

B.B.C. ASSOCIATES LLC

and

TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY

(TOWN OF ISLIP, NEW YORK)

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COMPANY LEASE AGREEMENT

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Dated as of March 1, 2017

Town of Islip Industrial Development Agency  
(B.B.C. Associates LLC/Lab Crafters, Inc./Aero-Data Metal Crafters Inc. 2017 Facility)

THIS COMPANY LEASE AGREEMENT, dated as of March 1, 2017 (the "**Company Lease**"), is by and between B.B.C. ASSOCIATES LLC, a limited liability company duly organized and validly existing under the laws of the State of New York, having its principal office at 2085 5<sup>th</sup> Avenue, Ronkonkoma, New York 11779 (the "**Company**"), and the TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY, a public benefit corporation of the State of New York, having its office at 40 Nassau Avenue, Islip, New York 11751 (the "**Agency**").

## RECITALS

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

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

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

WHEREAS, the Agency has agreed to assist in: (a) the acquisition of an approximately 1.99 acre parcel of land located at 2085 5<sup>th</sup> Avenue, Ronkonkoma, New York 11779 (the "**5<sup>th</sup> Avenue Land**"), and an approximately 3.16 acre parcel of land located at 200 Comac Street, Ronkonkoma, New York 11779 (the "**Comac Street Land**"); and together with the 5<sup>th</sup> Avenue Land, the "**Land**", the renovation of an existing approximately 31,489 square foot building located on the 5<sup>th</sup> Avenue Land and an existing approximately 46,936 square foot building located on the Comac Street Land (collectively the "**Improvements**"), and the equipping thereof (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 Lab Crafters, Inc., a New York business corporation ("**LCP**"), and Aero-Data Metal Crafters Inc., a New York business corporation ("**MCI**"); and together with LCI, the "**Sublessees**"; (b) the acquisition and installation of certain equipment and personal property to be installed in the Company Facility by LCI (the "**LCI Equipment**"), which LCI Equipment is to be leased to LCI; and (c) the acquisition and installation of certain equipment and personal property to be installed in the Company Facility by MCI (the "**MCI Equipment**"); and together with the LCI Equipment and the Company Facility, the "**Facility**"), which MCI Equipment is to be leased to MCI and which Facility is to be used in part by LCI for its primary use as design, sales office, engineering and manufacturing space in its business of the design and manufacture of laboratory casework, lab benches, tables and fume hoods for the pharmaceutical industry, higher education and other industries utilizing laboratories for quality control and research and development, and in part by MCI for its primary use as design, sales office, engineering and manufacturing space in its business of the design and manufacture of precision sheet metal components and assemblies for a varied customer base (the "**Project**"); and

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

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

WHEREAS, the Agency has agreed to sublease and lease the Company Facility to the Company pursuant to the terms of a certain Lease and Project Agreement, dated as of March 1, 2017 (the "**Lease Agreement**"), by and between the Agency and the Company; and

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

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

The Company hereby 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, 2028 (the "**Lease Term**").

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

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

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

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

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

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

To the Agency:

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

With a copy to:

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

To the Company:

B.B.C. Associates LLC  
2085 5<sup>th</sup> Avenue  
Ronkonkoma, New York 11779  
Attention: Robert A. DeLuca, Managing Member

With a copy to:

Buzzell, Blanda & Visconti, LLP  
533 Broadhollow Road, Suite B-4  
Melville, New York 11747  
Attention: Joseph F. Buzzell, Esq.

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

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

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

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

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

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

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

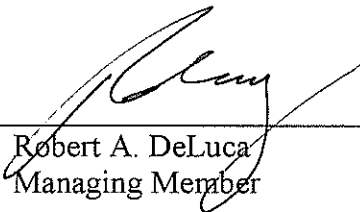
This Company Lease and the conveyance made hereby shall be subject to the trust fund provisions of Section 13 of the Lien Law of the State.

Notwithstanding anything to the contrary which may be stated above or inferred from what is stated it is acknowledged that the Company presently owns the Land and the Improvements and that the Agency is not financing and this transaction does not involve the acquisition of the Land or construction of the Improvements.

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

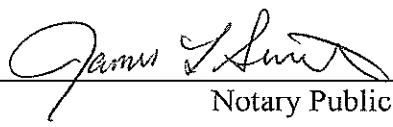
IN WITNESS WHEREOF, the parties hereto have executed this instrument as of the day and year first above written.

