurred, liability including withdrawal liability with respect to an employee benefit plan, including a pension plan; any complaints, claims, proceedings or litigation arising from alleged discrimination in the hiring, firing, promoting, compensating or general treatment of employees. Please consider "discrimination" to include sexual harassment.)

Yes ☐ No ☒ (If yes, furnish details on a separate sheet)

- b. hazardous wastes, environmental pollution,

Yes ☐ No ☒ (If yes, furnish details on a separate sheet)

- c. other operating practices

Yes ☐ No ☒ (If yes, furnish details on a separate sheet)

3. Is there a likelihood that the Applicant would not proceed with this project without the Agency's assistance? (If yes, please explain why; if no, please explain why the Agency should grant the benefits requested)

Yes ☒ No ☐

To allow the company to remain in NY and be competitive as we have received a proposal from Georgia

with a very attractive package

4. If the Applicant is unable to obtain financial assistance from the Agency for the project, what would be the impact on the Applicant and on the municipality?

Without the incentives our overhead costs will increase, seek out of state assistances,

40 to 50 manufacturing jobs would be lost

5. The Applicant understands and agrees that the provisions of Section 862(1) of the New York General Municipal Law, as provided below, will not be violated if financial assistance is provided for the proposed project:

§ 862. Restrictions on funds of the agency. (1) No funds of the agency shall be used in respect of any project if the completion thereof would result in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state, provided, however, that neither restriction shall apply if the agency shall determine on the basis of the application before it that the project is reasonably necessary to discourage the project occupant from removing such other plant or facility to a location outside the state or is reasonably necessary to preserve the competitive position of the project occupant in its respective industry.

Initial 

6. The Applicant understands and agrees that in accordance with Section 858-b(2) of the General Municipal Law, except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the project will 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 project is located (collectively, the "Referral Agencies"). The Applicant also agrees, that it will, except as otherwise provided by collective bargaining contracts or agreements to which they are parties, 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

Initial 

7. The Applicant confirms and acknowledges that the owner, occupant, or operator receiving financial assistance for the proposed project is in substantial compliance with applicable local, state and federal tax, worker protection and environmental laws, rules and regulations.

Initial 


8. The Applicant confirms and acknowledges that the submission of any knowingly false or knowingly misleading information may lead to the immediate termination of any financial assistance and the reimbursement of an amount equal to all or part of any tax exemption claimed by reason of the Agency's involvement the Project.

Initial 


9. The Applicant confirms and hereby acknowledges that as of the date of this Application, the Applicant is in substantial compliance with all provisions of Article 18-A of the New York General Municipal Law, including, but not limited to, the provision of Section 859-a and Section 862(1) of the New York General Municipal Law.

Initial 

10. In accordance with Section 862(1) of the New York General Municipal Law the Applicant understands and agrees that projects which result in the removal of an industrial or manufacturing plant of the project occupant from one area of the State to another area of the State or in the abandonment of one or more plants or facilities of the project occupant within the State is ineligible for financial assistance from the Agency, unless otherwise approved by the Agency as reasonably necessary to preserve the competitive position of the project in its respective industry or to discourage the project occupant from removing such other plant or facility to a location outside the State.

Initial 

11. The Applicant represents and warrants that to the Applicant's knowledge neither it nor any of its affiliates, nor any of their respective partners, members, shareholders or other equity owners, and none of their respective employees, officers, directors, representatives or agents is, nor will they become a person or entity with who United States persons or entities are restricted from doing business under regulations of the Office of Foreign Asset Control (OFAC) of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons List or under any statute, executive order including the September 24, 2001, Executive Order Block Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism, or other governmental action and is not and will not assign or otherwise transfer this Agreement to, contract with or otherwise engage in any dealings or transactions or be otherwise associated with such persons or entities.

Initial 

Initial after receipt and acceptance of Schedule A and Schedule B

12. The Applicant confirms and hereby acknowledges it has received the Agency's fee schedule attached hereto as Schedule A and agrees to pay such fees, together with any expenses incurred by the Agency, including those of Transaction Counsel, with respect to the Facility. The Applicant agrees to pay such expenses and further agrees to indemnify the Agency, its members, directors, employees and agents and hold the Agency and such persons harmless against claims for losses, damage or injury or any expenses or damages incurred as a result of action taken by or on behalf of the Agency in good faith with respect to the project.

Initial 

13. The Applicant hereby agrees to comply with Section 875 of the General Municipal Law. The Company further agrees that the financial assistance granted to the project by the Agency is subject to recapture pursuant to Section 875 of the Act and the Agency's Recapture Policy, attached hereto as Schedule B.

Initial 

Part VIII – Submission of Materials

Please send under separate cover all information directly to Agency Counsel:

William F. Dudine, Partner
Katten Muchin Rosenman LLP
575 Madison Avenue
New York, NY 10022-2585

1. Financial statements for the last two fiscal years (unless included in the Applicant's annual report).
2. Applicant's annual reports (or 10-K's if publicly held) for the two most recent fiscal years.
3. Quarterly reports (form 10-Q's) and current reports (form 8-K's) since the most recent annual report, if any.
4. In addition, please attach the financial information described in items A, B, and C of any expected guarantor of the proposed bond issue.
5. Completed Long Environmental Assessment Form.
6. Most recent quarterly filing of NYS Department of Labor Form 45, as well as the most recent fourth quarter filing. Please **remove or redact any employee Social Security numbers** and note the full-time equivalency for part-time employees.

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Part IX - Certification

RICHARD STAIANO (name of representative of company submitting application)
 deposes and says that ~~he~~ or she is the PRESIDENT (title) of NATIONAL COMPRESSOR EXCHANGE
 the corporation (company name) named in the attached application; that he or she has read the foregoing INC
 application and knows the contents thereof; and that the same is true to his or her knowledge.

Deponent further says that s/he is duly authorized to make this certification on behalf of the entity named in the attached Application (the "Applicant") and to bind the Applicant. The grounds of deponent's belief relative to all matters in said Application which are not stated upon his/her personal knowledge are investigations which deponent has caused to be made concerning the subject matter this Application, as well as in formation acquired by deponent in the course of his/her duties in connection with said Applicant and from the books and papers of the Applicant.

As representative of the Applicant, deponent acknowledges and agrees that Applicant shall be and is responsible for all costs incurred by the Town of Babylon Industrial Development Agency (hereinafter referred to as the "Agency") in connection with this Application, the attendant negotiations and all matters relating to the provision of financial assistance to which this Application relates, whether or not ever carried to successful conclusion. If, for any reason whatsoever, the Applicant fails to conclude or consummate necessary negotiations or fails to act within a reasonable or specified period of time to take reasonable, proper, or requested action or withdraws, abandons, cancels or neglects the application or if the Applicant is unable to find buyers willing to purchase the total bond issue required, then upon presentation of invoice, Applicant shall pay to the Agency, its agents or assigns, all actual costs incurred with respect to the application, up to that date and time, including fees to bond or transaction counsel for the Agency and fees of general counsel for the Agency. Upon successful conclusion and sale of the transaction contemplated herein, the Applicant shall pay to the Agency an administrative fee set by the Agency in accordance with its fee schedule in effect on the date of the foregoing application, and all other appropriate fees, which amounts are payable at closing.


 Representative of Applicant

Sworn to me before this 20th
 Day of October, 2021
Deborah Weber
 (seal)

DEBORAH WEBER
 Notary Public, State of New York
 No. 01WE5002980
 Qualified in Queens County
 Commission Expires October 13, 2022


Part IX – Certification

Property Owner (if different from Applicant)

RICHARD STAIANO (name of representative of owner submitting application)
deposes and says that he or she is the MEMBER (title) of JASON RICHARD REALTY LLC
the corporation (company name) named in the attached application; that he or she has read the foregoing
application and knows the contents thereof; and that the same is true to his or her knowledge.

Deponent further says that s/he is duly authorized to make this certification on behalf of the entity
named in the attached Application (the "Applicant") and to bind the Applicant. The grounds of
deponent's belief relative to all matters in said Application which are not stated upon his/her personal
knowledge are investigations which deponent has caused to be made concerning the subject matter this
Application, as well as information acquired by deponent in the course of his/her duties in connection
with said Applicant and from the books and papers of the Applicant.

As representative of the Applicant, deponent acknowledges and agrees that Applicant shall be and is
responsible for all costs incurred by the Town of Babylon Industrial Development Agency (hereinafter
referred to as the "Agency") in connection with this Application, the attendant negotiations and all
matters relating to the provision of financial assistance to which this Application relates, whether or not
ever carried to successful conclusion. If, for any reason whatsoever, the Applicant fails to conclude or
consummate necessary negotiations or fails to act within a reasonable or specified period of time to take
reasonable, proper, or requested action or withdraws, abandons, cancels or neglects the application or if
the Applicant is unable to find buyers willing to purchase the total bond issue required, then upon
presentation of invoice, Applicant shall pay to the Agency, its agents or assigns, all actual costs incurred
with respect to the application, up to that date and time, including fees to bond or transaction counsel for
the Agency and fees of general counsel for the Agency. Upon successful conclusion and sale of the
transaction contemplated herein, the Applicant shall pay to the Agency an administrative fee set by the
Agency in accordance with its fee schedule in effect on the date of the foregoing application, and all
other appropriate fees, which amounts are payable at closing.


Representative of Applicant

Sworn to me before this 20th
Day of October, 2021
Deborah Weber
(seal)

DEBORAH WEBER
Notary Public, State of New York
No. 01WE5002980
Qualified in Queens County
Commission Expires October 13, 2022

EXHIBIT A

Proposed PILOT Schedule

Upon acceptance of the Application and completion of the Cost Benefit Analysis, the Agency will attach the proposed PILOT Schedule, together with the estimates of net exemptions based on estimated tax rates and assessment values to this Exhibit.

EXHIBIT A

Payments in Lieu of Taxes on the Land and the Buildings:

For the period commencing on the PILOT Commencement Date (hereinafter defined) until the Abatement Termination Date or (ii) the date on which the Agency no longer owns the Facility Realty, the Lessee shall make payment in lieu of real estate taxes (the "PILOT Payments"), as follows:

Definitions


- X = the then current assessed value of Facility Realty from time to time
- PILOT Commencement Date = the Taxable Status Date of the Town immediately following the date hereof.
- 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 Babylon (including any existing incorporated village or any village which may be or may have been incorporated after the date hereof, within which the Project is wholly or partially located) which are or may be imposed for special improvements or special district improvements, which the Lessee would pay without exemption.
- Tax Year = the Tax Year of the Town commencing each December 1 and ending the following November 30.

Payment

Tax Year

1	40.0% Normal Tax Due on X
2	45.0% Normal Tax Due on X
3	50.0% Normal Tax Due on X
4	55.0% Normal Tax Due on X
5	60.0% Normal Tax Due on X
6	65.0% Normal Tax Due on X
7	70.0% Normal Tax Due on X
8	75.0% Normal Tax Due on X
9	80.0% Normal Tax Due on X
10	85.0% Normal Tax Due on X
11	90.0% Normal Tax Due on X
12	95.0% Normal Tax Due on X
13 and thereafter	100% Normal Tax Due on X

The tax benefits provided for in this subsection shall be deemed to commence on the PILOT Commencement Date. In no event shall the Lessee be entitled to receive real property tax benefits due to the Project under this agreement for a period longer than the period set forth in the formula immediately above. Notwithstanding the foregoing schedule, the Lessee further covenants and agrees that for any period that the Agency continues to hold title to the Facility after termination, the Lessee shall pay 100% of the Normal Tax Due on X together with any special assessment and services charges relating to the Facility whichever may be imposed for special district improvements in accordance with the provisions of this Section.


08.20.21

Estimated Tax Savings for property with physical address of:

1900 New Highway 41410
 0100-003.00-01.00-004.010
 5 Dubon Court 34600
 0100-003.00-01.00-004.003

Farmingdale NY 11735 (HHH)

Assuming:

Assessed Value of: 76010

2020 -2021 Tax without Exemption 223,004

2020 -2021 Tax Rate of: 286.2189

Rate Increment of: 2.00%

PILOT number of years 12

Abatements starting at 60%

Num
ber
of
Year

s	Abatement %	PILOT %	Estimated Taxes To be Paid	Estimated Savings
1	60.0%	40.0%	\$ 95,940	\$ 135,750
2	55.0%	45.0%	109,287	126,950
3	50.0%	50.0%	123,163	117,700
4	45.0%	55.0%	137,522	108,050
5	40.0%	60.0%	152,407	97,950
6	35.0%	65.0%	167,835	87,400
7	30.0%	70.0%	183,821	76,450
8	25.0%	75.0%	200,381	64,950
9	20.0%	80.0%	217,533	53,000
10	15.0%	85.0%	235,293	40,550
11	10.0%	90.0%	253,678	27,600
12	5.0%	95.0%	272,707	14,050

Estimate Taxes to be paid \$ 2,149,567

Estimated Savings \$ 950,400

SCHEDULE A

Agency's Fee Schedule

SCHEDULE A

Agency's Fee Schedule

Application 10/20/2021

National Compressor Exchange, Inc.

