

CENTURY DIRECT, LLC

to

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

RECAPTURE AGREEMENT

Dated as of March 1, 2015

Town of Islip Industrial Development Agency
(Century Direct, LLC 2015 Facility)

Premises Address: 130 Hoffman Lane, Islandia, Town of Islip, New York

Tax Map Number: 0504-007.00-02.00-006.000

Record and return to:
Nixon Peabody LLP
1300 Clinton Square
Rochester, New York 14604
Attention: Jessica L. Paulin Esq.

RECAPTURE AGREEMENT

THIS RECAPTURE AGREEMENT, made and entered into as of March 1, 2015 (this "**Recapture Agreement**"), is from CENTURY DIRECT, LLC, a limited liability company organized and existing under the laws of the State New York, having an office at 130 Hoffman Lane, Islandia, New York 11749 (the "**Company**"), to 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**").

WITNESSETH:

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;

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

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

WHEREAS, pursuant to and in accordance with the provisions of the aforesaid act, as amended, together with 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 providing, financing and leasing of the Facility defined below;

WHEREAS, the Agency has agreed to assist in the acquisition of a leasehold interest of an approximately 30,000 square foot building (the "**Premises**") located on an approximately 1.77 acre parcel of land located at 130 Hoffman Lane, Islandia, New York (the "**Land**"), the renovation of the Premises (the "**Improvements**"), and the equipping and furnishing thereof (the "**Equipment**", and together with the Premises, and the Improvements, the "**Facility**"), all to be leased and subleased by the Agency to the Company, and used by the Company in its business in the provision of commercial printing, mailing services, data management and computer services; and

WHEREAS, the Premises is currently leased by Chaika Holdings Corp., a business corporation organized and existing under the laws of the State of New York (the "**Owner**"), to the Company pursuant to an Agreement of Lease, dated as of February 25, 2015 (the "**Ground Lease**"), by and between the Owner and the Company; and

WHEREAS, the Company has agreed to sublease the Premises and the Improvements to the Agency pursuant to and in accordance with a certain Company Lease Agreement, dated as of March 1, 2015 (the "**Company Lease**"), by and between the Company and the Agency;

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**"); and

WHEREAS, the Agency has agreed to sub-sublease and lease the Facility to the Company pursuant to a certain Lease Agreement, dated as of March 1, 2015 (the "**Lease Agreement**"), by and between the Agency and the Company;

WHEREAS, in order to define the Company's obligations regarding payments-in-lieu-of taxes with respect to the Facility, the Agency and the Company have agreed to enter into a Payment-in-Lieu-of-Tax Agreement, dated as of March 1, 2015 (the "**PILOT Agreement**"), by and between the Agency and the Company;

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

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

AGREEMENT

1. Recapture of Agency Benefits.

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

- (i) If there shall occur a Recapture Event after March 31, 2015, but on or before December 31, 2017, the Company shall pay to the Agency, or to the State of New York, if so directed by the Agency (except as otherwise specified below) as a return of public benefits conferred by the Agency, one hundred percent (100%) of the Recaptured Benefits (as defined below);

- (ii) If there shall occur a Recapture Event on or after January 1, 2018 but on or before December 31, 2023, the Company shall pay to the Agency, or to the State of New York, if so directed by the Agency (except as otherwise specified below) as a return of public benefits conferred by the Agency, seventy-five percent (75%) of the Recaptured Benefits;
- (iii) If there shall occur a Recapture Event on or after January 1, 2024 but on or before December 31, 2026, the Company shall pay to the Agency, or to the State of New York, if so directed by the Agency (except as otherwise specified below) as a return of public benefits conferred by the Agency, fifty percent (50%) of the Recaptured Benefits;
- (iv) If there shall occur a Recapture Event on or after January 1, 2027 but on or before December 31, 2028, the Company shall pay to the Agency, or to the State of New York, if so directed by the Agency (except as otherwise specified below) as a return of public benefits conferred by the Agency, twenty-five percent (25%) of the Recaptured Benefits; and
- (v) If there shall occur a Recapture Event on or after January 1, 2029, the Company shall not be obligated to pay to the Agency, or to the State of New York, any of the Recaptured Benefits; and

