

HILO EQUIPMENT AND SERVICES, LLC  
AND  
TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY  
(TOWN OF ISLIP, NEW YORK)

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COMPANY LEASE AGREEMENT

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Dated as of September 1, 2018

Town of Islip Industrial Development Agency  
(Hilo Equipment and Services, LLC 2018 Facility)

THIS COMPANY LEASE AGREEMENT, dated as of September 1, 2018 (the “**Company Lease**”), is by and between HILO EQUIPMENT AND SERVICES, LLC, a limited liability company duly organized and validly existing under the laws of the State of New York, having its principal office at 845 South First Street, Ronkonkoma, New York 11779 (the “**Company**”), and the TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY, a public benefit corporation of the State of New York, having its office at 40 Nassau Avenue, Islip, New York 11751 (the “**Agency**”).

## RECITALS

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

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

WHEREAS, pursuant to and in accordance with the provisions of the aforesaid act, as amended, and Chapter 47 of the Laws of 1974 of the State, as amended (collectively, the “**Act**”), the Agency was created and is empowered under the act to undertake the Project Work and the leasing of the Facility defined below; and

WHEREAS, the Agency has agreed to assist in: (a) the acquisition of a leasehold interest in an approximately 4.3 acre parcel of land located at 845 South First Street, Ronkonkoma, New York (the “**Land**”), (b) the renovation of an approximately 64,224 square foot building located thereon (the “**Improvements**”), and (c) the acquisition and installation therein of certain equipment and personal property (the “**Equipment**”; and, together with the Land and the Improvements, the “**Facility**”), which Facility will be subleased and leased by the Agency to the Company and which Facility will be used by the Company for its primary use as an industrial service, rentals and lighting sales, and distribution center (the “**Project**”); and

WHEREAS, the Land is currently leased by DEA Land, LLC, a limited liability company organized and existing under the laws of the State of New York (the “**Owner**”) to the Company pursuant to a Lease Agreement with Option to Purchase, dated as of June 1, 2017 (the “**Ground Lease**”), by and between the Owner and the Company; and

WHEREAS, the Company has agreed with the Agency, on behalf of the Agency and as the Agency’s agent, to complete the Project Work (as such term is defined in the hereinafter defined Lease Agreement); and

WHEREAS, the Company has agreed to sublease the Land and the Improvements to the Agency pursuant to and in accordance with this Company Lease; and

WHEREAS, the Agency has agreed to sub-sublease and lease the Facility to the Company pursuant to the terms of a certain Lease and Project Agreement, dated as of September 1, 2018 (the “**Lease Agreement**”), by and between the Agency and the Company; and

WHEREAS, the Company has agreed to transfer to the Agency title to the Equipment pursuant to a Bill of Sale, dated the Closing Date (the “**Bill of Sale**”).

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, the parties mutually agree as follows:

The Company hereby subleases the Land (described in Exhibit A attached hereto) and the Improvements to the Agency for the annual rent of \$1.00 for a term commencing on the Closing Date and terminating at 11:59 p.m. on July 31, 2027, unless extended until November 30, 2029 (the “**Lease Term**”).

This Company Lease shall terminate on the earliest of (i) the expiration of the Lease Term and (ii) the termination of the Lease Agreement pursuant to Article X or Article XI thereof.

The Company agrees to keep, perform and observe, from and after the date hereof, all of the terms, covenants, conditions, obligations and other provisions contained in the Lease Agreement. The Company agrees further that it shall indemnify, defend and hold harmless the Agency from and against all liabilities, damages, claims, demands, judgments, losses, costs, expenses, suits, actions or proceedings and attorneys’ fees arising out of or in connection with the Lease Agreement or this Company Lease and shall defend the Agency in any suit, action or proceeding, including appeals, for personal injury to, or death of, any person or persons, or for any loss of or damage to property of persons, or for other claims arising out of the acts or omissions of the Company or any of its officers, directors, agents or employees. The foregoing indemnitees shall include all expenses incurred by the Agency, including, without limitation, reasonable attorneys’ fees to enforce this Company Lease, the Lease Agreement or any other document to which the Company and the Agency are parties, and with respect to third party claims.

