

Part I: Owner & User Data

1. Owner Data:

A. Owner (Applicant for assistance): DEA Land, LLC

Address: 3500 Mystic Pointe Drive, Unit #2305

Federal Employer ID # [REDACTED]

Website: ---

NAICS Code:

Owner Officer Certifying Application: Efrat Doron Arad

Title of Officer: Managing Member

Phone Number: [REDACTED]

E-mail: [REDACTED]

B. Business Type:

Sole Proprietorship ☐

Partnership ☐

Privately Held ☒

Public Corporation ☐

Listed on

State of Incorporation/Formation: NY

C. Nature of Business:

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

Real Estate Holding Company

D. Owner Counsel:

Firm Name: Jeremy Kaufman, Esq.

Address: 74 Club Lane
Rock Hill, NY 12775

Individual Attorney: Jeremy Kaufman

Phone Number: [REDACTED]

E-mail: [REDACTED]

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

Name	Percent Owned
Efrat Doron Arad	100%

F. Has the Owner, or any subsidiary or affiliate of the Owner, 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 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.

NO

H. 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:

NO

I. List parent corporation, sister corporations and subsidiaries:

NONE

- J. 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:

NO

- K. List major bank references of the Owner:

SUFFOLK COUNTY NATIONAL BANK

Thomas B. Ford, VP Commercial Banking

2. User Data

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

- A. User (together with the Owner, the "Applicant"): HILO MAINTENANCE SYSTEMS, INC.

Address: 845 SOUTH 1ST STREET

RONKONKOMA, NY 11779

Federal Employer ID #: [REDACTED]

Website: WWW.HILOUSA.COM

NAICS Code: _____

User Officer Certifying Application: STEVEN LOPICCOLO

Title of Officer: PRESIDENT

Phone Number: [REDACTED]

E-mail: [REDACTED]

- B. Business Type:

Sole Proprietorship ☐ Partnership ☐ Privately Held ☒

Public Corporation ☐ Listed on _____

State of Incorporation/Formation: N.Y.

- C. Nature of Business:

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

MATERIALS HANDLING EQUIPMENT & SERVICE DEALER

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. User's Counsel:

Firm Name: KENEALLY, LYNCH & BAK, LLP

Address: 1377 MOTOR PARKWAY, SUITE 303

ISLANDIA, NY 11749

Individual Attorney: JOSEPH P. KENEALLY

Phone Number: [REDACTED]

E-mail: [REDACTED]

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

Name	Percent Owned
LAURA LOPICCOLO	51
LES GOBLER	49

G. Has the User, or any subsidiary or affiliate of the User, 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 "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

- I. 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

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

NONE

- K. 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

- L. List major bank references of the User:

M&T BANK 140 ADAMS AVE. HAUPPAUGE, NY 11788

CHRISTOPHER VAN BELL, A.V.P. [REDACTED]

Part II – Operation at Current Location

*** (if the Owner and the User are unrelated entities, answer separately for each) ***

1. Current Location Address: 345 OSER AVE HAUPPAUGE NY 11788
2. Owned or Leased: OWNED
3. Describe your present location (acreage, square footage, number buildings, number of floors, etc.):
1 BUILDING, 30,000SQFT

- 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: 4 WEEK TIME FRAME, STARTING ON OR ABOUT AUGUST 1, 2017

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>0</u>
Building(s) demolition/construction	\$ <u>0</u>
Building renovation	\$ <u>330,000.00</u>
Site Work	\$ <u>50,000.00</u>
Machinery and Equipment	\$ <u>50,000.00</u>
Legal Fees	\$ <u>10,000.00</u>
Architectural/Engineering Fees	\$ <u>5,000.00</u>
Financial Charges	\$ <u>0</u>
Other (Specify)	\$ <u>0</u>
Total	\$ <u>445,000.00</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:	\$ _____	_____ 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>445,000.00</u>	_____ years

Total Project Costs \$ 445,000.00

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

0

3. Project Financing:

- 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:

NO

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

NO

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

NO

Part V – Project Benefits

1. Mortgage Recording Tax Benefit:

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

\$ _____

- B. Estimated Mortgage Recording Tax Exemption (product of Mortgage Amount and ____ %):

\$ _____

2. Sales and Use Tax Benefit:

LEASE AGREEMENT WITH OPTION TO PURCHASE

THIS LEASE AGREEMENT WITH OPTION PURCHASE ("Agreement") is entered into as of the 1st day of June, 2017, ("Effective Date") by and between

DEA Land, LLC, with an address of 3500 Mystic Pointe Drive, unit # 2305, Aventura, Florida 33180 ("Landlord"), and

Hi-Lo Maintenance Systems, Inc., with an address of 345 Oser Avenue, Hauppauge, New York 11788 ("Tenant").

