

HAUPPAUGE HOLDING LLC

and

TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY

COMPANY LEASE AGREEMENT

Dated as of August 1, 2015

Town of Islip Industrial Development Agency
(Hauppauge Holding LLC/Coline Cabinetry NY Inc. 2015 Facility)

THIS COMPANY LEASE AGREEMENT, dated as of August 1, 2015 (the "**Company Lease**"), is by and between HAUPPAUGE HOLDING LLC, a limited liability company duly organized and validly existing under the laws of the State of New York, having its principal office at 132-10 33rd Avenue, Flushing, New York 11354 (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 (a) the acquisition of an approximately 3.35 acre parcel of land located at 1795 Express Drive North, Hauppauge, New York 11788 (the "**Land**"), the renovation of an approximately 51,000 square foot building located thereon (the "**Improvements**") and the acquisition and installation therein of certain equipment not part of the Equipment (as such term is defined herein) and personal property including, but not limited to racks, office equipment, computers and files (the "**Facility Equipment**"); and together with the Land and the Improvements, the "**Company Facility**", which Company Facility is to be leased and subleased by the Agency to the Company and further subleased by the Company to Coline Cabinetry NY Inc., a business corporation duly formed and validly existing under the laws of the State of New York, having an address at 132-10 33rd Avenue, Flushing, New York 11354 (the "**Sublessee**"); and (b) the acquisition and installation of certain equipment and personal property (the "**Equipment**"), which Equipment is to be leased by the Agency to the Sublessee (the Company Facility and the Equipment are collectively referred to herein as the "**Facility**"), and which Facility is to be used by the Sublessee for its primary use as office, showroom and warehouse space in its business as an importer and assembler of cabinets for residential and commercial use; and

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

WHEREAS, the Company has agreed to lease the Land 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 Facility Equipment pursuant to a Bill of Sale.

dated the Closing Date (the “**Bill of Sale**”); and

WHEREAS, the Agency has agreed to sublease and lease the Company Facility to the Company pursuant to a certain Lease Agreement, dated as of August 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 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 November 30, 2027 (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 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 Company 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 fee simple absolute estate in the Land and the Improvements and the Company’s subleasehold estate in the Land and Improvements created under the Lease Agreement; and (ii) the Agency shall continue to have, use and enjoy the leasehold 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 will 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 or Mortgages which may be granted by the Agency and the Company on the Company 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. The parties hereto shall take such additional actions and execute such additional documents as may be required by any lender providing financing for the Company 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: William G. Mannix, 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:

Hauppauge Holding LLC
132-10 33rd Avenue
Flushing, New York 11354
Attention: Xu Ting Hu, Member

With a copy to:

Law Offices of Allison G. Fung
136-20 38th Avenue, Suite 11D
Flushing, New York 11354
Attention: Allison G. Fung, 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.

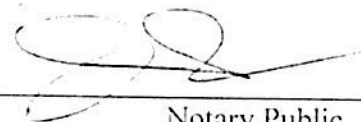
HAUPPAUGE HOLDING LLC

By: 
Name: Xu Ting Hu
Title: Member

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

On the 11th day of August in the year 2015, before me, the undersigned, personally appeared **Xu Ting Hu**, 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.

JENIFER M. CHIN
Notary Public, State of New York
No. 02CH5011035
Qualified in Queens County
Commission Expires April 12 2019


Notary Public

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Company Lease

TOWN OF ISLIP INDUSTRIAL
DEVELOPMENT AGENCY

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

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

On the 11th day of August 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 instrument, the individual, or the person or entity on behalf of which the individual acted, executed the instrument.

Timothy G. Chapman
Notary Public

TIMOTHY G. CHAPMAN
Notary Public, State of New York
Registration #01CH6266388
Qualified In Monroe County
Commission Expires July 30, 2018

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Company Lease

Exhibit A

Legal Description of Real Property

SCHEDULE A

PROPERTY DESCRIPTION

ALL that certain plot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being at Hauppauge, Town of Islip, County of Suffolk and State of New York, known and designated as part of Lot No. 5 as shown upon a certain map entitled: "Map of Expressway Industrial Park" situate at Hauppauge, Town of Islip, prepared by William R. Simmons, Jr. Land Surveyor, dated April 21, 1966 and filed in the Suffolk County Clerk's Office on November 29, 1967 as Map No. 5004, said part of lot being bounded and described as follows:

BEGINNING at a point on the easterly side of Ranick Road at the northerly end of the arc of a curve connecting the easterly side of Ranick Road with the northerly side of the North Service Road Long Island Expressway (S.R. 495) (Expressway Drive North);

RUNNING THENCE along the easterly side of Ranick Road, the following two (2) courses and distances:

1. Northerly along the arc of a curve bearing to the right, having a radius of 617.98 feet, a distance of 127.51 feet;
2. North 00 degrees 12 minutes 18 seconds east, 232.49 feet;

THENCE south 89 degrees 47 minutes 42 seconds east, 390.50 feet;

THENCE south 00 degrees 12 minutes 18 seconds west 263.75 feet to the northerly side of the North Service Road Long Island Expressway (S.R. 495) (Expressway Drive North);

THENCE along the northerly side of the North Service Road Long Island Expressway (S.R. 495) (Expressway Drive North), the following three (3) courses and distances:

1. Westerly along the arc of a curve bearing to the right, having a radius of 756.00 feet, a distance of 37.03 feet;
2. South 11 degrees 20 minutes 46 seconds east, 34.77 feet; and
3. South 78 degrees 28 minutes 00 seconds west, 331.73 feet to the easterly end of the connecting curve above mentioned.

THENCE westerly and northerly along the arc of said curve bearing to the right, having a radius of 20.00 feet, a distance of 31.46 feet to the easterly side of Ranick Road, and the point or place of BEGINNING.

FOR INFORMATION ONLY:

SAID PREMISES being known as 1795 Express Drive North, Hauppauge, New York 11788.

SCHEDULE A

PROPERTY DESCRIPTION

District: 0500
Section: 038.00
Block: 03.00
Lot: 001.000

FOR CONVEYANCE ONLY:

Together with the right, title and interest of, in and to any streets and roads abutting the above described premises, to the center line thereof. TOGETHER with the appurtenances and all the estate and rights of the party of the first part in and to said premises; TO HAVE AND TO HOLD the premises herein granted unto the party of the second part, the heirs or successors and assigns of the party of the second part forever.