**B.B.C. ASSOCIATES LLC**

By:   
Name: Robert A. DeLuca  
Title: Managing Member

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

On the 22<sup>nd</sup> day of March in the year 2017, before me, the undersigned, personally appeared **Robert A. DeLuca**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument, and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person or entity on behalf of which the individual acted, executed the instrument.

  
Notary Public

JAMES L. SMITH  
Notary Public, State of New York  
Registration #01SM6304476  
Qualified in Monroe County  
Certificate Filed in Monroe County  
Commission Expires: 05/27/20 18

**TOWN OF ISLIP INDUSTRIAL  
DEVELOPMENT AGENCY**

By: Angie M. Carpenter  
Name: Angie M. Carpenter  
Title: Chairman

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

On the 21<sup>st</sup> day of March in the year 2017, before me, the undersigned, personally appeared **Angie M. Carpenter**, 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 she executed the same in her capacity, and that by her signature on the instrument, the individual, or the person or entity on behalf of which the individual acted, executed the instrument.

John Walser  
Notary Public  
**JOHN WALSER**  
Notary Public, State of New York  
Registration # 01WA6195090  
Qualified in Suffolk County  
Commission Expires October 20, 2020

EXHIBIT A

Legal Description of Real Property



Amended 3-21-2017

AS TO TAX LOT 010.001

ALL that certain plot, piece or parcel of land, situate, lying and being in the Town of Islip, County of Suffolk and State of New York, known and designated on a certain map entitled, "Map of Farm Lots in Lakeland, Long Island", filed in the Suffolk County Clerk's Office as Map No. 261 on February 15, 1859 as Part of Lot No. 97, bounded and described as follows:

BEGINNING at a point formed by the intersection of the East side of Fifth Avenue, 50 feet wide, with the South side of Comac Street (Comac Road), 50 feet wide;

RUNNING THENCE Easterly along the South side of Comac Street, North 74 degrees 38 minutes 30 seconds East, 215.40 feet;

THENCE Southerly and parallel with Fifth Avenue, South 06 degrees 27 minutes 30 seconds East, 394.94 feet;

THENCE Westerly and parallel with Comac Street, South 74 degrees 38 minutes 30 seconds West, 215.40 feet to the East side of Fifth Avenue aforesaid;

THENCE Northerly along the East side of said Fifth Avenue, North 06 degrees 27 minutes 30 seconds West, 394.94 feet to the point or place of BEGINNING.

FOR  
CONVEYANCING  
ONLY

The policy to be issued under this report will insure the title to such buildings and improvements erected on the premises which by law constitute real property.

TOGETHER with all the right, title and interest of the party of the first part, of, in and to the land lying in the street in front of and adjoining said premises.

**TITLE # 17-CS-51750**

Amended 3-21-2017

AS TO TAX LOT 010.003

ALL that certain plot, piece or parcel of land, situate, lying and being in the Town of Islip, County of Suffolk and State of New York, known and designated as Part of Lot No. 97 and 98 as shown on a certain map entitled, "Map of Farm Lots in Lakeland, Long Island" and filed in the Office of the Clerk of the County of Suffolk on February 15, 1859 as Map No. 261, being more particularly bounded and described as follows:

BEGINNING at a point distant 220.46 feet Easterly from the corner formed by the intersection of the Southerly side of Comac Street (Comac Road) and the Easterly side of Fifth Avenue, prior to widening;

RUNNING THENCE along the Southerly side of Comac Street, North 71 degrees 28 minutes 19 seconds East, 92.37 feet;

THENCE Northwesterly still along the Southerly side of Comac Street, along the radius of a curve bearing to the left having a radius of 60.00 feet, a distance of 53.25 feet;

THENCE North 74 degrees 38 minutes 30 seconds East, 198.04 feet;

THENCE South 06 degrees 27 minutes 30 seconds East, 425.31 feet;

THENCE South 74 degrees 38 minutes 30 seconds West, 330.68 feet;

THENCE North 06 degrees 27 minutes 30 seconds West, 394.94 feet to the Southerly side of Comac Street, prior to widening, the point or place of BEGINNING.

**FOR  
CONVEYANCING  
ONLY**

The policy to be issued under this report will insure the title to such buildings and improvements erected on the premises which by law constitute real property.

TOGETHER with all the right, title and interest of the party of the first part, of, in and to the land lying in the street in front of and adjoining said premises.

**TITLE # 17-CS-51750**

## EXHIBIT 2