I. LEASE AGREEMENT

1. Lease. (a) Landlord hereby leases to Tenant and Tenant hereby leases from Landlord that certain parcel of real property more particularly known as **845 S. 1st Street, Ronkonkoma, New York 11779 (Town of Islip Tax Map #: 0500-086.00-0400-007.001)** ("Land"), together with all buildings and improvements situated on the Land ("Building"); the appurtenances and all the estate and rights of Seller in and to the Land and Building ("Premises"); and all racking, fixtures, equipment, machinery, materials, supplies and other personal property attached or appurtenant to the Building or located at and used in the operation or maintenance of the Premises to the extent same are owned by Seller ("Personal Property"). The Land, Building, Premises, and Personal Property shall collectively be referred to herein as the "Leased Property." For purposes of this Contract, "appurtenances" shall include all right, title and interest of Seller, if any, in and to streets, easements, rights-of-way and vehicle parking rights used in connection with the Premises.
2. Term of Lease. This Lease shall be effective upon the Effective Date. The term of the Lease shall commence on **June 1, 2017** and shall expire **July 1, 2027** ("Lease Term"). Notwithstanding anything to the contrary, this Lease shall terminate if ever that Tenant, its successors, or its assigns acquire such Leased Property from Landlord pursuant to the Option to purchase granted in Section II, below.
3. Use. (a) Tenant may occupy and use the Leased Premises during the Term for purposes of the operation of (**NEED DESCRIPTION OF TENANT'S BUSINESS**). Tenant warrants that Tenant's use shall comply with all applicable laws, ordinances, rules and regulations ("Laws"). Tenant may operate during such days and hours as Tenant may determine, without the imposition of minimum or maximum hours of operation by Landlord and Tenant shall have access to the Leased Premises, and may operate, 24 hours per day, seven (7) days per week, 365 days per year, subject to applicable Laws.
4. Deposit and Lease Payments. (a) On the first day of each calendar month during the Lease Term, Tenant will pay to Landlord the amount of **Thirty-Two Thousand One Hundred Twelve and 00/100 dollars (\$32,112.00)** ("Base Rent"), in equal monthly installments, in

lawful money of the United States, in advance and without offset, deduction prior notice or demand. The Base Rent is payable at Landlord's Rent Payment Address of 3500 Mystic Pointe Drive, unit # 2305, Aventura, Florida 33180, or at such other place or to such other person as Landlord may designate in writing from time to time. Payments of Base Rent for any partial calendar month will be prorated.

(b) All sums payable by Tenant under this Lease other than Base Rent are "Additional Rent," where the term "Rent" includes both Base Rent and Additional Rent. Landlord will estimate in advance and charge to Tenant the following costs ("Total Operating Costs"), which Tenant will pay with the Base Rent on a monthly basis throughout the Lease Term: (a) all Real Property Taxes for which Tenant is liable hereunder; (b) all utility costs (to the extent utilities are not separately metered) for which Tenant is liable hereunder; (c) all insurance premiums for which Tenant is liable hereunder; and (d) all Operating Expenses for which Tenant is liable hereunder, if any. Landlord may adjust its estimates of Total Operating Costs at any time based upon Landlord's experience and reasonable anticipation of costs. Such adjustments will be effective as of the next Rent payment date after notice to Tenant.

(c) After the end of each fiscal year during the Term, Landlord will deliver to Tenant a statement setting forth, in reasonable detail, the Total Operating Costs paid or incurred by Landlord during the preceding fiscal year. Within thirty (30) days after Tenant's receipt of such statement, there will be an adjustment between Landlord and Tenant, with payment to or credit given by Landlord (as the case may be).

(d) Any Rent or other amount due to Landlord, if not paid when due, will bear interest from the date due until paid at the rate of fifteen (15%) percent per year, but not to exceed the highest rate legally permitted.

(e) If any installment of Rent or any other sums due from Tenant is not received by Landlord within five (5) days following the due date, Tenant will pay to Landlord a late charge equal to five (5%) percent of such overdue amount; provided, however, Landlord will not charge any late charge for the first time in each calendar year that such payment is not made within five (5) days of the due date if payment is received within five (5) days of receipt of notice. The parties hereby agree that such late charge represents a fair and reasonable estimate of the costs Landlord will incur by reason of late payment by Tenant.

