

ORIGINAL

**NASSAU COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

APPLICATION FOR FINANCIAL ASSISTANCE
(Straight Lease)

MAR 23 2016
BY NASSAU COUNTY IDA

APPLICATION OF:

*IIF Industries, Inc. for itself, and on behalf of its affiliated real estate entities,
18 Industrial Park Drive, LLC and Ten Ht Drive, LLC*

APPLICANT NAME:

Please respond to all questions in this Application for Financial Assistance (the "Application") by, as appropriate:

- filling in blanks;
- checking the applicable term(s);
- attaching additional text (with notation in Application such as "see Schedule II, Item # 1", etc.); or
- writing "N.A.", signifying "not applicable".

All attachments responsive to questions found in this Application should be clearly labeled and attached as Schedule H to the Application. If an estimate is given, enter "EST" after the figure. One signed original and one photocopy of the Application (including all attachments) must be submitted.

The following amounts are payable to the Nassau County Industrial Development Agency (the "Agency") at the time this Application is submitted to the Agency: (i) a \$1,000 non-refundable application fee (the "Application Fee"); (ii) a \$3,500 expense deposit for the Agency's Transaction Counsel fees and expenses (the "Counsel Fee Deposit"), (iii) a \$2,500 expense deposit for the cost/benefit analysis with respect to the project contemplated by this Application (the "Cost/Benefit Deposit"), and (iv) a \$500 expense deposit for the real property tax valuation analysis, if applicable, with respect to the project contemplated by this Application (the "Valuation Deposit"). The Application Fee will not be credited against any other fees or expenses which are or become payable to the Agency in connection with this Application or the project contemplated herein (the "Project"). In the event that the subject transaction does not close for any reason, the Agency may use all or any part of the Counsel Fee Deposit, the Cost/Benefit Deposit and/or the Valuation Deposit to defray the cost of Transaction Counsel fees and expenses, the cost of obtaining a cost/benefit analysis and/or the cost of obtaining a real property tax valuation with respect to the Project. In the event that the subject transaction does close, the Counsel Fee Deposit, the Cost/Benefit Deposit and the Valuation Deposit shall be credited against the applicable expenses incurred by the Agency with respect to the Project.

Every signature page comprising part of this Application must be signed by the Applicant or this Application will not be considered complete or accepted for consideration by the Agency.

The Agency's acceptance of this Application for consideration does not constitute a commitment on the part of the Agency to undertake the proposed Project, to grant any Financial Assistance with respect to the proposed Project or to enter into any negotiations with respect to the proposed Project.

Information provided herein may be subject to disclosure under the New York Freedom of Information Law (New York Public Officers Law § 84 et seq.) ("FOIL"). If the Applicant believes that a portion of the material submitted with this Application is protected from disclosure under FOIL, the Applicant should mark the applicable section(s) or page(s) as "confidential" and state the applicable exception to disclosure under FOIL.

March __, 2016

PART I. APPLICANT

A. APPLICANT FOR FINANCIAL ASSISTANCE (If more than one applicant, copy application and complete for each applicant):

Name: *LIF Industries, Inc. for itself, and on behalf of its real estate affiliates, 18 Industrial Park Drive, LLC, Ten HP Drive, LLC*

Address: *5 Harbor Park Drive, Port Washington, New York 11050*

Primary Contact: *Vincent Gallo*

Phone: *(516) 390-6840* Fax: *(516) 590-4939*

E-Mail: *vgallo@lifi.net*

NY State Dept. of Labor Reg #:	Federal Employer ID #:	<i>LIF Industries, Inc.</i>
	Federal Employer ID #:	<i>Industrial Park Drive, LLP</i>
	Federal Employer ID #:	<i>Ten HP Drive, LLC</i>

NAICS Code #: *332321*

B. BUSINESS TYPE (Check applicable status. Complete blanks as necessary):

Privately Held Corporation *LIF Industries, Inc.*

Limited Liability Company *18 Industrial Park Drive, LLC and Ten HP Drive, LLC*

Income taxed as: Subchapter S *LIF Industries, Inc.*
Partnership *18 Industrial Park Drive, LLC*
Partnership *Ten HP Drive, LLC*

State and Year of Incorporation: *LIF Industries, Inc. was formed in New York in November 1986*

18 Industrial Park Drive, LLC was formed in New York in November 2010

Ten HP Drive, LLC was formed in New York in December 2015

Qualified to do Business in New York: Yes No N/A

C. ANY ENTITY PROPOSED TO BE A USER OF THE PROJECT:

Name: *Applicant*

Relationship to Applicant: *Same*

D. APPLICANT COUNSEL (subject to Agency approval):

Firm name: *Rivkin Radler LLP*

Address: *926 RXR Plaza
Uniondale, NY 11556*

Primary

Contact: *William Cornachio*

Phone: *(516) 357-3111*

Fax: *(516) 357-3333*

E-Mail: *william.cornachio@rivkin.com*

E. Principal stockholders, members or partners, if any (i.e., owners of 10% or more of equity/voting rights in Applicant):

Name

Percentage owned

Vincent Gallo

Anthony Gallo

Michael Gallo

Joseph Gallo

Roseanne Gallo

Vincent Gallo Grantor Trust f/b/o Joseph V. Gallo

Vincent Gallo Grantor Trust f/b/o Michael Gallo

Vincent Gallo Grantor Trust f/b/o Roseanne Gallo

F. If any of the persons described in the response to the preceding Question, or a group of said persons, owns more than a 50% interest in the Applicant, list all other entities which are related to the Applicant by virtue of such persons having more than a 50% interest in such entities:

Not Applicable

G. Is the Applicant related to any other entity by reason of more than 50% common ownership? If YES, indicate name of related entity and relationship:

YES

NO

Shareholders of Applicant own limited liability company membership interests in several properties where Applicant conducts business, and one or more shareholders of Applicant have personal real estate investments, some of which are described in Item H below.

H. List parent corporation, sister corporations and subsidiaries, if any:

Applicant is affiliated by common ownership with the following real estate holding companies:

18 Industrial Park Drive, LLC

Ten HP Drive, LLC

VG Realty Holding Company, LLC

11-05 Clintonville Street, LLC

151-04 12th Avenue, LLC

32-15 Downing Street, LLC

32-27 Downing Street, LLC

I. Is the Applicant (including any parent company, subsidiary or related entity or person) or any principal(s) of the Applicant or its related entities involved in any litigation or aware of any threatened litigation that would have a material adverse effect on the Applicant's financial condition or the financial condition of said principal(s)? If YES, attach details.

YES

NO

J. Has the Applicant (or any parent company, subsidiary or related entity or person) or any principal(s) of the Applicant or its related entities, or any other business or concern with which such entities, persons or principal(s) have been connected, ever been involved, as debtor, in bankruptcy, creditors rights or receivership proceedings or sought protection from creditors? If YES, attach details.

YES

NO

K. Has the Applicant (or any parent company, subsidiary or related entity or person) or any principal(s) of the Applicant or its related entities, ever been convicted of any felony or misdemeanor (other than minor traffic offenses), or have any such related persons or principal(s) held positions or ownership interests in any firm or corporation that has been convicted of a felony or misdemeanor (other than minor traffic offenses), or are any of the foregoing a defendant in a pending criminal proceeding? If YES, attach details.

YES ___ NO

I. Has the Applicant (or any parent company, subsidiary or related entity or person) or any principal(s) of the Applicant or its related entities, or any other business or concern with which such entities, persons or principal(s) have been connected, been cited for (or is there pending proceeding or investigation with respect to) a civil violation of federal, state or local laws or regulations with respect to labor practices, hazardous wastes, environmental pollution, taxation, or other operating practices? If YES, attach details.

YES ___ NO

M. Is the Applicant (or any parent company, subsidiary or related entity or person) or any principal(s) of the Applicant or its related entities, or any other business or concern with which such entities, persons or principal(s) have been connected, delinquent or have any of the foregoing persons or entities been delinquent on any New York State, federal or local tax obligations within the past five (5) years? If YES, attach details.

YES ___ NO

N. Complete the following information for principals (including, in the case of corporations, officers and members of the board of directors and, in the case of limited liability company, members and managers) of the Applicant:

<u>Name</u>	<u>Title</u>	<u>Other Business Affiliations*</u>
<i>Vincent Gallo</i>	<i>President and Director</i>	
<i>Anthony Gallo</i>	<i>Vice President and Director</i>	
<i>Joseph V. Gallo</i>	<i>Vice President and Director</i>	
<i>Michael Gallo</i>	<i>Vice President and Director</i>	
<i>Roseanne Gallo</i>	<i>Secretary, Treasurer and Director</i>	

Do any of the foregoing principals hold elected or appointive public positions? If YES, attach details.

YES ___ NO

* None other than personal real estate investments.

2. If any of the facilities described above are located within the State of New York (other than in Nassau County), is it expected that any of the described facilities will be closed or be subject to reduced activity? If YES, complete the attached Anti-Raiding Questionnaire (Schedule D).

YES

NO

- P. Has the Applicant considered moving to another state or another location within New York State? If YES, explain circumstances.

YES

NO

- Q. Does any one supplier or customer account for over 50% of Applicant's annual purchases or sales, respectively? If YES, attach name and contact information for supplier and/or customer, as applicable:

YES

NO

- R. Does the Applicant (including any related entity or person) or any principal(s) of the Applicant or its related entities, or any other business or concern with which such entities, persons or principal(s) have been connected, have any contractual or other relationship with the Agency or the County of Nassau? If YES, attach details.

YES

NO

- S. Attach a brief history of the Applicant and its business/operations at Schedule II.

By signing this Application, the Applicant authorizes the Agency to obtain credit reports and other financial background information and perform other due diligence on the Applicant and/or any other entity or individual related thereto, as the Agency may deem necessary to provide the requested financial assistance.

PART II. PROPOSED PROJECT

A. Description of proposed Project (check all that apply)

- New Construction
- Addition to Existing Facility
- Renovation of Existing Facility
- Acquisition of Facility
- New machinery and equipment
- Other (specify): _____

B. Briefly describe the proposed Project, the reasons why the Project is necessary to the Applicant and why the Agency's financial assistance is necessary, and the effect the Project will have on the Applicant's business or operations:

Applicant operates in a highly competitive industry, and to date, has maintained its competitive position through its ability to provide prompt service to hollow metal door customers doing business in the New York metropolitan area. The service element, however, is less relevant to the distribution side of Applicant's business, and competing companies operating in Canada, China and domestically in the Carolinas and other lower cost areas are making serious inroads in the manufacturing segment of Applicant's business. Applicant needs to expand to maintain its position, and also requires the certainty of a PLGIT arrangement to permit it to budget and plan for a substantial investment in production equipment and an expanded labor force.

C. If the Applicant is unable to obtain financial assistance for the Project, what will be the impact on the Applicant and Nassau County? Would the Applicant proceed with the Project without Agency financial assistance? Describe.

In the absence of financial assistance, the Applicant will not be in the financial position to improve and renovate 10 Harbor Park Drive to the full extent necessary in fulfill management's plans to increase Applicant's manufacturing and distribution capacity, and would proceed on a more limited basis. As noted above, Applicant serves the local construction and development industry, and faces considerable competition from others in a similar line of business operating in lower-cost areas. If Applicant's plans for expansion were curtailed by the lack of financial assistance from the Agency, its pattern of consistent job growth in both the skilled and unskilled areas would diminish and level off prematurely.

D. Location of Project (attach map showing the location).

Street Addresses:

- 5 Harbor Park Drive
- 11 Harbor Park Drive
- 18 Industrial Drive

City/Village(s):

Port Washington

Town:

North Hempstead

School Districts:

5 Harbor Park Drive – Port Washington and Roslyn

10 Harbor Park Drive – Roslyn

18 Industrial Drive – Port Washington

<u>Property</u>	<u>Section</u>	<u>Block</u>	<u>Lot</u>	<u>Census Tract</u>
5 Harbor Park Drive	06	058	4, 5, 6A and 6B	3014
10 Harbor Park Drive	06	058	102	3014
18 Industrial Park Drive	06	058	9	3014

<u>Property</u>	<u>Acres</u>	<u>Building Area</u>
5 Harbor Park Drive	7.66	163,000
10 Harbor Park Drive	2.92	38,563
18 Industrial Park Drive	3.03	34,965

F. Describe the present use of the Project site:

5 Harbor Park Drive and 18 Industrial Park Drive: Manufacture and distribution of hollow metal doors, wood doors, door frames and related hardware, with ancillary space at 5 Harbor Park Drive for executive and administrative offices, and offices and work spaces for project managers, sales staff, engineers and programmers

10 Harbor Park Drive: The current owner uses the facility as office space, and for warehouse purposes. Applicant plans to move office and work area uses and users to 10 Harbor Park Drive to create more production and warehouse space at its existing 5 Harbor Park Drive facility.

F. (a) What are the current real estate taxes on the Project site? (If amount of current taxes is not available, provide assessed value for each):

<u>Property</u>	<u>School</u>	<u>General</u>	<u>Village</u>
5 Harbor Park Drive	\$354,000	\$239,000	N/A
10 Harbor Park Drive	\$94,000	\$61,000	N/A
18 Industrial Park Drive	\$88,000	\$81,000	N/A

(b) Are tax certiorari proceedings currently pending with respect to the Project real property? If YES, attach details including copies of pleadings, decisions, etc.

YES

NO

G. Describe Project ownership structure (i.e., Applicant or other entity):

5 Harbor Park Drive - Applicant

18 Industrial Park Drive - Applicant's affiliate, 18 Industrial Park Drive, LLC

10 Harbor Park Drive - To be acquired by Applicant's affiliate, Ten HP Drive, LLC

H. To what purpose will the building or buildings to be acquired, constructed or renovated be used by the Applicant? (Include description of goods to be sold, products to be manufactured, assembled or processed and services to be rendered.)

Manufacture and distribution of hollow metal doors, wood doors, door frames and related hardware.

I. If any space in the Project is to be leased to or occupied by third parties, or is currently leased to or occupied by third parties who will remain as tenants, provide the names and contact information for each such tenant, indicate total square footage of the Project to be leased to each tenant, and describe proposed use by each tenant:

LIF Industries, Inc. leases approximately 14,000 square feet of second floor space at 5 Harbor Park Drive to Dental Labs Aesthetics, LLC, pursuant to a written lease dated March 1, 2011, which will expire on February 25, 2021. Beginning in March 2016, 18 Industrial Park Drive, LLC will lease approximately 7,000 square feet (6,000 office and 1,000 warehouse) to Security Management Systems, Inc. at 18 Industrial Park Drive. Currently, 2,900 square feet of the office space at 10 Harbor Park Drive is occupied by Amicus Creative Media, LLC, pursuant to a sublease with an affiliate of current ownership dated February 1, 2013, which will expire on January 31, 2017. All of these tenants are non-affiliates.

J. Provide, to the extent available, the information requested, in Part I, Questions A, B, E and G, with respect to any party described in the preceding response.

Applicant does not have detailed information about Dental Labs Aesthetics, LLC, and has none concerning Amicus Creative Media, LLC. Based on the fact that these occupancies are not material and do not involve the contemplated project, Applicant requests that the Agency waive any further disclosures about them.

K. List principal items or categories of equipment to be acquired as part of the Project:

Primarily one Amada brand EMK punching machine used for hollow door manufacturing, associated cutting and punching machinery, and other production equipment.

L. Will Project meet zoning/land use requirements at proposed location?

YES

NO

1. Describe present zoning/land use: *PIP - Planned Industrial Park*
2. Describe required zoning/land use, if different: *Not Applicable*
3. If a change in zoning/land use is required, please provide details/status of any request for change of zoning/land use requirements:

Not Applicable

M. Does the Applicant, or any related entity or person, currently hold a lease or license on the Project site? If YES, please provide details and a copy of the lease/license.

YES

NO

N. Does the Applicant, or any related entity or person, currently hold fee title to (i.e. own) the Project site?

YES

NO

If YES, indicate:

5 Harbor Park Drive

- (a) Date of purchase: *October 1, 1995*
- (b) Purchase price: *Approximately \$18,535,000*
- (c) Balance of existing mortgage, if any: *Approximately \$7,183,000*
- (d) Name of mortgage holder:
- (e) Special conditions: *None*

18 Industrial Park Drive

- (a) Date of purchase: *March 24, 2014*
- (b) Purchase price: *\$3,600,000*

(c) Balance of existing mortgage, if any: *The 18 Industrial Park Drive property is subject to a blanket mortgage covering it and three other properties, the existing balance of which is approximately \$4,333,300.*

(d) Name of mortgage holder:

(e) Special conditions: *None*

If NO, indicate name of present owner of Project site: _____

O. Does the Applicant or any related person or entity have an option or a contract to purchase the Project site and/or any buildings on the Project site?

YES *10 Harbor Park Drive* NO

If YES, attach copy of contract or option and indicate:

(a) Date signed: *December 14, 2015*

(b) Purchase price: *\$6,075,000*

(c) Closing date: *On or about April 15, 2016*

Is there a relationship legally or by virtue of common control or ownership between the Applicant (and/or its principals) and the seller of the 10 Harbor Park Drive portion of the Project (and/or its principals)?

If YES, describe:

YES

NO

P. Will customers personally visit the Project site for either of the following economic activities? If YES with respect to either economic activity indicated below, complete the attached Retail Questionnaire (Schedule E).

Sales of Goods: YES NO Sales of Services: YES NO

Q. Describe the social and economic conditions in the community where the Project site is or will be located and the impact of the proposed Project on the community (including impact on infrastructure, transportation, fire and police and other government-provided services):

The Town of North Hempstead is a relatively affluent area, with the local school districts of Port Washington and Roslyn known and rated high materially for the quality of education and student achievement. The immediate area is a planned industrial park.

with a variety of manufacturing and distribution companies. A hotel development is under way at a nearby property in the park, at a building site that was many years vacant and had previously been used as a health and fitness center.

R. Identify the following Project parties (if applicable):

Applicant has not yet selected the project architect, engineer or contractors.