(b) The term "Recaptured Benefits" shall mean all direct monetary benefits, tax exemptions and abatements and other financial assistance, if any, derived solely from the Agency's participation in the transaction contemplated by the PILOT Agreement and the Lease Agreement including, but not limited to, the amount equal to 100% of:

- (i) any exemption from any applicable mortgage recording tax with respect to the Facility on mortgages granted by the Agency on the Facility at the request of the Company (the "**Mortgage Recording Tax Exemption**"); and
- (ii) Sales Tax Exemption savings realized by or for the benefit of the Company, including and savings realized by any Agent pursuant to the Lease Agreement and each Sales Tax Agent Authorization Letter issued in connection with the Facility (the "**Sales Tax Savings**"); and
- (iii) real property tax abatements granted under the PILOT Agreement (the "**Real Property Tax Abatements**");

which Recaptured Benefits from time to time shall upon the occurrence of a Recapture Event in accordance with the provisions of Section 1(c) below and the declaration of a Recapture Event by notice from the Agency to the Company be payable directly to the Agency or the State of New York if so directed by the Agency.

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

(1) A default by the Company under the PILOT Agreement (other than as described in clauses (d) or (e) below) which remains uncured beyond any applicable notice and/or grace period, if any, provided thereunder; or

(2) The occurrence and continuation of an Event of Default under the Lease Agreement (other than as described in clauses (d) or (e) below) which remains uncured beyond any applicable notice and/or grace period, if any, provided thereunder; or

(3) The Facility shall cease to be a "project" within the meaning of the Act, as in effect on the Closing Date through the act or omission of the Company; or

(4) The termination of the Ground Lease of the Facility or closure of the Facility and/or departure of the Company from the Town of Islip, except as due to casualty, condemnation or force majeure as provided below; or

(5) Failure of the Company to create or cause to be maintained the number of full time equivalent ("FTE") jobs at the Facility as defined in Section 8.13 of the Lease Agreement, which failure is not reflective of the business conditions of the Company or the subtenants of the Company, including without limitation loss of major sales, revenues, distribution or other adverse business developments and/or local, national or international economic conditions, trade issues or industry wide conditions; or

(6) Any significant deviations from the information and data provided to the Agency in the Company's application for assistance which would constitute a significant diminution of the Company's activities in, or commitment to, the Town of Islip, Suffolk County, New York; or

(7) Failure to comply with the Agency's Construction Wage Policy attached to the Lease Agreement; or

(8) The Company receives Sales Tax Savings in connection with the acquisition, renovation and equipping of the Facility in excess of the Maximum Sales Tax Savings Amount; provided, however, that the foregoing shall constitute a Recapture Event with respect to the Sales Tax Savings only. It is further provided that failure to repay the Sales Tax Savings within thirty (30) days shall constitute a Recapture Event with respect to all Recapture Benefits.

(d) Notwithstanding anything to the contrary, except as provided in clause 1(c)(5) above, if a Recapture Event has occurred due solely to the failure of the Company to create or cause to be maintained the number of FTEs at the Facility as provided in Section 8.13 of the Lease Agreement in any Tax Year but the Company has created or caused to be maintained at least 90% of such required number of FTEs for such Tax Year, then in lieu of recovering the Recaptured Benefits provided above, the Agency may, in its sole discretion, adjust the payments due under the PILOT Agreement on a pro rata basis so that the amount payable under the PILOT Agreement will be adjusted upward retroactively for such Tax Year by the same percentage as the percentage of FTEs that are below the required FTE level for such Tax Year. Such adjustments to the payments due under the PILOT Agreement may

be made each Tax Year until such time as the Company has complied with the required number of FTEs pursuant to Section 8.13 of the Lease Agreement.