5. Security Deposit. Upon the execution of this Lease, Tenant will deposit with Landlord an amount of **Sixty-Four Thousand Two Hundred Twenty-Four and 00/100 dollars (\$64,224.00)** ("Security Deposit"). Landlord may, at its option, apply all or part of the Security Deposit to any unpaid Rent or other charges due from Tenant, cure any other defaults of Tenant, or compensate Landlord for any loss or damage which Landlord may suffer due to Tenant's default. If Landlord uses any part of the Security Deposit, Tenant will restore the Security Deposit to its full amount within ten (10) days after Landlord's request. No interest will be paid on the Security Deposit, no trust relationship is created herein

between Landlord and Tenant with respect to the Security Deposit, and the Security Deposit may be commingled with other funds of Landlord. Upon expiration or termination of this Lease not resulting from Tenant's default and after Tenant has vacated the Premises in the manner required by this Lease, Landlord will pay to Tenant any balance of the Security Deposit not applied pursuant to this Section. If the Security Deposit is in the form of an unconditional, irrevocable letter of credit, such letter of credit will be issued by a financial institution and in a form acceptable to Landlord.

6. Utilities. Payment for Utilities (as defined herein) will be the responsibility of the Tenant; provided, however, that Landlord is solely responsible for ensuring the Leased Premises are in such condition that the utility companies can properly connect and provide all of the services used by and in connection with the Leased Premises during the term of the Lease. Landlord agrees not to alter or allow the alteration of any Utility without the prior written consent of Tenant. As used herein, the term "Utilities" shall include electricity, telephone, gas, water, and wastewater service to the Leased Premises.

7. Taxes. (a) Tenant will pay all Real Property Taxes allocable to the Lease Term. If Landlord receives a refund of any Real Property Taxes which Tenant has paid, Landlord will refund the same to Tenant after deducting therefrom all related costs and expenses.

(b) "Real Property Taxes" means taxes, assessments (special, betterment, or otherwise), levies, fees, rent taxes, excises, impositions, charges, water and sewer rents and charges, and all other government levies and charges, general and special, ordinary and extraordinary, foreseen and unforeseen, which are imposed or levied upon or assessed against the Premises or any Rent or other sums payable by any tenants or occupants thereof. Real Property Taxes include Landlord's costs and expenses of review and contesting any Real Property Tax. If at any time during the Lease Term the present system of ad valorem taxation of real property is changed so that in lieu of the whole or any part of the ad valorem tax on real property, or in lieu of increases therein, Landlord is assessed a capital levy or other tax on the gross rents received with respect to the Premises or a federal, state, county, municipal, or other local income, franchise, excise or similar tax, assessment, levy, or charge (distinct from any now in effect) measured by or based, in whole or in part, upon gross rents or any similar substitute tax or levy, then all of such taxes, assessments, levies or charges, to the extent so measured or based, will be deemed to be a Real Property Tax.

(c) Tenant will pay directly all taxes charged against trade fixtures, furnishings, equipment, inventory or any other personal property belonging to Tenant. Tenant will use its best efforts to have personal property taxed separately from the Premises. If any of Tenant's personal property is taxed with the Premises, Tenant will pay Landlord the taxes for such personal property within fifteen (15) days after Tenant receives a written statement from Landlord for such personal property taxes.

8. Insurance. (a) Tenant, at its expense, will maintain the following insurance coverages during the Lease Term:

(i) Liability Insurance. Commercial general liability insurance insuring Tenant against liability for bodily injury, property damage (including loss of use of property) and personal injury at the Premises, including contractual liability. Such insurance will name Landlord, any mortgagee, and such other parties as Landlord may designate, as additional insureds. The initial amount of such insurance will be **Five Million Five Hundred Thousand and 00/100 dollars (\$5,500,000.00)** per occurrence and will be subject to periodic increases reasonably specified by Landlord based upon inflation, increased liability awards, recommendations of Landlord's professional insurance advisers, and other relevant factors. The liability insurance obtained by Tenant under this will (1) be primary and (2) insure Tenant's obligations to Landlord hereunder. The amount and coverage of such insurance will not limit Tenant's liability nor relieve Tenant of any other obligation under this Lease.