S. Will the Project be designed and constructed to comply with Green Building Standards? (if YES, describe the LEED green building rating that will be achieved):

YES

NO

T. Is the proposed Project site located on a Brownfield? (if YES, provide description of contamination and proposed remediation)

YES

NO

U. Will the proposed Project produce a unique service or product or provide a service that is not otherwise available in the community in which the proposed Project site is located?

YES

NO

D. Has the Applicant made any arrangement for the provision of third party financing? If YES, indicate with whom (subject to Agency approval) and provide a copy of any term sheet or commitment letter issued with respect to such financing.

YES X

NO

Signature Bank: see attached loan commitment letter.

E. Construction Cost Breakdown:

Total Cost of Construction: \$1,000,000 (sum of 3 and 11 in Question A above)

Cost for materials: \$438,000

% Sourced in County: %

% Sourced in State: % (incl. County)

Cost for labor: \$562,000

% Sourced in County: %

% Sourced in State: % (incl. County)

Cost for "other": N/A

% Sourced in County: %

% Sourced in State: % (incl. County)

**Although the percentage amounts are not known at this time, Applicant intends to source construction materials locally to the extent possible.*

***Although the percentage amounts are not known at this time, labor for construction will be sourced primarily from Nassau County, and entirely from within New York State.*

PART IV. COST/BENEFIT ANALYSIS

A. If the Applicant presently operates in Nassau County, provide the current annual payroll, excluding benefits. Estimate payroll, excluding benefits, in First Year, Second Year and Third Year after completion of the Project.

	Present	First Year	Second Year	Third Year
Full-time:	\$17,565,000	\$18,592,000	\$19,400,000	\$20,132,000
Part-time:	59,000	61,000	63,000	65,000
Seasonal:	0	0	0	0
Total Annual Payroll	\$17,624,000	\$18,653,000	\$19,463,000	\$20,197,000

What are the average wages of employees (excluding benefits) presently employed by the Applicant in Nassau County? \$58,355

What is the average annual value of employee benefits paid per job, if any, for the employees presently employed by the Applicant in Nassau County? \$23,100

What are the estimated average wages of the jobs (excluding benefits) to be created by the Applicant upon completion of the Project? \$44,000

What is the estimated average annual value of employee benefits per job, if any, for jobs to be created upon completion of the Project? \$17,600

Estimate the percentage of jobs to be created by the Applicant upon completion of the Project that will be filled by County residents: 50%

Please note that the Agency may utilize the foregoing employment projections and the projections set forth in Schedule C, among other things, to determine the financial assistance that will be offered by the Agency to the Applicant. The Applicant acknowledges that the transaction documents may include a covenant by the Applicant to retain the number of jobs, types of occupations and amount of payroll with respect to the Project set forth in this Application.

B. (i) Will the Applicant transfer current employees from existing location(s)? If YES, describe, please describe the number of current employees to be transferred and the location from which such employees would be transferred:

YES

NO

- (ii) Describe the number of estimated full time equivalent construction jobs to be created as a result of undertaking the project, to the extent any:

During construction, Applicant estimates that there will be 12 full time construction or installation positions.

- C. What, if any, is the anticipated increase in the dollar amount of production, sales or services rendered as a result of the Project?

Although any increase in productivity is necessarily dependent on the strength of the economy and continuation of robust construction activities in the New York metro area, Applicant projects that the purchase of its new, more efficient equipment and expansion of its manufacturing facilities to 10 Harbor Park Drive will enable Applicant to increase its revenue by \$12.0 million or 10%.

What percentage of the foregoing amount is subject to New York sales and use tax?

Approximately 67% of Applicant's sales are subject to state and local sales taxes.

Describe any other municipal revenues that will result from the Project (excluding the above and any PILOT payments):

Applicant will pay permit and inspection fees to the Town of North Hempstead and the County of Nassau.

- D. What is the estimated aggregate annual amount of goods and services to be purchased by the Applicant for each year after completion of the Project and what portion will be sourced from businesses located in the County and the State (including the County):

	<u>Amount</u>	<u>% Sourced in County</u>	<u>% Sourced in State</u>
Year 1	\$71,447,000	4.3	40%
Year 2	\$75,627,000	4.3	40%
Year 3	\$78,606,000	4.3	40%

- E. Describe, if applicable, other benefits to the County anticipated as a result of the Project, including a projected annual estimate of additional sales tax revenue generated, directly and indirectly, as a result of undertaking the project:

Applicant anticipates sufficient job growth for its business that will generally increase economic activity for the County and in the immediate area. Applicant's job pool draws in part from the County.

F Costs to the County and affected municipalities:

Estimated Value of Sales Tax Exemption:	\$40,000*
Estimated Value of Mortgage Tax Exemption:	\$35,000
Estimated Property Tax Exemption:	\$ **
Existing Property Tax paid on the Land and/or Building: (please provide current tax bills)	\$ **
Estimated new Real Property Tax Revenue if the Project did not receive Real Property Tax exemption:	\$ **
Estimated new Real Property Tax Revenue if the Project does receive Real Property Tax exemption:	\$ **

* Most of the equipment which Applicant will purchase is manufacturing equipment and as such has an existing exemption from New York State and local sales taxes. This represents the portion of the equipment and the cost of construction that is likely to be subject to sales tax.

** Courtroom proceedings for 5 Harbor Park Drive and 18 Industrial Park Drive were recently settled by stipulation with the Assessment Review Commission. Pending court proceedings respecting 10 Harbor Park Drive will be withdrawn.

G Describe any other one-time municipal revenues (not including fees payable to the Agency) that the Project will create:

See item C above regarding permitting and inspection fees.

PART V. PROJECT CONSTRUCTION SCHEDULE

A. Has construction work on the Project begun? If YES, indicate the percentage of completion:

- | | | | | |
|----|-------------------------------|---------|-------------|----------------|
| I. | (a) Site clearance | YES ___ | NO <u>X</u> | ___ % complete |
| | (b) Environmental Remediation | YES ___ | NO <u>X</u> | ___ % complete |
| | (c) Foundation | YES ___ | NO <u>X</u> | ___ % complete |
| | (d) Footings | YES ___ | NO <u>X</u> | ___ % complete |
| | (e) Steel | YES ___ | NO <u>X</u> | ___ % complete |
| | (f) Masonry | YES ___ | NO <u>X</u> | ___ % complete |
| | (g) Interior | YES ___ | NO <u>X</u> | ___ % complete |
| | (h) Other (describe below). | YES ___ | NO <u>X</u> | ___ % complete |

2. If NO to all of the above categories, what is the proposed date of commencement of construction, renovation or acquisition of the Project?

Subject to receipt of all necessary permits, by May 31, 2016.

B. Provide an estimate of time schedule to complete the Project and when the first use of the Project is expected to occur (attach additional sheet if necessary):

Applicant anticipates a 13-18 month period of construction and renovation, so based on the May 2016 start date, the earliest first use would be in June 2017.

PART VI. ENVIRONMENTAL IMPACT

A. What is the expected environmental impact of the Project? (Complete the attached Environmental Assessment Form (Schedule C)).

None

B. Is an environmental impact statement required by Article 8 of the N.Y. Environmental Conservation Law (i.e., the New York State Environmental Quality Review Act)?

YES

NO

C. Please be advised that the Agency may require at the sole cost and expense of the Applicant the preparation and delivery to the Agency of an environmental report in form and scope satisfactory to the Agency, depending on the responses set forth in the Environmental Assessment Form. If an environmental report has been or is being prepared in connection with the Project, please provide a copy.

D. The Applicant authorizes the Agency to make inquiry of the United States Environmental Protection Agency, the New York State Department of Environmental Conservation or any other appropriate federal, state or local governmental agency or authority as to whether the Project site or any property adjacent to or within the immediate vicinity of the Project site is or has been identified as a site at which hazardous substances are being or have been used, stored, treated, generated, transported, processed, handled, produced, released or disposed of. The Applicant will be required to secure the written consent of the owner of the Project site to such inquiries (if the Applicant is not the owner), upon request of the Agency.

THE UNDERSIGNED HEREBY CERTIFIES that the answers and information provided above and in any statement attached hereto are true, correct and complete.

Name of Applicant: LIF Industries, Inc.

Signature: *Michael Gallo*
Name: Michael Gallo
Title: Vice President
Date: March 21, 2016

Sworn to before me this 21 day of March 2016.

Maria Barry
Notary Public
MARIA BARRY
NOTARY PUBLIC, State of New York
No. 01848130986
Qualified in Suffolk County
Commission Expires July 25, 2017

**RULES AND REGULATIONS OF THE NASSAU COUNTY
INDUSTRIAL DEVELOPMENT AGENCY**

The Nassau County Industrial Development Agency (the "Agency"), in order to better secure the integrity of the projects it sponsors, declares that it is in the public interest (i) to ensure the continuity of such projects and the jobs created by such projects, (ii) to prevent the conversion of the use of the premises upon which a sponsored project is to be constructed or renovated and (iii) to limit and prevent unreasonable profiteering or exploitation of a project, and does hereby find, declare and determine as follows:

FIRST:

Upon the approval of a sponsored project, the Agency shall take title to, or acquire a leasehold or other interest in, all premises upon which an Agency sponsored project is to be constructed or renovated, and shall lease, sublease, license, sell or otherwise transfer the premises to the Applicant for a term to be determined by the Agency.

At such time as, among other things, the Applicant fails to retain or create the jobs as represented in the Application or changes the use of the project or ownership of the project or the Applicant during the life of the project in a manner inconsistent with the Application, and such employment default or change of use or ownership does not meet with the prior written approval of the Agency, a recapture of benefits may be required to be paid by the Applicant to the Agency. The amount and sufficiency (with respect to a particular applicant) of the applicable recapture of benefits payment shall be determined by the Agency and shall be set forth in the strategy lease documents.

SECOND:

At such time as a proposed Project is reviewed, the members of the Agency must disclose any blood, marital or business relationships they or members of their families have or have had with the Applicant (or its affiliates). The Applicant represents that no member, manager, principal, officer or director of the Applicant has any such relationship with any member of the Agency (or any member of the family of any member of the Agency).

THIRD:

All applicants must disclose whether they have been appointed, elected or employed by New York State, any political division of New York State or any other governmental agency.

FOURTH:

All proposed lenders, title companies and their respective attorneys must be satisfactory to and approved in writing by the Agency.

Understood and Agreed to:

Name of
Applicant: LIF Industries, Inc.

By: 
Name/Title: Michael Gallo, Vice President

**CERTIFICATION AND AGREEMENT
WITH RESPECT TO FEES AND COSTS**

The undersigned deposes and says: that I am an authorized representative of the Applicant named in the attached application for financial assistance ("Application") and that I hold the office specified below my signature at the end of this Certification and Agreement; that I am authorized and empowered to deliver this Certification and Agreement and the Application for and on behalf of the Applicant; that I am familiar with the contents of said Application (including all schedules and attachments thereto), and that said contents are true, correct and complete to my knowledge. Capitalized terms used but not otherwise defined in this Certification and Agreement shall have the meanings assigned to such terms in the Application.

The grounds of my belief relative to all matters in the Application that are not based upon my own personal knowledge are based upon investigations I have made or have caused to be made concerning the subject matter of this Application, as well as upon information acquired in the course of my duties and from the books and records of the Applicant.

As an authorized representative of the Applicant, I acknowledge and agree on behalf of the Applicant that the Applicant hereby releases the Nassau County Industrial Development Agency, its members, officers, servants, attorneys, agents and employees (collectively, the "Agency") from, agrees that the Agency shall not be liable for and agrees to indemnify, defend (with counsel selected by the Agency) and hold the Agency harmless from and against any and all liability, damages, causes of actions, losses, costs or expenses incurred by the Agency in connection with: (A) examination and processing of, and action pursuant to or upon, the Application, regardless of whether or not the Application or the financial assistance requested therein are favorably acted upon by the Agency, (B) the acquisition, construction and/or installation of the Project by the Agency, and (C) any further action taken by the Agency with respect to the Project, including, without limiting the generality of the foregoing, (i) all fees and expenses of the Agency's general counsel, transaction counsel, economic development consultant, real property tax valuation consultant and other experts and consultants (if deemed necessary or advisable by the Agency), and (ii) all other expenses incurred by the Agency in defending any suits, actions or proceedings that may arise as a result of any of the foregoing. If, for any reason whatsoever, the Applicant fails to conclude or consummate necessary negotiations or fails within a reasonable or specified period of time to take reasonable, proper or requested action or withdraws, abandons, cancels, or neglects the Application or is unable to secure third party financing or otherwise fails to conclude the Project, then upon presentation of an invoice by the Agency, its agents, attorneys or assigns, the Applicant shall pay to the Agency, its agents, attorneys or assigns, as the case may be, all fees and expenses reflected in any such invoice.

As an authorized representative of the Applicant, I acknowledge and agree on behalf of the Applicant that each of the Agency's general counsel, transaction counsel, economic development consultant, real property tax valuation consultant and other experts and consultants is an intended third-party beneficiary of this Certification and Agreement, and that each of them may (but shall not be obligated to) enforce the provisions of the immediately preceding paragraph, whether by lawsuit or otherwise, to collect the fees and expenses of such party or person incurred by the Agency (whether or not first paid by the Agency) with respect to the Application.

Upon successful closing of the "straight lease" transaction, the Applicant shall pay to the Agency an administrative fee set by the Agency (which amount is payable at closing) in accordance with the following schedule:

- (A) Six-tenths (6/10) of one percent (1%) for the first twenty million dollars (\$20,000,000) of total project costs and, if applicable, two-tenths (2/10) of one percent (1%) for any additional amounts in excess of twenty million dollars (\$20,000,000) of total project costs.

- (B) General Counsel Fee – One-tenth (1/10) of one percent (1%) of total project costs, with a minimum fee of \$2,000.
- (C) Two Thousand Five Hundred Dollars (\$2,500) closing compliance fee payable at closing and One Thousand Dollars (\$1,000) per year (or part thereof) administrative fee, payable in advance, at the closing for the first year (or part thereof) and on January 1st of each year for the term of the financing. The annual service fee is subject to periodic review and may be adjusted from time to time in the discretion of the Agency.
- (D) Refinancings – The Agency fee shall be determined on a case-by-case basis.
- (E) Assumptions – The Agency fee shall be determined on a case-by-case basis.
- (F) Modifications – The Agency fee shall be determined on a case-by-case basis.

Transaction counsel fees and expenses are payable at closing and are based on the work performed in connection with the Project.

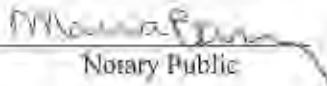
Upon the termination of the Project, Applicant agrees to pay all costs in connection with any conveyance by the Agency to the Applicant of the Agency's interest in the Project and the termination of all related Project documents, including the fees and expenses of the Agency's general counsel, transaction counsel, and all applicable recording, filing or other related fees, taxes and charges.

LIF Industries, Inc.

By: 

Name: Michael Gallo
Title: Vice President

Sworn to before me this 21
day of March 2016


Notary Public

MARIA BARRY
NOTARY PUBLIC, State of New York
No. 01BA5130536
Qualified in Suffolk County
Commission Expires July 23, 2017

TABLE OF SCHEDULES:

<u>Schedule</u>	<u>Title</u>	<u>Complete as Indicated Below</u>
A.	Intentionally omitted	
B.	New York State Financial and Employment Requirements for Industrial Development Agencies	All applicants
C.	Guidelines for Access to Employment Opportunities	All applicants
D.	Anti-Raiding Questionnaire	If Applicant checked "YES" in Part I, Question C.2. of Application
E.	Retail Questionnaire	If Applicant checked "YES" in Part II, Question F of Application (See Page 11)
F.	Applicant's Financial Attachment(s), consisting of: <ol style="list-style-type: none"> 1. Applicant's audited financial statements for the last two fiscal years (unless included in Applicant's annual reports). 2. Applicant's annual reports (or Form 10-K's) for the two most recent fiscal years. 3. Applicant's quarterly reports (Form 10-Q's) and current reports (Form 8-K's) since the most recent Annual Report, if any. 4. In addition, attach the financial information described above in items F1, F2, and F3 of any anticipated Guarantor of the proposed transaction, if different than the Applicant, including the personal financial statement of any anticipated Guarantor that is a natural person. 5. Dun & Bradstreet report. 	All applicants
G.	Environmental Assessment Form	All applicants
H.	Other Attachments	As required

Intentionally omitted

**New York STATE FINANCIAL AND EMPLOYMENT REPORTING
REQUIREMENTS FOR INDUSTRIAL DEVELOPMENT AGENCIES**

- A. Pursuant to applicable law, the Agency requires the completion of an Initial Employment Plan (see Schedule C) and a year-end employment plan status report, both of which shall be filed by the Nassau County Industrial Development Agency (the "Agency") with the New York State Department of Economic Development on January 15. The Project documents will require the Applicant to provide such report to the Agency on or before January 1 of each year, together with such employment verification information as the Agency may require.

Except as otherwise provided by collective bargaining agreements, the Applicant agrees to list any new employment opportunities with the New York Department of Labor Community Services Division and the administrative entity of the service delivery area created by the Federal Job Training Partnership Act (P.L. 97-300), or any successor statute thereto (the "JTPA Entities"). In addition, except as otherwise provided by collective bargaining agreements, the Applicant, where practicable, will first consider persons eligible to participate in JTPA programs who shall be referred by the JTPA Entities for such new employment opportunities.

- B. The Applicant will be required to file annually a statement with the New York State Department of Taxation and Finance and the Agency of the value of all sales or use tax exemptions claimed in connection with the Project by reason of the involvement of the Agency.

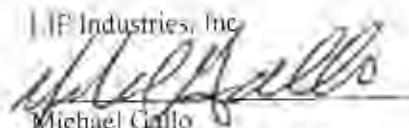
- C. Please be advised that the New York State Industrial Development Agency Act imposes additional annual reporting requirements on the Agency, and the Applicant will be required to furnish information in connection with such reporting, as follows:

The following information must be provided for straight-lease transactions entered into or terminated during the year:

Name, address and owner of the project; total amount of tax exemptions granted (broken out by state and local sales tax, property taxes, and mortgage recording tax); payments in lieu of taxes made; total real estate taxes on the Project prior to exemption; number of jobs created and retained, and other economic benefits realized.