1900 New Highway
0100-003.00-01.00-004.010

5 Dubon Court
0100-003.00-01.00-004.003

Farmingdale, NY 11735 (HHH SD)

Application Fee \$ 1,500

Estimated Public Hearing Notice \$ 1,000

Straight lease

1.25% of Hard costs + 1% of Est savings

Acquisition	14,650,000	1.25%	\$ 183,125
Building Demo/Const.	300,000	1.25%	3,750
Renovation	250,000	1.25%	3,125
Site Work	50,000	1.25%	625
Machinery & Equip	200,000	1.25%	2,500
Arch. / Engineering	50,000	1.25%	625
Soft Costs	250,000		

Project Cost pg 14 15,750,000

Estimated Savings 1% 10,600

Estimated Closing fee \$ 204,350 \$ 204,350

Total Estimated Fees \$ 206,850

Estimated Savings

Est PILOT		12@60	950,400
Est Mtg Rec	pg 16	6,000,000	0.75 45,000
Est Sales Tax	pg 16	750,000	0.08625 64,688
Estimated Savings			<u>1,060,088</u>
1% of Estimated Savings			10600

Applicant is responsible for all legal fees at closing, which include both local and project counsel.
Legal fees can generally range from \$25,000 to \$45,000 depending upon the size and complexity of the project.

SCHEDULE B

Agency's Recapture Policy

SCHEDULE B

Recapture of Agency Benefits. It is understood and agreed by the parties to this Agreement that the Agency is entering into this Agreement in order to provide financial assistance to the Lessee for the Project and to accomplish the public purposes of the Act. In consideration therefor, the Lessee hereby agrees as follows:

(a)(i) If there shall occur a Recapture Event after the date hereof, the Lessee or the Sublessee shall pay to the Agency as a return of public benefits conferred by the Agency, the following amounts:

(A) one hundred per cent (100%) of the Benefits (as defined below) if the Recapture Event occurs within the first (4) years after the date hereof;

(B) eighty per cent (80%) of the Benefits if the Recapture Event occurs during the fifth (5th) year after the date hereof;

(C) sixty per cent (60%) of the Benefits if the Recapture Event occurs during the sixth (6th) year after the date hereof;

(D) forty per cent (40%) of the Benefits if the Recapture Event occurs during the seventh (7th) year after the date hereof; or

(E) twenty per cent (20%) of the Benefits if the Recapture Event occurs during the eighth (8th) year after the date hereof.

As used in this Section, the term "**Benefits**" shall mean, collectively:

(1) all real estate tax benefits which have accrued to the benefit of the Lessee or the Sublessee commencing from and after the "Commencement Date", and during the period of time that the Agency is the owner of the Facility, such tax benefits to be computed by subtracting the payments in lieu of taxes paid hereof from those payments which the Lessee or the Sublessee would have been required to pay during the term of this Agreement had the Town determined the amount of such real estate taxes as would be due if the Lessee had been the owner of the Facility Realty during such term; and

(2) all miscellaneous benefits derived from the Agency's participation in the straight-lease transaction contemplated by this Agreement, including, but not limited to, any exemption from any applicable state or local sales and use tax, mortgage recording tax and filing and recording fees accruing from and after the date hereof.


08.20.21

As used in this Section, the term "**Recapture Event**" shall mean any of the following events:

- (1) The Lessee or the Sublessee shall have liquidated its operations and/or assets (absent a showing of extreme hardship);
- (2) The Lessee or the Sublessee shall have ceased all or substantially all of its operations at the Facility (whether by relocation to another facility or otherwise, or whether to another facility either within or outside of the Town) through no force majeure event;
- (3) The Lessee or the Sublessee shall have transferred all or substantially all of its employees within the Town to a location outside of the Town through no force majeure event;
- (4) The Lessee or the Sublessee shall have subleased all or any portion of the Facility in violation of the limitations imposed hereof, without the prior written consent of the Agency;
- (5) The Lessee or the Sublessee shall have sold, leased, transferred or otherwise disposed of all or substantially all of its interest in the Facility; or
- (6) Base Employment Reduction Percentage shall be greater than fifteen percent (15%) due to a Relocation Reduction occurring with respect to an Annual Period.

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 substantially all of the Facility, or (ii) the inability at law of the Lessee to rebuild, repair, restore or replace the Facility after the occurrence of a Loss Event 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 Lessee or any Affiliate.

(b) The Lessee covenants and agrees to furnish the Agency with written notification upon any Recapture Event or disposition of the Facility or any portion thereof made within twelve (12) years of the Commencement Date, which notification shall set forth the terms of such Recapture Event and/or disposition.

(c) In the event any payment owing by the Lessee or the Sublessee under this Section shall not be paid on demand by the Lessee or the Sublessee, such payment shall bear interest from the date of such demand at the then current interest rate imposed on delinquent payments of real property taxes until the Lessee or the Sublessee shall have paid such payment in full, together with such accrued interest to the date of payment, to the Agency.

(d) The Agency, in its sole discretion, may waive all or any portion of any payment owing by the Lessee or the Sublessee under this Section.

(e) The provisions of this Section shall survive the termination of this Agreement for any reason whatsoever, notwithstanding any provision of this Agreement to the contrary.


08.20.21

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Appendix B
Short Environmental Assessment Form

Instructions for Completing

Part 1 - Project Information. The applicant or project sponsor is responsible for the completion of Part 1. Responses become part of the application for approval or funding, are subject to public review, and may be subject to further verification. Complete Part 1 based on information currently available. If additional research or investigation would be needed to fully respond to any item, please answer as thoroughly as possible based on current information.

Complete all items in Part 1. You may also provide any additional information which you believe will be needed by or useful to the lead agency; attach additional pages as necessary to supplement any item.

Part 1 - Project and Sponsor Information			
Name of Action or Project: National Compressor Exchange, Inc			
Project Location (describe, and attach a location map): 1900 New Highway Farmingdale			
Brief Description of Proposed Action: Purchase of a 40,000 sq ft existing building with the possibility of expanding the current facility and renovate.			
Name of Applicant or Sponsor: Richard Staiano		Telephone: E-Mail: jrs@nationalcompression.com	
Address: 75 Onderdonk Ave,			
City/PO: Ridgewood		State: N Y	Zip Code: 11385
1. Does the proposed action only involve the legislative adoption of a plan, local law, ordinance, administrative rule, or regulation? If Yes, attach a narrative description of the intent of the proposed action and the environmental resources that may be affected in the municipality and proceed to Part 2. If no, continue to question 2.			NO YES ✓
2. Does the proposed action require a permit, approval or funding from any other governmental Agency? If Yes, list agency(s) name and permit or approval:			NO YES ✓
3.a. Total acreage of the site of the proposed action?		2.68 acres	
b. Total acreage to be physically disturbed?		0 acres	
c. Total acreage (project site and any contiguous properties) owned or controlled by the applicant or project sponsor?		4.68 acres	
4. Check all land uses that occur on, adjoining and near the proposed action. <input type="checkbox"/> Urban <input type="checkbox"/> Rural (non-agriculture) <input checked="" type="checkbox"/> Industrial <input type="checkbox"/> Commercial <input type="checkbox"/> Residential (suburban) <input type="checkbox"/> Forest <input type="checkbox"/> Agriculture <input type="checkbox"/> Aquatic <input type="checkbox"/> Other (specify): _____ <input type="checkbox"/> Parkland			

5. Is the proposed action, a. A permitted use under the zoning regulations?	NO	YES	N/A
b. Consistent with the adopted comprehensive plan?		✓	
6. Is the proposed action consistent with the predominant character of the existing built or natural landscape?	NO	YES	
		✓	
7. Is the site of the proposed action located in, or does it adjoin, a state listed Critical Environmental Area? If Yes, identify: _____	NO	YES	
	✓		
8. a. Will the proposed action result in a substantial increase in traffic above present levels?	NO	YES	
	✓		
b. Are public transportation service(s) available at or near the site of the proposed action?		✓	
c. Are any pedestrian accommodations or bicycle routes available on or near site of the proposed action?	✓		
9. Does the proposed action meet or exceed the state energy code requirements? If the proposed action will exceed requirements, describe design features and technologies: _____	NO	YES	
		✓	
10. Will the proposed action connect to an existing public/private water supply? [If Yes, does the existing system have capacity to provide service? <input type="checkbox"/> NO <input checked="" type="checkbox"/> YES] If No, describe method for providing potable water: _____	NO	YES	
		✓	
11. Will the proposed action connect to existing wastewater utilities? [If Yes, does the existing system have capacity to provide service? <input type="checkbox"/> NO <input checked="" type="checkbox"/> YES] If No, describe method for providing wastewater treatment: _____	NO	YES	
		✓	
12. a. Does the site contain a structure that is listed on either the State or National Register of Historic Places?	NO	YES	
	✓		
b. Is the proposed action located in an archeological sensitive area?		✓	
13. a. Does any portion of the site of the proposed action, or lands adjoining the proposed action, contain wetlands or other waterbodies regulated by a federal, state or local agency?	NO	YES	
	✓		
b. Would the proposed action physically alter, or encroach into, any existing wetland or waterbody? If Yes, identify the wetland or waterbody and extent of alterations in square feet or acres: _____			
14. Identify the typical habitat types that occur on, or are likely to be found on the project site. Check all that apply: <input type="checkbox"/> Shoreline <input type="checkbox"/> Forest <input type="checkbox"/> Agricultural/grasslands <input type="checkbox"/> Early mid-successional <input type="checkbox"/> Wetland <input type="checkbox"/> Urban <input checked="" type="checkbox"/> Suburban			
15. Does the site of the proposed action contain any species of animal, or associated habitats, listed by the State or Federal government as threatened or endangered?	NO	YES	
	✓		
16. Is the project site located in the 100 year flood plain?	NO	YES	
	✓		
17. Will the proposed action create storm water discharge, either from point or non-point sources? If Yes, a. Will storm water discharges flow to adjacent properties? <input type="checkbox"/> NO <input checked="" type="checkbox"/> YES b. Will storm water discharges be directed to established conveyance systems (runoff and storm drains)? If Yes, briefly describe: _____ on site dry wells _____	NO	YES	
	✓		
		✓	

18. Does the proposed action include construction or other activities that result in the impoundment of water or other liquids (e.g. retention pond, waste lagoon, dam)? If Yes, explain purpose and size: _____	NO	YES
19. Has the site of the proposed action or an adjoining property been the location of an active or closed solid waste management facility? If Yes, describe: _____	NO	YES
20. Has the site of the proposed action or an adjoining property been the subject of remediation (ongoing or completed) for hazardous waste? If Yes, describe: _____	NO	YES

I AFFIRM THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND ACCURATE TO THE BEST OF MY KNOWLEDGE

Applicant/sponsor name: RICHARD STAIANO Date: 08/12/2024

Signature: [Signature]

Part 2 - Impact Assessment. The Lead Agency is responsible for the completion of Part 2. Answer all of the following questions in Part 2 using the information contained in Part 1 and other materials submitted by the project sponsor or otherwise available to the reviewer. When answering the questions the reviewer should be guided by the concept "Have my responses been reasonable considering the scale and context of the proposed action?"

	No, or small impact may occur	Moderate to large impact may occur
1. Will the proposed action create a material conflict with an adopted land use plan or zoning regulations?		
2. Will the proposed action result in a change in the use or intensity of use of land?		
3. Will the proposed action impair the character or quality of the existing community?		
4. Will the proposed action have an impact on the environmental characteristics that caused the establishment of a Critical Environmental Area (CEA)?		
5. Will the proposed action result in an adverse change in the existing level of traffic or affect existing infrastructure for mass transit, biking or walkway?		
6. Will the proposed action cause an increase in the use of energy and it fails to incorporate reasonably available energy conservation or renewable energy opportunities?		
7. Will the proposed action impact existing: <ul style="list-style-type: none"> a. public / private water supplies? b. public / private wastewater treatment utilities? 		
8. Will the proposed action impair the character or quality of important historic, archaeological, architectural or aesthetic resources?		
9. Will the proposed action result in an adverse change to natural resources (e.g., wetlands, waterbodies, groundwater, air quality, flora and fauna)?		

	No, or small impact may occur	Moderate to large impact may occur
10. Will the proposed action result in an increase in the potential for erosion, flooding or drainage problems?		
11. Will the proposed action create a hazard to environmental resources or human health?		

Part 3 - Determination of significance. The Lead Agency is responsible for the completion of Part 3. For every question in Part 2 that was answered "moderate to large impact may occur", or if there is a need to explain why a particular element of the proposed action may or will not result in a significant adverse environmental impact, please complete Part 3. Part 3 should, in sufficient detail, identify the impact, including any measures or design elements that have been included by the project sponsor to avoid or reduce impacts. Part 3 should also explain how the lead agency determined that the impact may or will not be significant. Each potential impact should be assessed considering its setting, probability of occurring, duration, irreversibility, geographic scope and magnitude. Also consider the potential for short-term, long-term and cumulative impacts.