(ii) Workers Compensation Insurance. Workers Compensation Insurance in the statutory amount (and Employers' Liability Insurance) covering all employees of Tenant employed or performing services at the Premises, in order to provide the statutory benefits required by the laws of the state in which the Premises are located.

(iii) Personal Property Insurance. Personal Property Insurance covering leasehold improvements paid for by Tenant and Tenant's personal property and fixtures from time to time in, on, or at the Premises, in an amount not less than 100% of the full replacement cost, without deduction for depreciation, providing protection against events protected under "All Risk Coverage," as well as against sprinkler damage, vandalism, and malicious mischief. Any proceeds from the Personal Property Insurance will be used for the repair or replacement of the property damaged or destroyed, unless the Lease Term is terminated under an applicable provision herein. If the Premises are not repaired or restored in accordance with this Lease, Landlord will receive any proceeds from the personal property insurance allocable to Tenant's leasehold improvements.

(iv) Landlord's Insurance. During the Lease Term, Landlord will maintain in effect all risk insurance covering loss of or damage to the Premises in the amount of its replacement value with such endorsements and deductibles as Landlord determines from time to time. Landlord will have the right to obtain flood, earthquake, and such other insurance as Landlord determines from time to time or is required by any mortgagee of the Premises. Landlord will not insure Tenant's fixtures or equipment or building improvements installed or paid by Tenant. Landlord may obtain commercial general liability insurance in an amount and with coverage determined by Landlord insuring Landlord against liability with respect to the Premises. The policy obtained by Landlord will not provide primary insurance, will not be contributory and will be excess over any liability insurance maintained by Tenant. Landlord may also maintain a rental income insurance policy, with loss payable to Landlord. Tenant will pay Landlord the premiums for the insurance policies maintained by Landlord. Any

increase in the cost of Landlord's insurance due to Tenant's use or activities at the Premises will be paid by Tenant to Landlord as Additional Rent.

(b) General Insurance Provisions.

(i) Any insurance which Tenant is required to maintain under this Lease will include a provision which requires the insurance carrier to give Landlord not less than thirty (30) days" written notice prior to any cancellation or modification of such coverage.

(ii) Prior to the earlier of Tenant's entry into the Premises or the Commencement Date, Tenant will deliver to Landlord an insurance company certificate that Tenant maintains the insurance required by herein and not less than thirty (30) days prior to the expiration or termination of any such insurance, Tenant will deliver to Landlord renewal certificates therefor. Tenant will provide Landlord with copies of the policies promptly upon request from time to time.

(iii) All insurance policies required under this Lease will be with companies having a "General Policy Rating" of A -; X or better, as set forth in the most current issue of the Best Key Rating Guide.

(iv) Without limiting the provisions of section (c) hereafter (regarding Indemnity), Landlord and Tenant, on behalf of themselves and their insurers, each hereby waives any and all rights of recovery against the other, the agents, advisors, employees, members, officers, directors, partners, trustees, beneficiaries and shareholders of the other and the agents, advisors, employees, members, officers, directors, partners, trustees, beneficiaries and shareholders of each of the foregoing (collectively, "Representatives"), for loss of or damage to its property or the property of others under its control, to the extent that such loss or damage is covered by any insurance policy in force (whether or not described in this Lease) at the time of such loss or damage, or required to be carried under this Lease. All property insurance carried by either party will contain a waiver of subrogation against the other party to the extent such right was waived by the insured party prior to the occurrence of loss or injury.

(c) Indemnity. To the fullest extent permitted by law, Tenant hereby waives all claims against Landlord and its Representatives (collectively, the "Indemnitees") for damage to any property or injury to or death of any person in, upon or about the Premises arising at any time and from any cause. Tenant shall hold Indemnitees harmless from and defend Indemnitees from and against all claims, liabilities, judgments, demands, causes of action, losses, damages, costs and expenses, including reasonable attorneys fees, for damage to any property or injury to or death of any person arising from (a) the use or occupancy of the Premises by Tenant or persons claiming under Tenant, except such as is caused by the sole negligence or willful misconduct of Landlord, its agents, employees or contractors, (b) the negligence or willful misconduct of Tenant in, upon or about the Premises, or (c) any breach or default by Tenant under this Lease.