Failure to provide any of the aforesaid information will be constitute a DEFAULT under the Project documents to be entered into by the Agency and the Applicant in connection with the proposed Project.

Please sign below to indicate that the Applicant has read and understood the above and agrees to provide the described information on a timely basis.

Name of Applicant	IIF Industries, Inc
Signature:	
Name:	Michael Gallo
Title:	Vice President
Date:	March 21, 2016

GUIDELINES FOR ACCESS TO EMPLOYMENT OPPORTUNITIES**INITIAL EMPLOYMENT PLAN**

Prior to the granting of financial assistance, the Applicant shall complete the following employment plan:

Applicant Name: *LIP Industries, Inc.*
 Address: *5 Harbor Park Drive, Port Washington, New York 11050*
 Type of Business: *Manufacture and distribution of hollow metal doors, wood doors, door frames and related hardware*
 Contact Person: *Vincent Gallo* Tel. No.: *(516) 390-6840*

Please complete the following table describing the Applicant's projected employment plan following receipt of financial assistance:

Current and Planned Occupations (provide NAICS Code for each)	Current Number Full Time Equivalent Jobs Per Occupation		Estimated Number of Full Time Equivalent Jobs in the County After Completion of the Project:		
	County	Statewide	1 year	2 years	3 years
<i>332321</i>	<i>302</i>	<i>340</i>	<i>312</i>	<i>317</i>	<i>320</i>

Please indicate the number of temporary construction jobs anticipated to be created in connection with the acquisition, construction and/or renovation of the Project: *Approximately 12-17 full and part-time construction and installation workers*

Please indicate the estimated hiring dates for the new jobs shown above and any special recruitment or training that will be required:

Construction and installation - May 2016
Permanent positions with Applicant - Between June and December 2017

Are the Applicant's employees currently covered by a collective bargaining agreement?

YES X

NO

IF YES, Union Name and Local: *Local 2790, New York City and Vicinity District Council of Carpenters, and Local 966, International Brotherhood of Teamsters*

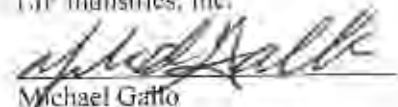
Please note that the Agency may utilize the foregoing employment projections, among other things, to determine the financial assistance that will be offered by the Agency to the Applicant. The Applicant acknowledges that the transaction documents may include a covenant by the Applicant to retain the above number of jobs, types of occupations and amount of payroll with respect to the proposed project.

Attached hereto is a true, correct and complete copy of the Applicant's most recent Quarterly Combined Withholding, Wage Reporting, and Unemployment Insurance Return (Form NYS-45-MN). Upon request of the Agency, the Applicant shall provide such other or additional information or documentation as the Agency may require with respect to the Applicant's current employment levels in the State of New York.

The UNDERSIGNED HEREBY CERTIFIES that the answers and information provided above and in any statement attached hereto are true, correct and complete.

Name of Applicant: IJF Industries, Inc.

Signature:



Name:

Michael Gatto

Title:

Vice President

Date:

March 21, 2016

**Quarterly Combined Withholding, Wage Reporting,
And Unemployment Insurance Return-Attachment**

ADP IS RESPONSIBLE FOR FILING THIS REPORT

Withholding identification number:

Employer legal name:

LIF INDUSTRIES INC

Mark an **X** in the applicable box(es):

A. Original or Amended return

Jan 1 - Mar 31 1 Apr 1 - Jun 30 2 July 1 - Sep 30 3 Oct 1 - Dec 31 4 Year 15
Y Y

B. Other wages only reported on this page

C. Seasonal employer

Quarterly employee/payee wage reporting information <i>(Do not enter negative numbers in columns c, d, and e; see instructions)</i>			Annual wage and withholding totals If this return is for the 4th quarter or the last return you will be filing for the calendar year, complete columns d and e.		
a	b	c	d	e	
Social security number	Last name, first name, middle initial	Total UI remuneration paid this quarter	Gross federal wages or distribution (see instr.)	Total NYS, NYC, and Yonkers tax withheld	
			46228.13	2547.08	
		15241.50	55005.20	2587.37	
	P	7666.73	9047.98	537.57	
	T	12216.84	39306.63	2599.54	
	O	1118819.80	1410542.04	255600.00	
	W	11473.04	40471.03	1637.42	
	J	66538.58	188282.20	11866.95	
	R	12303.25	13879.96	971.76	
	J	15021.62	63456.44	4635.93	
	E	12088.14	44184.50	3099.30	
	N	19057.18	60525.34	4312.05	
	C	24884.68	30452.04	1471.93	
			1107.50	3.25	
	F	16977.70	50800.02	2241.67	
	I	19508.66	70607.10	5505.30	
	L	150301.61	368767.95	24527.86	
		1502099.33	2492664.06	324144.98	
Page No. <u>2</u> of <u>27</u> Total this page only					
If first page, enter grand totals of all pages					

Contact information <i>(see instructions)</i>	Name	Daytime telephone number ()
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PO BOX 4119
BINGHAMTON NY 13902-4119

**Quarterly Combined Withholding, Wage Reporting,
And Unemployment Insurance Return-Attachment**

ADP IS RESPONSIBLE FOR FILING THIS REPORT

Withholding identification number

Mark an X in the applicable box(es):

A. Original or Amended return

Jan 1 - Mar 31 1 Apr 1 - Jun 30 2 July 1 - Sep 30 3 Oct 1 - Dec 31 4 Year 15 Y Y

Employer legal name:

LIF INDUSTRIES INC

B. Other wages only reported on this page

C. Seasonal employer

Quarterly employee/payee wage reporting information <i>(Do not enter negative numbers in columns c, d, and e; see instructions)</i>			Annual wage and withholding totals If this return is for the 4th quarter or the last return you will be filing for the calendar year, complete columns d and e.	
a Social security number	b Last name, first name, middle initial	c Total UI remuneration paid this quarter	d Gross federal wages or distribution (see instr.)	e Total NYS, NYC, and Yonkers tax withheld
			16720.88	1316.22
		11320.80	38279.24	2468.62
	P	6424.50	6944.50	275.52
	T	11458.77	42462.33	2937.40
	O	12595.96	43429.37	2807.47
	W	21587.97	75052.48	3403.47
	Y	23970.12	79865.30	3858.46
	R	18183.35	57986.61	2647.16
	R	11738.40	43213.94	1880.55
	E	22457.36	38880.70	2289.49
	N		73589.78	5759.00
	C		4694.00	277.57
		10887.39	38656.51	2413.25
	F	26497.03	12856.00	495.87
		7506.28	81078.37	6428.88
			7714.28	376.93
Page No. <u>3</u> of <u>27</u> Total this page only		184627.93	661384.29	39635.86
If first page, enter grand totals of all pages				

Contact information
(see instructions)

Name

Daytime telephone number

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Y Y

Employer legal name:

LIF INDUSTRIES INC

B. Other wages only reported on this page

C. Seasonal employer

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a	b	c	d	e
Social security number	Last name, first name, middle initial	Total UI remuneration paid this quarter	Gross federal wages or distribution (see instr.)	Total NYS, NYC, and Yonkers tax withheld
		23178.90	78123.20	6646.56
		15565.06	55295.37	4304.11
		23104.61	76129.81	3911.16
		9325.76	19482.76	758.33
		58490.61	151632.93	7320.12
		13817.00	38949.06	1464.26
		15649.50	43467.08	3039.32
		14361.43	53061.42	4028.70
		18114.65	66529.74	3297.84
		29920.14	114189.43	6129.73
		11539.39	36131.90	1531.47
		18346.56	49185.99	3448.63
		11366.95	51636.30	3957.16
		1538.56	1538.56	68.11
		17081.21	60359.19	4502.74
		16354.90	59424.58	4115.00
		297763.23	955137.32	58523.24
Page No. <u>4</u> of <u>27</u> Total this page only				
If first page, enter grand totals of all pages				

Contact information (see instructions)	Name	Daytime telephone number ()
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**Quarterly Combined Withholding, Wage Reporting,
And Unemployment Insurance Return-Attachment**

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Withholding identification number:

Employer legal name:

LIF INDUSTRIES INC

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Jan 1 - Mar 31 1 Apr 1 - Jun 30 2 July 1 - Sep 30 3 Oct 1 - Dec 31 4 Year 15
Y Y

B. Other wages only reported on this page

C. Seasonal employer

Quarterly employee/payee wage reporting information <i>(Do not enter negative numbers in columns c, d, and e; see instructions)</i>		Annual wage and withholding totals <i>If this return is for the 4th quarter or the last return you will be filing for the calendar year, complete columns d and e.</i>		
a Social security number	b Last name, first name, middle initial	c Total UI remuneration paid this quarter	d Gross federal wages or distribution (see inst.)	e Total NYS, NYC, and Yonkers tax withheld
		13253.05	48239.40	3394.11
		9210.80	28302.91	1651.55
		29831.58	90347.59	4540.95
		14743.57	54362.80	4091.83
		19686.37	41224.96	1917.87
			25892.52	2238.00
		14536.69	42310.95	2654.57
		370.50	370.50	3.13
		23626.95	87389.96	6092.17
		20446.24	65958.10	4973.56
		10616.80	37173.35	2415.48
		12830.00	40058.64	2491.98
		4738.00	40590.20	3016.42
			3397.50	203.04
		13380.81	46354.14	3441.33
		35659.11	130458.04	7331.07
Page No. <u>5</u> of <u>27</u> Total this page only		222930.47	782431.56	50457.06
If first page, enter grand totals of all pages				

Contact information (see instructions)	Name	Daytime telephone number ()
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Y Y

Employer legal name:

LIF INDUSTRIES INC

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C. Seasonal employer

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a Social security number	b Last name, first name, middle initial	c Total UI remuneration paid this quarter	d Gross federal wages or distribution (see inst)	e Total NYS, NYC, and Yonkers tax withheld	
		13137.98	45010.18	2700.33	
			1020.00	22.53	
	P	57332.95	128692.31	8443.73	
	L	20189.60	70201.29	5408.73	
	O		5020.00	109.56	
	R	18708.78	64674.34	4975.10	
	Y	24740.50	82993.06	5756.16	
	T	12625.19	51695.37	3916.20	
	R	34940.41	109388.26	5955.55	
	E	9020.40	31220.15	1860.14	
	N	24514.74	74751.79	5248.02	
	C	17156.42	58301.91	3060.81	
	F	8965.11	30384.49	1848.63	
	F	28602.75	87124.38	7488.23	
	L	4972.06	36891.38	2779.82	
	L	12989.74	55201.15	4186.57	
Page No. <u>6</u> of <u>27</u> Total this page only		287896.63	932570.06	63760.11	
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Contact information <i>(see instructions)</i>	Name	Daytime telephone number ()
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a	b	c	d	e
Social security number	Last name, first name, middle initial	Total LI remuneration paid this quarter	Gross federal wages or distribution (see instructions)	Total NYS, NYC, and Yonkers tax withheld
		9308.00	9308.00	369.74
		9838.79	33836.65	2207.85
		24582.08	85458.74	4219.05
		23024.86	71585.27	4949.72
		16473.20	60527.62	4406.01
		12175.64	44638.39	3252.28
		11398.80	39927.19	1491.28
		12377.60	36821.24	2559.14
		23155.40	65066.29	4115.03
		37237.78	100103.01	4674.17
		16642.90	55945.39	4161.53
			41322.46	3040.53
		14928.76	56818.52	4099.53
		11160.90	37952.65	2578.57
		34757.05	116834.09	6307.22
		8770.15	31966.85	2114.67
Page No. <u>7</u> of <u>27</u> Total this page only		265831.91	888112.36	54546.32
If first page, enter grand totals of all pages				

Contact information (see instructions) Name _____ Daytime telephone number () _____

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a	b	c	d	e	
Social security number	Last name, first name, middle initial	Total UI remuneration paid this quarter	Gross federal wages or distribution (see inst)	Total NYS, NYC, and Yonkers tax withheld	
		12137.84	44022.61	3099.50	
		18100.09	64759.31	4819.32	
		29799.18	88342.73	4501.98	
		16146.38	44808.83	1703.11	
		13704.50	35066.18	1488.71	
		14906.50	45187.53	3040.02	
		14156.44	49859.22	3708.05	
		14565.21	46461.35	2960.02	
		30632.73	95218.53	4658.54	
		18650.00	60053.95	2964.29	
		13129.76	51374.29	3771.95	
		10186.63	28993.82	1793.88	
		15983.76	61717.76	2951.64	
		10613.07	34348.64	1361.35	
		11887.47	38848.27	2456.77	
		12277.09	42765.04	2869.64	
Page No. <u>8</u> of <u>27</u>	Total this page only	256876.65	831788.06	48148.77	
If first page, enter grand totals of all pages					

Contact information (see instructions)	Name	Daytime telephone number
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C. Seasonal employer

Quarterly employee/payee wage reporting information <i>(Do not enter negative numbers in columns c, d, and e; see instructions)</i>			Annual wage and withholding totals If this return is for the 4th quarter or the last return you will be filing for the calendar year, complete columns d and e.		
a	b	c	d	e	
Social security number	Last name, first name, middle initial	Total UI remuneration paid this quarter	Gross federal wages or distribution (see inst.)	Total NYS, NYC, and Yonkers tax withheld	
		12005.60	49893.48	3684.20	
		31840.40	104117.22	5717.23	
		14206.79	46881.48	3253.86	
		15981.60	59802.19	4646.58	
		18945.52	62746.73	4810.96	
		114512.16	526540.24	20326.32	
		11757.60	42273.80	2982.37	
		11949.52	41339.03	2972.82	
		19548.18	38232.10	1785.71	
		12027.26	20278.69	838.03	
		4029.48	33604.98	2198.76	
		11362.44	38954.20	2714.64	
		12976.95	44524.12	2649.87	
		12675.42	48038.01	3502.16	
		16519.29	55802.64	4150.78	
		325.00	325.00	12.65	
Page No. <u>9</u> of <u>27</u> Total this page only		320663.21	1015353.91	66246.94	
If first page, enter grand totals of all pages					

Contact information <i>(see instructions)</i>	Name	Daytime telephone number ()
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Mail to NYS EMPLOYMENT CONTRIBUTIONS AND TAXES
PO BOX 4119
BINGHAMTON NY 13902-4119

**Quarterly Combined Withholding, Wage Reporting,
And Unemployment Insurance Return-Attachment**

ADP IS RESPONSIBLE FOR FILING THIS REPORT

Withholding identification number:

Employer legal name:

LIF INDUSTRIES INC

Mark an X in the applicable box(es):

A. Original or Amended return

Jan 1 - Mar 31 1 Apr 1 - Jun 30 2 July 1 - Sep 30 3 Oct 1 - Dec 31 4 Year 15
Y Y

B. Other wages only reported on this page

C. Seasonal employer

Quarterly employee/payee wage reporting information <i>(Do not enter negative numbers in columns c, d, and e; see instructions)</i>			Annual wage and withholding totals <i>If this return is for the 4th quarter or the last return you will be filing for the calendar year, complete columns d and e.</i>		
a Social security number	b Last name, first name, middle initial	c Total UI remuneration paid this quarter	d Gross federal wages or distribution (see inst.)	e Total NYS, NYC, and Yonkers tax withheld	
		23784.68	86500.24	4447.56	
		41974.36	143112.06	8099.00	
		10714.16	12060.40	834.18	
		19948.14	59293.40	2733.55	
		12796.80	42739.55	2652.27	
			27836.84	1766.40	
		13575.00	47999.68	3289.99	
		1323.44	27843.63	1743.19	
		10614.44	32405.51	1241.16	
		16793.85	50024.46	3395.67	
		29399.24	97092.76	7969.18	
		16010.67	59019.06	4217.62	
		18688.56	63321.35	4953.27	
		18170.55	66066.04	5032.48	
			4225.00	223.04	
			11410.09	456.79	
Page No. <u>10</u> of <u>27</u> Total this page only		233793.89	830950.07	53055.35	
If first page, enter grand totals of all pages					

Contact information <i>(see instructions)</i>	Name	Daytime telephone number ()
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Withholding identification number:

Employer legal name:

LIF INDUSTRIES INC

Mark an **X** in the applicable box(es):

A. Original or Amended return

Jan 1 - Mar 31 1 Apr 1 - Jun 30 2 July 1 - Sep 30 3 Oct 1 - Dec 31 4 Year 15 Y Y

B. Other wages only reported on this page ...

C. Seasonal employer ...

Quarterly employee/payee wage reporting information <i>(Do not enter negative numbers in columns c, d, and e; see instructions)</i>		Annual wage and withholding totals <i>If this return is for the 4th quarter or the last return you will be filing for the calendar year, complete columns d and e.</i>		
a Social security number	b Last name, first name, middle initial	c Total UI remuneration paid this quarter	d Gross federal wages or distribution (see inst.)	e Total NYS, NYC, and Yonkers tax withheld
		8488.10	26366.85	1659.27
		8037.00	15175.58	877.88
			1248.00	65.18
		14499.60	48966.72	3750.88
		14206.01	45026.42	2882.24
		23181.21	69533.55	5495.39
			22362.73	1297.95
		7067.72	10643.33	545.77
		12717.94	37410.17	1339.40
		10022.61	36104.66	2433.87
		1064.00	17892.97	981.76
			2307.60	218.60
		12430.33	37282.46	1306.33
			1352.00	50.24
		8448.00	28601.08	1014.98
		16090.33	46164.25	1957.54
Page No. <u>11</u> of <u>27</u> Total this page only		136252.85	446438.37	25877.28
If first page, enter grand totals of all pages				

Contact information (see instructions)	Name	Daytime telephone number ()
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Withholding identification number:

Employer legal name:

LIF INDUSTRIES INC

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A. Original or Amended return