(e) Furthermore, notwithstanding the foregoing, a Recapture Event shall not be deemed to have occurred if the Recapture Event shall have arisen as a result of (i) a "force majeure" event (as more particularly defined in the Lease Agreement), (ii) a taking or condemnation by governmental authority of all or part of the Facility, or (iii) the inability or failure of the Company and/or the Owner, as the case may be, after the Facility shall have been destroyed or damaged in whole or in part (such occurrence a "Loss Event") to rebuild, repair, restore or replace the Facility to substantially its condition prior to such Loss Event, which inability or failure shall have arisen in good faith on the part of the Company or any of its affiliates so long as the Company and/or the Owner, as the case may be, or any of their respective affiliates have diligently and in good faith using commercially reasonable efforts pursued the rebuilding, repair, restoration or replacement of the Facility or part thereof as required under and pursuant to the terms and conditions of the Ground Lease.

(f) The Company covenants and agrees to furnish the Agency with written notification (i) within sixty (60) days of the end of each Tax Year of the number of FTEs located at the Facility for such Tax Year, and (ii) within thirty (30) days of actual notice of any facts or circumstances which would likely lead to a Recapture Event or constitute a Recapture Event hereunder. The Agency shall notify the Company of the occurrence of a Recapture Event hereunder, which notification shall set forth the terms of such Recapture Event.

(g) In the event any payment owing by the Company under this Section shall not be paid within ten (10) Business Days from and after written demand by the Agency, such payment shall bear interest from the date of such demand at a rate equal to one percent (1%) plus the Prime Rate, but in no event at a rate higher than the maximum lawful prevailing rate, until the Company shall have made such payment in full, together with such accrued interest to the date of payment, to the Agency (except as otherwise specified above).

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

2. Obligations Unconditional.

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

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

(c) Reserved.

(d) The Company and the Agency hereby agree that the obligations and liabilities of the Company hereunder are the absolute and unconditional obligations and liabilities of the Company.

3. Condition to Reconveyance of Facility. The parties hereto agree that the Agency shall have no obligation to surrender its subleasehold interest in the Facility to the Company pursuant to the Lease Agreement until all payments to the Agency and the Taxing Authorities under Sections 5.3, 11.2 and 11.3 of the Lease Agreement, under the PILOT Agreement and hereunder have been paid in full. If such payments are not paid in full by the Company within sixty (60) days of the date when due and owing, then the Agency shall offer its interest in the Facility for sale pursuant to the Agency's Real Property Disposition Policy adopted pursuant to the Public Authorities Accountability Act, as amended.

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

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

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

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

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

9. Notices. All notices, certificates and other communications under this Recapture Agreement shall be in writing and shall be deemed given when delivered personally or when sent by certified mail, postage prepaid, 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
Town Hall
655 Main Street
Islip, New York 11751
Attention: John R. Dicioccio, Esq.

To the Company:

Century Direct, LLC
130 Hoffman Lane
Islandia, New York 11749
Attention: Michael Kellogg, Chief Executive Officer

With a copy to:

Abrams, Fensterman, Fensterman, Eisman,
Formato, Ferrara & Wolf, LLP
1111 Marcus Avenue, Suite 107
Lake Success, New York 11042
Attention: Neil Kaufman, Esq.

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

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

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

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

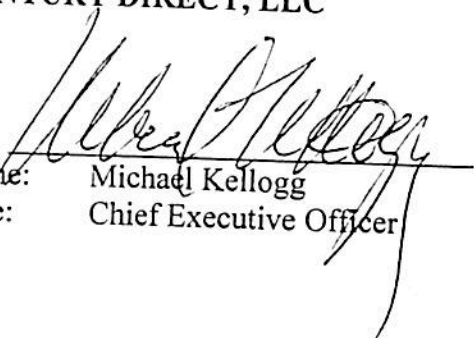
14. Section Headings. The headings of the several Sections in this Recapture Agreement have been prepared for convenience of reference only and shall not control, affect the meaning of or be taken as an interpretation of any provision of this Recapture Agreement.

