

COMPANY LEASE AGREEMENT

between

QOSINA CORP.

and

TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY

Dated as of August 1, 2015

Town of Islip Industrial Development Agency
(Qosina Corp. 2015 Facility)

THIS COMPANY LEASE AGREEMENT, dated as of August 1, 2015 (this "**Company Lease**"), is by and between QOSINA CORP., a business corporation organized and existing under the laws of the State of New York, having an office at 150-Q Executive Drive, Edgewood, New York 11717 (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 I 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 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 95,141 square foot portion of an approximately 206,005 square foot building (the "**Demised Premises**") located on an approximately 15.84 acre parcel of land located at 2002 Orville Drive North, Ronkonkoma, New York 11779 (the "**Land**"), the renovation of the Demised Premises (the "**Improvements**") and the acquisition and installation therein of certain equipment and personal property (the "**Equipment**"); and, together with the Demised Premises, the Land and the Improvements, the "**Facility**"), which Facility is to be leased and sub-leased by the Agency to the Company and used by the Company as office and warehouse space in its business as a distributor of medical components and cosmetic disposables; 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 Facility in accordance with the Plans and Specifications; and

WHEREAS, the Land, the Demised Premises and the Improvements (the "**Ground Leased Facility**") is currently leased by REP A-2027 LLC, a Delaware limited liability company (the "**Owner**"), to the Company pursuant to an Agreement of Lease, dated as of May 8, 2015 (the "**Ground Lease**"), by and between the Owner and the Company; and

WHEREAS, the Company has agreed to sublease the Ground Leased Facility 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-lease and lease the 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 Ground Leased Facility and the mutual covenants contained herein, the parties mutually agree as follows:

The Company hereby leases the Ground Leased Facility located on a portion of the Land (described in Exhibit A attached hereto) 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, 2023 (the "Initial Lease Term"), provided, however, that if the term of the Ground Lease is extended for at least an additional three (3) years, then that at the request of the Company, the Agency shall have the option in its sole discretion to extend the term of this Company Lease for an additional three (3) year term, in which event this Company Lease shall expire on November 30, 2026.

This Company Lease shall terminate on the earliest of (i) the expiration of the Ground Lease term, (ii) the expiration of the Lease Term, (iii) the termination of the Lease Agreement pursuant to Article X or Article XI thereof, 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 reasonable 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 sublease 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 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 Ground Leased Facility and the Company's sub-leasehold estate in the Ground Leased Facility created under the Lease Agreement; and (ii) the Agency shall continue to have, use and enjoy the subleasehold estate in the Ground Leased Facility created under this Company Lease.

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

The Company:

Qosina Corp.
2002-Q Orville Drive North
Ronkonkoma, New York 11779
Attention: Stuart Herskovitz

With a copy to:

Germano & Cahill, P.C.
4250 Veterans Memorial Highway, Suite 275
Holbrook, New York 11741
Attention: Guy Germano, 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.

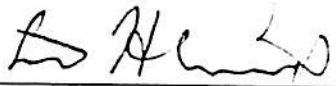
This Company Lease shall be governed exclusively by the applicable laws of the State of New York, without regard or reference to its conflict of laws principles.

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.

QOSINA CORP.

By: 
Name: Stuart Herskovitz
Title: President

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

On the 11th day of August in the year 2015 before me, the undersigned, personally appeared **Stuart Herskovitz** 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

MEGHAN HEALY
Notary Public - State of New York
No. 02HE6116030
Qualified in Suffolk County
Commission Expires August 30, 2016

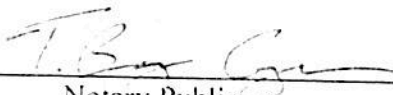
Company Lease Agreement
Signature Page 1 of 2

**TOWN OF ISLIP INDUSTRIAL
DEVELOPMENT AGENCY**

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

STATE OF NEW YORK)
) ss.:
COUNTY OF 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 within instrument, the individual, or the person or entity on behalf of which the individual acted, executed the instrument.


Notary Public

T. BARRY CARRIGAN
Notary Public, State of New York
Registration # 02CA6243690
Qualified in Monroe County
Certificate Filed in Monroe County
Commission Expires: 6/20/2017

EXHIBIT A

Legal Description of Real Property

SCHEDULE A

All that certain plot, piece or parcel of land, situate, lying and being at Bohemia, in the Town of Islip County of Suffolk and State of New York, being more particularly bounded and described as follows:

BEGINNING at a point on the Northeasterly side of Veterans Memorial Highway (S.R.454) at the extreme Southwesterly end of the curve which connects the Westerly side of Orville Drive North and the Northeasterly side of Veterans Memorial Highway (S.R. 454);

RUNNING THENCE along said Northeasterly side of Veterans Memorial Highway (S.R.454) the following two (2) courses and distances:

1. Northwesterly along an arc of a curve bearing to the right having a radius of 6429.77 feet, a distance of 77.50 feet (per deed), 71.50 feet (per survey);
2. North 63 degrees 46 minutes 44 seconds West, 1238.32 feet to land now or formerly of Town of Islip Resource Recovery Agency;

THENCE North 02 degrees 50 minutes 31 seconds East along said last mentioned land, 318.68 feet (per deed), 318.63 feet (per survey);

THENCE South 86 degrees 42 minutes 00 seconds East still along said land, 840.00 feet to land of Reckson Operating Partnership, L.P.;

THENCE along land of Reckson Operating Partnership, L.P., the following three (3) courses and distances:

1. South 84 degrees 02 minutes 50 seconds East, 290.00 feet;
2. South 05 degrees 57 minutes 10 seconds west, 113.00 feet;
3. South 44 degrees 44 minutes 55 seconds East, 79.54 feet to the Westerly side of Orville Drive North;

THENCE Southerly along the Westerly side of Orville Drive North, the following seven (7) courses and distances:

1. along an arc of a curve bearing to the left having a radius of 60.00 feet, a distance of 29.28 feet (per deed), 29.05 feet (per survey);
2. along an arc of a curve bearing to the right having a radius of 25.00 feet, a distance of 21.68 feet;
3. South 05 degrees 57 minutes 10 seconds West, 116.96 feet;

4. along an arc of a curve bearing to the left having a radius of 33.00 feet, a distance of 87.17 feet;
5. South 09 degrees 10 minutes 58 seconds East, 227.53 feet;
6. along an arc of a curve bearing to the right having a radius of 265.00 feet; a distance of 157.58 feet;
7. South 24 degrees 53 minutes 12 seconds West, 11.90 feet to the Northerly end of the curve first mentioned above.

THENCE Southwesterly along said curve bearing to the right having a radius of 25.00 feet, a distance of 39.54 feet to the Northeaterly side of Veterans Memorial Highway (S.R.454) and the point or place of BEGINNING

For Information Only: District: 0500 Section: 106.00 Block: 01.00 Lot: 007.005