

ISLIP YARDS LLC

and

TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY

(TOWN OF ISLIP, NEW YORK)

COMPANY LEASE AGREEMENT

Dated as of January 1, 2016

Town of Islip Industrial Development Agency
(Islip Yards LLC/The LandTek Group, Inc. 2016 Facility)

THIS COMPANY LEASE AGREEMENT, dated as of January 1, 2016 (the “**Company Lease**”), is by and between ISLIP YARDS LLC, a limited liability company duly organized and validly existing under the laws of the State of New York, having its principal office at 235 County Line Road, Amityville, New York 11701 (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 10.00 acre parcel of land located on Sweenydale Avenue west of Fifth Avenue, Bayshore, New York (the “**Land**”), the construction thereon of one approximately 24,000 square foot office building and one approximately 15,600 square foot building containing a repair shop and warehouse, collectively totaling approximately 39,600 square feet (the “**Improvements**”) and the acquisition and installation therein of certain equipment not part of the Equipment (as such term is defined herein) (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 The LandTek Group, Inc., a New York business corporation (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 as a repair shop for the Sublessee’s equipment and warehouse and office space in its business of athletic field construction, including natural and synthetic turf surfaces, fences, stadiums and tracks; 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 January 1, 2016 (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, and (iii) 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 or sublease the Company 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 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 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, excluding the Agency's Unassigned Rights (as such term is defined in the Lease Agreement). 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 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 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: 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:

Islip Yards LLC
235 County Line Road
Amityville, New York 11701
Attention: Michael Ryan, Member

With a copy to:

Law Offices of David Fallon, PLLC
53 Main Street #1
Sayville, New York 11782
Attention: David Fallon, 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 may not be amended, changed, modified or altered except in a 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.

(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.

ISLIP YARDS LLC

By: 
Name: Michael Ryan
Title: Member

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


On the 29th day of January in the year 2016, before me, the undersigned, personally appeared **Michael Ryan** 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

CLIFFORD H. LEWISOHN
Notary Public, State of New York
No. 01LE4885765
Qualified in Nassau County
Commission Expires Feb. 17, 2019

Signature Page 1 of 2
Company Lease

**TOWN OF ISLIP INDUSTRIAL
DEVELOPMENT AGENCY**

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

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

On the 29th day of January in the year 2016, 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.

ELIZABETH A. WOOD
Notary Public, State of New York
Registration # 01W06103025
Qualified in Monroe County
Certificate Filed in Monroe County
Commission Expires: 12/15/20 19


Notary Public

Signature Page 2 of 2
Company Lease

Exhibit A

Legal Description of Real Property

SCHEDULE A

ALL that certain plot, piece or parcel of land, situate, lying and being at Bayshore, Town of Islip, County of Suffolk and State of New York, being known as Lots 525 and 526 on the Map of property of William H. Moffit, "Bayshore Farms" under file No. 559 filed on 01/24/1900 and more particularly bounded and described as follows:

BEGINNING at a point on the easterly side of Filed Map Lot 525 distant the following two (2) courses and distances from the corner formed by the inter side of the southerly side of Meadow Street with the westerly side of Fifth Avenue:

- 1) South 05 degrees 54 minutes 00 seconds West 160.19 feet along the westerly side of Fifth Avenue;
- 2) North 84 degrees 06 minutes 00 seconds West 975.39 feet to the easterly side of Lot 525 and the true point or place of **BEGINNING**.

RUNNING THENCE South 11 degrees 02 minutes 30 seconds East 472.68 feet;

THENCE South 78 degrees 53 minutes 00 seconds West 442.34 feet (442.18 feet Actual);

THENCE North 11 degrees 02 minutes 00 seconds West (North 11 degrees 01 minutes 20 seconds West Actual) 963.84 feet;

THENCE North 78 degrees 58 minutes 00 seconds East 455.38 feet;

THENCE the following five (5) courses and distances:

- 1) South 10 degrees 34 minutes 00 seconds East 48.81 feet (South 09 degrees 11 minutes 06 seconds East 47.44 feet Actual);
- 2) South 83 degrees 13 minutes 50 seconds East 4.12 feet (9.11 feet Actual);
- 3) South 04 degrees 11 minutes 30 seconds East 81.63 feet (81.48 feet Actual);
- 4) Along the arc of a curve having a radius of 970.00 feet a length of 115.83 feet;
- 5) South 11 degrees 02 minutes 00 seconds East 244.50 feet to the point or place of **BEGINNING**.

**Omni Title Agency
Agent for Stewart Title Insurance Company**

TITLE NO. 1508-2969756

TOGETHER with an Easement and Right of Way, dated 1/28/2014 recorded 2/13/2014 in Liber 12763 Page 476, for ingress and egress over and through the premises herein described below to Sweenydale Avenue:

BEGINNING at a point at the intersection of the northerly side of Sweenydale Avenue with the westerly map line of "Map of Sweenydale Park" (File # 608; filed July 4, 1904), said point of beginning the following three (3) courses and distances from the northwesterly terminus of the line connecting the southerly side of Sweenydale Avenue with the westerly side of 5th Avenue (CR 13):

1. Westerly along the widened southerly side of Sweenydale Avenue 500.99 feet;
2. Northerly 5.00 feet to the original southerly side of Sweenydale Avenue;
3. Westerly along the original southerly side of Sweenydale Avenue 639.52 feet to the westerly map line of the "Map of Sweenydale Park" to the true point or place of **BEGINNING**.

THENCE South 09 degrees 44 minutes 06 seconds East 187.23 feet along the westerly map line of "Map of Sweenydale Park" (File # 608; filed July 4, 1904);

THENCE South 78 degrees 58 minutes 00 seconds West 34.02 feet;

THENCE North 11 degrees 02 minutes 00 seconds West 241.48 feet;

THENCE South 83 degrees 13 minutes 50 seconds East 41.18 feet;

THENCE South 09 degrees 44 minutes 06 seconds East 41.72 feet along the westerly map line of "Map of Sweenydale Park" (File # 608; filed July 4, 1904) to the true point or place of **BEGINNING**.

FOR INFORMATION ONLY:

District 0500 Section 223.00 Block 02.00 Lot 053.000 & 054.002