The Agency, for itself and its successors and assigns, hereby agrees to lease the Land and the Improvements from the Company on the terms and conditions contained herein.

The Company and the Agency acknowledge that the Agency will lease and sublease the Facility to the Company pursuant to the Lease Agreement. The Company and the Agency agree that while this Company Lease and the Lease Agreement remain in full force and effect, (i) there shall be no merger of the Company’s leasehold estate in the Land and the Improvements and the Company’s sub-subleasehold estate in the Land and Improvements created under the Lease Agreement; and (ii) the Agency shall continue to have, use and enjoy the subleasehold estate in the Land and the Improvements created under this Company Lease.

The Company and the Agency acknowledge that in order to accomplish certain financing arrangements for the Facility, the parties may be required to assign and mortgage, for collateral purposes, each of their respective rights, titles and interests held pursuant to this Company Lease, the Lease Agreement and other interests that either may hold. Each of the Company and the Agency hereby consents to all such assignments, mortgages and other collateral financing requirements that may arise in connection with the financing or refinancing of the Facility.

This Company Lease and any and all modifications, amendments, renewals and extensions thereof is subject and subordinate to any Mortgage which may be granted by the Agency and the Company on the Facility or any portion thereof and to any and all modifications, amendments, consolidations, extensions, renewals, replacements and increases thereof.

This Company Lease shall not be recorded by either party hereto. The Agency shall cause a memorandum of lease with respect hereto to be recorded in the office of the Suffolk County Clerk.

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

To the Agency:

Town of Islip Industrial Development Agency  
40 Nassau Avenue  
Islip, New York 11751  
Attention: Executive Director

With a copy to:

Islip Town Attorney's Office  
40 Nassau Avenue  
Islip, New York 11751  
Attention: Michael A. Brandi, Esq.

To the Company:

Hilo Equipment and Services, LLC  
845 South First Street  
Ronkonkoma, New York 11779  
Attention: Steven LoPiccolo, President

With a copy to:

Keneally, Lynch & Bak, LLP  
1377 Motor Parkway #303  
Islandia, New York 11749  
Attention: Joseph Keneally, Esq.

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

Copies of all notices given either to the Agency or to the Company shall also be sent to any Lender, if such Lender shall have delivered written instructions to the Agency and the Company with the address of such Lender.

If a party hereto determines in its reasonable discretion that any further instruments or other actions are necessary or desirable to carry out the terms of this Company Lease, the other party shall, at the Company's sole cost and expense, execute and deliver all such instruments and take all such actions.

Capitalized terms used in this Company Lease and not otherwise defined in this Company Lease shall have the meanings assigned thereto in Schedule A to the Lease Agreement.

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

This Company Lease may not be amended, changed, modified or altered except in writing executed by the parties hereto.

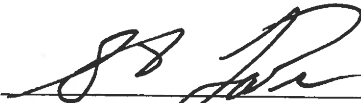
This Company Lease shall be governed exclusively by the applicable laws of the State of New York, without regard or reference to its conflict of laws principles.

This Company Lease and the conveyance made hereby shall be subject to the trust fund provisions of Section 13 of the Lien Law of the State.

(Remainder of Page Intentionally Left Blank – Signature Pages Follow)

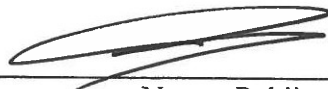
IN WITNESS WHEREOF, the parties hereto have executed this instrument as of the day and year first above written.