15. Waiver of Trial by Jury. The parties do hereby expressly waive all rights to trial by jury on any cause of action directly or indirectly involving the terms, covenants or conditions of the Recapture Agreement or any matters whatsoever arising out of or in any way connected with the Recapture Agreement.

(Remainder of Page Intentionally Left Blank)

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

CENTURY DIRECT, LLC

By: 
Name: Michael Kellogg
Title: Chief Executive Officer

ACCEPTED:

**TOWN OF ISLIP INDUSTRIAL
DEVELOPMENT AGENCY**

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

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

CENTURY DIRECT, LLC

By: _____
Name: Michael Kellogg
Title: Chief Executive Officer

ACCEPTED:

**TOWN OF ISLIP INDUSTRIAL
DEVELOPMENT AGENCY**

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

Recapture Agreement
Signature Page 1 of 2

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

On the _____ day of March in the year 2015 before me, the undersigned, personally appeared **Michael Kellogg**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the within instrument, the individual, or the person or entity on behalf of which the individual acted, executed the instrument.



Notary Public
NEIL M. KAUFMAN
Notary Public, State of New York
No. 02KA4865948
Qualified in Suffolk County
Commission Expires December 14, 20 16

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

On the _____ day of March in the year 2015, 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 within instrument, the individual, or the person or entity on behalf of which the individual acted, executed the instrument.

Notary Public

Recapture Agreement
Signature page 2 of 2

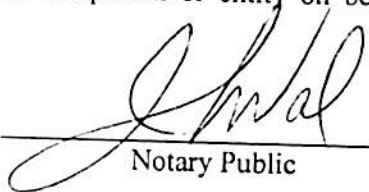
STATE OF NEW YORK)
 : SS:
COUNTY OF)

On the ___ day of March in the year 2015 before me, the undersigned, personally appeared **Michael Kellogg**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the within instrument, the individual, or the person or entity on behalf of which the individual acted, executed the instrument.

Notary Public

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

On the 30th day of March in the year 2015, 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 within instrument, the individual, or the person or entity on behalf of which the individual acted, executed the instrument.



Notary Public

Recapture Agreement
Signature page 2 of 2

JOHN WALSER
Notary Public, State of New York
Registration # 01WA6195030
Qualified in Suffolk County
Commission Expires October 20, 2016

EXHIBIT A

PREMISES DESCRIPTION

All that certain plot, piece or parcel of land situate, lying and being in the Town of Islip, County of Suffolk, State of New York, known and designated as part of Lots 102 and 112 on a certain map entitled "Map of Tract 16, owned by D.L. Risley, Hauppauge, Long Island, New York", and filed in the Office of the Clerk of the County of Suffolk on October 7, 1897 as Map No. 425, which said part of lots when taken together are more particularly bounded and described as follows:

BEGINNING at a monument set in the westerly side of Hoffman Lane distant 691.12 feet northerly from the extreme northeasterly point of intersection of a line connecting the westerly side of Hoffman Lane with the northerly side of Bridge Roads

RUNNING THENCE North 88 degrees 39 minutes 40 seconds West, 170.79 feet; THENCE South 69 degrees 02 minutes 36 seconds West 165.59 feet;

THENCE North 01 degrees 20 minutes 20 seconds East 239.82 feet to the southerly side of Space Court;

THENCE northeasterly and easterly along the southeasterly and southerly sides of Space Court the following three courses and distances;

1. Northeasterly along an arc of a curve having a radius of 60.00 feet bearing to the left, 37.73 feet to a point of reverse curve;
2. Still northeasterly along an arc of curve having a radius of 25.00 feet bearing to the right, 31.81 feet;
3. South 88 degrees 39 minutes 40 seconds East, 253.76 feet to the extreme westerly end of a connecting curve having a radius of 25.00 feet connecting the southerly side of Space Court with the westerly side of Hoffman Lane;

THENCE southeasterly along said last mentioned curve bearing to the right, 39.27 feet to the westerly side of Hoffman Lane;

THENCE South 1 degree 20 minutes 20 seconds West along the westerly side of Hoffman Lane, 200.00 feet to the point or place of BEGINNING.