Jan 1 - Mar 31 1 Apr 1 - Jun 30 2 July 1 - Sep 30 3 Oct 1 - Dec 31 4 Year 15
Y Y

B. Other wages only reported on this page

C. Seasonal employer

Quarterly employee/payee wage reporting information <i>(Do not enter negative numbers in columns c, d, and e; see instructions)</i>			Annual wage and withholding totals If this return is for the 4th quarter or the last return you will be filing for the calendar year, complete columns d and e.	
a Social security number	b Last name, first name, middle initial	c Total UI remuneration paid this quarter	d Gross federal wages or distribution (see instr.)	e Total NYS, NYC, and Yonkers tax withheld
		45517.74	128730.86	8597.68
		19216.95	68797.55	3429.17
		13080.81	57952.27	4211.82
		6782.00	10006.00	493.16
		14299.00	50543.48	3717.38
		17031.95	58314.02	4585.37
		22202.96	77166.15	6347.76
		22720.97	78470.49	6383.79
		12902.92	49861.77	3856.25
		14461.53	43825.11	3002.77
		16400.00	56300.00	2693.26
			7823.69	470.59
		11993.76	40864.70	2814.95
		6662.50	6662.50	416.73
		7930.72	25025.77	1556.64
		25500.02	102450.84	8363.23
Page No. <u>12</u> of <u>27</u> Total this page only		256723.83	862795.20	60940.55
If first page, enter grand totals of all pages				

Contact information <i>(see instructions)</i>	Name	Daytime telephone number ()
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PO BOX 4119
BINGHAMTON NY 13902-4119

**Quarterly Combined Withholding, Wage Reporting,
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Withholding identification number:

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A. Original or Amended return

Jan 1 - Mar 31 1 Apr 1 - Jun 30 2 July 1 - Sep 30 3 Oct 1 - Dec 31 4 Year 15
Y Y

Employer legal name:

LIF INDUSTRIES INC

B. Other wages only reported on this page

C. Seasonal employer

Quarterly employee/payee wage reporting information <i>(Do not enter negative numbers in columns c, d, and e; see instructions)</i>			Annual wage and withholding totals If this return is for the 4th quarter or the last return you will be filing for the calendar year, complete columns d and e.	
a	b	c	d	e
Social security number	Last name, first name, middle initial	Total UI remuneration paid this quarter	Gross federal wages or distribution (see inst.)	Total NYS, NYC, and Yonkers tax withheld
		26207.95	82859.83	3361.86
		16501.70	57888.89	3960.20
	P	20126.20	70286.24	5858.36
		12743.25	46229.85	3292.07
		18279.43	59479.67	4312.25
		7625.71	28544.58	1704.14
		114512.16	334989.52	21048.93
		73585.78	213113.22	12161.87
	R	10494.04	37287.50	1466.85
		10891.76	42635.67	3050.12
		19840.00	65410.37	4726.55
		10857.88	36494.89	1487.87
		15103.10	48521.62	3513.87
			20421.93	1357.56
	F	12241.79	43863.57	3244.75
			602.50	
Page No. <u>13</u> of <u>27</u>	Total this page only	369010.75	1188629.85	74547.25
If first page, enter grand totals of all pages				

Contact information (see instructions)	Name	Daytime telephone number ()
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Employer legal name:

LIF INDUSTRIES INC

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A. Original or Amended return

Jan 1 - Mar 31 1 Apr 1 - Jun 30 2 July 1 - Sep 30 3 Oct 1 - Dec 31 4 Year **15**
Y Y

B. Other wages only reported on this page

C. Seasonal employer

Quarterly employee/payee wage reporting information (Do not enter negative numbers in columns c, d, and e; see instructions)			Annual wage and withholding totals If this return is for the 4th quarter or the last return you will be filing for the calendar year, complete columns d and e.		
a	b	c	d	e	
Social security number	Last name, first name, middle initial	Total UI remuneration paid this quarter	Gross federal wages or distribution (see v158)	Total NYS, NYC, and Yonkers tax withheld	
		12831.43	41958.31	2926.80	
		3087.75	3087.75	131.65	
	P	11784.39	32184.20	1042.80	
	T	16440.57	50068.95	3628.25	
	O	49560.67	150972.19	8632.11	
	Y	17371.82	41947.59	1542.13	
	R	12929.72	44589.80	3064.76	
	R	19648.14	51145.28	2449.23	
	R	800.00	23520.00	1597.62	
	E	7694.00	36515.58	2385.07	
	N	20342.38	66839.06	3034.29	
	C	13587.09	42396.08	3004.44	
	E	27318.53	93736.32	4869.47	
	F	10307.16	38420.83	2464.18	
	F	15872.56	52807.61	3687.47	
	F	16639.82	62576.12	4786.44	
Page No. 14 of 27 Total this page only		256213.03	832725.67	49246.71	
If first page, enter grand totals of all pages					

Contact information (see instructions)	Name	Daytime telephone number ()
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Withholding identification number:

A. Original or Amended return

Jan 1 - Mar 31 1 Apr 1 - Jun 30 2 July 1 - Sep 30 3 Oct 1 - Dec 31 4 Year 15
Y Y

Employer legal name:

LIF INDUSTRIES INC

B. Other wages only reported on this page

C. Seasonal employer

Quarterly employee/payee wage reporting information <i>(Do not enter negative numbers in columns c, d, and e; see instructions)</i>		Annual wage and withholding totals If this return is for the 4th quarter or the last return you will be filing for the calendar year, complete columns d and e.		
a	b	c	d	e
Social security number	Last name, first name, middle initial	Total U.S. remuneration paid this quarter	Gross federal wages or distribution (see viii)	Total NYS, NYC, and Yonkers tax withheld
		13566.49	44437.13	3018.25
		31175.75	94291.03	4972.23
	P	20563.00	57995.30	4396.89
		5451.25	5451.25	339.24
		16121.56	57549.41	4415.69
		9229.06	31246.39	1104.67
		11438.08	41929.13	2956.31
			2716.49	181.55
	R	7640.64	27238.52	1464.82
		12114.32	37403.15	2617.49
		11850.22	42452.00	2667.42
		12154.89	42085.05	2930.60
		12709.25	45155.85	3347.27
	F	1090.00	1090.00	46.65
		9721.05	29111.13	1685.72
		6788.48	6788.48	554.48
Page No. <u>15</u> of <u>27</u>	Total this page only	181614.04	566940.31	36699.28
If first page, enter grand totals of all pages				

Contact information (see instructions)	Name	Daytime telephone number ()
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BINGHAMTON NY 13902-4119

**Quarterly Combined Withholding, Wage Reporting,
And Unemployment Insurance Return-Attachment**

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Withholding identification number:

Employer legal name:

LIF INDUSTRIES INC

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A. Original or Amended return

Jan 1 - Mar 31 1 Apr 1 - Jun 30 2 July 1 - Sep 30 3 Oct 1 - Dec 31 4 Year 15
Y Y

B. Other wages only reported on this page

C. Seasonal employer

Quarterly employee/payee wage reporting information <i>(Do not enter negative numbers in columns c, d, and e; see instructions)</i>			Annual wage and withholding totals If this return is for the 4th quarter or the last return you will be filing for the calendar year, complete columns d and e.	
a	b	c	d	e
Social security number	Last name, first name, middle initial	Total UI remuneration paid this quarter	Gross federal wages or distribution (see instr.)	Total NYS, NYC, and Yorkers tax withheld
		128.00	128.00	
		10423.04	31601.31	1931.79
		19521.28	62510.51	2987.42
		18712.50	55509.89	3637.29
		69186.30	199787.55	11395.18
		62023.23	181782.52	9375.41
		25295.82	83428.57	4227.01
		19740.91	67423.16	3262.38
		12011.98	41422.40	2612.30
		7371.26	21295.76	1194.60
		112.00	112.00	
		36200.00	45716.00	4251.65
		16937.40	63210.72	4732.96
		10891.25	13127.11	861.83
			7526.00	369.58
		13193.35	47790.23	3516.56
Page No. <u>16</u> of <u>27</u>	Total this page only	321748.32	922371.73	54355.96
If first page, enter grand totals of all pages				

Contact information (see instructions)	Name	Daytime telephone number ()
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**Quarterly Combined Withholding, Wage Reporting,
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Withholding identification number:

A. Original or Amended return

Jan 1 - Mar 31 1 Apr 1 - Jun 30 2 July 1 - Sep 30 3 Oct 1 - Dec 31 4 Year 15 Y Y

Employer legal name:

LIF INDUSTRIES INC

B. Other wages only reported on this page

C. Seasonal employer

Quarterly employee/payee wage reporting information <i>(Do not enter negative numbers in columns c, d, and e; see instructions)</i>			Annual wage and withholding totals <i>(If this return is for the 4th quarter or the last return you will be filing for the calendar year, complete columns d and e)</i>	
a Social security number	b Last name, first name, middle initial	c Total UI remuneration paid this quarter	d Gross federal wages or distribution (see instructions)	e Total NYS, NYC, and Yorkers tax withheld
		5510.00	5510.00	221.20
		9832.80	42145.20	2830.07
		1621.75	1621.75	91.02
		31539.81	99228.54	7059.43
		287.00	287.00	5.44
		22794.87	73053.15	5475.83
		50203.66	150452.39	8027.93
		14121.83	47407.94	3540.06
		41884.68	92157.58	7746.94
		20246.70	70910.67	5319.36
		8658.85	23608.01	1049.39
		12653.68	45919.41	3364.73
			17823.55	1083.42
		15637.30	48880.00	2092.28
		17179.24	55614.97	2643.28
		12042.81	38815.96	2351.49
Page No. <u>18</u> of <u>27</u> Total this page only		264214.98	813436.12	52901.87
If first page, enter grand totals of all pages				

Contact information (see instructions)	Name	Daytime telephone number
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Employer legal name:

LIF INDUSTRIES INC

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Jan 1 - Mar 31 1 Apr 1 - Jun 30 2 July 1 - Sep 30 3 Oct 1 - Dec 31 4 Year 15 Y Y

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C. Seasonal employer

Quarterly employee/payee wage reporting information <i>(Do not enter negative numbers in columns c, d, and e; see instructions)</i>			Annual wage and withholding totals <i>If this return is for the 4th quarter or the last return you will be filing for the calendar year, complete columns d and e.</i>		
a	b	c	d	e	
Social security number	Last name, first name, middle initial	Total UI remuneration paid this quarter	Gross federal wages or distribution (see instr.)	Total NYS, NYC, and Yonkers tax withheld	
		10162.29	35363.41	2308.77	
			2301.00	110.30	
		3127.12	3127.12	136.23	
		12481.76	44652.08	3206.98	
		13003.74	43990.51	1864.95	
		13303.55	38548.13	1545.04	
		39927.64	439887.92	13191.29	
		18574.09	48160.94	3060.28	
			1680.00	42.04	
		14797.97	58791.49	4578.27	
		27038.50	30514.79	2691.95	
		7324.65	23769.49	1140.21	
		16075.94	53328.44	2469.29	
			458.40	23.35	
		13535.63	49545.88	3483.12	
		31663.09	98298.81	5188.93	
Page No. <u>19</u> of <u>27</u> Total this page only		221015.97	672418.41	45041.00	
If first page, enter grand totals of all pages					

Contact information (see instructions)	Name	Daytime telephone number ()
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Y Y

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C. Seasonal employer

Quarterly employee/payee wage reporting information <i>(Do not enter negative numbers in columns c, d, and e; see instructions)</i>			Annual wage and withholding totals If this return is for the 4th quarter or the last return you will be filing for the calendar year, complete columns d and e.		
a	b	c	d	e	
Social security number	Last name, first name, middle initial	Total UI remuneration paid this quarter	Gross federal wages or distribution (see instr.)	Total NYS, NYC, and Yonkers tax withheld	
		12691.44	43691.43	3068.96	
		27243.63	88786.57	7408.32	
		12466.88	40304.00	2816.98	
		11779.65	46882.43	3476.97	
		28790.84	98297.12	7870.44	
		13044.72	40397.00	2839.13	
		12554.41	45782.94	3181.59	
		18433.07	63698.87	2944.76	
			44115.33	1983.22	
		21727.64	78258.33	6186.12	
		9134.39	25149.72	945.30	
		16978.34	57293.43	4249.75	
		12759.00	46233.30	3287.05	
		28203.53	92053.49	4848.67	
			2559.92	187.29	
			208.00	2.52	
Page No. <u>20</u> of <u>27</u> Total this page only		225806.74	813711.88	55297.07	
If first page, enter grand totals of all pages					

Contact information (see instructions)	Name	Daytime telephone number ()
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Y Y

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C. Seasonal employer

Quarterly employee/payee wage reporting information <i>(Do not enter negative numbers in columns c, d, and e; see instructions)</i>			Annual wage and withholding totals If this return is for the 4th quarter or the last return you will be filing for the calendar year, complete columns d and e.	
a Social security number	b Last name, first name, middle initial	c Total UI remuneration paid this quarter	d Gross federal wages or distribution (see inst.)	e Total NYS, NYC, and Yonkers tax withheld
		16092.91	53294.46	3906.00
		33429.07	108464.73	5850.23
	P	24296.59	72990.54	3382.50
	T	9306.38	10754.38	579.24
	O	22642.59	76063.14	3993.14
	W	23912.93	77158.98	6266.22
			26313.30	1918.90
	R	21849.97	72709.79	5708.38
	E	12914.13	48406.71	3114.68
	N		1965.00	62.87
	C	12621.44	42867.55	3028.18
	E	12406.89	40422.67	2838.23
	F	17189.79	62190.99	3975.26
	T	11659.74	40791.47	2947.62
		13703.88	50431.63	2125.73
Page No. <u>21</u> of <u>27</u> Total this page only		232026.31	785033.34	49700.84
If first page, enter grand totals of all pages				

Contact information <i>(see instructions)</i>	Name	Daytime telephone number ()
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ADP IS RESPONSIBLE FOR FILING THIS REPORT

Mark an X in the applicable box(es):

Withholding identification number:

A. Original or Amended return

Jan 1 - Mar 31 1 Apr 1 - Jun 30 2 July 1 - Sep 30 3 Oct 1 - Dec 31 4 Year 15 Y Y

Employer legal name:

LIF INDUSTRIES INC

B. Other wages only reported on this page

C. Seasonal employer

Quarterly employee/payee wage reporting information <i>(Do not enter negative numbers in columns c, d, and e; see instructions)</i>			Annual wage and withholding totals If this return is for the 4th quarter or the last return you will be filing for the calendar year, complete columns d and e.		
a	b	c	d	e	
Social security number	Last name, first name, middle initial	Total UI remuneration paid this quarter	Gross federal wages or distribution (see instructions)	Total NYS, NYC, and Yonkers tax withheld	
		12605.76	42647.81	2775.67	
		13496.43	49532.54	3589.44	
		12837.88	47242.09	2009.82	
		6497.00	7377.50	420.65	
		14645.76	51636.37	3924.71	
		307.50	307.50	11.33	
		13626.77	52585.28	4098.22	
		15086.11	52662.14	3844.43	
		23600.00	75600.00	5600.72	
		19187.50	60316.81	4575.02	
		25742.64	76593.43	5706.05	
		11410.40	40462.46	2861.86	
		10644.80	35577.60	2333.25	
		16639.04	53902.65	3944.41	
134949426	LEON GUEVARA, JORGE	12488.53	44391.26	1968.90	
Page No. <u>22</u> of <u>27</u> Total this page only		208816.12	717662.19	49133.61	
If first page, enter grand totals of all pages					

Contact information <i>(see instructions)</i>	Name	Daytime telephone number ()
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Received date

Mail to: NYS EMPLOYMENT CONTRIBUTIONS AND TAXES
PO BOX 4119
BINGHAMTON NY 13902-4119

**Quarterly Combined Withholding, Wage Reporting,
And Unemployment Insurance Return-Attachment**

ADP IS RESPONSIBLE FOR FILING THIS REPORT

Withholding identification number:

Mark an X in the applicable box(es):

A. Original or Amended return

Jan 1 - Mar 31 1 Apr 1 - Jun 30 2 July 1 - Sep 30 3 Oct 1 - Dec 31 4 Year 15 Y Y

Employer legal name:

LIF INDUSTRIES INC

B. Other wages only reported on this page

C. Seasonal employer

Quarterly employee/payee wage reporting information <i>(Do not enter negative numbers in columns c, d, and e; see instructions)</i>			Annual wage and withholding totals If this return is for the 4th quarter or the last return you will be filing for the calendar year, complete columns d and e.	
a Social security number	b Last name, first name, middle initial	c Total UI remuneration paid this quarter	d Gross federal wages or distribution (see instructions)	e Total NYS, NYC, and Yonkers tax withheld
			2185.00	39.90
		15382.82	40759.95	3165.92
	P	32655.92	107745.55	6361.41
		9726.00	19390.38	1327.21
		62926.75	159844.20	7708.52
		11886.46	42822.65	1848.71
		16903.90	33380.88	1653.85
	R	46361.87	127902.73	6283.11
		11947.60	43494.09	1971.16
		18043.93	61519.66	4925.29
			157.50	.65
		18105.99	66401.37	2921.73
		8788.75	17616.25	1027.99
	F	8950.04	8950.04	436.65
		12834.96	39059.30	2385.45
			11923.63	439.26
Page No. <u>23</u> of <u>27</u> Total this page only.....		274514.59	783153.18	42496.81
If first page, enter grand totals of all pages.....				

Contact information <i>(see instructions)</i>	Name	Daytime telephone number ()
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And Unemployment Insurance Return-Attachment**

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Mark an X in the applicable box(es).