<input type="checkbox"/> Check this box if you have determined, based on the information and analysis above, and any supporting documentation, that the proposed action may result in one or more potentially large or significant adverse impacts and an environmental impact statement is required.	
<input type="checkbox"/> Check this box if you have determined, based on the information and analysis above, and any supporting documentation, that the proposed action will not result in any significant adverse environmental impacts.	
_____ Name of Lead Agency	_____ Date
_____ Print or Type Name of Responsible Officer in Lead Agency	_____ Title of Responsible Officer
_____ Signature of Responsible Officer in Lead Agency	_____ Signature of Preparer (if different from Responsible Officer)

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Appendix B
Short Environmental Assessment Form

Instructions for Completing

Part 1 - Project Information. The applicant or project sponsor is responsible for the completion of Part 1. Responses become part of the application for approval or funding, are subject to public review, and may be subject to further verification. Complete Part 1 based on information currently available. If additional research or investigation would be needed to fully respond to any item, please answer as thoroughly as possible based on current information.

Complete all items in Part 1. You may also provide any additional information which you believe will be needed by or useful to the lead agency; attach additional pages as necessary to supplement any item.

Part 1 - Project and Sponsor Information							
Name of Action or Project: National Compressor Exchange, Inc.							
Project Location (describe, and attach a location map): 5 Dubon Ct. Farmingdale NY 11735							
Brief Description of Proposed Action: Purchase an existing 31,783 sqft industrial building. Relocate from Queens, NY.							
Name of Applicant or Sponsor: Richard Staiano		Telephone: E-Mail: RLS@nationalcompressor.com					
Address: 75 Onderdonk Ave.							
City/PO: Ridgewood		State: NY	Zip Code: 11385				
1. Does the proposed action only involve the legislative adoption of a plan, local law, ordinance, administrative rule, or regulation? If Yes, attach a narrative description of the intent of the proposed action and the environmental resources that may be affected in the municipality and proceed to Part 2. If no, continue to question 2.			<table border="1" style="width: 100%; border-collapse: collapse;"><tr><td style="width: 50%; text-align: center;">NO</td><td style="width: 50%; text-align: center;">YES</td></tr><tr><td style="text-align: center;">✓</td><td></td></tr></table>	NO	YES	✓	
NO	YES						
✓							
2. Does the proposed action require a permit, approval or funding from any other governmental Agency? If Yes, list agency(s) name and permit or approval:			<table border="1" style="width: 100%; border-collapse: collapse;"><tr><td style="width: 50%; text-align: center;">NO</td><td style="width: 50%; text-align: center;">YES</td></tr><tr><td style="text-align: center;">✓</td><td></td></tr></table>	NO	YES	✓	
NO	YES						
✓							
3.a. Total acreage of the site of the proposed action? 1.5 _____ acres							
b. Total acreage to be physically disturbed? 0 _____ acres							
c. Total acreage (project site and any contiguous properties) owned or controlled by the applicant or project sponsor? 0 _____ acres							
4. Check all land uses that occur on, adjoining and near the proposed action. <div style="display: flex; flex-wrap: wrap;"><div style="width: 50%;"><input type="checkbox"/> Urban <input type="checkbox"/> Rural (non-agriculture)</div><div style="width: 50%;"><input type="checkbox"/> Industrial <input type="checkbox"/> Commercial <input type="checkbox"/> Residential (suburban)</div><div style="width: 50%;"><input type="checkbox"/> Forest <input type="checkbox"/> Agriculture</div><div style="width: 50%;"><input type="checkbox"/> Aquatic <input type="checkbox"/> Other (specify): _____</div><div style="width: 50%;"><input type="checkbox"/> Parkland</div></div>							

5. Is the proposed action, a. A permitted use under the zoning regulations?	NO	YES	N/A
b. Consistent with the adopted comprehensive plan?		✓	
6. Is the proposed action consistent with the predominant character of the existing built or natural landscape?		NO	YES
			✓
7. Is the site of the proposed action located in, or does it adjoin, a state listed Critical Environmental Area? If Yes, identify: _____	NO	YES	
	✓		
8. a. Will the proposed action result in a substantial increase in traffic above present levels?	NO	YES	
	✓		
b. Are public transportation service(s) available at or near the site of the proposed action?			✓
c. Are any pedestrian accommodations or bicycle routes available on or near site of the proposed action?	✓		
9. Does the proposed action meet or exceed the state energy code requirements? If the proposed action will exceed requirements, describe design features and technologies: _____	NO	YES	
			✓
10. Will the proposed action connect to an existing public/private water supply? [If Yes, does the existing system have capacity to provide service? <input type="checkbox"/> NO <input checked="" type="checkbox"/> YES] If No, describe method for providing potable water: _____	NO	YES	
			✓
11. Will the proposed action connect to existing wastewater utilities? [If Yes, does the existing system have capacity to provide service? <input type="checkbox"/> NO <input checked="" type="checkbox"/> YES] If No, describe method for providing wastewater treatment: _____	NO	YES	
			✓
12. a. Does the site contain a structure that is listed on either the State or National Register of Historic Places?	NO	YES	
	✓		
b. Is the proposed action located in an archeological sensitive area?			✓
13. a. Does any portion of the site of the proposed action, or lands adjoining the proposed action, contain wetlands or other waterbodies regulated by a federal, state or local agency?	NO	YES	
	✓		
b. Would the proposed action physically alter, or encroach into, any existing wetland or waterbody? If Yes, identify the wetland or waterbody and extent of alterations in square feet or acres: _____			✓
14. Identify the typical habitat types that occur on, or are likely to be found on the project site. Check all that apply: <input type="checkbox"/> Shoreline <input type="checkbox"/> Forest <input type="checkbox"/> Agricultural/grasslands <input type="checkbox"/> Early mid-successional <input type="checkbox"/> Wetland <input type="checkbox"/> Urban <input type="checkbox"/> Suburban			
15. Does the site of the proposed action contain any species of animal, or associated habitats, listed by the State or Federal government as threatened or endangered?	NO	YES	
	✓		
16. Is the project site located in the 100 year flood plain?	NO	YES	
	✓		
17. Will the proposed action create storm water discharge, either from point or non-point sources? If Yes, a. Will storm water discharges flow to adjacent properties? <input checked="" type="checkbox"/> NO <input type="checkbox"/> YES b. Will storm water discharges be directed to established conveyance systems (runoff and storm drains)? If Yes, briefly describe: _____ Dry wells on site. <input type="checkbox"/> NO <input checked="" type="checkbox"/> YES	NO	YES	
	✓		

18. Does the proposed action include construction or other activities that result in the impoundment of water or other liquids (e.g. retention pond, waste lagoon, dam)? If Yes, explain purpose and size: _____	NO ✓	YES
19. Has the site of the proposed action or an adjoining property been the location of an active or closed solid waste management facility? If Yes, describe: _____	NO ✓	YES
20. Has the site of the proposed action or an adjoining property been the subject of remediation (ongoing or completed) for hazardous waste? If Yes, describe: _____	NO ✓	YES
I AFFIRM THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND ACCURATE TO THE BEST OF MY KNOWLEDGE Applicant/sponsor name: <u>RICHARD STAIANO</u> Date: <u>10/22/21</u> Signature: <u>[Signature]</u>		

Part 2 - Impact Assessment. The Lead Agency is responsible for the completion of Part 2. Answer all of the following questions in Part 2 using the information contained in Part 1 and other materials submitted by the project sponsor or otherwise available to the reviewer. When answering the questions the reviewer should be guided by the concept "Have my responses been reasonable considering the scale and context of the proposed action?"

	No, or small impact may occur	Moderate to large impact may occur
1. Will the proposed action create a material conflict with an adopted land use plan or zoning regulations?		
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4. Will the proposed action have an impact on the environmental characteristics that caused the establishment of a Critical Environmental Area (CEA)?		
5. Will the proposed action result in an adverse change in the existing level of traffic or affect existing infrastructure for mass transit, biking or walkway?		
6. Will the proposed action cause an increase in the use of energy and it fails to incorporate reasonably available energy conservation or renewable energy opportunities?		
7. Will the proposed action impact existing: a. public / private water supplies? b. public / private wastewater treatment utilities?		
8. Will the proposed action impair the character or quality of important historic, archaeological, architectural or aesthetic resources?		
9. Will the proposed action result in an adverse change to natural resources (e.g., wetlands, waterbodies, groundwater, air quality, flora and fauna)?		

	No, or small impact may occur	Moderate to large impact may occur
10. Will the proposed action result in an increase in the potential for erosion, flooding or drainage problems?		
11. Will the proposed action create a hazard to environmental resources or human health?		

Part 3 - Determination of significance. The Lead Agency is responsible for the completion of Part 3. For every question in Part 2 that was answered "moderate to large impact may occur", or if there is a need to explain why a particular element of the proposed action may or will not result in a significant adverse environmental impact, please complete Part 3. Part 3 should, in sufficient detail, identify the impact, including any measures or design elements that have been included by the project sponsor to avoid or reduce impacts. Part 3 should also explain how the lead agency determined that the impact may or will not be significant. Each potential impact should be assessed considering its setting, probability of occurring, duration, irreversibility, geographic scope and magnitude. Also consider the potential for short-term, long-term and cumulative impacts.

- ☐ Check this box if you have determined, based on the information and analysis above, and any supporting documentation, that the proposed action may result in one or more potentially large or significant adverse impacts and an environmental impact statement is required.
- ☐ Check this box if you have determined, based on the information and analysis above, and any supporting documentation, that the proposed action will not result in any significant adverse environmental impacts.

_____ Name of Lead Agency	_____ Date
_____ Print or Type Name of Responsible Officer in Lead Agency	_____ Title of Responsible Officer
_____ Signature of Responsible Officer in Lead Agency	_____ Signature of Preparer (if different from Responsible Officer)

Contract of Sale—Office, Commercial and Multi-Family Residential Premises

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CONTRACT dated the . day of , 2021.

Between

ANCHOR REAL ESTATE PROPERTIES LTD.

Address:

1900 NEW HIGHWAY, FARMINGDALE, NY 11735

("Seller") and

JASON RICHARD REALTY LLC OR AN ENTITY TO BE FORMED IN WHICH JASON RICHARD REALTY LLC IS THE SOLE MEMBER

Address:

("Purchaser").

Seller and Purchaser hereby covenant and agree as follows:

Schedule A DESCRIPTION OF PREMISES

The Premises are located at or known as:

Street Address: 1900 NEW HIGHWAY and 2 DUBOV CT.

City: FARMINGDALE State: NY Zip: 11735

Tax Map Designation: Section: 003.00 Block: 01.00 Lot: 004 0:0

☒ metes and bounds description attached hereto)

Schedule B PERMITTED EXCEPTIONS

1. Zoning regulations and ordinances which are not violated by the existing structures or present use thereof and which do not render title unmarketable.
2. Consents by the Seller or any former owner of the Premises for the erection of any structure or structures on, under or above any street or streets on which the Premises may abut.
3. The Existing Mortgage(s) and financing statements, assignments of leases and other collateral assignments ancillary thereto.
4. Leases and Tenancies specified in the Rent Schedule and any new leases or tenancies not prohibited by this contract.
5. Unpaid installments of assessments not due and payable on or before the Closing Date.
6. Financing statements, chattel mortgages and liens on personalty filed more than 5 years prior to the Closing Date and not removed, or filed against property or equipment no longer located on the Premises or owned by Tenants.
7. (a) Rights of utility companies to lay, maintain install and repair pipes, lines, poles, conduits, cable boxes and related equipment on, over and under the Premises, provided that none of such rights imposes any monetary obligation on the owner of the Premises.
(b) Encroachments of stoops, areas, collar steps, trim cornices, lintels, window sills, awnings, canopies, ledges, fences, hedges, coping and retaining walls projecting from the Premises over any street or highway or over any adjoining property and encroachments of similar elements projecting from adjoining property over the Premises.
(c) Revocability or lack of right to maintain vaults, coal chutes, excavations or sub-surface equipment beyond the line of the Premises.
(d) Any state of facts that an accurate survey would disclose, provided that such facts do not render title unmarketable. For the purposes of this contract, none of the facts shown on the survey, if any, identified below shall be deemed to render title unmarketable, and Purchaser shall accept title subject thereto

Schedule C PURCHASE PRICE

The Purchase Price shall be paid as follows:

- (a) By check subject to collection, the receipt of which is hereby acknowledged by Seller: \$425,000.00
(b) By check or checks delivered to Seller at the Closing in accordance with the provisions of §2.02: \$8,075,000.00
(c) By acceptance of title subject to the following Existing Mortgage(s): \$N/A
(d) By execution and delivery to Seller by Purchaser or its assignee of a note secured by a Purchase Money Mortgage on the Premises, in the sum of \$N/A payable as follows:

Interest Rate: N/A Term: N/A Monthly payment: N/A Prep. Fee: N/A Other provisions: N/A
Making for a total Purchase Price of:

\$N/A
\$8,500,000.00

Schedule D
MISCELLANEOUS

1. Title insurer designated by the parties (§1.02): **CORNERSTONE LAND ABSTRACT LLC. as agent for AMTRUST TITLE INSURANCE COMPANY**
2. Last date for consent by Existing Mortgagee(s) (§2.03(b)): N/A
3. Maximum Interest Rate of any Refinanced Mortgage (§2.04(b)): N/A
4. Prepayment Date on or after which Purchase Money Mortgage may be prepaid (§2.04(c)): N/A
5. Seller's tax ID Nos (§2.05) #1: #2: #3: #4:
6. Buyer's tax ID Nos (§2.05) #1: #2: #3: #4:
7. Scheduled time and date of Closing (§3.01): Date: on or about October 15, 2021 Time: o'clock.
8. Place of Closing (§3.01): LAW OFFICE OF VICTOR A. EMANUELO, 500 BiCounty Blvd, Suite 204 Farmingdale, NY
11735 **or offices of lender or lender's attorney in the event Purchaser obtains financing**
9. Assessed valuation of Premises (§4.10):
10. Fiscal year and annual real estate taxes on Premises (§4.10): Fiscal Year: 12/1-11/30 Annual Taxes: \$121,381.11
11. Tax abatements or exemptions affecting Premises (§4.10): **NONE**
12. Assessments on Premises (§4.13): **NONE**
13. Maximum Amount which Seller must spend to cure violations, etc. (§7.02): ~~\$5,000.00~~ **\$50,000.00**
14. Maximum Expense of Seller to cure title defects, etc. (§13.02): ~~\$5,000.00~~ **\$50,000.00** } **cumulative**
15. Broker, if any (§14.01): RICHLAND PARK ASSOC. INC.
16. Party to pay broker's commission (§14.01): **SEILER**
17. Address for notices (§15.01):
If to Seller:
ANCHOR REAL ESTATE PROPERTIES LTD.
1900 NEW HIGHWAY
FARMINGDALE, NY 11735
Att: Mark Schenker email: mark@anchormp.com
with a copy to: LAW OFFICE OF VICTOR A. EMANUELO
500 BI-COUNTY BLVD., STE. 204
FARMINGDALE, NY 11735 email: vic@velawoffice.com
- If to Purchaser:
NATIONAL COMPRESSION OR AN ENTITY TO BE FORMED

with a copy to: EVANGELOS MIHOS, ESQ.
1010 NORTHERN BLVD., SUITE 304
GREAT NECK, NY 11021
email: evangelos.mihos@mihoslaw.com
18. Limitation Date for actions based on Seller's surviving representations and other obligations (§16.01): **NONE**
19. Additional Schedules or Riders (§17.08): **SEE ATTACHED RIDER**

Schedule E
RENT SCHEDULE

☐ if more than four tenants, check, and annex a rent schedule rider hereto; otherwise, enter information below)

Name	Apt. No.	Rent	Due	Security
NY STATE SOLAR, LLC		\$19,226.67	1 st of the Month	\$37,333.34

(Signature)

Section 1. Sale of Premises and Acceptable Title

§1.01. Seller shall sell to Purchaser, and Purchaser shall purchase from Seller, at the price and upon the terms and conditions set forth in this contract:

(a) the parcel of land more particularly described in Schedule A attached hereto ("Land"); (b) all buildings and improvement situated on the Land (collectively, "Building");

(c) all right, title and interest of Seller, if any, in and to the land lying in the bed of any street or highway in front of or adjoining the Land to the center line thereof and to any unpaid award for any taking by condemnation or any damage to the Land by reason of a change of grade of any street or highway;

(d) the appurtenances and all the estate and rights of Seller in and to the Land and Building; and

(e) all right, title and interest of Seller, if any, in and to the fixtures, equipment and other personal property attached or appurtenant to the Building (collectively, "Premises"). The Premises are located at or known as Street Address: 1900 NEW HIGHWAY and 2 DUBON CT. City: FARMINGDALE State: NY Zip: 11735 Tax Map Designation: Section: 003.00 Block: 01.00 Lot: 004.010

§1.02. Seller shall convey and Purchaser shall accept fee simple title to the Premises in accordance with the terms of this contract, subject only to:

(a) the matters set forth in Schedule B attached hereto (collectively, "Permitted Exceptions"); and

(b) such other matters as (i) the title insurer specified in Schedule D attached hereto (or if none is so specified, then any member of the New York Board of Title Underwriters) shall be willing, without special premium, to omit as exceptions to coverage or to except with insurance against collection out of or enforcement against the Premises and (ii) shall be accepted by any lender described in Section 274-a of the Real Property Law ("Institutional Lender") which has committed in writing to provide mortgage financing to Purchaser for the purchase of the Premises ("Purchaser's Institutional Lender"), except that if such acceptance by Purchaser's Institutional Lender is unreasonably withheld or delayed, such acceptance shall be deemed to have been given.

Section 2. Purchase Price, Acceptable Funds, Existing Mortgages, Purchase Money Mortgage and Escrow of Down payment

§2.01. The purchase price ("Purchase Price") to be paid by Purchaser to Seller for the Premises as provided in Schedule C attached hereto is \$8,500,000.00

§2.02. All monies payable under this contract, unless otherwise specified in this contract, shall be paid by:

(a) certified checks of Purchaser or any person making a purchase money loan to Purchaser drawn on any bank, savings bank, trust company or savings and loan association having a banking office in the State of New York or

(b) official bank checks drawn by any such banking institution, payable to the order of Seller, except that uncashed checks of Purchaser payable to the order of Seller up to the amount of one-half of one percent of the Purchase Price shall be acceptable for sums payable to Seller at the Closing.

§2.03. (a) If Schedule C provides for the acceptance of title by Purchaser subject to one or more existing mortgages (collectively, "Existing Mortgage(s)"), the amounts specified

in Schedule C with reference thereto may be approximate. If at the Closing the aggregate principal amount of the Existing Mortgage(s), as reduced by payments required there under prior to the Closing, is less than the aggregate amount of the Existing Mortgage(s) as specified in Schedule C, the difference shall be added to the monies payable at the Closing, unless otherwise expressly provided herein.

(b) If any of the documents constituting the Existing Mortgage(s) or the note(s) secured thereby prohibits or restricts the conveyance of the Premises or any part thereof without the prior consent of the holder or holders thereof ("Mortgagee(s)") or confers upon the Mortgagee(s) the right to accelerate payment of the indebtedness or to change the terms of the Existing Mortgage(s) in the event that a conveyance is made without consent of the Mortgagee(s), Seller shall notify such Mortgagee(s) of the proposed conveyance to Purchaser within 10 days after execution and delivery of this contract, requesting the consent of such Mortgagee(s) thereto. Seller and Purchaser shall furnish the Mortgagee(s) with such information as may reasonably be required in connection with such request and shall otherwise cooperate with such Mortgagee(s) and with each other in an effort expeditiously to procure such consent, but neither shall be obligated to make any payment to obtain such consent. If such Mortgagee(s) shall fail or refuse to grant such consent in writing on or before the date set forth in Schedule D or shall require as a condition of the granting of such consent

(i) that additional consideration be paid to the Mortgagee(s) and neither Seller nor Purchaser is willing to pay such additional consideration or

(ii) that the terms of the Existing Mortgage(s) be changed and Purchaser is unwilling to accept such change, then unless Seller and Purchaser mutually agree to extend such date or otherwise modify the terms of this contract, Purchaser may terminate this contract in the manner provided in §13.02.

If Schedule C provides for a Purchase Money Mortgage (as defined in §2.04), Seller may also terminate this contract in the manner provided in §13.02 if any of the foregoing circumstances occur or if Seller is unwilling to accept any such change in the terms of the Existing Mortgage(s).

§2.04. (a) If Schedule C provides for payment of a portion of the Purchase Price by execution and delivery to Seller of a note secured by a purchase money mortgage ("Purchase Money Mortgage"), such note and Purchase Money Mortgage shall be drawn by the attorney for the Seller on the standard forms of the New York Board of Title Underwriters then in effect for notes and for mortgages of like tenor, as modified by this contract. At the Closing, Purchaser shall pay the mortgage recording tax and recording fees therefor and the filing fees for any financing statements delivered in connection therewith.

(b) If Schedule C provides for the acceptance of title by Purchaser subject to Existing Mortgage(s) prior in lien to the Purchase Money Mortgage, the Purchase Money Mortgage shall provide that it is subject and subordinate to the lien(s) of the Existing Mortgage(s) and shall be subject and subordinate to any extensions, modifications, renewals, consolidations, substitutions or replacements thereof (collectively, "Refinancing" or "Refinanced Mortgage"), provided that (i) the rate of interest payable under a Refinanced Mortgage shall not be greater than that specified in Schedule D as the Maximum Interest Rate or, if no Maximum Interest Rate is specified in Schedule D, shall not be greater than the rate of interest that was payable on the refinanced indebtedness immediately prior to such Refinancing, and (ii) if the principal amount of the Refinanced Mortgage plus the principal amount of other Existing Mortgage(s), if any,

~~remaining after placement of a Refinanced Mortgage exceeds the amount of principal owing and unpaid on all mortgages on the Premises superior to the Purchase Money Mortgage immediately prior to the Refinancing, an amount equal to the excess shall be paid at the closing of the Refinancing to the holder of the Purchase Money Mortgage in reduction of principal payments due there under in inverse order of maturity. The Purchase Money Mortgage shall further provide that the holder thereof shall, on demand and without charge therefore, execute, acknowledge and deliver any agreement or agreements reasonably required by the mortgagee to confirm such subordination.~~

~~(c) The Purchase Money Mortgage shall contain the following additional provisions:~~

~~(i) "The mortgagor or any owner of the mortgaged premises shall have the right to prepay the entire unpaid indebtedness together with accrued interest, but without penalty, at any time on or after (insert the day following the last day of the fiscal year of the mortgagee in which the Closing occurs or, if a Prepayment Date is specified in Schedule D, the specified Prepayment Date), or not less than 10 days' written notice to the holder hereof."~~

~~(ii) "Notwithstanding anything to the contrary contained herein, the obligation of the mortgagor for the payment of the indebtedness and for the performance of the terms, covenants and conditions contained herein and in the note secured hereby is limited solely to recourse against the property secured by this mortgage, and in no event shall the mortgagor or any principal of the mortgagor, disclosed or undisclosed, be personally liable for any breach of or default under the note or this mortgage or for any deficiency resulting from or through any proceedings to foreclose this mortgage. ~~nor shall any deficiency judgment, money judgment or other personal judgment be sought or entered against the mortgagor or any principal of the mortgagor, disclosed or undisclosed,~~ but the foregoing shall not adversely affect the lien of this mortgage or the mortgagee's right of foreclosure."~~

~~(iii) "In addition to performing its obligations under Section 274-a of the Real Property Law, the mortgagee, if other than one of the institutions listed in Section 274-a agrees that, within 10 days after written request by the mortgagor, but not more than twice during any period of 12 consecutive months, it will execute, acknowledge and deliver without charge a certificate of reduction in recordable form (a) certifying as to (1) the then unpaid principal balance of the indebtedness secured hereby, (2) the maturity date thereof, (3) the rate of interest, (4) the last date to which interest has been paid and (5) the amount of any escrow deposits then held by the mortgagee, and (b) stating, to the knowledge of the mortgagee, whether there are any alleged defaults hereunder and, if so, specifying the nature thereof."~~

~~(iv) "All notices required or desired to be given under this mortgage shall be in writing and shall be delivered personally or shall be sent by prepaid registered or certified mail, addressed to the mortgagor and mortgagee at the addresses specified in this mortgage or to such other parties or at such other addresses, not exceeding two, as may be designated in a notice given to the other party or parties in accordance with the provisions hereof."~~

~~(v) The additional provisions, if any, specified in a rider hereto.~~

§2.05. (a) If the sum paid under paragraph (a) of Schedule C or any other sums paid on account of the Purchase Price prior to the Closing (collectively, "Downpayment") are paid by check or checks drawn to the order of and delivered to Seller's attorney or another escrow agent ("Escrowee"), the Escrowee shall hold the proceeds thereof in escrow in a special bank account (or as otherwise agreed in writing by Seller, Purchaser and Escrowee) until the Closing or sooner termination of this contract and shall pay over or apply such proceeds in accordance with the terms of this section. Escrowee need not hold such proceeds in an interest-bearing account, but if any interest is earned thereon, such interest shall be paid to the same party entitled to the escrowed proceeds, and the party receiving such interest shall pay any income taxes thereon. The tax identification numbers of the parties are either set forth in Schedule D or shall be furnished to Escrowee upon request. At the Closing, such proceeds and

the interest thereon, if any, shall be paid by Escrowee to Seller. If for any reason the Closing does not occur and either party makes a written demand upon Escrowee for payment of such amount, Escrowee shall give written notice to the other party of such demand. If Escrowee does not receive a written objection from the other party to the proposed payment within 10 business days after the giving of such notice, Escrowee is hereby authorized to make such payment. If Escrowee does receive such written objection within such 10 day period or if for any other reason Escrowee in good faith shall elect not to make such payment, Escrowee shall continue to hold such amount until otherwise directed by written instructions from the parties to this contract or a final judgment of a court. However, Escrowee shall have the right at any time to deposit the escrowed proceeds and interest thereon, if any, with the clerk of the Supreme Court of the county in which the Land is located. Escrowee shall give written notice of such deposit to Seller and Purchaser. Upon such deposit Escrowee shall be relieved and discharged of all further obligations and responsibilities hereunder.

(b) The parties acknowledge that Escrowee is acting solely as a stakeholder at their request and for their convenience, that Escrowee shall not be deemed to be the agent of either of the parties, and that Escrowee shall not be liable to either of the parties for any act or omission on its part unless taken or suffered in bad faith, in willful disregard of this contract or involving gross negligence. Seller and Purchaser shall jointly and severally indemnify and hold Escrowee harmless from and against all costs, claims and expenses, including reasonable attorneys' fees, incurred in connection with the performance of Escrowee's duties hereunder, except with respect to actions or omissions taken or suffered by Escrowee in bad faith, in willful disregard of this contract or involving gross negligence on the part of Escrowee.