Transcript Document No. 1

CENTURY DIRECT, LLC

and

TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY

COMPANY LEASE AGREEMENT

Dated as of March 1, 2015

Town of Islip Industrial Development Agency
(Century Direct, LLC 2015 Facility)

THIS COMPANY LEASE AGREEMENT, dated as of March 1, 2015 (the "Company Lease"), is by and between CENTURY DIRECT, LLC, a limited liability company organized and existing under the laws of the State New York, having an office at 130 Hoffman Lane, Islandia, New York 11749 (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 acquisition, renovation, equipping and leasing of the Facility defined below; and

WHEREAS, the Agency has agreed to assist in the acquisition of a leasehold interest of an approximately 30,000 square foot building (the "Premises") located on an approximately 1.77 acre parcel of land located at 130 Hoffman Lane, Islandia, New York (the "Land"), the renovation of the Premises (the "Improvements"), and the equipping and furnishing thereof (the "Equipment", and together with the Premises, and the Improvements, the "Facility"), all to be leased and subleased by the Agency to the Company, and used by the Company in its business in the provision of commercial printing, mailing services, data management and computer services; and

WHEREAS, the Company has agreed with the Agency, on behalf of the Agency and as the Agency's agent, to renovate, equip and furnish the Facility in accordance with the Plans and Specifications; and

WHEREAS, the Premises is currently leased by Chaika Holdings Corp., a business corporation organized and existing under the laws of the State of New York (the "Owner"), to the Company pursuant to an Agreement of Lease, dated as of February 25, 2015 (the "Ground Lease"), by and between the Owner and the Company; and

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

WHEREAS, the Agency has agreed to sub-sublease and lease the Facility to the Company pursuant to a certain Lease Agreement, dated as of March 1, 2015 (the "Lease Agreement"), by and between the Agency and the Company

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

The Company hereby leases the Premises (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 November 30, 2025 unless extended for a one five (5) year extension ending at 11:59 p.m. on November 30, 2030 (the "Lease Term").

This Company Lease shall terminate on the earliest of (i) the expiration of the Lease Term, (ii) the termination of the Lease Agreement pursuant to Article X or Article XI thereof, (iii) any other termination of the Lease Agreement, and (iv) the date upon which the benefits afforded under that certain PILOT Agreement (as defined in the Lease Agreement) shall no longer be effective or the same shall be terminated.

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, except in the case of the Agency's gross negligence or willful misconduct, 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 Premises and the Improvements from the Company on the terms and conditions contained herein.

The Company and the Agency acknowledge that the Agency will lease or sub-lease the Facility, as applicable, 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 Premises and the Improvements and the Company's sub-subleasehold estate in the Premises and Improvements created under the Lease Agreement; and (ii) the Agency shall continue to have, use and enjoy the subleasehold estate in the Premises and the Improvements created under this Company Lease.

This Company Lease shall not be recorded by either party hereto, unless ordered by a court of competent jurisdiction or otherwise required by law. The Agency shall cause a memorandum of lease with respect hereto to be recorded in the Suffolk County Clerk's office. The parties hereto shall take such additional actions and execute such additional

documents as may be required by any lender providing financing for the Facility to record evidence of this Company Lease.

All notices, requests or consents provided for or permitted to be given under this Company Lease must be in writing and shall be effective on actual receipt by the addressee if personally delivered (including delivery against a written receipt by an internationally recognized courier) to the addresses below:

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
Town Hall
655 Main Street
Islip, New York 11751
Attention: John R. Dicioccio, Esq.