Withholding identification number:

[] [] []

Employer legal name:

LIF INDUSTRIES INC

A. Original or Amended return

Jan 1 - Mar 31 1 Apr 1 - Jun 30 2 July 1 - Sep 30 3 Oct 1 - Dec 31 4 Year 15 Y Y

B. Other wages only reported on this page

C. Seasonal employer

Quarterly employee/payee wage reporting information <i>(Do not enter negative numbers in columns c, d, and e; see instructions)</i>			Annual wage and withholding totals <i>If this return is for the 4th quarter or the last return you will be filing for the calendar year, complete columns d and e.</i>	
a Social security number	b Last name, first name, middle initial	c Total UI remuneration paid this quarter	d Gross federal wages or distribution (see inst.)	e Total NYS, NYC, and Yonkers tax withheld
			3659.79	262.99
		43121.26	117645.80	8811.37
	P	88562.16	242740.24	19760.00
		9600.00	9600.00	725.69
	L	13867.24	43466.90	3047.46
		12087.38	33253.81	2077.16
		11659.73	39547.11	2730.29
	R	9979.49	35674.99	2128.78
		8202.31	25587.23	1362.84
		7457.20	7665.20	341.19
	N	15582.53	56941.83	4399.54
		14104.63	50480.63	2359.43
		13590.09	49967.91	3612.66
	F	12728.00	44394.15	2229.12
		11568.24	39076.98	1636.90
		13710.55	46278.79	2084.89
Page No. <u>24</u> of <u>27</u> Total this page only		285820.81	845981.36	57570.31
If first page, enter grand totals of all pages				

Contact information (see instructions) Name: _____ Daytime telephone number: () _____

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**Quarterly Combined Withholding, Wage Reporting,
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Withholding identification number:

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Jan 1 - Mar 31 1 Apr 1 - Jun 30 2 July 1 - Sep 30 3 Oct 1 - Dec 31 4 Year 15 YY

Employer legal name:

LIF INDUSTRIES INC

B. Other wages only reported on this page

C. Seasonal employer

Quarterly employee/payee wage reporting information <i>(Do not enter negative numbers in columns c, d, and e; see instructions)</i>			Annual wage and withholding totals If this return is for the 4th quarter or the last return you will be filing for the calendar year, complete columns d and e.	
a Social security number	b Last name, first name, middle initial	c Total UI remuneration paid this quarter	d Gross federal wages or distribution (see instructions)	e Total NYS, NYC, and Yonkers tax withheld
		13499.19	49908.15	3800.46
		11704.57	43384.83	1940.82
		17324.60	63900.66	4612.51
		11929.25	31163.58	1676.33
		12243.37	44352.78	3248.36
		11427.20	41610.21	2806.36
			1920.00	25.99
		8894.46	28421.21	1546.97
		8956.40	19195.38	1085.97
		10749.79	35820.00	2251.46
			3500.00	183.66
		9664.00	10944.00	708.42
		12189.76	42158.96	2892.23
		11637.36	41070.80	2935.09
		13929.80	50043.95	3307.82
		17327.00	52329.98	4189.03
Page No. <u>25</u> of <u>27</u> Total this page only		171476.75	559724.49	37211.48
If first page, enter grand totals of all pages				

Contact information <i>(see instructions)</i>	Name	Daytime telephone number ()
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BINGHAMTON NY 13902-4119

**Quarterly Combined Withholding, Wage Reporting,
And Unemployment Insurance Return-Attachment**

ADP IS RESPONSIBLE FOR FILING THIS REPORT

Mark an **X** in the applicable box(es):

Withholding identification number:

A. Original or Amended return

Jan 1 - Mar 31 1 Apr 1 - Jun 30 2 July 1 - Sep 30 3 Oct 1 - Dec 31 4 Year **15**
Y Y

Employer legal name:

LIF INDUSTRIES INC

REPORT TOTAL

B. Other wages only reported on this page

C. Seasonal employer

Quarterly employee/payee wage reporting information <i>(Do not enter negative numbers in columns c, d, and e; see instructions)</i>			Annual wage and withholding totals If this return is for the 4th quarter or the last return you will be filing for the calendar year, complete columns d and e.		
a Social security number	b Last name, first name, middle initial	c Total UI remuneration paid this quarter	d Gross federal wages or distribution (see instr.)	e Total NYS, NYC, and Yonkers tax withheld	
	E M P L O Y E E R				
	R E F E R E N C E				
	D O N O T				
		F I L E			
Page No. <u>1</u> of <u>27</u> Total this page only	If first page, enter grand totals of all pages		7272641.31	21071401.99	1504850.61

Contact information (see instructions)	Name	Daytime telephone number ()
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Postmark Received date

Mail to: NYS EMPLOYMENT CONTRIBUTIONS AND TAXES
PO BOX 4119
BINGHAMTON NY 13902-4119

ANTI-RAIDING QUESTIONNAIRE

(To be completed by Applicant if Applicant checked "YES" in Part I, Question O.2 of the Application for Financial Assistance)

A. Will the completion of the Project result in the removal of a plant or facility of the Applicant or of a proposed occupant of the Project, or a relocation of any employees of the Applicant or of a proposed occupant of the Project, from an area in New York State (but outside of Nassau County) to an area within Nassau County?

YES NO

If the answer to Question A is YES, please provide the following information:

Address of the to-be-removed plant or facility or the plant or facilities from which employees are relocated: _____

Names of all current occupants of the to-be-removed plant or facility: _____

B. Will the completion of the Project result in the abandonment of one or more plants or facilities of the Applicant, or of a proposed occupant of the Project, located in an area of the State of New York other than in Nassau County?

YES NO

If the answer to Question B is YES, please provide the following information:

Addresses of the to-be-abandoned plants or facilities: _____

Names of all current occupants of the to-be-abandoned plants or facilities: _____

C. Has the Applicant contacted the local industrial development agency at which its current plants or facilities in New York State are located with respect to the Applicant's intention to move or abandon such plants or facilities?

YES NO Not Applicable

If the answer to Question C is YES, please provide details in a separate attachment.

IF THE ANSWER TO EITHER QUESTION A OR B IS "YES", ANSWER QUESTIONS D AND E.

D. Is the Project reasonably necessary to preserve the competitive position of the Applicant, or of a proposed occupant of the Project, in its industry?

YES _____ NO _____

E. Is the Project reasonably necessary to discourage the Applicant, or a proposed occupant of the Project, from removing such plant or facility to a location outside of the State of New York?

YES _____ NO _____

IF THE ANSWER TO EITHER QUESTION D OR E IS "YES", PLEASE PROVIDE DETAILS IN A SEPARATE ATTACHMENT.

THE UNDERSIGNED HEREBY CERTIFIES that the answers and information provided above and in any statement attached hereto are true, correct and complete.

Name of Applicant LIF Industries, Inc.

Signature: 

Name: Michael Gallo

Title: Vice President

Date: March 11, 2016

RETAIL QUESTIONNAIRE

(To be completed by Applicant if Applicant checked either "YES" in Part II, Question P of the Application for Financial Assistance) **Not Applicable**

- A. Will any portion of the Project (including that portion of the cost to be financed from equity or other sources) consist of facilities or property that are or will be primarily used in making retail sales to customers who personally visit the Project?

YES _____ NO _____

For purposes of Question A, the term "retail sales" means (i) sales by a registered vendor under Article 28 of Tax Law of the State of New York (the "Tax Law") primarily engaged in the retail sale of tangible personal property (as defined in Section 1101(b)(4)(i) of the Tax Law), or (ii) sales of a service to customers who personally visit the Project.

- B. If the answer to Question A is YES, what percentage of the cost of the Project (including that portion of the cost to be financed from equity or other sources) will be expended on such facilities or property primarily used in making retail sales of goods or services to customers who personally visit the Project?

_____ %

- C. If the answer to Question A is YES, and the amount entered for Question B is greater than 33.33%, indicate whether any of the following apply to the Project:

1. Is the Project likely to attract a significant number of visitors from outside the economic development region (i.e., Long Island) in which the Project is or will be located?

YES _____ NO _____

2. Is the predominant purpose of the Project to make available goods or services which would not, but for the Project, be reasonably accessible to the residents of the city, town or village within which the Project will be located, because of a lack of reasonably accessible retail trade facilities offering such goods or services?

YES _____ NO _____

3. Will the Project be located in one of the following: (a) an area designated as an empire zone pursuant to Article 18-B of the General Municipal Law; or (b) a census tract or block numbering area (or census tract or block numbering area contiguous thereto) which, according to the most recent census data, has (i) a poverty rate of at least 20% for the year in which the data relates, or at least 20% of the households receiving public assistance, and (ii) an unemployment rate of at least 1.25 times the statewide unemployment rate for the year to which the data relates?

YES _____ NO _____

If the answer to any of the subdivisions 1 through 3 of Question C is YES, attach details.

- D. If the answer to any of the subdivisions 2 through 3 of Question C is YES, will the Project preserve permanent, private sector jobs or increase the overall number of permanent, private sector jobs in the State of New York? If YES, attach details.

YES _____ NO _____

- E. State percentage of the Applicant's annual gross revenues comprised of each of the following:

Retail Sales: _____% Services: _____%

- F. State percentage of Project premises utilized for same:

Retail Sales: _____% Services: _____%

The UNDERSIGNED HEREBY CERTIFIES that the answers and information provided above and in any statement attached hereto are true, correct and complete.

Name of
Applicant

Signature: _____
Name:
Title:
Date:

APPLICANT'S FINANCIAL ATTACHMENTS

Applicant's Financial statements for its fiscal years ended December 31, 2013 and 2014 are attached (December 31, 2015 will be provided when available). Applicant is a private company and requests that the attached financial information be treated as confidential and not be subject to disclosure under FOIA or otherwise.

LIF INDUSTRIES, INC. AND AFFILIATE
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

LIF INDUSTRIES, INC. AND AFFILIATE

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<u>Consolidated Financial Statements</u>	
Consolidated Balance Sheets at December 31, 2014 and 2013	3-4
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Consolidated Statements of Changes in Stockholders' Equity for the Years Ended December 31, 2014 and 2013	6
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INDEPENDENT AUDITORS' REPORT

To The Stockholders
LIF Industries, Inc. and Affiliate
Port Washington, New York

We have audited the accompanying consolidated financial statements of LIF Industries, Inc. and Affiliate, which comprise the consolidated balance sheets at December 31, 2014 and 2013, and the related consolidated statements of income and comprehensive income, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America. This includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of LIF Industries, Inc. and Affiliate at December 31, 2014 and 2013, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Grassi & Co., CPAs, P.C.

GRASSI & CO., CPAs, P.C.

Jericho, New York
April 30, 2015

LIF INDUSTRIES, INC. AND AFFILIATE
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2014 AND 2013

ASSETS

	<u>2014</u>	<u>2013</u>
CURRENT ASSETS:		
Cash and cash equivalents		
Marketable securities - available for sale		
Accounts receivable, net of allowance for doubtful accounts of _____, respectively		
Inventories, net		
Prepaid and refundable income taxes		
Deferred tax assets		
Prepaid expenses and other current assets		
Total Current Assets		
PROPERTY AND EQUIPMENT, NET (including respectively, related to variable interest entity)		
OTHER ASSETS:		
Other assets		
Advances to stockholders		
	<u>\$ 56,642,371</u>	<u>\$ 55,596,645</u>

The accompanying notes are an integral part of these consolidated financial statements.

LIF INDUSTRIES, INC. AND AFFILIATE
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2014 AND 2013

LIABILITIES AND STOCKHOLDERS' EQUITY

2014

2013

CURRENT LIABILITIES:

Current maturities of long-term debt
Accounts payable
Income taxes payable - current
Current portion of deferred compensation payable
Deferred revenue
Distributions payable
Accrued pension liability
Accrued expenses and other current liabilities

Total Current Liabilities

LONG-TERM LIABILITIES:

Long-term debt, less current maturities
Deferred compensation payable, less current portion
Income taxes payable - deferred
Security deposit payable
Accrued pension liability, less current portion

COMMITMENTS AND CONTINGENCIES

STOCKHOLDERS' EQUITY:

LIF Industries, Inc. Stockholders' Equity
Common stock, no par value; 200 shares authorized:
120 shares issued and outstanding
Retained earnings
Accumulated other comprehensive loss, net of tax

Less: 10 shares of treasury stock at cost

Total LIF Industries, Inc. Stockholders' Equity

Noncontrolling interest

Total Stockholders' Equity

The accompanying notes are an integral part of these consolidated financial statements.

LIF INDUSTRIES, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
NET SALES		
COST OF SALES		
GROSS PROFIT		
OPERATING EXPENSES		
INCOME FROM OPERATIONS		
OTHER INCOME (EXPENSE):		
Interest and dividend income		
Interest expense		
Miscellaneous income		
Gain on sale of marketable securities		
Termination of derivative instrument		
Change in fair value of derivative instrument		
Total Other Expense		
INCOME BEFORE PROVISION FOR INCOME TAXES		
PROVISION FOR INCOME TAXES		
NET INCOME		
LESS: NET INCOME ATTRIBUTABLE TO THE NONCONTROLLING INTEREST		
NET INCOME ATTRIBUTABLE TO LIF INDUSTRIES, INC.		
OTHER COMPREHENSIVE (LOSS) INCOME , NET OF TAX:		
Pension liability adjustment		
Reclassification adjustment for gain on sale of marketable securities included in net income		
Unrealized holding gain on marketable securities arising during the year		
Other Comprehensive (Loss) Income, Net of Tax		
COMPREHENSIVE INCOME ATTRIBUTABLE TO LIF INDUSTRIES, INC.		

The accompanying notes are an integral part of these consolidated financial statements.

LIF INDUSTRIES, INC. AND AFFILIATE
 CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
 FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	Common Stock	Retained	Accumulated	Treasury Stock	Noncontrolling
	Shares	Earnings	Other Comprehensive (Loss) Income, Net of Tax	Shares	Interest
	Amount	Amount	Amount	Amount	Amount

BALANCE AT JANUARY 1, 2013

NET INCOME FOR THE YEAR ENDED DECEMBER 31, 2013

DISTRIBUTIONS TO STOCKHOLDERS AND NONCONTROLLING INTEREST

OTHER COMPREHENSIVE INCOME

BALANCE AT DECEMBER 31, 2013

NET INCOME FOR THE YEAR ENDED DECEMBER 31, 2014

DISTRIBUTIONS TO STOCKHOLDERS AND NONCONTROLLING INTEREST

OTHER COMPREHENSIVE LOSS

BALANCE AT DECEMBER 31, 2014

The accompanying notes are an integral part of these consolidated financial statements.

LIF INDUSTRIES, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from sales		
Interest and dividends received		
Rental income received		
Miscellaneous income received		
Security deposits received		
Cash Provided By Operating Activities		
Cash paid for cost of sales		
Cash paid for operating expenses		
Interest paid		
Income taxes paid		
Cash Disbursed For Operating Activities		
NET CASH PROVIDED BY OPERATING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of marketable securities - available for sale		
Purchase of marketable securities - available for sale		
Purchase of property and equipment		
Advances to stockholders		
Cash Disbursed For Investing Activities		
NET CASH USED IN INVESTING ACTIVITIES		
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from long-term debt		
Principal payments of long-term debt		
Repayments of deferred compensation		
Distributions to stockholders		
Distributions to noncontrolling interest		
Cash Disbursed For Financing Activities		
NET CASH USED IN FINANCING ACTIVITIES		
NET INCREASE IN CASH AND CASH EQUIVALENTS		
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		
CASH AND CASH EQUIVALENTS, END OF YEAR		

The accompanying notes are an integral part of these consolidated financial statements.

LIF INDUSTRIES, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

2014

2013

RECONCILIATION OF NET INCOME TO NET CASH
PROVIDED BY OPERATING ACTIVITIES:

NET INCOME

ADJUSTMENTS TO RECONCILE NET INCOME TO NET
CASH PROVIDED BY OPERATING ACTIVITIES:

- Bad debt expense
- Gain on sale of marketable securities
- Depreciation and amortization
- Change in fair value of derivative instrument
- Deferred income taxes

Changes in Assets (Increase) Decrease:

- Accounts receivable
- Inventories
- Prepaid expenses and other current assets
- Other assets

Changes in Liabilities Increase (Decrease):

- Accounts payable
- Income taxes payable - current
- Deferred compensation payable
- Deferred revenue
- Accrued pension liability
- Accrued expenses and other current liabilities

Total Adjustments

NET CASH PROVIDED BY OPERATING ACTIVITIES

SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES:

Refinancing of long-term debt

Distributions payable to stockholders

The accompanying notes are an integral part of these consolidated financial statements.

LIF INDUSTRIES, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

Note 1 - Nature of Operations and Principles of Consolidation

Business Activity

LIF Industries, Inc. ("LIF") is a comprehensive supplier of hollow metal doors and frames, wood doors and architectural finish hardware. LIF offers total opening solutions tailored to each client's specific needs. LIF's operation is located primarily in Port Washington, New York and sells to customers located throughout the United States.

VG Realty Holding Co. LLC ("VG Realty") is a Limited Liability Company formed under the New York Limited Liability Company Act. The parties to a Limited Liability Company agreement are designated as members. Under this Act, the members are not liable for the debts of the company.

VG Realty serves as a rental real estate company.

Principles of Consolidation

The consolidated financial statements include the accounts of LIF and its affiliate, VG Realty, collectively referred to as the "Company." The companies are affiliated through common ownership and management, see Note 15, Consolidation of Variable Interest Entities. All intercompany balances and transactions have been eliminated in the consolidated financial statements.

Note 2 - Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers securities purchased with initial maturities of three months or less to be cash equivalents.

Marketable Securities

Marketable securities, which are classified as available-for-sale securities, are carried at fair value based on the quoted market prices of the securities at December 31, 2014 and 2013. Net unrealized holding gains and losses on available-for-sale securities are excluded from earnings and reported as a separate component of stockholders' equity. At December 31, 2014 and 2013, these amounts are classified in equity as accumulated other comprehensive loss, net of deferred income taxes.

The Company determines the cost of marketable securities using the average cost method for purposes of calculating realized gains or losses.

LIF INDUSTRIES, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Fair Value of Financial Instruments

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. To increase the comparability of fair value measurements, a three-tier fair value hierarchy, which prioritizes the inputs used in the valuation methodologies, is as follows:

Level 1 - Valuations based on quoted prices for identical assets and liabilities in active markets.

Level 2 - Valuations based on observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.

Level 3 - Valuations based on unobservable inputs reflecting the Company's own assumptions, consistent with reasonably available assumptions made by other market participants. These valuations require significant judgment.