**HILO EQUIPMENT AND SERVICES, LLC**

By:   
Name: Steven LoPiccolo  
Title: President

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

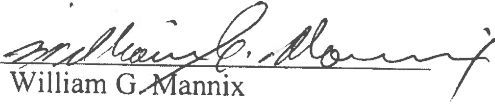
On the 18<sup>th</sup> day of September in the year 2018, before me, the undersigned, personally appeared **Steven LoPiccolo**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument, and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person or entity on behalf of which the individual acted, executed the instrument.

  
\_\_\_\_\_  
Notary Public

**JOSEPH P. KENEALLY**  
Notary Public, State of New York  
No. 02KE4997794  
Qualified in Suffolk County  
Commission Expires July 23, 2022

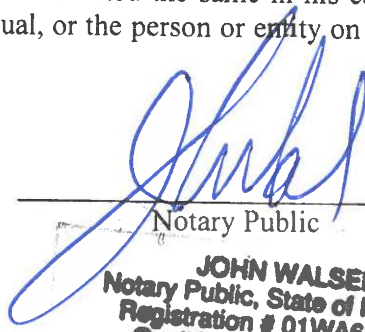
Signature Page 1 of 2  
Company Lease Agreement

TOWN OF ISLIP INDUSTRIAL  
DEVELOPMENT AGENCY

By:   
Name: William G. Mannix  
Title: Executive Director

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

On the 11 day of September in the year 2018, before me, the undersigned, personally appeared **William G. Mannix**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument, and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person or entity on behalf of which the individual acted, executed the instrument.

  
Notary Public  
**JOHN WALSER**  
Notary Public, State of New York  
Registration # 01WA6195090  
Qualified in Suffolk County  
Commission Expires October 20, 2021

Signature Page 2 of 2  
Company Lease Agreement

EXHIBIT A

Legal Description of Real Property



# Safe Harbor Title Agency, Ltd.

## Schedule A

Title Number **SH178348**  
Underwriter **638-S-13463**

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ALL that certain plot, piece or parcel of land, situate, lying and being in the Town of Islip, County of Suffolk, and State of New York, known and designated as part of lots 28 to 27 inclusive in Block one as shown on a certain map entitled "Map of Parkway Manor Section 1" filed in the Office of the Clerk of the County of Suffolk on October 4, 1909 as Map No. 262; Said lots and a certain described Parcel against thereto being more particularly bounded and described as follows:

BEGINNING at a point on the East side of Pond Road distant 450.06 feet South of the intersection formed by the South side of Peconic Street and the East side of Pond Road which point is marked by a monument;

RUNNING THENCE, North 83 degrees 30 minutes 41 seconds East 983.54 feet (deed) North 83 degrees 35 minutes 48 seconds East 983.32 feet (actual) to a point and land of the Town of Islip;

THENCE, South 6 degrees 19 minutes 16 seconds East 281.58 feet (deed) 281.40 feet (actual) to a point marked by a monument and stake;

THENCE, the following three (3) courses:

1. South 83 degrees 25 minutes 41 seconds West 209.64 feet (deed) 210.50 feet (Actual) to a stake in the ground;
2. South 7 degrees 14 minutes 28 seconds East 111.94 feet to the North side of First Street as widened;
3. South 82 degrees 45 minutes 32 seconds West 200.00 feet along the Northerly side of First Street, as widened;

THENCE, North 7 degrees 14 minutes 25 seconds West 114.27 feet to a point;

THENCE, South 83 degrees 30 minutes 41 seconds West 486.25 feet to a point of tangency;

THENCE, along the arc of a curve with a radius of 20 feet bearing to the left, whose chord bears South 38 degrees 03 minutes 11 seconds West, with a length of 28.51 feet, a distance of 31.74 feet to the Easterly side of Pond Road;

THENCE, along the Easterly side of Pond Road North 07 degrees 24 minutes 19 seconds West 76.33 feet (deed) 77.62 feet (actual) to the point or place of BEGINNING.

For Conveyancing Only, if intended to be conveyed.

Together with all right, title and interest of, in and to any streets and roads abutting the above described premises, to the center line thereof.



**Safe Harbor Title Agency, Ltd.**