(c) Escrowee has acknowledged agreement to these provisions by signing in the place indicated on the signature page of this contract.

Section 3. The Closing

§3.01. Except as otherwise provided in this contract, the closing of title pursuant to this contract ("Closing") shall take place on the scheduled date and time of closing specified in Schedule D (the actual date of the Closing being herein referred to as "Closing Date") at the place specified in Schedule D.

Section 4. Representations and Warranties of Seller

Seller represents and warrants to Purchaser as follows:

§4.01. Unless otherwise provided in this contract, Seller is the sole owner of the Premises.

§4.02. If the Premises are encumbered by an Existing Mortgage(s), no written notice has been received from the Mortgagee(s) asserting that a default or breach exists thereunder which remains uncured and no such notice shall have been received and remain uncured on the Closing Date. If copies of documents constituting the Existing Mortgage(s) and note(s) secured thereby have been exhibited to and initiated by Purchaser or its representative, such copies are true copies of the originals and the Existing Mortgage(s) and note(s) secured thereby have not been modified or amended except as shown in such documents.

§4.03. The information concerning written leases (which together with all amendments and modifications thereof are collectively referred to as "Leases") and any tenancies in the Premises not arising out of the Leases (collectively, "Tenancies") set forth in Schedule E attached hereto ("Rent Schedule") is accurate as of the date set forth therein or, if no date is set forth therein, as of the date hereof, and there are no Leases or Tenancies of any space in the Premises other than those set forth therein and any subleases or subtenancies. Except as otherwise set forth in the Rent Schedule or elsewhere in this contract:

(a) all of the Leases are in full force and effect and none of them has been modified, amended or extended;
(b) ~~no renewal or extension options have been granted to tenants;~~

(c) no tenant has an option to purchase the Premises;
(d) the rents set forth are being collected on a current basis and there are no arrearages in excess of one month;

(e) no tenant is entitled to rental concessions or abatements for any period subsequent to the scheduled date of closing;

(f) Seller has not sent written notice to any tenant claiming that such tenant is in default, which default remains uncured;

(g) no action or proceeding instituted against Seller by any tenant of the Premises is presently pending in any court, except with respect to claims involving personal injury or property damage which are covered by insurance; and

(h) there are no security deposits other than those set forth in the Rent Schedule.

If any Leases which have been exhibited to and initialed by Purchaser or its representative contain provisions that are inconsistent with the foregoing representations and warranties, such representations and warranties shall be deemed modified to the extent necessary to eliminate such inconsistency and to conform such representations and warranties to the provisions of the Leases.

~~§4.04. If the Premises or any part thereof are subject to the New York City Rent Stabilization Law, Seller is and on the Closing Date will be a member in good standing of the Real Estate Industry Stabilization Association, and, except as otherwise set forth in the Rent Schedule, there are no proceedings with any tenant presently pending before the Conciliation and Appeals Board in which a tenant has alleged an overcharge of rent or diminution of services or similar grievance, and there are no outstanding orders of the Conciliation and Appeals Board that have not been complied with by Seller.~~

~~§4.05. If the Premises or any part thereof are subject to the New York City Emergency Rent and Rehabilitation Law, the rents shown are not in excess of the maximum collectible rents, and, except as otherwise set forth in the Rent Schedule, no tenants are entitled to abatements as senior citizens, there are no proceedings presently pending before the rent commission in which a tenant has alleged an overcharge of rent or diminution of services or similar grievance, and there are no outstanding orders of the rent commission that have not been complied with by Seller.~~

~~§4.06. If an insurance schedule is attached hereto, such schedule lists all insurance policies presently affording coverage with respect to the Premises, and the information contained therein is accurate as of the date set forth therein or, if no date is set forth therein, as of the date hereof.~~

~~§4.07. If a payroll schedule is attached hereto, such schedule lists all employees presently employed at the Premises, and the information contained therein is accurate as of the date set forth therein or, if no date is set forth therein, as of the date hereof, and, except as otherwise set forth in such schedule, none of such employees is covered by a union contract and there are no retroactive increases or other accrued and unpaid sums owed to any employee.~~

~~§4.08. If a schedule of service, maintenance, supply, and management contracts ("Service Contracts") is attached hereto, such schedule lists all such contracts affecting the Premises, and the information set forth therein is accurate as of the date set forth therein or, if no date is set forth therein, as of the date hereof.~~

§4.09. If a copy of a certificate of occupancy for the Premises has been exhibited to and initialed by Purchaser or its representative, such copy is a true copy of the original and such certificate has not been amended, but Seller makes no representation as to compliance with any such certificate.

§4.10. The assessed valuation and real estate taxes set forth in Schedule D, if any, are the assessed valuation of the Premises and the taxes paid or payable with respect thereto for the fiscal year indicated in such schedule. Except as otherwise set forth in Schedule D, there are no tax abatements or exemptions affecting the Premises.

§4.11. Except as otherwise set forth in a schedule attached hereto, if any, if the Premises are used for residential purposes, each apartment contains a range and a refrigerator, and all of the ranges and refrigerators and all of the items of personal property (or replacements thereof) listed in such schedule, if any, are and on the Closing Date will be owned by

Seller free of liens and encumbrances other than the lien(s) of the Existing Mortgage(s), if any.

§4.12. Seller has no actual knowledge that any incinerator, boiler or other burning equipment on the Premises is being operated in violation of applicable law. If copies of a certificate or certificates of operation therefor have been exhibited to and initialed by Purchaser or its representative, such copies are true copies of the originals.

§4.13. Except as otherwise set forth in Schedule D, Seller has no actual knowledge of any assessment payable in annual installments, or any part thereof, which has become a lien on the Premises.

Section 5. Acknowledgments of Purchaser Purchaser acknowledges that:

§5.01. Purchaser has inspected the Premises, is fully familiar with the physical condition and state of repair thereof, and, subject to the provisions of §7.01, §8.01, and §9.04, shall accept the Premises "as is" and in their present condition, subject to reasonable use, wear, tear and natural deterioration between now and the Closing Date, without any reduction in the Purchase Price for any change in such condition by reason thereof subsequent to the date of this contract.

§5.02. Before entering into this contract, Purchaser has made such examination of the Premises, the operation, income and expenses thereof and all other matters affecting or relating to this transaction as Purchaser deemed necessary. In entering into this contract, Purchaser has not been induced by and has not relied upon any representations, warranties or statements, whether express or implied, made by Seller or any agent, employee or other representative of Seller or by any broker or any other person representing or purporting to represent Seller, which are not expressly set forth in this contract, whether or not any such representations, warranties or statements were made in writing or orally.

Section 6. Seller's Obligations as to Leases

§6.01. Unless otherwise provided in a schedule attached to this contract, between the date of this contract and the Closing, Seller shall not, without Purchaser's prior written consent, which consent shall not be unreasonably withheld:

(a) amend, renew or extend any Lease in any respect, unless required by law;

(b) grant a written lease to any tenant occupying space pursuant to a Tenancy; or

(c) terminate any Lease or Tenancy except by reason of a default by the tenant thereunder.

§6.02. Unless otherwise provided in a schedule attached to this contract, between the date of this contract and the Closing, Seller shall not permit occupancy of, or enter into any new lease for, space in the Building which is presently vacant or which may hereafter become vacant without first giving Purchaser written notice of the identity of the proposed tenant, together with

(a) either a copy of the proposed lease or a summary of the terms thereof in reasonable detail and

(b) a statement of the amount of the brokerage commission, if any, payable in connection therewith and the terms of payment thereof. If Purchaser objects to such proposed lease, Purchaser shall so notify Seller within 4

business days after receipt of Seller's notice if such notice was personally delivered to Purchaser, or within 7 business days after the mailing of such notice by Seller to Purchaser, in which case Seller shall not enter into the proposed lease. Unless otherwise provided in a schedule attached to this contract, Purchaser shall pay to Seller at the Closing, in the manner specified in §2.02, the rent and additional rent that would have been payable under the proposed lease from the date on which the tenant's obligation to pay rent would have commenced if Purchaser had not so objected until the Closing Date, less the amount of the brokerage commission specified in Seller's notice and the reasonable cost of decoration or other work required to be performed by the landlord under the terms of the proposed lease to suit the premises to the tenant's occupancy ("Relletting Expenses"), prorated in each case over the term of the proposed lease and apportioned as of the Closing Date. If Purchaser does not so notify Seller of its objection, Seller shall have the right to enter into the proposed lease with the tenant identified in Seller's notice and Purchaser shall pay to Seller, in the manner specified in §2.02, the Relletting Expenses, prorated in each case over the term of the lease and apportioned as of the later of the Closing Date or the rent commencement date. Such payment shall be made by Purchaser to Seller at the Closing. In no event shall the amount so payable to Seller exceed the sums actually paid by Seller on account thereof.

§6.03. If any space is vacant on the Closing Date, Purchaser shall accept the Premises subject to such vacancy, provided that the vacancy was not permitted or created by Seller in violation of any restrictions contained in this contract. Seller shall not grant any concessions or rent abatements for any period following the Closing without Purchaser's prior written consent. Seller shall not apply all or any part of the security deposit of any tenant unless such tenant has vacated the Premises.

§6.04. Seller does not warrant that any particular Lease of Tenancy will be in force or effect at the Closing or that the tenants will have performed their obligations thereunder. The termination of any Lease or Tenancy prior to the Closing by reason of the tenant's default shall not affect the obligations of Purchaser under this contract in any manner or entitle Purchaser to an abatement of or credit against the Purchase Price or give rise to any other claim on the part of Purchaser.

Section 7. Responsibility for Violations

§7.01. Except as provided in §7.02 and §7.03, all notes or notices of violations of law or governmental ordinances, orders or requirements which were noted or issued prior to the date of this contract by any governmental department, agency or bureau having jurisdiction as to conditions affecting the Premises and all liens which have attached to the Premises prior to the Closing pursuant to the Administrative Code of the City of New York, if applicable, shall be removed or complied with by Seller. If such removal or compliance has not been completed prior to the Closing, Seller shall pay to Purchaser at the Closing the reasonably estimated unpaid cost to effect or complete such removal or compliance, and Purchaser shall be required to accept title to the Premises subject thereto, except that Purchaser shall not be required to accept such title and may terminate this contract as provided in §13.02 if

(a) Purchaser's Institutional Lender reasonably refuses to provide financing by reason thereof or

(b) the Building is a multiple dwelling and either

(i) such violation is rent impairing and causes rent to be unrecoverable under Section 302-a of the Multiple Dwelling Law or

(ii) a proceeding has been validly commenced by tenants and is pending with respect to such violation for a judgment directing deposit and use of rents under Article 7-A of the Real Property Actions and Proceedings Law. All such notes or notices of violations noted or issued on or after the date of this contract shall be the sole responsibility of Purchaser.

§7.02. If the reasonably estimated aggregate cost to remove or comply with any violations or liens which Seller is

required to remove or comply with pursuant to the provisions of §7.01 shall exceed the Maximum Amount specified in Schedule D (or if none is so specified, the Maximum Amount shall be one-half of one percent of the Purchase Price), Seller shall have the right to cancel this contract, in which event the sole liability of Seller shall be as set forth in §13.02, unless Purchaser elects to accept title to the Premises subject to all such violations or liens, in which event Purchaser shall be entitled to a credit of an amount equal to the Maximum Amount against the monies payable at the Closing.

~~§7.03. Regardless of whether a violation has been noted or issued prior to the date of this contract, Seller's failure to remove or fully comply with the following violations shall not be an objection to title:~~

~~(a) any violations of New York City Local Law 5 of 1973, as amended (relating to fire safety in office buildings), if applicable, or~~

~~(b) any violations which a tenant is required to remove or comply with pursuant to the terms of its lease by reason of such tenant's use or occupancy. Purchaser shall accept the Premises subject to all such violations without any liability of Seller with respect thereto or any abatement of or credit against the Purchase Price, except that if Purchaser's Institutional Lender reasonably refuses to provide financing by reason of the violations described in (b) above, Purchaser shall not be required to accept the Premises subject thereto and Purchaser shall have the right to terminate this contract in the manner provided in §13.02.~~

§7.04. If required, Seller, upon written request by Purchaser, shall promptly furnish to Purchaser written authorizations to make any necessary searches for the purposes of determining whether notes or notices of violations have been noted or issued with respect to the Premises or liens have attached thereto.

Section 8. Destruction, Damage or Condemnation

§8.01. The provisions of Section 5-1311 of the General Obligations Law shall apply to the sale and purchase provided for in this contract.

Section 9. Covenants of Seller

Seller covenants that between the date of this contract and the Closing:

§9.01. The Existing Mortgage(s) shall not be amended or supplemented or prepaid in whole or in part. Seller shall pay or make, as and when due and payable, all payments of principal and interest and all deposits required to be paid or made under the Existing Mortgage(s).

§9.02. Seller shall not modify or amend any Service Contract or enter into any new service contract unless same is terminable without penalty by the then owner of the Premises upon not more than 30 days notice.

§9.03. If an insurance schedule is attached hereto, Seller shall maintain in full force and effect until the Closing the insurance policies described in such schedule or renewals thereof for no more than one year of those expiring before the Closing.