At December 31, 2014 and 2013, the fair value of the Company's financial instruments including cash and cash equivalents, accounts receivable and accounts payable, approximated book value due to the short maturity of these instruments.

Refer to Note 5 - Fair Value Measurements for assets measured at fair value.

Accounts Receivable

The Company carries its accounts receivable at cost less an allowance for doubtful accounts. The Company estimates the allowance for doubtful accounts based upon a review of the outstanding receivables and historical collection information by customer. At December 31, 2014, approximately of the receivable balance is due within 30 days. The remaining balance is derived from contract sales, and those terms are mandated by the individual contracts. Generally, the receivable balance is outstanding more than 30 days and is paid within 90 days. Accounts receivable are written off when they are determined to be uncollectible. The Company does not accrue interest on past due receivables.

Inventories

Inventories are valued at the lower of cost or market, with cost determined using the first-in, first-out method and with market defined as the lower of replacement cost or realizable value. Inventory reserves are recorded related to excess or slow-moving inventories and are reviewed periodically by management.

LIF INDUSTRIES, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Property and Equipment

Property and equipment is stated at cost. The costs of additions and betterments are capitalized and expenditures for repairs and maintenance are expensed in the period incurred. When items of property and equipment are sold or retired, the related costs and accumulated depreciation are removed from the accounts and any gain or loss is included in income.

Depreciation of property and equipment is provided utilizing the straight-line method over the estimated useful lives of the respective assets as follows:

Building and building improvements	39 years
Transportation equipment	3 to 5 years
Machinery and equipment	5 to 7 years
Furniture and fixtures	5 years
Computer equipment	5 years
Office equipment	5 to 7 years

Leasehold improvements are amortized over the shorter of the remaining term of the lease or the useful life of the improvement utilizing the straight-line method.

The Company reviews the carrying value of long-lived assets to determine if facts and circumstances exist which would suggest that the assets might be impaired. If impairment is indicated, an adjustment would be made to reduce the carrying amount of long-lived assets to their fair value. Based on the Company's review at December 31, 2014 and 2013, no impairment of long-lived assets was deemed necessary.

Deferred Revenue

Advance billings to customers are included in the consolidated balance sheets as a liability with the caption "deferred revenue" until the revenues are earned by delivering the product, at which time the revenues are recognized.

Revenue Recognition

LIF recognizes sales upon shipment of goods to customers. Sales levels are reported on a net sales basis, with net sales being computed by deducting from gross sales the amount of actual sales returns and the amount of allowances established for anticipated sales returns.

Revenues from fixed-price long-term contracts and the related change orders for extras on those contracts are recognized upon shipment of goods to customers (see Note 6).

Rental income is recognized on the accrual basis.

Shipping and Handling Costs

Shipping and handling costs incurred during the year are included in cost of sales and amounted to _____ for the years ended December 31, 2014 and 2013, respectively.

LIF INDUSTRIES, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Derivative Financial Instruments

At December 31, 2013, the Company entered into four interest rate swap agreements relating to four mortgages payable to modify the interest rate characteristics of the mortgages. The Company accounts for and discloses these interest rate swap agreements in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Subtopic 815-10, *Derivatives and Hedging*. In accordance with FASB ASC Subtopic 815-10, the Company has determined that the interest rate swap is a derivative instrument, and therefore the gain or loss in the fair value of the derivative is recognized currently in earnings. On November 13, 2013, the Company terminated the interest rate swap agreements in connection with the former demand line of credit and mortgages. At the time of such termination, the Company was obligated to pay interest on the notional value calculated as the difference between the contract rate of interest and the rate currently quoted for an agreement of similar terms and maturity. These fees amounted to _____ and are included in other expense on the consolidated statement of income and comprehensive income.

Noncontrolling Interest

The Company follows the accounting and reporting standards for the noncontrolling interest in a consolidated affiliate in accordance with FASB ASC Subtopic 810-10, *Consolidation*. See Note 15, *Consolidation of Variable Interest Entities*, which includes a discussion distinguishing between the interest held by the parent's owners and the interest held by the noncontrolling owners of the affiliate.

Advertising Costs and Promotion

Advertising and sales promotion costs are charged to expense in the years incurred and amounted to _____ for the years ended December 31, 2014 and 2013, respectively.

Pension and Profit Sharing Plans

The Company maintains a qualified 401(k) plan covering all eligible nonunion employees with minimum age and service requirements. The plan provides that eligible employees may defer payment of taxes on a portion of their salary by making contributions to the plan through payroll deductions. Additionally, employer contributions are determined by an annual resolution of the Board of Directors. Employer contributions for the years ended December 31, 2014 and 2013 were _____ respectively.

The Company maintains two defined benefit pension plans covering substantially all eligible employees who meet minimum age and service requirements. The Company's policy is to fund pension costs accrued as determined by the plans' actuary. The plans have been frozen and employees are not accruing additional benefits. The contributions are intended to provide for benefits attributed to service provided prior to the plans being frozen.

LIF INDUSTRIES, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Pension and Profit Sharing Plans (cont'd.)

The Company follows FASB ASC Topic 715, *Compensation - Retirement Benefits*, formerly SFAS No. 158, which requires an employer to recognize the overfunded or underfunded status of its defined benefit plan as an asset or liability in the balance sheet and to recognize changes in that funded status in comprehensive income in the year in which the changes occur. The measurement provisions of FASB ASC Topic 715 require that the plan's actuarial value be determined at the balance sheet date.

Income Taxes

Income taxes have not been provided for LIF, since the stockholders have elected to have the company treated as an S corporation for income tax purposes as provided in Section 1362(a) of the Internal Revenue Code. As such, the corporation's income or loss and credits are passed through to the stockholders and reported on their individual income tax returns. The accompanying provision for income taxes represents only state and local taxes.

Income taxes are provided for the tax effects of transactions reported in the financial statements, and consist of taxes currently due plus deferred taxes related primarily to temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting, including the allowance for doubtful accounts, Section 263A inventory adjustments, depreciation and amortization, and deferred compensation.

Generally, income taxes are not payable or provided for by VG Realty. Members are taxed individually on their share of the company's earnings. VG Realty's net income or loss is allocated to the members based upon their profit and loss percentages. Accordingly, no provision for income taxes is made in the consolidated financial statements.

Reclassifications

Certain amounts relating to the prior year have been reclassified to conform to the current year's presentation.

New Accounting Pronouncements

In May 2014, the FASB issued Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This ASU is the result of a joint project of the FASB and the International Accounting Standards Board ("IASB") to clarify the principles for recognizing revenue and to develop a common revenue standard for U.S. GAAP and International Financial Reporting Standards ("IFRS"). The guidance in this ASU affects any entity that either enters into contracts with customers to transfer goods or services or enters into contracts for the transfer of nonfinancial assets unless those contracts are within the scope of other standards.

The ASU provides that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity should apply the following five-step process to recognize revenue:

LIF INDUSTRIES, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

Note 2 - Summary of Significant Accounting Policies (cont'd.)

New Accounting Pronouncements (cont'd.)

- Step 1: Identify the contract with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

For nonpublic entities, the amendments of ASU No. 2014-09 are effective for annual reporting periods beginning after December 15, 2017, and interim periods within annual periods beginning after December 15, 2018. Early application is permitted under certain circumstances.

The Company has not yet determined if this ASU will have a material effect on its consolidated financial statements.

In March 2014, the FASB issued ASU No. 2014-07, *Applying Variable Interest Entities (VIE) Guidance to Common Control Leasing Arrangements*. This ASU allows nonpublic companies to elect an accounting policy alternative not to apply VIE guidance to a lessor entity if the company has a lease arrangement with the lessor entity and:

- the two entities are under common control,
- substantially all the activities between the company and the lessor entity are related to leasing activities between the two entities, and,
- the principal amount of any obligation of the lessor entity that is guaranteed or collateralized by the company does not exceed the value of the asset leased.

Thus, under the accounting policy election allowed by this ASU, certain real estate entities formerly required to be consolidated under VIE guidance because a company was deemed the primary beneficiary may not have to be consolidated if the requirements are met. The ASU will require certain disclosures regarding the amount and key terms of liabilities of the lessor entity, as well as qualitative description of the relationship and the circumstances under which the company might have to provide financial support to the lessor entity.

The amendments in ASU 2014-07 are effective for fiscal years beginning after December 15, 2014, and for interim periods in fiscal years beginning after December 15, 2015, and should be applied retrospectively to all periods presented. Early adoption is permitted, including application to any period for which the entity's annual or interim financial statements have not yet been made available for issuance.

The Company has not yet determined if it will elect the accounting policy alternative in this ASU, and if so, if it will have a material effect on the consolidated financial statements.

Note 3 - Concentration of Credit Risk

The Company maintains cash balances in two financial institutions which are insured by the Federal Deposit Insurance Corporation ("FDIC") for up to \$250,000 per institution. From time to time, the Company's balances may exceed these limits.

LIF INDUSTRIES, INC. AND AFFILIATE
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 DECEMBER 31, 2014 AND 2013

Note 4 - Marketable Securities

The Company's investments, all of which are classified as available-for-sale, consist of marketable equity securities and mutual funds. Marketable securities are valued using Level 1 inputs consisting of quoted market prices of identical securities. The Company's investment in marketable securities at December 31, 2014 and 2013 is as follows:

	<u>2014</u>	<u>2013</u>
Cost		
Unrealized gain		
Fair market value of investments		

Note 5 - Fair Value Measurements

The Company measures its marketable securities at fair value. Fair value is an exit price, representing the amount that would be received on the sale of an asset or that would be paid to transfer a liability in an orderly transaction between market participants. As a basis for considering such assumptions, a three-tier fair value hierarchy is used which prioritizes the inputs in the valuation methodologies in measuring fair value.

Fair Value Hierarchy

The methodology for measuring fair value specifies a hierarchy of valuation techniques based upon whether the inputs to those valuation techniques reflect assumptions other market participants would use based upon market data obtained from independent sources (observable inputs) or reflect the Company's own assumptions of market participant valuation (unobservable inputs).

Items Measured at Fair Value on a Recurring Basis

The following table presents the Company's assets that are measured at fair value on a recurring basis at December 31, 2014:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Marketable securities:				
Equity securities				
Mutual funds				
Total assets measured at fair value				

LIF INDUSTRIES, INC. AND AFFILIATE
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 DECEMBER 31, 2014 AND 2013

Note 5 - Fair Value Measurements (cont'd.)

Items Measured at Fair Value on a Recurring Basis (cont'd.)

The following table presents the Company's assets that are measured at fair value on a recurring basis at December 31, 2013:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Marketable securities:				
Equity securities				
Mutual funds				
 Total assets measured at fair value				

Note 6 - Accounts Receivable

Included in accounts receivable at December 31, 2014 and 2013 are unbilled receivables totaling _____, respectively. These balances represent revenues earned from the shipments of goods prior to year-end that were not billed to customers until the subsequent year.

Also included in accounts receivable at December 31, 2014 and 2013 was approximately _____ of retainage receivable, respectively.

The Company utilizes change orders for extras on the fixed-price long-term contracts and recognizes revenue in accordance with the policy as indicated in Note 2. While the scope of the work has been approved, the pricing is subject to approval. A portion of the accounts receivable includes these items. The Company believes these change orders will be fully approved and collected, but it is at least reasonably possible that this estimate will change in the near term.

Note 7 - Inventories

Inventories, net consist of the following:

	<u>2014</u>	<u>2013</u>
Raw materials		
Work in progress		
Finished goods		
 Less: Inventory reserve		

LIF INDUSTRIES, INC. AND AFFILIATE
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 DECEMBER 31, 2014 AND 2013

Note 8 - Property and Equipment

Property and equipment, net is summarized as follows:

	<u>2014</u>	<u>2013</u>
Land		
Building and building improvements		
Transportation equipment		
Machinery and equipment		
Furniture and fixtures		
Computer equipment		
Office equipment		
Leasehold improvements		
 Less: Accumulated depreciation and amortization		

Depreciation and amortization expense related to property and equipment amounted to _____ for the years ended December 31, 2014 and 2013, respectively.

Note 9 - Line of Credit

Pursuant to an uncommitted demand line of credit with the Company's financial institution, the Company may borrow the lesser of _____ of the Company's eligible accounts receivable. At December 31, 2014 and 2013, the maximum amount available was _____. This arrangement expires on April 1, 2016. At December 31, 2014, interest is payable at either the bank's prime rate minus _____ or LIBOR plus _____ at the option of the borrower. At December 31, 2013, interest was payable at either the bank's prime rate minus _____ or LIBOR plus _____ at the option of the borrower. Interest rates are determined at the time of advance following the terms of the agreement. At December 31, 2014 and 2013, there was no related debt outstanding. The line of credit is subject to maintenance of certain minimum financial conditions determined solely by the financial institution and is secured by substantially all assets of the Company and personally guaranteed by one of the stockholders.

LIF INDUSTRIES, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

Note 10 - Related Party Transactions

At December 31, 2013, the deferred compensation payable to the estate of a deceased former stockholder was [redacted]. The deferred compensation payable is noninterest-bearing and is paid in quarterly installments of [redacted] which began in January 2010.

In January 2014, the agreement was amended to pay a discounted amount of [redacted] in full satisfaction of the deferred compensation payable in exchange for the acceleration of payments. The new payment terms are two quarterly payments of [redacted] during 2014, plus installments of [redacted] no later than July 1, 2014 and [redacted] no later than July 1, 2015. The remaining balance has been waived due to the payments being made significantly in advance of the original agreement.

At December 31, 2014, the advances to stockholders amounted to [redacted], all of which is unsecured and noninterest-bearing and is not expected to be repaid within one year.

At December 31, 2014 and 2013, included in accrued expenses and other current liabilities is interest payable to the stockholders in the amount of [redacted] respectively. This is related to certain loans in Note 11.

Interest expense on notes payable to stockholders (see Note 11) was [redacted] for the years ended December 31, 2014 and 2013, respectively.

LIF INDUSTRIES, INC. AND AFFILIATE
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 DECEMBER 31, 2014 AND 2013

Note 11 - Long-Term Debt

Long-term debt is summarized as follows:

	<u>2014</u>	<u>2013</u>
Installment loans payable - in equal monthly installments ranging from _____ interest, expiring through June 2017, secured by related equipment with a net book value of _____ at December 31, 2014.		
Installment mortgage payable - in equal monthly principal installments of _____ plus interest at _____ through December 2023. The mortgage is secured by property with a net book value of _____ at December 31, 2014, plus all cash on deposit with the lending financial institution. The mortgage is subject to certain financial covenants.		
Six promissory notes payable (to stockholders and related parties) with varying terms including interest only payments ranging from _____ on five of the notes until December 2014, when varying principal amounts ranging from _____ or four of the notes and _____ for one of the notes, plus interest of _____ are due until January 2025. The sixth note calls for equal monthly payments of _____ plus interest of _____ through January 2025. Each note is subordinate in payment and priority to all of the Company's obligations to its primary financial institution and surety.		
VG Realty has a note payable to a member with a principal amount of _____ to be paid by April 1, 2016 including interest at _____ to be paid annually.		
VG Realty has a mortgage payable - in equal monthly installments of _____ plus interest at _____ through December 2023. The mortgage is secured by property with a net book value of _____ at December 31, 2014.	-	
Subtotal Carried Forward	-	

LIF INDUSTRIES, INC. AND AFFILIATE
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 DECEMBER 31, 2014 AND 2013

Note 11 - Long-Term Debt (cont'd.)

	<u>2014</u>	<u>2013</u>
Subtotal Brought Forward		
VG Realty has a mortgage payable - in equal monthly principal installments of _____ plus interest at _____ through December 2023. The mortgage is secured by property with a net book value of _____ at December 31, 2014.	_____	
Less: Current maturities	_____	
Long-Term Debt	<u>\$</u>	

Aggregate maturities of long-term debt are as follows:

Years Ending December 31:

2015
 2016
 2017
 2018
 2019
 Thereafter

Note 12 - Commitments

The Company leases certain office equipment, transportation equipment, and office space under noncancellable operating leases expiring through February 2016, which require future minimum rental payments as follows:

Years Ending December 31:

2015
 2016

Rent expense for the years ended December 31, 2014 and 2013 was respectively.

LIF INDUSTRIES, INC. AND AFFILIATE
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 DECEMBER 31, 2014 AND 2013

Note 13 - Contingencies

The Company is contingently liable to its surety under a general indemnity agreement. Under this agreement, the Company agrees to indemnify the surety for any payments made on its behalf. The Company believes that all contingent liabilities will be satisfied by its performance on the specific contracts covered by the agreement.

The Company makes contributions to union administered defined benefit pension plans under collectively bargained agreements. If the Company were to withdraw from any of these plans or should any of the plans be terminated, the Company could be liable for a proportionate share of the unfunded actuarial present value of plan benefits at the date of withdrawal or termination. The amount of the potential impact to the Company of such unfunded liability is not known.

The Company is involved in various legal proceedings and litigation arising in the ordinary course of business. The Company intends to vigorously dispute liability for the various claims. It is too early to determine whether the outcome of such proceedings and litigation will have a material adverse effect on the Company's consolidated financial statements.

In 2013, the Company guaranteed an affiliate's mortgage debt for the term of the agreement. The debt is payable over 10 years and is collateralized by the related real estate. At December 31, 2014 and 2013, the outstanding balance of the debt was approximately _____ and _____ respectively.

Note 14 - Accumulated Other Comprehensive Loss, Net of Tax

At December 31, 2014 and 2013, accumulated other comprehensive loss, net of tax, consisted of the following:

	Unrealized Holding Gains (Losses)	Minimum Pension Liability Adjustment on the Defined Benefit Pension Plans	Total
Balance, January 1, 2013			
Net change during the year ended December 31, 2013			
Balance, December 31, 2013			
Net change during the year ended December 31, 2014			
Balance, December 31, 2014			

LIF INDUSTRIES, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

Note 15 - Consolidation of Variable Interest Entities

In accordance with FASB ASC Topic 810, *Consolidation*, LIF has analyzed its relationship with an affiliate, VG Realty, and determined it is a variable interest entity and LIF is the primary beneficiary. LIF is the primary beneficiary of VG Realty because LIF has the power to direct the activities of VG Realty that most significantly impact VG Realty's economic performance and the obligation to absorb losses of VG Realty that could potentially be significant to VG Realty. Those activities include LIF's guarantee of the mortgages of VG Realty. In the event that VG Realty defaults on its mortgages, LIF would be expected to pay 100% of the then outstanding balance of the debt. Therefore, LIF has consolidated VG Realty's net assets in these consolidated financial statements. In addition, VG Realty leases warehouse space to LIF, although this does not represent its sole source of income.