9. Maintenance, Repair Alterations, Liens, and Signage. (a) Tenant, at its expense, may make any alterations, changes, improvements, or additions to the Leased Premises, to prepare and make the Leased Premises suitable for Tenant's contemplated use in an amount of up to **Fifty Thousand and 00/100 dollars (\$50,000.00)** without Landlord's written consent ("Improvement Value"). Improvement Value shall include the cost of both material and labor. Any alterations, changes, improvements or additions to the Leased Premises shall remain with the Leased Premises upon termination of the Lease unless the same can be removed without materially damaging the Leased Premises.
- (b) Tenant shall have the right to display such signage on the Leased Premises as Tenant desires provided that such signage shall in all respects comply with all applicable laws and restrictions and Tenant shall be solely responsible for obtaining any required permit or governmental approvals.
- (c) Tenant will keep the Leased Premises free and clear of all mechanics and materialmen's liens and other liens on account of work done for or by Tenant or persons claiming under it. Should any such lien be filed against the Leased Premises, Tenant shall, within thirty (30) days of written notice from Landlord of the filing of the lien, fully discharge the lien by settling the claim which resulted in the lien or by bonding or insuring over the lien in the manner prescribed by the applicable lien law.
- (d) Landlord will keep the Leased Premises free and clear of all mechanics and materialmen's liens and other liens on account of work done for or by Landlord or persons claiming under it. Should any such lien be filed against the Leased Premises, Landlord shall, within thirty (30) days of notice from Tenant of the filing of the lien, fully discharge the lien by settling the claim which resulted in the lien or by bonding or insuring over the lien in the manner prescribed by the applicable lien law.
- (e) Notwithstanding the terms contained in this paragraph, Tenant may install two (2) ramps up to the loading docks and increase the size of the loading dock, per Tenant's needs. Tenant may also cut venting hole(s) in the Building's roof, no larger than 4' x 4'. In the event that Tenant does not buy or otherwise vacates the Leased Premises for any reason, Tenant shall repair and restore the roof to its condition prior to the commencement of this Lease Term.
10. Delivery and Quiet Enjoyment. Landlord shall deliver the Leased Premises on the respective Commencement Dates free of any parties in possession, the roof free of leaks, and doors and mechanical systems in good working order. Landlord shall provide Tenant with quiet enjoyment without interference thereafter during the Term.
11. Title. Landlord warrants further that no third party has superior title or interest in the Leased Premises, and that no prior or existing interest shall interfere with the terms of the subject Lease. Landlord shall not interfere with Tenant's right to quiet enjoyment of the Premises.

12. Damage, Destruction, or Condemnation. (a) If at any time during the Term, all or any portion of the Leased Premises shall be damaged or destroyed by fire or other casualty, Landlord shall repair the damage within a reasonable period of time and the Rent hereunder shall be equitably abated during the repair period. If the damage is not repaired within one hundred twenty (120) days after the casualty, Tenant may elect to give notice to Landlord of Tenant's intent to purchase the Property pursuant to the terms of Section II of this Agreement, except that the purchase price will be reduced by an amount necessary to restore the Leased Premises to its prior condition.
- (b) (i) If at any time during the Term all of the Leased Premises shall be subject to a "taking" or be condemned under a power of eminent domain or by any conveyance in lieu thereof, this Agreement shall terminate and expire on the date of such taking and the Rent and other sums payable to Landlord shall be apportioned and paid by Tenant to Landlord to the date of such taking.
- (ii) If, at any time during the Term, less than substantially all of the Leased Premises shall be taken in condemnation proceedings or by any right of eminent domain, or by any conveyance in lieu thereof, the Rent shall be equitably abated and Landlord shall commence and thereafter proceed with reasonable diligence to repair, alter and restore the remaining part of the Leased Premises so as to constitute completed improvements, subject to such changes or alterations as Landlord and Tenant agree to make.
13. Landlord Right of Access. Landlord has the right with no less than 24 hours notice to Tenant, bona fide emergencies excepted, to enter the Leased Premises periodically for inspection or in connection with the improvement or repair of and the providing of utilities and other services to the Leased Premises.
14. Indemnification, Defense and Hold Harmless Obligations. Except for the negligence or willful misconduct of Landlord, its employees and agents, and to the extent permitted by law, Tenant agrees to indemnify, defend and hold harmless Landlord and its officers, directors, members and employees (each, a "Landlord Party") from and against any and all losses, liabilities, damages, costs and expenses (including reasonable attorneys' fees) resulting from claims by third parties for injuries to any person and damage to or theft or misappropriation or loss of property occurring in the Leased Premises or caused by Tenant's use and operation of the Leased Premises or the Property. If any action or proceeding is brought against any Landlord Party by reason of any such claim, then Tenant, upon notice from Landlord, shall defend the claim at Tenant's expense with counsel of Tenant's choice. Except for the gross negligence or willful misconduct of Tenant, its employees and agents, and to the extent permitted by law, Landlord agrees to indemnify, defend and hold harmless Tenant and its officers, directors, members and employees (each, a "Tenant Party") from and against any and all losses, liabilities, damages, costs and expenses (including reasonable attorneys' fees) resulting from claims by third parties for injuries to any person and damage to or theft or misappropriation or loss of property occurring in the Leased Premises or arising from