§9.04. No fixtures, equipment or personal property included in this sale shall be removed from the Premises unless the same are replaced with similar items of at least equal quality prior to the Closing.

§9.05. Seller shall not withdraw, settle or otherwise compromise any protest or reduction proceeding affecting real estate taxes assessed against the Premises for any fiscal period in which the Closing is to occur or any subsequent fiscal period without the prior written consent of Purchaser, which consent shall not be unreasonably withheld. Real estate tax refunds and credits received after the Closing Date which are attributable to the fiscal tax year during which the Closing Date occurs shall be apportioned between Seller and Purchaser, after deducting the expenses of collection thereof, which obligation shall survive the Closing.

§9.06. Seller shall allow Purchaser or Purchaser's representatives access to the Premises, the Leases and other documents required to be delivered under this contract upon reasonable prior notice at reasonable times.

Section 10. Seller's Closing Obligations

At the Closing, Seller shall deliver the following to Purchaser:

§10.01. A statutory form of bargain and sale deed without covenant against grantor's acts, containing the covenant required by Section 13 of the Lien Law, and properly executed in proper form for recording so as to convey the title required by this contract.

§10.02. All Leases initiated by Purchaser and all others in Seller's possession.

§10.03. A schedule of all cash security deposits and a check or credit to Purchaser in the amount of such security deposits, including any interest thereon, held by Seller on the Closing Date under the Leases or, if held by an Institutional Lender, an assignment to Purchaser and written instructions to the holder of such deposits to transfer the same to Purchaser, and appropriate instruments of transfer or assignment with respect to any lease securities which are other than cash.

§10.04. A schedule updating the Rent Schedule and setting forth all arrears in rents and all prepayments of rents.

§10.05. All Service Contracts initiated by Purchaser and all others in Seller's possession which are in effect on the Closing Date and which are assignable by Seller.

§10.06. An assignment to Purchaser, without recourse or warranty, of all of the interest of Seller in those Service Contracts, insurance policies, certificates, permits and other documents to be delivered to Purchaser at the Closing which are then in effect and are assignable by Seller.

~~§10.07. (a) Written consent(s) of the Mortgagee(s), if required under §2.03(b), and (b) certificate(s) executed by the Mortgagee(s) in proper form for recording and certifying (i) the amount of the unpaid principal balance thereof, (ii) the maturity date thereof, (iii) the interest rate, (iv) the last date to which interest has been paid thereon and (v) the amount of any escrow deposits held by the Mortgagee(s).~~

~~Seller shall pay the fees for recording such certificate(s). Any Mortgagee which is an Institutional Lender may furnish a letter complying with Section 274-a of the Real Property Law in lieu of such certificate.~~

~~§10.08. An assignment of all Seller's right, title and interest in escrow deposits for real estate taxes, insurance premiums and other amounts, if any, then held by the Mortgagee(s).~~

~~§10.09. All original insurance policies with respect to which premiums are to be apportioned or, if unobtainable, true copies or certificates thereof.~~

§10.10. To the extent they are then in Seller's possession and not posted at the Premises, certificates, licenses, permits, authorizations and approvals issued for or with respect to the Premises by governmental and quasigovernmental authorities having jurisdiction.

§10.11. Such affidavits as Purchaser's title company shall reasonably require in order to omit from its title insurance policy all exceptions for judgments, bankruptcies or other returns against persons or entities whose names are the same as or similar to Seller's name.

§10.12. Checks to the order of the appropriate officers in payment of all applicable real property transfer taxes and copies of any required tax returns therefor executed by Seller, which checks shall be certified or official bank checks if required by the taxing authority, unless Seller elects to have Purchaser pay any of such taxes and credit Purchaser with the amount thereof.

§10.13. To the extent they are then in Seller's possession, copies of current painting and payroll records. Seller shall make all other Building and tenant files and records available to Purchaser for copying, which obligation shall survive the Closing.

§10.14. An original letter, executed by Seller or by its agent, advising the tenants of the sale of the Premises to Purchaser and directing that rents and other payments thereafter be sent to Purchaser or as Purchaser may direct.

~~§10.15. Notice(s) to the Mortgagee(s), executed by Seller or by its agent, advising of the sale of the Premises to Purchaser and directing that future bills and other correspondence should thereafter be sent to Purchaser or as Purchaser may direct.~~

§10.16. If Seller is a corporation and if required by Section 909 of the Business Corporation Law, a resolution of Seller's board of directors authorizing the sale and delivery of the deed and a certificate executed by the secretary or assistant secretary of Seller certifying as to the adoption of such resolution and setting forth facts showing that the transfer complies with the requirements of such law. The deed referred to in §10.01 shall also contain a recital sufficient to establish compliance with such law.

§10.17. Possession of the Premises in the condition required by this contract, subject to the Leases and Tenancies, and keys therefor.

§10.18. Any other documents required by this contract to be delivered by Seller.

Section 11. Purchaser's Closing Obligations

At the Closing, Purchaser shall:

§11.01. Deliver to Seller checks in payment of the portion of the Purchase Price payable at the Closing, as adjusted for apportionments under Section 12, plus the amount of escrow deposits, if any, assigned pursuant to §10.03.

~~§11.02. Deliver to Seller the Purchase Money Mortgage, if any, in proper form for recording; the note secured thereby, financing statements covering personal property, fixtures and equipment included in this sale and replacements thereof, all properly executed, and Purchaser shall pay the mortgage recording tax and recording fees for any Purchase Money Mortgage.~~

§11.03. Deliver to Seller an agreement indemnifying and agreeing to defend Seller against any claims made by tenants with respect to tenants' security deposits to the extent paid, credited or assigned to Purchaser under §10.03.

§11.04. Cause the deed to be recorded, duly complete all required real property transfer tax returns and cause all such returns and checks in payment of such taxes to be delivered to the appropriate officers promptly after the Closing.

§11.05. Deliver any other documents required by this contract to be delivered by Purchaser.

Section 12. Apportionments

§12.01. The following apportionments shall be made between the parties at the Closing as of the close of business on the day prior to the Closing Date:

(a) prepaid rents and Additional Rents (as defined in §12.03);

~~(b) interest on the Existing Mortgage(s);~~

(c) real estate taxes, water charges, sewer rents and vault charges, if any, on the basis of the fiscal period for which assessed, except that if there is a water meter on the Premises, apportionment at the Closing shall be based on the last available reading, subject to adjustment after the Closing when the next reading is available;

~~(d) wages, vacation pay, pension and welfare benefits and other fringe benefits of all persons employed at the~~

Premises whose employment was not terminated at or prior to the Closing:

- (e) value of fuel stored on the Premises, at the price then charged by Seller's supplier, including any taxes;
- (f) charges under transferable Service Contracts or permitted renewals or replacements thereof;
- (g) permitted administrative charges, if any, on tenants' security deposits;
- ~~(h) dues to rent stabilization associations, if any;~~
- ~~(i) insurance premiums on transferable insurance policies listed on a schedule hereto or permitted renewals thereof;~~
- (j) Relisting Expenses under §6.02, if any; and
- (k) any other items listed in Schedule D.

If the Closing shall occur before a new tax rate is fixed, the apportionment of taxes at the Closing shall be upon the basis of the old tax rate for the preceding period applied to latest assessed valuation. Promptly after the new tax rate is fixed, the apportionment of taxes shall be recomputed. Any discrepancy resulting from such recomputation and any errors or omissions in computing apportionments at Closing shall be promptly corrected, which obligations shall survive the Closing.

§12.02. If any tenant is in arrears in the payment of rent on the Closing Date, rents received from such tenant after the Closing shall be applied in the following order of priority:

- (a) first to the month preceding the month in which the Closing occurred;
- (b) then to the month in which the Closing occurred;
- (c) then to any month or months following the month in which the Closing occurred; and
- (d) then to the period prior to the month preceding the month in which the Closing occurred.

If rents or any portion thereof received by Seller or Purchaser after the Closing are payable to the other party by reason of this allocation, the appropriate sum, less a proportionate share of any reasonable attorneys' fees, costs and expenses of collection thereof, shall be promptly paid to the other party, which obligation shall survive the Closing.

§12.03. If any tenants are required to pay percentage rent, escalation charges for real estate taxes, operating expenses, cost-of-living adjustments or other charges of a similar nature ("Additional Rents") and any Additional Rents are collected by Purchaser after the Closing which are attributable in whole or in part to any period prior to the Closing, then Purchaser shall promptly pay to Seller Seller's proportionate share thereof, less a proportionate share of any reasonable attorneys' fees, costs and expenses of collection thereof. If and when the tenant paying the same has made all payments of rent and Additional Rent then due to Purchaser pursuant to the tenant's Lease, which obligation shall survive the Closing.

Section 13. Objections to Title, Failure of Seller or Purchaser to Perform and Vendee's Lien

§13.01. Purchaser shall promptly order an examination of title and shall cause a copy of the title report to be forwarded to Seller's attorney upon receipt. Seller shall be entitled to a reasonable adjournment or adjournments of the Closing for up to ~~30~~ days or until the expiration date of any written commitment of Purchaser's Institutional Lender delivered to Purchaser prior to the scheduled date of Closing, whichever occurs first, to remove any defects in or objections to title noted in such title report and any other defects or objections which may be disclosed on or prior to the Closing Date.

§13.02. If Seller shall be unable to convey title to the Premises at the Closing in accordance with the provisions of this contract or if Purchaser shall have any other grounds under this contract for refusing to consummate the purchase provided for herein, Purchaser, nevertheless, may elect to accept such title as Seller may be able to convey with a credit against the monies payable at the Closing equal to the reasonably estimated cost to cure the same (up to the Maximum Expense described below), but without any other credit or liability on the part of Seller. If Purchaser shall not so

elect, Purchaser may terminate this contract and the sole liability of Seller shall be to refund the Down payment to Purchaser and to reimburse Purchaser for the net cost of title examination, but not to exceed the net amount charged by Purchaser's title company therefor without issuance of a policy, and the net cost of updating the existing survey of the Premises or the net cost of a new survey of the Premises if there was no existing survey or the existing survey was not capable of being updated and a new survey was required by Purchaser's Institutional Lender. Upon such refund and reimbursement, this contract shall be null and void and the parties hereto shall be relieved of all further obligations and liability other than any arising under Section 14. Seller shall not be required to bring any action or proceeding or to incur any expense in excess of the Maximum Expense specified in Schedule D (or if none is so specified, the Maximum Expense shall be one-half of one percent of the Purchase Price) to cure any title defect or to enable Seller otherwise to comply with the provisions of this contract, but the foregoing shall not permit Seller to refuse to pay off at the Closing, to the extent of the monies payable at the Closing, mortgages on the Premises, other than Existing Mortgages, of which Seller has actual knowledge.

§13.03 Any unpaid taxes, assessments, water charges and sewer rents, together with the interest and penalties thereon to a date not less than two days following the Closing Date, and any other liens and encumbrances which Seller is obligated to pay and discharge or which are against corporations, estates or other persons in the chain of title, together with the cost of recording or filing any instruments necessary to discharge such liens and encumbrances of record, may be paid out of the proceeds of the monies payable at the Closing if Seller delivers to Purchaser on the Closing Date official bills for such taxes, assessments, water charges, sewer rents, interest and penalties and instruments in recordable form sufficient to discharge any other liens and encumbrances of record. Upon request made a reasonable time before the Closing, Purchaser shall provide at the Closing separate checks for the foregoing payable to the order of the holder of any such lien, charge or encumbrance and otherwise complying with §2.02. If Purchaser's title insurance company is willing to insure both Purchaser and Purchaser's Institutional Lender, if any, that such charges, liens and encumbrances will not be collected out of or enforced against the Premises, then, unless Purchaser's Institutional Lender reasonably refuses to accept such insurance in lieu of actual payment and discharge, Seller shall have the right in lieu of payment and discharge to deposit with the title insurance company such funds or assurances or to pay such special or additional premiums as the title insurance company may require in order to so insure. In such case the charges, liens and encumbrances with respect to which the title insurance company has agreed so to insure shall not be considered objections to title.

§13.04. If Purchaser shall default in the performance of its obligation under this contract to purchase the Premises, the sole remedy of Seller shall be to retain the Downpayment as liquidated damages for all loss, damage and expense suffered by Seller, including without limitation the loss of its bargain.

§13.05 Purchaser shall have a vendee's lien against the Premises for the amount of the Downpayment, but such lien shall not continue after default by Purchaser under this contract.

Section 14. Broker

§14.01 If a broker is specified in Schedule D, Seller and Purchaser mutually represent and warrant that such broker is the only broker with whom they have dealt in connection with this contract and that neither Seller nor Purchaser knows of any other broker who has claimed or may have the right to claim a commission in connection with this transaction, unless otherwise indicated in Schedule D. The commission of such broker shall be paid pursuant to separate agreement by the party specified in Schedule D. If no broker is specified in Schedule D, the parties acknowledge that this contract was brought about by direct negotiation between Seller and

^{reasonable}
Purchaser and that neither Seller nor Purchaser knows of any broker entitled to a commission in connection with this transaction. Unless otherwise provided in Schedule D, Seller and Purchaser shall indemnify and defend each other against any costs, claims or expenses, including attorneys' fees, arising out of the breach on their respective parts of any representations, warranties or agreements contained in this paragraph. The representations and obligations under this paragraph shall survive the Closing or, if the Closing does not occur, the termination of this contract.