Should additional financial support be needed for VG Realty in the future, it is expected that LIF will provide that additional financial support due to the ownership and leasing relationships between LIF and VG Realty. VG Realty's creditors have recourse to the assets of LIF due to its guarantee of VG Realty's mortgages.

At December 31, 2014 and 2013, total assets and liabilities of VG Realty were approximately _____, and _____ respectively. At December 31, 2014 and 2013, the land and buildings had a net book value of approximately _____ respectively, encumbered by related debt of approximately _____ and _____ respectively (see Note 11). For the years ended December 31, 2014 and 2013, revenues and costs of VG Realty were approximately _____ and _____ respectively.

Note 16 - Rentals Under Operating Leases

The Company rents space to unrelated companies. The following is a schedule by years of future minimum rental income on the noncancellable operating leases at December 31, 2014. The operating leases expire through September 30, 2020.

Years Ending December 31:

2015
2016
2017
2018
2019
Thereafter

Rental income for the years ended December 31, 2014 and 2013 was _____ respectively.

LIF INDUSTRIES, INC. AND AFFILIATE
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 DECEMBER 31, 2014 AND 2013

Note 17 - Employee Benefits

Defined Benefit Pension Plans

The following table sets forth the funded status of the Company's defined benefit pension plans and amounts recognized in the Company's consolidated balance sheets at December 31, 2014 and 2013 and consolidated statements of income for the years then ended:

	<u>2014</u>	<u>2013</u>
Projected benefit obligation		
Fair value of plans' assets		
Underfunded status		

For the years ended December 31, 2014 and 2013, employer contributions to the defined benefit pension plans amounted to _____, respectively, and benefits paid by the plan to participants amounted to _____, respectively.

	<u>2014</u>	<u>2013</u>
Components of net periodic pension cost:		
Interest cost		
Expected return of assets		
Amortization of loss		

Amounts recognized in accumulated other comprehensive loss consist of:

	<u>2014</u>	<u>2013</u>
Actuarial loss		

The amounts shown above have been recognized in accumulated other comprehensive loss totaling _____ which is net of deferred income taxes of approximately _____ at December 31, 2014 and 2013, respectively.

The accumulated benefit obligation for the defined benefit pension plans at December 31, 2014 and 2013 amounted to _____ respectively.

LIF INDUSTRIES, INC. AND AFFILIATE
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 DECEMBER 31, 2014 AND 2013

Note 17 - Employee Benefits (cont'd.)

Weighted average assumptions used to determine the benefit obligations at December 31, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Discount rate		
Rate of compensation increase		

Weighted average assumptions used to determine net periodic pension costs for the years ended December 31, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Discount rate		
Expected long-term return on plans' assets		
Rate of compensation increase		

The long-term rate of return on the plans' assets was determined based on the average rate of earnings expected on the funds invested to provide for payment of benefits, with consideration given to the distinction of investments by asset class and historical rates of return.

The plans' assets are primarily invested in mutual funds and equity investments with low to moderate risk, consistent with the defined benefit pension plans' strategies. The fair value of the plans' assets is determined using Level 1 inputs consisting of quoted market prices of identical securities.

The Company's pension plans' asset allocations at December 31, 2014 and 2013, by asset category, are as follows:

	<u>2014</u>	<u>2013</u>
Cash and Money Market Funds		
Mutual Funds		
Equities	-	
Fair Value of Plans' Assets	=	

LIF INDUSTRIES, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

Note 17 - Employee Benefits (cont'd.)

The Company's intention is to allocate contributions to the above categories in a manner that will maximize investment return while limiting to the extent possible investment volatility. To this end, the designated investment objectives of the plans include: maximizing return at a reasonable and prudent level of risk, enabling the payment of benefit obligations when due, and controlling costs to the plans. The Company seeks broad diversification and does not invest in speculative investments. At least annually, the Company rebalances the allocation.

Estimated Future Benefit Payments

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

Years Ending December 31:

2015
2016
2017
2018
2019
Thereafter

The Company expects to contribute approximately _____ in 2015 to the defined benefit pension plans for the year ended December 31, 2014.

Multiemployer Plans

The Company's union employees are covered by collectively bargained employee benefit plans under which the Company makes contributions on a monthly basis based upon hours worked. For the years ended December 31, 2014 and 2013, the Company contributed _____ and _____ respectively to these plans, which include multiemployer pension costs (see Note 18).

LIF INDUSTRIES, INC. AND AFFILIATE
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 DECEMBER 31, 2014 AND 2013

Note 18 - Multiemployer Pension Plans

The Company contributes to a number of multiemployer defined benefit pension plans under the terms of collective-bargaining agreements that cover its union-represented employees. The risks of participating in these multiemployer plans are different from single-employer plans in the following aspects:

- a. Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers.
- b. If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
- c. If the Company chooses to stop participating in some of its multiemployer plans, the Company may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

The Company's participation in these plans for the annual periods ended December 31, 2014 and 2013 is outlined in the table below. The "EIN/Pension Plan Number" column provides the Employer Identification Number ("EIN") and the three-digit plan number, if applicable.

The most recent Pension Protection Act ("PPA") zone status is based on information that the Company received from the plan and is certified by the plan's actuary. Among other factors, plans in the red zone are generally less than 65 percent funded, plans in the yellow zone are less than 80 percent funded, and plans in the green zone are at least 80 percent funded.

The "FIP/RP Status Pending/Implemented" column indicates plans for which a financial improvement plan ("FIP") or a rehabilitation plan ("RP") is either pending or has been implemented. The last column lists the expiration dates of the collective-bargaining agreements to which the plans are subject.

The Company was listed in its plans' Forms 5500 as providing more than 5 percent of the total contributions for the following plans and plan years:

Pension Fund	EIN/Pension Plan Number	Pension Protection Act Zone Status	FIP/RP Status Pending / Implemented	Contributions for the Year Ended December 31, 2014	Contributions for the Year Ended December 31, 2013	Surcharge Imposed	Expiration Date of Collective-Bargaining Agreement
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As of the date that the financial statements were issued, Form 5500 was not available for the plan year ending in 2014.

LIF INDUSTRIES, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

Note 19 - Provision For Income Taxes

The provision for income taxes for the years ended December 31, 2014 and 2013 is summarized as follows:

	<u>2014</u>	<u>2013</u>
<u>Current:</u>		
State and local		
 <u>Deferred:</u>		
State and local		

The net deferred tax asset and liability included in the accompanying consolidated balance sheets at December 31, 2014 and 2013 is summarized as follows:

	<u>2014</u>	<u>2013</u>
<u>Current:</u>		
Deferred tax asset resulting from allowance for doubtful accounts		
Deferred tax asset resulting from actuarial loss on pension assets		
Deferred tax asset valuation allowance		
Net deferred tax asset		
 <u>Noncurrent:</u>		
Net deferred tax liability resulting from depreciation and amortization		

FASB ASC Subtopic 740-10, formerly SFAS 109, requires a "more likely than not" criterion be applied when evaluating the recoverability of a deferred tax asset. Management expects to generate sufficient taxable income in the future to utilize the deferred tax assets; therefore no valuation allowance was recorded at December 31, 2014 or 2013.

The Company files income tax returns in the U.S. in both federal and State of New York jurisdictions. With few exceptions, the Company is no longer subject to U.S. federal, state, or local tax examinations by taxing authorities for years before 2011. The tax years of 2011 to 2013 remain subject to examination by the taxing authorities.

Note 20 - Subsequent Events

The Company has evaluated all events or transactions that occurred after December 31, 2014 through the date of these consolidated financial statements, which is the date that the consolidated financial statements were available to be issued. During this period, there were no material subsequent events requiring disclosure.

SUPPLEMENTARY INFORMATION

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

To The Stockholders
LIF Industries, Inc. and Affiliate
Port Washington, New York

We have audited the consolidated financial statements of LIF Industries, Inc. and Affiliate and for the years ended December 31, 2014 and 2013, and our report thereon dated April 30, 2015, which expressed an unmodified opinion on those consolidated financial statements, appears on pages one and two. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating balance sheet and consolidating statement of income and comprehensive income are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Grassi & Co., CPAs, P.C.

GRASSI & CO., CPAs, P.C.

Jericho, New York
April 30, 2015

LIF INDUSTRIES, INC. AND AFFILIATE
 SUPPLEMENTARY INFORMATION
 CONSOLIDATING BALANCE SHEET
 DECEMBER 31, 2014

ASSETS

Consolidated Eliminations LIF Industries, Inc. VG Realty Holding Co., LLC

CURRENT ASSETS:	
Cash and cash equivalents	
Marketable securities - available for sale	
Accounts receivable, net of allowance for doubtful accounts of \$914,778	
Inventories, net	
Prepaid and refundable income taxes	
Deferred tax assets	
Prepaid expenses and other current assets	
Total Current Assets	
PROPERTY AND EQUIPMENT, NET	
OTHER ASSETS:	
Other assets	
Advances to stockholders	
Total Other Assets	

See independent auditors' report on supplementary information.
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LIF INDUSTRIES, INC. AND AFFILIATE
 SUPPLEMENTARY INFORMATION
 CONSOLIDATING BALANCE SHEET
 DECEMBER 31, 2014

LIABILITIES AND STOCKHOLDERS' EQUITY

Consolidated

Eliminations

LIF Industries, Inc.

VG Realty Holding Co., LLC

CURRENT LIABILITIES:

Current maturities of long-term debt
 Accounts payable
 Deferred revenue
 Accrued pension liability
 Accrued expenses and other current liabilities

Total Current Liabilities

LONG-TERM LIABILITIES:

Long-term debt, less current maturities
 Income taxes payable - deferred
 Security deposit payable
 Accrued pension liability, less current portion

COMMITMENTS AND CONTINGENCIES

STOCKHOLDERS' EQUITY

LIF Industries, Inc. Stockholders' Equity
 Common stock, no par value: 200 shares authorized,
 120 shares issued and outstanding
 Retained earnings and member's equity
 Accumulated other comprehensive loss, net of tax
 Less: 10 shares of treasury stock at cost
 Total LIF Industries, Inc. Stockholders' Equity
 Noncontrolling interest

Total Stockholders' Equity

LIF INDUSTRIES, INC. AND AFFILIATE
 SUPPLEMENTARY INFORMATION
 CONSOLIDATING STATEMENT OF INCOME AND COMPREHENSIVE INCOME
 FOR THE YEAR ENDED DECEMBER 31, 2014

Consolidated Eliminations LIF Industries, Inc. VG Realty Holding Co., LLC

NET SALES	
COST OF SALES	
GROSS PROFIT	
OPERATING EXPENSES	
INCOME FROM OPERATIONS	
OTHER INCOME (EXPENSE):	
Interest and dividend income	
Interest expense	
Miscellaneous income	
Gain on sale of marketable securities	
Total Other Expense	
INCOME BEFORE PROVISION FOR INCOME TAXES	
PROVISION FOR INCOME TAXES	
NET INCOME	
LESS, NET INCOME ATTRIBUTABLE TO THE NONCONTROLLING INTEREST	
NET INCOME ATTRIBUTABLE TO LIF INDUSTRIES, INC.	
OTHER COMPREHENSIVE (LOSS) INCOME, NET OF TAX:	
Pension liability adjustment	
Reclassification adjustment for gain on sale of marketable securities included in net income	
Unrealized holding gain on marketable securities arising during the year	
Other Comprehensive Loss, Net of Tax	
COMPREHENSIVE INCOME	

See independent auditors' report on supplementary information.
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ENVIRONMENTAL ASSESSMENT FORM

[Short form EAF to be attached]

ENVIRONMENTAL ASSESSMENT FORM

[Short form EAF attached]

Short Environmental Assessment Form

Part 1 - Project Information

Instructions for Completing

Part 1 - Project Information. The applicant or project sponsor is responsible for the completion of Part 1. Responses become part of the application for approval or funding, are subject to public review, and may be subject to further verification. Complete Part 1 based on information currently available. If additional research or investigation would be needed to fully respond to any item, please answer as thoroughly as possible based on current information.

Complete all items in Part 1. You may also provide any additional information which you believe will be needed by or useful to the lead agency, attach additional pages as necessary to supplement any item.

Part 1 - Project and Sponsor Information			
Name of Action or Project: LIF Industries, Inc. - Ten Harbor Park Drive Project			
Project Location (describe, and attach a location map): 10 Harbor Park Drive, Port Washington, New York			
Brief Description of Proposed Action: Interior renovation of building located at 10 Harbor Park Drive, Port Washington, New York, consisting of removal of existing mezzanine and racking system, creation of warehouse, staging and storage space, and installation of production equipment.			
Name of Applicant or Sponsor: LIF Industries, Inc.		Telephone: 516-390-6840	
		E-Mail: vgallo@lif.net	
Address: 5 Harbor Park Drive			
City/PO: Port Washington		State: NY	Zip Code: 11050
1. Does the proposed action only involve the legislative adoption of a plan, local law, ordinance, administrative rule, or regulation? If Yes, attach a narrative description of the intent of the proposed action and the environmental resources that may be affected in the municipality and proceed to Part 2. If no, continue to question 2.			NO <input checked="" type="checkbox"/>
2. Does the proposed action require a permit, approval or funding from any other governmental Agency? If Yes, list agency(ies) name and permit or approval. Sponsor is obtaining financial assistance from the Nassau County Industrial Development Agency.			YES <input checked="" type="checkbox"/>
1.a. Total acreage of the site of the proposed action?		_____ acres	
b. Total acreage to be physically disturbed?		_____ acres	
c. Total acreage (project site and any contiguous properties) owned or controlled by the applicant or project sponsor?		_____ acres	
4. Check all land uses that occur on, adjoining and near the proposed action: <input type="checkbox"/> Urban <input type="checkbox"/> Rural (non-agriculture) <input checked="" type="checkbox"/> Industrial <input checked="" type="checkbox"/> Commercial <input checked="" type="checkbox"/> Residential (suburban) <input type="checkbox"/> Forest <input type="checkbox"/> Agriculture <input type="checkbox"/> Aquatic <input checked="" type="checkbox"/> Other (specify): <u>planned industrial park</u> <input type="checkbox"/> Parkland			

	NO	YES	N/A
5. Is the proposed activity:			
a. A permitted use under the zoning regulations?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b. Consistent with the adopted comprehensive plan?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6. Is the proposed action consistent with the predominant character of the existing built or natural landscape?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7. Is the site of the proposed action located in, or does it adjoin, a state listed Critical Environmental Area?	NO	YES	
If Yes, identify: _____	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
8. a. Will the proposed action result in a substantial increase in traffic above present levels?	NO	YES	
b. Are public transportation services available at or near the site of the proposed action?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
c. Are any pedestrian accommodations or bicycle routes available at or near site of the proposed action?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
9. Does the proposed action meet or exceed the state energy code requirements?	NO	YES	
If the proposed action will exceed requirements, describe design features and technologies: _____	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
10. Will the proposed action connect to an existing public/private water supply?	NO	YES	
If No, describe method for providing potable water: _____	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
11. Will the proposed action connect to existing wastewater utilities?	NO	YES	
If No, describe method for providing wastewater treatment: _____	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
12. a. Does the site contain a structure that is listed on either the State or National Register of Historic Places?	NO	YES	
b. Is the proposed action located in an archeological sensitive area?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
13. a. Does any portion of the site of the proposed action, or lands adjoining the proposed action, contain wetlands or other waterbodies regulated by a federal, state or local agency?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
b. Would the proposed action physically alter, or encroach into, any existing wetland or waterbody?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
If Yes, identify the wetland or waterbody and extent of alterations in square feet or acres: _____			
14. Identify the typical habitat types that occur on, or are likely to be found on the project site. (Check all that apply): <input type="checkbox"/> Shoreline <input type="checkbox"/> Forest <input type="checkbox"/> Agricultural/grasslands <input type="checkbox"/> Early mid-successional <input type="checkbox"/> Wetland <input type="checkbox"/> Urban <input checked="" type="checkbox"/> Suburban			
15. Does the site of the proposed action contain any species of animal, or associated habitats, listed by the State or Federal government as threatened or endangered?	NO	YES	
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
16. Is the project site located in the 100 year flood plain?	NO	YES	
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
17. Will the proposed action create storm water discharge, either from point or non-point sources?	NO	YES	
If Yes:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
a. Will storm water discharges flow to adjacent properties? <input type="checkbox"/> NO <input type="checkbox"/> YES			
b. Will storm water discharges be directed to established conveyance systems (runoff and storm drains)?			
If Yes, briefly describe: <input type="checkbox"/> NO <input type="checkbox"/> YES			

18. Does the proposed action include construction or other activities that result in the impoundment of water or other liquids (e.g. retention pond, waste lagoon, dam)? If Yes, explain purpose and size: _____ _____ _____	NO	YES
19. Has the site of the proposed action or an adjoining property been the location of an active or closed solid waste management facility? If Yes, describe: _____ _____ _____	NO	YES
20. Has the site of the proposed action or an adjoining property been the subject of remediation (ongoing or completed) for hazardous waste? If Yes, describe: _____ _____ _____	NO	YES
I AFFIRM THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND ACCURATE TO THE BEST OF MY KNOWLEDGE		
Applicant/sponsor name: LIF Industries, Inc.	Date: <u>March 7th</u> , 2015	
Signature: <i>[Handwritten Signature]</i>	Michael Gallo, Vice President	

OTHER ATTACHMENTS

<i>Exhibit A</i>	<i>Applicant History</i>
<i>Exhibit B</i>	<i>Location Map</i>
<i>Exhibit C</i>	<i>Purchase Contract for 10 Harbor Park Drive</i>
<i>Exhibit D</i>	<i>Signature Bank Loan Commitment Letter</i>
<i>Exhibit E</i>	<i>Settlement of Real Estate Tax Protest Proceedings (5 Harbor Park Drive and 18 Industrial Park Drive)</i>

EXHIBIT A
TO
SCHEDULE H

Applicant History

LIF Industries, Inc. was founded in the early 1930s as Long Island Kalamein Door Company. As one of the early distributors of fire resistant doors, the Company was part of the original association that tested and labeled doors for compliance with the New York City fire code. Long Island Kalamein Door Company was among the first developers of the fire resistant door, at the time a revolutionary product that originated in the New York City area.