Landlord's breach of any of its obligations hereunder. If any action or proceeding is brought against any Tenant Party by reason of any such claim, then Landlord, upon notice from Tenant, shall defend the claim at Landlord's expense with counsel of Landlord's choice.

15. Lease Defaults; Remedies. (a) Except as specifically provided herein, in the event of any default by Landlord or Tenant in its respective obligations under this Lease, the other party shall not have the right to bring any action or make any claim because of such default until the defaulting party fails to cure such default within (i) thirty (30) days after receipt of written notice of any non-monetary default from the non-defaulting party, or (ii) fifteen (15) days after receipt of written notice of any monetary default from the non-defaulting party. However, if the default is of such nature that it cannot readily be cured within such thirty (30) day period, an action or claim may not be brought by the non-defaulting party so long as the defaulting party commences to cure such default within such thirty (30) day period and diligently pursues such cure continuously thereafter.

(b) In the event of a default by Tenant of its obligations hereunder that Tenant does not cure within the period set forth in Section 14 above, Landlord's remedies for Tenant's default are to sue for damages and/or pursue any other remedy that Landlord may have at law or in equity.

(c) In the event of a default by Landlord of its obligations hereunder that Landlord does not cure within the period set forth in Section 14 above, Tenant's remedies for Landlord's default are to sue for damages and/or pursue any other remedy that Tenant may have at law or in equity.

(d) It is not a waiver of default if the non-defaulting party fails to declare immediately a default or delays in taking any action. Pursuit of any remedies set forth in this Lease does not preclude pursuit of other remedies in this Lease or provided by law. Landlord and Tenant have a duty to mitigate damages.

II. OPTION AGREEMENT

1. Grant of Option. Landlord does hereby grant to Tenant the exclusive right and option to purchase from Landlord, at any time during the Lease Term, the Leased Premises, under the terms contained in this section ("Purchase Option").
2. Exercise of Option. In the event Tenant elects to exercise the Purchase Option, Tenant shall give written notice of such election to Landlord. On the date that is ninety (90) days after the delivery of such notice to Landlord ("Closing Date"), Landlord shall sell and convey the Leased Premises to Tenant, and Tenant shall purchase and accept the Leased Premises from Landlord, subject to the terms and conditions set forth herein.

3. Option Purchase Price. (a) If Tenant exercises the Purchase Option on or before **May 31, 2019**, the total purchase price to be paid by Tenant to Landlord for the Leased Premises shall be the total sum of **Five Million Three Hundred Fifty Thousand and 00/100 dollars (\$5,350,000.00)**, subject to the adjustments and credits below ("Purchase Price"). If Tenant exercises the Purchase Option anytime on or after June 1, 2019 but prior to the expiration of the Lease Term, the total purchase price to be paid by Tenant to Landlord for the Leased Premises shall be the Purchase Price, plus a two percent (2%) increase per year, subject to the adjustments and credits below ("Total Purchase Price"). For purposes of this section, the 2% annual increase shall be calculated on the sum that Tenant would owe had he exercised the Purchase Option in the prior year.
- (b) The balance of the Purchase Price or Total Purchase Price shall be paid in cash at the Closing.
4. Closing. At the Closing, all of the following shall occur, all of which shall be deemed concurrent conditions:
- (a) Landlord shall convey good, marketable, and fully warranted, fee simple title to the Leased Premises to Tenant, and where appropriate, bills of sale and/or assignments, subject only to the Permitted Encumbrances, if any, but in any event free and clear of all liens and monetary encumbrances other than those which secure payment of current real property taxes levied against the Leased Premises.
- (b) Tenant shall deliver balance of the Purchase Price or Total Purchase Price.
- (c) Landlord shall deliver possession of the Leased Premises to Tenant, and the Lease with respect to Landlord and Tenant shall terminate.
- (d) Each party shall timely deposit such deposits, monies, and documents with the title company of Tenant's choice as may be reasonably requested by Tenant or by said title company or as are necessary for the conveyance of the Leased Premises in accordance with the Option terms set forth herein. After the Closing, Tenant and Landlord agree to promptly execute such further documentation and take such further acts as are reasonably required to accomplish or properly document or verify the conveyance of the Leased Premises in accordance with the terms of the Option contained herein.
- (e) Tenant shall pay for the owner's title policy, all recording and transfer taxes, escrow fees and all other closing costs with respect to the Closing. Ad valorem and similar taxes and assessments relating to the Leased Premises shall be prorated between the parties as of the Closing Date. Each party shall pay the fees incurred by its own legal counsel.