Section 15. Notices

§15.01. All notices under this contract shall be in writing and shall be delivered personally or shall be sent by prepaid registered or certified mail, addressed as set forth in Schedule D, or as Seller or Purchaser shall otherwise have given notice as herein provided.

Section 16. Limitations on Survival of Representations, Warranties, Covenants and other Obligations

§16.01. Except as otherwise provided in this contract, no representations, warranties, covenants or other obligations of Seller set forth in this contract shall survive the Closing, and no action based thereon shall be commenced after the Closing. The representations, warranties, covenants and other obligations of Seller set forth in §4.03, §6.01 and §6.02 shall survive until the Limitation Date specified in Schedule D (or if none is so specified, the Limitation Date shall be the date which is six months after the Closing Date), and no action based thereon shall be commenced after the Limitation Date.

§16.02. The delivery of the deed by Seller, and the acceptance thereof by Purchaser, shall be deemed the full performance and discharge of every obligation on the part of Seller to be performed hereunder, except those obligations of Seller which are expressly stated in this contract to survive the Closing.

Section 17. Miscellaneous Provisions

§17.01. ~~If consent of the Existing Mortgage(s) is required under §2.03(b),~~ Purchaser shall not assign this contract or its rights hereunder without the prior written

consent of Seller. No permitted assignment of Purchaser's rights under this contract shall be effective against Seller unless and until an executed counterpart of the instrument of assignment shall have been delivered to Seller and Seller shall have been furnished with the name and address of the assignee. The term "Purchaser" shall be deemed to include the assignee under any such effective assignment.

§17.02. This contract embodies and constitutes the entire understanding between the parties with respect to the transaction contemplated herein and all prior agreements, understandings, representations and statements, oral or written, are merged into this contract. Neither this contract nor any provision hereof may be waived, modified, amended, discharged or terminated except by an instrument signed by the party against whom the enforcement of such waiver, modification, amendment, discharge or termination is sought, and then only to the extent set forth in such instrument.

§17.03. This contract shall be governed by, and construed in accordance with, the law of the State of New York.

§17.04. The captions in this contract are inserted for convenience of reference only and in no way define, describe or limit the scope or intent of this contract or any of the provisions hereof.

§17.05. This contract shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs or successors and permitted assigns.

§17.06. This contract shall not be binding or effective until properly executed and delivered by Seller and Purchaser.

§17.07. As used in this contract, the masculine shall include the feminine and neuter, the singular shall include the plural and the plural shall include the singular, as the context may require.

§17.08. If the provisions of any schedule or rider to this contract are inconsistent with the provisions of this contract, the provisions of such schedule or rider shall prevail. Set forth in Schedule D is a list of any and all schedules and riders which are attached hereto but which are not listed in the Table of Contents.

~~IN WITNESS WHEREOF~~, the Parties hereto have duly executed this Contract as of the date first above written.

SELLER(S):

By:

BUYER(S):

By: 

Receipt by Escrowee:

The undersigned Escrowee hereby acknowledges receipt of, by check subject to collection, to be held in escrow pursuant to §2.05

VICTOR A. EMANUELO, ESQ.

RIDER TO CONTRACT OF SALE

BETWEEN: ANCHOR REAL ESTATE PROPERTIES LTD. and JASON RICHARD REALTY LLC.

PREMISES: 1900 NEW HIGHWAY, FARMINGDALE, NY 11735 and
2 DUBON CT., FARMINGDALE, NY 11735

18. Purchaser (and its agents, successors or assigns, etc.) each agree to maintain in confidence the information contained in this Agreement or pertaining to the transaction contemplated hereby (excluding the specific fact that Seller and Purchaser have entered into this Agreement) and intend that no claim of privilege or protection from disclosure be waived by reason of the disclosure or transfer of information among the parties pursuant to the terms of this Agreement; provided, however, that each party, its agents and representatives may disclose such information and data (i) to such party's accountants, attorneys, existing or prospective lenders, investment bankers, underwriters, rating agencies, partners, consultants and other advisors in connection with the transactions contemplated by this Agreement (collectively, "Representatives" to the extent that such Representatives reasonably need to know (in the disclosing party's reasonable discretion) such information and data in order to assist, and perform services on behalf of, the disclosing party; (ii) to the extent required by any applicable statute, law, regulation or Governmental Authority; (iii) in connection with any litigation that may arise between the parties in connection with the transactions contemplated by this Agreement; (iv) to the extent such information and data become generally available to the public other than as a result of disclosure by such party or its agents or Representatives; (v) to the extent such information and data become available to such party or its agents or Representatives from a third party who, insofar as is known to such party, is not subject to a confidentiality obligation to the other party hereunder; and (vi) to the extent necessary in order to comply with each party's respective covenants, agreements and obligations under this Agreement; and (viii) to the extent necessary to effectuate a transfer of the Premises in a 1031 exchange, if any, including but not limited to the disclosure of Purchaser's due diligence findings to potential 1031 exchange swap partners and their attorneys, accountants and agents. The fact that this contract has been executed by both parties and exists shall not be deemed confidential. Each party shall take all necessary and appropriate measures to ensure that any person who is granted access to any confidential information pursuant to the terms of this paragraph is familiar with the terms hereof and complies with such terms as they relate to the duties of such person.

In the event the transactions contemplated by this Agreement shall not be consummated, such confidentiality shall be maintained indefinitely and the parties, if requested by the other party, shall promptly return or destroy all documents or other confidential written information, together with all copies thereof, to the party that generated such information or made such request. The obligations of the parties under this paragraph shall survive Closing or any sooner termination of this Agreement and shall not be merged into any conveyance documents delivered at Closing. Seller and Purchaser shall also have the right to issue, or cause to be issued, a press release upon the consummation of the transactions described in this agreement so long as such press release is approved by the other party prior to its issuance, which approval shall not be unreasonably withheld or delayed. Purchaser shall not disclose to Seller the contents of any reports generated for Purchaser as a result of the Assessment or Additional Assessment of the Premises; nor will Purchaser provide Seller with copies of any of the reports generated as a result of the Assessment or Additional Assessment.

19. If any term or provision of this contract shall be invalid or unenforceable, the remainder of this contract shall not be affected thereby.

20. In the event of any inconsistency or conflict between the terms and provisions of the printed portion of this contract and this rider, the terms and provisions of this rider shall govern and be binding,

21. The Premises shall be transferred to and accepted by Purchaser in its current as-is condition with no representation or warranty of any kind, express or implied, whatsoever except that all utilities to be in good working condition, and the roof free of leaks. The Premises shall be operated substantially in the manner in which it presently is being operated and Seller shall maintain its current insurance coverage. Seller shall be under no obligation to make any capital repairs or improvements unless same are: a) required by the current mortgagee of the Premises; b) fully covered by insurance; or; c) required to be performed by Seller pursuant to any leases.

Except as provided in this Agreement, in making and executing this Agreement, Purchaser has not relied upon or been induced by any statements or representations of any person in respect of the title to, the physical condition of, the income, expenses or other financial aspect of the Premises, legality of occupancy, or any other matter or thing relating to the transaction contemplated by this Agreement, but has made its own investigations, examinations, inquiries and analysis as to such matters as Purchaser deems relevant or prudent.

22. Purchaser and their authorized representatives shall be entitled to enter upon the Premises upon reasonable advance notice to Seller, and so as not to unreasonably interfere with the present Tenant's business operations, at reasonable hours in order to conduct, at Purchaser's sole cost and expense, such inspections, studies, appraisals, and reviews with respect to the Premises that Purchaser deems necessary or desirable, provided that Purchaser:

(a) shall indemnify, defend and hold Seller and its principals free and harmless from and against all liabilities, obligations, costs and expenses (including, without limitation; reasonable attorney's fees and disbursements) asserted against or incurred by Seller and/or its principals arising out of any acts of Purchaser, its agents, employees and representatives, in connection with any such inspections;

(b) shall promptly repair any damage resulting from any such inspections;

(c) shall fully comply with all laws, ordinances, rules and regulations in connection with such inspections;

(d) shall not permit any inspections, investigations or other due diligence activities to result in any liens, judgments or other encumbrances being filed against the Premises; except as may be required by law;

(e) shall not permit any borings, drillings or samplings to be done without the prior written consent of Seller, which consent shall not be unreasonably denied, withheld, conditioned or delayed.

Seller shall timely cooperate with Purchaser, in connection with such inspections, shall timely provide Purchaser, Purchaser's agents, consultants, employees and representatives with access to the Seller's employees and agents who have information about the Premises and the Systems from time to time during the Inspection period. Purchaser and their representatives are hereby authorized to make such inquiries of federal, state and local governmental authorities as they may deem necessary in connection with its assessment of the Premises,

23. In the event that all of the Premises shall be taken in condemnation or under the right of eminent domain or otherwise conveyed in lieu of such taking after the date of this contract but before closing, this contract shall be terminated and rendered null and void and the down payment shall be promptly returned to Purchaser. In the event that a portion of the Premises shall be taken in condemnation, etc., Purchaser shall have the right to cancel this contract on thirty (30) days notice to Seller or to proceed close this transaction and receive all condemnation, eminent domain or sales proceeds. This clause supersedes Section 5-1311 of the General Obligations Law of the State of New York.

24. In the event of litigation between the parties with respect to the Premises, this Agreement, the Escrow Agreement, the performance of their respective obligations hereunder or the effect of a termination under this Agreement or the Escrow Agreement, the losing party shall pay all costs and expenses incurred by the prevailing party in connection with such litigation, including, but not limited to, reasonable attorneys' fees of counsel selected by the prevailing party. Notwithstanding any provision of this Agreement to the contrary, the obligations of the parties under this Paragraph shall survive termination of this Agreement.

25. This Agreement shall not be construed more strictly against one party than against the other merely by virtue of the fact that it may have been prepared by counsel for one of the parties, it being recognized that both Seller and Purchaser have contributed substantially and materially to the preparation of this Agreement. The headings of various Paragraphs in this Agreement are for convenience only, and are not to be utilized in construing the content or meaning of the substantive provisions hereof.

26. Supplementing Section 9.05 of the printed form of contract of sale, Purchaser shall be responsible for its proportionate share of costs in obtaining any benefits from existing tax certiorari proceedings covering periods after closing, if any..

27. Supplementing Section 4 of the printed form of the Contract of Sale:

Seller represents, warrants and covenants to Purchaser that the following representations are true and correct on the Effective Date and shall be materially true and correct at

Closing, as if remade as of the Closing Date subject to modification resulting from facts and circumstances and the lapse of time that may arise or ensue subsequent to the date of this Agreement:

(a) Seller (i) is a duly organized and validly existing corporation existing under the laws of the State of New York and is and shall at Closing be, in good standing under the laws of the State of New York (ii) the Premises constitutes all or substantially all of the Seller's assets as of the date of the Effective Date; (iii) is, and shall at Closing be, duly bound by the actions and execution hereof by individual(s) who executed this Agreement on Seller's behalf; and (iv) has, and shall at Closing have, the authority and power to enter into this Agreement and to consummate the transaction provided for herein. The execution and delivery by Seller of, and the performance and compliance by Seller with the terms and provisions of, this Agreement do not violate any of the terms, conditions or provisions of its organizational documents of Seller.

(b) To Seller's knowledge, Seller has not received any outstanding notice of any actions, suits, or legal proceedings pending or threatened in writing against or affecting Seller (in respect of the Premises) or the Premises, at law or equity.

(c) Intentionally omitted.

(d) That Seller is the sole owner of the Property and has good and marketable title to the Premises including, but not limited to, the air rights and all other transferable development rights appurtenant thereto. During Seller's ownership of the Premises, Seller has not sold, contracted to sell, leased, provided right of first refusal or offer, or otherwise transferred all or any part of the air rights and/or development rights appurtenant to the Premises to any other party.

(e) That there are no employment or union contracts covering any employees of the Premises, that will remain in effect after the Closing, or which are not cancelable, without penalty, on no more than thirty (30) days' written notice.

(f) Seller has not received any written notice from any governmental agency exercising any right of eminent domain or similar proceeding or threatening the exercise of any such right and to Seller's Knowledge, there are no such proceedings pending or threatened with respect to any portion of the Premises.

(g) Seller has not received any notice from any governmental unit, nor does Seller have any knowledge, that Hazardous Materials (as hereinafter defined) are being stored on the Premises or that a violation exists with respect thereto under Environmental Laws (as hereinafter defined). For the purposes of this Contract, the term (a) "Hazardous Materials" shall mean any *Hazardous Material, Hazardous Substance, Pollutant or Contaminant, Petroleum, and/or Natural Gas Liquids*, as those terms are defined or used in Section 101 of CERCLA, and any other substances regulated because of their effect or potential effect on public health and the environment, including, without limitation, PCBs, lead paint, asbestos, asbestos containing material, urea formaldehyde, radioactive materials, putrescible, and infectious materials, and (b) "Environmental Laws" shall mean any federal, state, local or administrative agency ordinance, law, rule, regulation, order or requirement relating to Hazardous Materials, environmental conditions, the environment, natural resources, and/or public health, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. Sections 9601 et seq.), as amended ("CERCLA"), the Resource Conservation and Recovery Act (42 U.S.C. Sections 6901 et seq.), as amended ("RCRA"), and any state analogues thereto.