The Company:

Century Direct, LLC
130 Hoffman Lane
Islandia, New York 11749
Attention: Michael Kellogg, Chief Executive Officer

With a copy to:

Abrams, Fensterman, Fensterman, Eisman,
Formato, Ferrara & Wolf, LLP
1111 Marcus Avenue, Suite 107
Lake Success, New York 11042
Attention: Neil Kaufman, 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.

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, without additional consideration.

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 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)

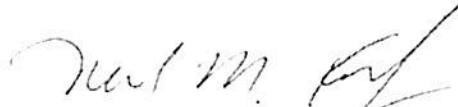
IN WITNESS WHEREOF, the parties hereto have executed this instrument as of the day and year first above written.

CENTURY DIRECT, LLC

By: 
Name: Michael Kellogg
Title: Chief Executive Officer

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

On the _____ day of March in the year 2015 before me, the undersigned, personally appeared **Michael Kellogg**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the within instrument, the individual, or the person or entity on behalf of which the individual acted, executed the instrument.

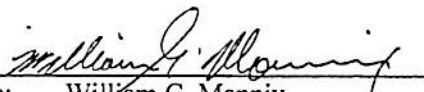


Notary Public

NEIL M. KAUFMAN
Notary Public, State of New York
No. 02KA4865948
Qualified in Suffolk County
Commission Expires December 14, 2016

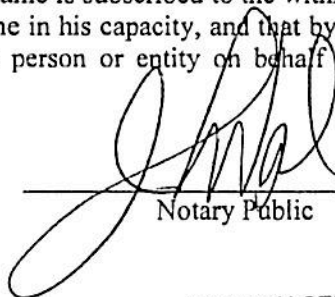
Company Lease Agreement
Signature Page 1 of 2

TOWN OF ISLIP INDUSTRIAL
DEVELOPMENT AGENCY

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

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

On the 30 day of March in the year 2015, 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 within 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, 20 16

Company Lease Agreement
Signature Page 2 of 2

EXHIBIT A

Legal Description of Real Property

All that certain plot, piece or parcel of land situate, lying and being in the Town of Islip, County of Suffolk, State of New York, known and designated as part of Lots 102 and 112 on a certain map entitled "Map of Tract 16, owned by D.L. Risley, Hauppauge, Long Island, New York", and filed in the Office of the Clerk of the County of Suffolk on October 7, 1897 as Map No. 425, which said part of lots when taken together are more particularly bounded and described as follows:

BEGINNING at a monument set in the westerly side of Hoffman Lane distant 691.12 feet northerly from the extreme northeasterly point of intersection of a line connecting the westerly side of Hoffman Lane with the northerly side of Bridge Roads

RUNNING THENCE North 88 degrees 39 minutes 40 seconds West, 170.79 feet; THENCE South 69 degrees 02 minutes 36 seconds West 165.59 feet;

THENCE North 01 degrees 20 minutes 20 seconds East 239.82 feet to the southerly side of Space Court;

THENCE northeasterly and easterly along the southeasterly and southerly sides of Space Court the following three courses and distances;

1. Northeasterly along an arc of a curve having a radius of 60.00 feet bearing to the left, 37.73 feet to a point of reverse curve;
2. Still northeasterly along an arc of curve having a radius of 25.00 feet bearing to the right, 31.81 feet;
3. South 88 degrees 39 minutes 40 seconds East, 253.76 feet to the extreme westerly end of a connecting curve having a radius of 25.00 feet connecting the southerly side of Space Court with the westerly side of Hoffman Lane;

THENCE southeasterly along said last mentioned curve bearing to the right, 39.27 feet to the westerly side of Hoffman Lane;

THENCE South 1 degree 20 minutes 20 seconds West along the westerly side of Hoffman Lane, 200.00 feet to the point or place of BEGINNING.