III. MISCELLANEOUS PROVISION

1. Waiver of Lien. Landlord waives any and all rights, statutory or otherwise, to a Landlord's lien on Tenant's personal property.
2. Entire Agreement. This Agreement and any addenda or exhibits thereto constitute the entire agreement between Landlord and Tenant and supersede all previous agreements between Landlord and Tenant. No prior written or prior or contemporaneous oral promises or representations shall be binding between Landlord and Tenant. Section captions herein are for convenience only and neither limit nor amplify the provisions of this Agreement.
3. Further Instruments. Landlord will, whenever and as often as it shall be reasonably requested to do so by Tenant, and Tenant will, whenever and as often as it shall be reasonably requested to do so by Landlord, execute, acknowledge, and deliver, or cause to be executed, acknowledged, and delivered, any and all instruments and documents as may be reasonably necessary in order to complete the transactions herein provided and to carry out the intent and purposes of this Agreement.
4. Commissions. Each party hereto agrees to indemnify and hold harmless the other party from and against any and all liabilities, costs, damages, and expenses of any kind or character arising from any claims for brokerage or finders fees, commissions, or other similar fees in connection with the transactions covered by this Agreement insofar as such claims shall be based upon alleged arrangements or agreements made by such party or on their behalf.
5. Time. Time is of the essence with respect to the performance of all obligations provided in this Agreement and the consummation of all transactions contemplated by this Agreement.
6. Gender. Words of any gender used in this Agreement shall be held and construed to include any other gender, and words of a singular number shall be held to include the plural and vice versa, unless the context requires otherwise.
7. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, but such counterparts together shall constitute one and the same instrument.
8. Severability. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof, and the invalid, illegal or unenforceable provision shall be reformed to the minimum extent necessary to make the provision valid, legal, and enforceable.
9. Construction. The parties acknowledge that each party and their counsel have reviewed and revised this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any amendments or exhibits hereto.

10. Notices. Any notice which may or shall be given under the Agreement shall be in writing and shall either be delivered by hand or sent by United States mail, registered or certified or by Federal Express or a similar courier service, postage prepaid, addressed to the parties hereto at the respective addresses provided below. Such addresses may be changed from time to time by either party giving notice as provided above. Notice shall be deemed delivered when received by the addressee (if delivered by hand), when postmarked (if sent by mail), or twenty-four (24) hours after delivery to the courier service for overnight delivery.

IF TO TENANT:

Hi-Lo Maintenance Systems, Inc.
345 Oser Avenue
Hauppauge, New York 11788

With a copy to:

Joseph P. Keneally, Esq.
Keneally, Lynch & Bak, LLP
1377 Motor Parkway, Suite 303
Islandia, New York 11749

IF TO LANDLORD:

DEA Land, LLC
3500 Mystic Pointe Drive, unit # 2305
Aventura, Florida 33180

With a copy to:

Jeremy Kaufman, Esq.
74 Club Lane (FedEx/UPS)
P.O. Box 262 (USPS)
Rock Hill, New York 12775

11. Amendments and Survival. This Agreement will not be amended, changed, or extended except by written instrument signed by both parties hereto. The provisions of this Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective legal representatives, successors, heirs, and assigns.
12. Subletting or Assignment. Tenant shall not assign this Lease or sublet the Leased Premises, or any part thereof without the consent of the Landlord in writing, which consent Landlord agrees it will not unreasonably withhold, delay or condition; provided, however, Landlord's

consent shall not be required in the event of an assignment or subletting by Tenant to an affiliated entity. In no event of assignment will Tenant be released from any duties or liabilities under this Agreement.