(h) There is no personal property included in the sale. However, any and all fixtures and equipment that are included in this sale are owned by Seller, free of any liens or encumbrances

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(i) Seller has not granted to any person or entity any option or other right to purchase to the Premises or any portion thereof and no person or entity has any option or other right to purchase the Premises or any portion thereof.

of protest or commenced any actions to review real property tax assessments against the Premises, and is not aware that any such action has been taken by or on behalf of any Tenants.

(k) Seller has not: (i) made a general assignment for the benefit of creditors, (ii) filed a petition for voluntary bankruptcy or filed a petition or answer seeking reorganization or any arrangement or composition, extension, or readjustment of its indebtedness, (iii) consented, in any creditor's proceeding, to the appointment of a receiver or trustee of Seller or any of its property or any part thereof, or (iv) been named as a debtor in an involuntary bankruptcy proceeding or received a written notice threatening the same, and to Seller's Knowledge, none of same exist with respect to any Tenant.

(l) Seller is not and is not acting on behalf of: (i) an "employee benefit plan" within the meaning of Section 3(3) of ERISA (as hereinafter defined), (ii) a "plan" within the meaning of Section 4975 of the Code, or (iii) an entity deemed to hold "plan assets" within the meaning of 29 C.F.R. §2510.3-101, as modified by Section 3(42) of ERISA, of any such employee benefit plan or plan. The consummation of the transactions contemplated by this Contract will not result in the occurrence of a nonexempt "prohibited transaction" (as described in Section 406 of ERISA or Section 4975 of the Code).

(m) Seller will not remove or authorize the removal of any fixtures and equipment attached or appurtenant to the Premises which are not owned by any of the tenants unless the same is replaced, prior to Closing, with similar items of at least equal suitability, quality and value, free and clear of any liens or security interests, and Seller shall not make any material alterations to any portion of the Premises except for tenant improvements which are required under any Lease.

(o) Seller has received no written notice that the use and operation of the Premises is not in compliance with applicable building codes, environmental, zoning and land use laws, and other applicable local, state and federal laws and regulations, and Seller has not received prior to the Effective Date any written notification from any governmental or public authority (i) that the Premises is in violation of any applicable fire, health, building, use, occupancy or zoning laws where such violation remains outstanding and, if unaddressed, would have a material adverse effect on the use of the Premises as currently owned and operated or (ii) that any work is required to be done upon or in connection with the Premises, where such work remains outstanding and, if unaddressed, would have a material adverse effect on the use of the Premises as currently owned and operated.

(p) Seller will not seek any zoning changes or take any action which encumbers Seller's title to the Premises without Purchaser's prior written consent, which consent may be granted or withheld in Purchaser's sole discretion.

(q) Seller will not, without the prior written consent of Purchaser, (i) create, place or permit to be created or placed, or through any act or failure to act, acquiesce in the placing of, any deed of trust, mortgage, voluntary or involuntary lien, whether statutory, constitutional or contractual (except for the lien for ad valorem taxes on the Premises which are not delinquent), encumbrance or charge, or conditional sale or other title retention document, against or covering the Premises, or any part thereof, (ii) impose any restrictive covenants or encumbrances on the Premises or execute or file any subdivision plat affecting the Premises or (iii) sell, exchange, assign, transfer, convey or otherwise dispose of all or any part of the Premises or any interest therein, or permit any of the foregoing during the term of this Contract, except for leases approved by Buyer or which are otherwise expressly provided for in this Contract.

Seller shall promptly advise Purchaser, in writing, in the event that Seller becomes aware of any breach of any of the warranties, agreements and representations set forth in this Agreement or becomes aware that any of such warranties or representations are untrue.

28. Seller agrees to deliver copies of any building permits, plans or specifications, certificates of occupancy, engineer's certificate or survey of the Premises which is in its possession to Purchaser or Purchaser's attorney at least ten (10) days prior to the expiration of the Due Diligence Period and any originals of the aforementioned to be delivered to Purchaser at, the Closing.

29. If the Seller shall be unable to convey title in accordance with terms of this Agreement, or if Sellers default hereunder, the down payment made hereunder shall be refunded together with the reasonable costs of title examination and survey, if any, and all rights and obligations of the Seller and Purchaser hereunder shall become null and void.

30. Intentionally omitted.

31. Engineering Due Diligence Period

31.01. During the period (the "Engineering Due Diligence Period") commencing on the date hereof and ending at 5:00 P.M. Eastern Standard Time on the 30th day following the date hereof, Purchaser shall have the right to have the Premises inspected during reasonable hours, after reasonable notice to Seller, and to obtain the following inspection reports with respect to the Premises, at Purchaser's sole cost and expense:

An inspection and report (the "Engineering Report") from a licensed engineer and/or other appropriately professionals chosen by Purchaser (collectively, the "Engineer") with respect to the structural and/or physical condition of the Premises, all mechanical systems and utilities servicing the Premises, curtain walls, roofs, wells, septic and drainage systems, and compliance with the Americans with Disabilities Act, (collectively, the Building Conditions")

31.02. Purchaser shall cause a copy of the Engineering Report to be delivered to Seller prior to the expiration of the Engineering Due Diligence Period. Purchaser may elect to cancel this contract, by written notice (the "Engineering Termination Notice") to Seller delivered on or before the last day of the Engineering Due Diligence Period, if (i) the Engineering Report states that, in the professional opinion of the Engineer, the Premises are need of structural repairs, and that the reasonable value of said structural repairs exceeds the sum of One Hundred Seventy Five Thousand (\$175,000.00) Dollars.

31.03. During the Engineering Due Diligence Period, Seller agrees to cooperate in all reasonable respects with Purchaser and agrees to make available to Purchaser and its agents all of the books, files and records relating to the Premises which are in the possession or under the control of Seller.

31.04. Purchaser hereby indemnifies and agrees to defend and hold Seller harmless from all loss, cost (including, without limitation, reasonable attorneys' fees), claim or damage caused by the inspection of the Premises by Purchaser, its agents, consultants or representatives.

31.05. TIME SHALL BE OF THE ESSENCE WITH RESPECT TO PURCHASER'S ACTIONS PURSUANT TO THIS SECTION 31. In the event Purchaser shall (i) fail to have the Premises inspected prior to the expiration of the Engineering Due Diligence Period, (ii) fail to deliver a copy of the Reports to Seller prior to the expiration of the Engineering Due Diligence Period or (iii) fail to give the Termination Notice prior to the expiration of the Engineering Due Diligence Period, Purchaser shall be deemed to have waived the right to cancel this contract as provided in § 31.

32. Environmental Due Diligence Period

32.01. During the period (the "Environmental Due Diligence Period") commencing on the date hereof and ending at 5:00 P.M. Eastern Standard Time on the 60th day following the date hereof, Purchaser shall have the right to have the Premises inspected during reasonable hours, after reasonable notice to Seller, and to obtain the following inspection reports with respect to the Premises, at Purchaser's sole cost and expense:

An inspection and report (the "Environmental Report") from a licensed environmental inspection laboratory or a licensed engineer (the "Inspection Company") with respect to the presence or absence of hazardous or toxic substances or conditions at the Premises including, without limitation, asbestos, polychlorinated biphenyls, petroleum products and those hazardous substances defined in the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §9601 et seq. and all amendments thereto, including, without limitation, the Superfund Amendments and Reauthorization Act, 42 U.S.C. §9601 et seq., and the rules and regulations promulgated thereunder; New York State Environmental Liability Review Act, New York Environmental Conservation Law (ECL) § 8-0101 et seq.; and the New York State Water Pollution Control Act, ECL § 17-0101 et seq. (collectively, "Hazardous Substances"), on the Premises and

32.02. Purchaser shall cause copies of the Environmental Report to be delivered to Seller prior to the expiration of the Environmental Due Diligence Period. Purchaser may elect to cancel this contract, by written notice (the "Termination Notice") to Seller delivered on or before the last day of the Environmental Due Diligence Period, if (i) the Environmental Report states that there are Hazardous Substances on the Premises.

32.03. During the Environmental Due Diligence Period, Seller agrees to cooperate in all reasonable respects with Purchaser and agrees to make available to Purchaser and its agents all pertinent books, files and records relating to the Premises which are in the possession or under the control of Seller.

32.04. Purchaser hereby indemnifies and agrees to defend and hold Seller harmless from all loss, cost (including, without limitation, reasonable attorneys' fees), claim or damage caused by the inspection of the Premises by Purchaser, its agents, consultants or representatives.

32.05. TIME SHALL BE OF THE ESSENCE WITH RESPECT TO PURCHASER'S ACTIONS PURSUANT TO THIS SECTION 32. In the event Purchaser shall (i) fail to have the Premises inspected prior to the expiration of the Environmental Due Diligence Period, (ii) fail to deliver a copy of the Reports to Seller prior to the expiration of the Environmental Due Diligence Period or (iii) fail to give the Termination Notice prior to the expiration of the Environmental Due Diligence Period, Purchaser shall be deemed to have waived the right to cancel this contract as provided in § 32.

33. 1031 Exchange

Either party shall have the right to enter into a 1031 exchange pursuant to §1031 of the Internal Revenue Code, as amended, and the regulations promulgated thereunder. Accordingly, either party reserves the right to assign its rights, but not the obligations, hereunder to a Qualified Intermediary ("QI") on or before the closing of title. The parties shall promptly cooperate and sign any and all documents reasonably necessary to effectuate the 1031 exchange.

34. Purchaser's obligations under this Agreement are further subject to and contingent upon the issuance of a preliminary inducement resolution from the Town of Babylon Industrial Development Agency (the "IDA") in favor of Purchaser providing an initial real estate tax abatement equal to fifty percent (50%) of the real estate taxes on the Premises: 1900 New Highway, Farmingdale, New York and 2 Dubon Court, Farmingdale, New York (the "Resolution"), by no later than the Due Diligence Expiration Date. If Purchaser does not receive an inducement resolution on or before the Due Diligence Expiration Date, then Purchaser may, upon written notice to Seller, such notice to be given by no later than the Due Diligence Expiration Date (TIME BEING OF THE ESSENCE), terminate this Agreement whereupon the Downpayment shall be returned to Purchaser and this Agreement shall be null and void except for those provisions hereof which by their terms survive the termination of this Agreement. Purchaser shall promptly apply for and diligently and continuously pursue the obtaining of the Resolution. Seller to reasonably and timely cooperate as may be reasonably with Purchaser's application hereunder.

35. Notwithstanding anything contained in Paragraph 9.04 of the printed portion of this Contract to the contrary, no furniture, pictures or computer equipment of the Seller shall be included in this sale.

36. Covenants.

Seller hereby covenants and agrees with Purchaser that after the Effective Date and prior to Closing (or any earlier termination of this Contract pursuant to its terms) and it shall be a condition precedent to Purchaser's obligation to close in accordance with this Agreement that: (a) Promptly upon Seller's receipt of any written notice of the institution of proceedings for the condemnation of the Premises, or any portion thereof, Seller will notify Purchaser thereof. Promptly upon Seller's receipt of any notice of damage to the Premises, or any portion thereof, by reason of fire or other casualty, Seller will notify Purchaser thereof.

(b) Seller will maintain in full force and effect casualty insurance coverage on the Premises and commercial general liability insurance with respect to damage or injury to persons or property occurring on the Premises in such amounts as is maintained by Seller on the Effective Date.

(c) Seller will advise Purchaser promptly of the commencement of any litigation, arbitration or administrative hearing concerning or affecting the Premises of which Seller has received actual knowledge or written notice.

(d) Seller will not seek any zoning changes or take any action which encumber Seller's title to the Premises without Purchaser's prior written consent, which consent may be granted or withheld in Purchaser's sole discretion.

(e) Seller will not, without the prior written consent of Purchaser, (i) create, place or permit to be created or placed, or through any act or failure to act, acquiesce in the placing of, any deed of trust, mortgage, voluntary or involuntary lien, whether statutory, constitutional or contractual (except for the lien for ad valorem taxes on the Premises which are not delinquent), encumbrance or charge, or conditional sale or other title retention document, against or covering the Premises, or any part thereof, (ii) impose any restrictive covenants or encumbrances on the Premises or execute or file any subdivision plat affecting the Premises or (iii) sell, exchange, assign, transfer, convey or otherwise dispose of all or any part of the Premises or any interest therein, or permit any of the foregoing during the term of this Agreement, except for leases approved by Purchaser or which are otherwise expressly provided for in this Agreement

(f) Seller shall obtain and deliver to Purchaser, on or before Closing an Estoppel Certificate and a Subordination Non Disturbance Agreement ("SNDA") from every tenant in such form required by Purchaser's lender.

37. Leaseback by Purchaser.

Notwithstanding anything contained in this Rider to the contrary, subsequent to the Closing, Purchaser agrees to allow Anchor Computer Inc. to remain in possession of a portion of the Premises post-closing subject to the provisions of the Short Term Lease Agreement in the form annexed to this Rider as Exhibit "B".


Seller:

Purchaser:

ANCHOR REAL ESTATE PROPERTIES LTD.

JASON RICHARD REALTY, LLC

By: Mark Schenker, Member


By: Richard Staiano, Manager/Member