13. IDA Tax Abatement. Tenant may apply for IDA benefits at its own cost and expense. Landlord shall cooperate with any reasonable requests in furtherance of Tenant's IDA application, but in no way shall be responsible for paying any expenses or fees in connection with such application.
14. Attorneys' Fees. In the event of any dispute in connection with this Agreement, the prevailing party shall be entitled to receive its reasonable attorneys' fees from the losing party.
15. Estoppel Certificates. Tenant and Landlord shall each, at any time and from time to time, within twenty (20) days after written request therefore by the other party certify to the best of their knowledge, in a written instrument duly executed, to the requesting party: (a) as to whether this Agreement has been supplemented or amended; (b) as to the validity and force and effect of this Agreement in accordance with its terms as then constituted; (c) as to the existence of any default by the requesting party pursuant to this Agreement; (d) as to the existence of any offsets, counterclaims or defenses on the part of the party so certifying; (e) as to the Commencement Date and the expiration date of the Term of the Lease; and (f) as to the amounts of Rent payable under the Lease.
16. Landlord's Covenants, Representations and Warranties. Landlord represents and warrants to Tenant that:
 - (a) Landlord has all requisite power and authority to own the Property (including, but not limited to, the Leased Premises), enter into this Agreement, and consummate the transactions contemplated in this Agreement. Landlord has duly authorized the execution and delivery of this Agreement such that all documents to be executed by Landlord are its valid, legally binding obligations and are enforceable against it in accordance with their terms.
 - (b) The persons executing this Agreement and any and all documents on behalf of Landlord have the legal power, right, and actual authority to bind Landlord.
 - (c) Landlord is, or will be on the Commencement Date, the sole owner of good and marketable, fee simple title to the Property, free and clear of any encumbrances, except the Permitted Encumbrances.
 - (d) Landlord's execution of this Agreement and its consummation of the transaction do not breach any agreement or constitute a default or a condition that would ripen into a default under any agreement to which Landlord is a party or by which all or part of the Property are bound. Furthermore, Landlord's execution of this Agreement and its consummation of the

transaction do not violate any order, rule, or regulation applicable to Landlord or the Property of any court or any federal, state, or municipal regulatory body or administrative agency or other governmental body.

(e) No representation, warranty, or statement of Landlord in this Agreement or in any document or information furnished to Tenant misstates or omits any material fact necessary to make the statements or facts contained therein not misleading.

17. Tenant's Covenants, Representations and Warranties. Tenant represents and warrants to Landlord that:

(a) Tenant has all requisite power and authority to enter into this Agreement, and consummate the transactions contemplated in this Agreement. Tenant has duly authorized the execution and delivery of this Agreement such that all documents to be executed by Tenant are its valid, legally binding obligations and are enforceable against it in accordance with their terms.

(b) The persons executing this Agreement and any and all documents on behalf of Tenant have the legal power, right, and actual authority to bind Tenant.

(c) Tenant's execution of this Agreement and its consummation of the transactions do not breach any agreement or constitute a default or a condition that would ripen into a default under any agreement to which Tenant is a party. Furthermore, Tenant's execution of this Agreement and its consummation of the transactions do not violate any order, rule, or regulation applicable to Tenant of any court or any federal, state, or municipal regulatory body or administrative agency or other governmental body.

(d) No permission, approval, or consent by third parties or governmental authorities is required for Tenant to consummate the transactions contemplated by this Agreement.

(e) No representation, warranty, or statement of Tenant in this Agreement or in any document or information furnished to Landlord misstates or omits any material fact necessary to make the statements or facts contained therein not misleading.

18. Governing Law. THIS AGREEMENT, AND ALL QUESTIONS RELATING TO ITS VALIDITY, INTERPRETATION, PERFORMANCE AND ENFORCEMENT (INCLUDING, WITHOUT LIMITATION, PROVISIONS CONCERNING LIMITATIONS OF ACTION), SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK (EXCLUSIVE OF THE CONFLICT OF LAW PROVISIONS THEREOF) APPLICABLE TO AGREEMENTS MADE AND TO BE PERFORMED ENTIRETY WITHIN SUCH STATE.

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This Lease Agreement with Option to Purchase is executed to be effective as of the ____ day of _____, 2017.

LANDLORD:

By: Efrat Arad, Member
DEA Land, LLC

TENANT:

By: Steven LoPiccolo, President
Hi-Lo Maintenance Systems, Inc.