The Company took on its current identity in 1966, when brothers Vincent and Joseph Gallo purchased it and changed the name to Long Island Fireproof Door. At that time, the Company had just a few employees and its annual sales were a mere \$75,000. The Gallo brothers developed the Company and expanded its product offering in several key areas to include related products. For example, in the late 1980s, the Company began to manufacture hollow metal doors, which had evolved from the original Kalamein door, and the Company became a distributor of wood doors and all manner of door hardware. The Company changed its name to LIF Industries, Inc. in 2006 to reflect its broader product lines and offerings.

Today, the Company has 350 employees, operating in 225,000 square feet of space in multiple locations, with more than \$120 million in annual sales. An experienced organization with a high service standard and a reputation for innovation in the industry, the Company serves the developers and the construction industry throughout the major metropolitan areas, including New York City and vicinity, Boston, Chicago and Washington D.C. Representative developer customers include Silverstein Properties, The Trump Organization, Avalon Bay and the Related Companies. Lend Lease, Tishman Construction and Skanska are among LIF's construction industry customers.

EXHIBIT B
TO
SCHEDULE H

Location Map

[Attached]

Google Maps 10 Harbor Park Dr



Aceto Pharma Corporation

Recoquiflor Systems

Sondale Technologies

Wald-Schl Corporation

Full Corporation

Salem Medication LLC

101M Electronics Corporation

15 St. Louis Industrial Park Ave

5 Harb 500 Park Ave



10 Harbor Park Dr

EXHIBIT C
TO
SCHEDULE H

Purchase Contract for 10 Harbor Park Drive

[Attached]

Contract of Sale—Office, Commercial and Multi-Family Residential Premises

between

**L.I.C. REALTY, LLC and JMT SPYROPOULOS REALTY
LLC, each as to a 50 % tenant in common interest, (“Seller”)**

and

TEN HP DRIVE LLC, (“Purchaser”)

Dated: December 14, 2015

THE PREMISES

Address: 10 Harbor Park Drive, Port Washington, New York
County: Nassau
Section: 6
Block: 58
Lot: 102

Contract of Sale—Office, Commercial and Multi-Family Residential Premises

CONTRACT dated December 14, 2015, by and between **L.I.C. REALTY, LLC** (hereinafter "LIC"), with an address at 10 Harbor Park Drive, Port Washington, New York 11050, **and JMT SPYROPOULOS REALTY LLC** (hereinafter "SR"), with an address at 922 Riverview Drive, Totowa, New Jersey 07512, each a 50 % tenant in common interest, and each a New York limited liability company, (hereinafter each and together as "Seller" or "Sellers"), and **TEN HP DRIVE LLC**, with an address of c/o L.I.F. Industries, Inc., 5 Harbor Park Drive, Port Washington, New York 11050, (hereinafter individually and collectively referred to as the "Purchaser" or "Buyer").

Seller and Purchaser hereby covenant and agree as follows:

Section 1. Sale of Premises and Acceptable Title

§1.01. Seller shall sell to Purchaser, and Purchaser shall purchase from Seller, at the price and upon the terms and conditions set forth in this Contract: (a) the parcel of land more particularly described in Schedule A attached hereto ("Land"); (b) all buildings and improvements situated on the Land (collectively, "Building"); (c) all right, title and interest of Seller, if any, in and to the land lying in the bed of any street or highway in front of or adjoining the Land to the center line thereof and to any unpaid award for any taking by condemnation or any damage to the Land and the Building by reason of a change of grade of any street or highway; (d) the appurtenances and all the estate and rights of Seller in and to the Land and Building; and (e) all right, title and interest of Seller, if any, in and to the fixtures, equipment and other personal property attached or appurtenant to the Land and the Building (collectively, "Premises"). For purposes of this Contract, "appurtenances" shall include all right, title and interest of Seller in and to (i) the existing lease for space in the Building, as shown on Schedule E attached hereto and (ii) such of the Service Contracts (as hereinafter defined) as Purchaser agrees to assume. The Premises is located at or known as:

Address	Section	Block	Lot
10 Harbor Park Drive Port Washington, New York	6	58	102

§1.02. Seller shall convey and Purchaser shall accept fee simple title to the Premises in accordance with the terms of this Contract, subject only to: (a) the matters set forth in Schedule B attached hereto (collectively, "Permitted Exceptions"); and (b) such other matters as the title insurer specified in Schedule D attached hereto (or if none is so specified, then any title insurer licensed to do business by the State of New York) shall be willing, without special premium, to omit as exceptions to coverage or to except with insurance against collection out of or enforcement against the Premises.

Section 2. Purchase Price, Acceptable Funds, Escrow of Downpayment and Foreign Persons

§2.01. The purchase price ("Purchase Price") to be paid by Purchaser to Seller for the Premises as provided in Schedule C attached hereto is

§2.02. All monies payable under this Contract, unless otherwise specified in this Contract, shall be paid by (a) certified checks of Purchaser or any person making a purchase money loan to Purchaser drawn on any bank or trust company having a banking office in the City of New York and which is a member of the New York Clearing House Association or (b) official bank checks drawn by any such banking institution, payable to the order of Seller, except that uncertified checks of Purchaser payable to the order of Seller up to the amount of shall be acceptable for sums payable to Seller at the Closing, or (c) with respect to the portion of the Purchase Price payable at the Closing, at Seller's election, by wire transfer of immediately available federal funds to an account designated by Seller not less than three business days prior to the Closing. Adjustments may be made by attorney escrow checks.

§2.03. [Intentionally omitted]

§2.04. [Intentionally omitted]

§2.05. If the sum paid under paragraph (a) of Schedule C or any other sums paid on account of the Purchase Price prior to the Closing (collectively, "Downpayment") are paid by check or checks drawn to the order of and delivered to Seller's attorney ("Escrowee"), the Escrowee shall hold the proceeds thereof in escrow in an attorney's escrow bank account until the Closing or sooner termination of this Contract and shall pay over or apply such proceeds in accordance with the terms of this section. If any interest is earned thereon, such interest shall be paid to the same party entitled to the escrowed proceeds, and the party receiving such interest shall pay any income taxes thereon. Deposit will be placed in a non-interest bearing IOLA trust account at INVESTORS BANK, located at 31-01 Broadway, Astoria, New York 11106. The tax identification numbers of the parties are either set forth in Schedule D or shall be furnished to Escrowee upon request. At the Closing, such proceeds and the interest thereon, if any, shall be paid by Escrowee to Seller. If for any reason the Closing does not occur and either party makes a written demand upon Escrowee for payment of such amount, Escrow shall give written notice to the other party of such demand. If Escrowee does not receive a written objection from the other party to the proposed payment within ten (10) business days after the giving of such notice, Escrowee is hereby authorized to make such payment. If Escrowee does receive such written objection within such ten (10) day period or if for any other reason Escrowee in good faith shall elect not to make such payment, Escrowee shall continue to hold such amount until otherwise directed by written instructions from the parties to this Contract or a final judgment of a court. However, Escrow shall have the right at any time to deposit the escrowed proceeds and interest thereon, if any, with the clerk of the Supreme Court of the county in which the Land is located. Escrowee shall give written notice of such deposit to Seller and Purchaser. Upon such deposit Escrowee shall be relieved and discharged of all further obligations and responsibilities hereunder.

(a) The parties acknowledge that Escrowee is acting solely as a stakeholder at their request and for their convenience, that Escrowee shall not be deemed to be the agent of either of the parties, and that Escrowee shall not be liable to either of the parties for any act or omission on its part unless taken or suffered in bad faith, in willful disregard of this Contract or involving gross negligence. Seller and Purchaser shall jointly and severally indemnify and hold Escrowee harmless from and against all costs, claims and expenses, including reasonable attorneys' fees, incurred in connection with the performance of Escrowee's duties hereunder,

except with respect to actions or omissions taken or suffered by Escrowee in bad faith, in willful disregard of this Contract or involving gross negligence on the part of Escrowee.

(b) Escrowee has acknowledged agreement to these provisions by signing in the place indicated on the signature page of this Contract.

(c) If Escrowee is Seller's attorney, Escrowee or any member of its firm shall be permitted to act as counsel for Seller in any dispute as to the disbursement of the Downpayment or any other dispute between the parties whether or not Escrowee is in possession of the Downpayment and continues to act as Escrowee.

(d) Escrowee may act or refrain from acting in respect of any matter referred to in this §2.05 in full reliance upon and with the advice of counsel which may be selected by it (including any member of its firm) and shall be fully protected in so acting or refraining from action upon the advice of such counsel.

§2.06. In the event that Seller is a "foreign person", as defined in Internal Revenue Code Section 1445 and regulations issued thereunder (collectively, the "Code Withholding Section"), or in the event that the Seller fails to deliver the certification of non-foreign status required under §10.09(b), or in the event that Purchaser is not entitled under the Code Withholding Section to rely on such certification, Purchaser shall deduct and withhold from the Purchase Price a sum equal to ten percent (10%) thereof and shall at Closing remit the withheld amount with Forms 8288 and 8288A (or any successors thereto) to the Internal Revenue Service; and if the cash balance of the Purchase Price payable to Seller at the Closing after deduction of net adjustments, apportionments and credits (if any) to be made or allowed in favor of Seller at the Closing as herein provided is less than ten percent (10%) of the Purchase Price, Purchaser shall have the right to cancel the provisions of this Contract, in which event Seller shall reimburse Purchaser for title examination and survey costs for the Premises pursuant to §13.02(a). Seller certifies herewith that Seller is not a "foreign person", and, if requested, will execute a FIRPTA certification at Closing.

Section 3. The Closing and Effective Date

§3.01. Except as otherwise provided in this Contract, the Closing of title pursuant to this Contract ("Closing") shall take place on the scheduled date and time of Closing specified in Schedule D (the actual date of the Closing being herein referred to as "Closing Date") at the place specified in Schedule D.

§3.02. Effective Date. The "Effective Date" shall mean the date Seller executes this Agreement and delivers a fully executed copy of same to Purchaser.

Section 4. Representations and Warranties of Seller

Seller represents and warrants to Purchaser, as of the date hereof, as follows:

§4.01. Seller is the sole owner of the Premises.

§4.02 To the Seller's actual knowledge, the information concerning written leases (which together with all amendments and modifications thereof are collectively referred to as "Leases") and any tenancies in the Premises not arising out of the Leases (collectively, "Tenancies") set forth in Schedule E attached hereto ("Rent Schedule") is accurate as of the date set forth therein or, if no date is set forth therein, as of the date hereof, and there are no Leases or Tenancies of any space in the Premises other than those set forth therein and any subleases or subtenancies, Except as otherwise set forth in the Rent Schedule or elsewhere in this Contract:

(a) no tenant or third party has an option to purchase the Premises or a right of first refusal or first offer with respect to a sale of the Premises;

(b) there are no security deposits other than those set forth in the Rent Schedule; and

(c) no leasing commissions are due or owing with respect to any of the Leases, and, if any, Seller shall pay same. This sub-paragraph shall survive Closing.

(d) True and accurate copies of the Leases have been delivered to Purchaser or its attorney, and to the extent that such Leases contain provisions that are inconsistent with the foregoing representations and warranties, such representations and warranties shall be deemed modified to the extent necessary to eliminate such inconsistency and to conform such representations and warranties to the provisions of the Leases.

§4.03 Intentionally omitted.

§4.04. If a schedule of service, maintenance, supply and management Contracts ("Service Contracts") is attached hereto, such schedule lists all such Contracts affecting the Premises, and the information set forth therein is accurate as of the date set forth therein or, if no date is set forth therein, as of the date hereof. Purchaser shall within 30 days of the date hereof inform Seller of those Service Contracts, if any, which Purchaser elect to assume, but Purchaser will not be required to assume any Service Contracts. Any existing Service Contracts which Purchaser does not assume will be terminated as of the Closing date. Seller represents that there are no Service Contracts that will survive Closing.

§4.05. The Seller makes no representation as to the existence of any certificate of occupancy, or lack thereof, or that the premises as presently used and occupied are in compliance with any certificate of occupancy or the building department records. The Seller will not be required to provide any proof or evidence that the premises are legally used and occupied and the sale is "as is" as it relates to such condition. The purchase is subject to any such condition. The premises are being sold in "as is" physical condition, reasonable wear and tear between the date hereof and Closing excepted. The sale is subject to any and all violations that may affect the premises (see Section 7 herein) whether or not same are of record. Buyer acknowledges that Seller makes no representation as to the existence of certificate(s) of occupancy or lack thereof with respect to any of the Improvements, compliance with local laws, rules and regulations with respect to zoning or building codes, the adequacy of the plumbing, heating, electrical and other building systems, the existence or legal significance of alterations or additions to the Premises and whether the proper permits or certificate(s) of occupancy were obtained for any such

alterations or additions. Buyer further acknowledges that non-compliance with any such laws, rules or regulations shall not give rise to or otherwise constitute a defect or defects which Seller is obligated to remedy or remove in accordance with the provisions of this Contract and will not be a basis for Buyer's refusal to close or for any reduction in the Purchase Price.

§4.06. Intentionally omitted.

§4.07. Intentionally omitted.

§4.08. Seller has no actual knowledge of any assessment against the Premises, whether or not such assessment has become a lien on the Premises.

§4.09. Neither Seller is a "foreign person" as defined in the Code Withholding Section.

§4.10. Each Seller is a duly formed and a validly existing New York limited liability company in good standing. Each Seller has taken all necessary action to authorize the execution, delivery and performance of this Contract and has the power and authority to execute, deliver and perform this Contract and consummate the transaction contemplated hereby. Assuming due authorization, execution and delivery by each other party hereto, this Contract and all obligations of each Seller hereunder are the legal, valid and binding obligations of each Seller, enforceable in accordance with the terms of this Contract, except as such enforcement may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

§4.11. The execution and delivery of this Contract and the performance of its obligations hereunder by each Seller will not conflict with any provision of any law or regulation to which such Seller is subject or any agreement or instrument to which such Seller is a party or by which it is bound or any order or decree applicable to such Seller or result in the creation or imposition of any lien on any of such Seller's assets or Premises which would materially and adversely affect the ability of such Seller to carry out the terms of this Contract. Each Seller has obtained any consent, approval, authorization from its members and managers and if required, from any court or governmental agency or body, for the execution, delivery or performance by Seller of this Contract.

§4.12. There are no union employees employed at the Premises. Seller shall not enter into any union negotiations or union contracts prior to Closing.

The acknowledgements, representations and warranties made by each Seller in this Contract shall be deemed restated and shall be true and accurate on the Closing Date.

Section 5- Acknowledgments, Representations and Warranties of Purchaser

Purchaser acknowledges that:

§5.01. Subject to the due diligence inspection period provided for in Section 21, Purchaser has inspected the Premises, is fully familiar with the physical condition and state of repair thereof, and, subject to the provisions of Section 8 and §9.03, shall accept the Premises "as is" and in their present condition, subject to reasonable use, wear, tear and natural deterioration between now and the Closing Date without any reduction in the Purchase Price for any change in such condition by reason thereof subsequent to the date of this Contract. Seller shall maintain premises in "as is" present condition, subject to reasonable use, wear, tear and natural deterioration between now and the Closing Date. Seller shall maintain the interior and exterior of the Building, and the Premises (including landscaped and parking areas) consistent with past practice.

§5.02. (a) In entering into this Contract, except as provided for in Section 21, Purchaser has not been induced by, and has not relied upon any representations, covenants, warranties or statements, whether oral or written or expressed or implied, made by Seller (except as otherwise specifically set forth herein) or by any real estate broker or any other person representing or purporting to represent Seller, concerning the Premises, its state of title, condition or state of repair, income, rents, expenses, operations, environmental condition, the presence or absence of any materials, including but not limited to radon, asbestos, insecticides or pesticides of any kind and/or nature, hazardous waste (as same may be defined under any statutes, ordinances, local laws, rules or regulations of any municipal agency having jurisdiction over the Premises) wetlands (as same may be defined under any statutes, ordinances, local laws, rules or regulations of any municipal agency having jurisdiction over the Premises) or any other substance or material, paint containing lead or any other additives, the condition of any fuel oil or gasoline storage tanks which may now or heretofore have been located at, on or under the Premises, infestation of any insects or pests, description of the Premises, including the size, area or dimensions of the lot, its value, the cost of operating or maintaining the Premises, the physical condition, the operation or use to which the Premises may be applied, development rights, zoning, subdivision, soil bearing capacity, elevations, insurability, access to public roads, the character, quality, legal use, school district or the zoning thereof, availability of water, electric, sewer, telephone or public utilities of any kind, the subsurface conditions of the Premises (including, but not limited to, the presence of any drainage structures, whether in use or abandoned), the suitability of the soil or subsurface conditions for any use to which the Purchaser may wish to utilize the subject Premises, or any other matter or thing affecting or relating to the Premises or by Seller's failure to make any such representations, covenants, warranties or statements. Notwithstanding the above, Seller represents that, during its ownership, Seller has not transferred any air rights or development rights.

(b) Before entering into this Contract, except as provided for in Section 21, Purchaser has made such examination of the Premises, the operation, income and expenses thereof and all other matters affecting or relating to this transaction as Purchaser deemed necessary. Except as otherwise specifically provided herein, in entering into this Contract, Purchaser has not been induced by and has not relied upon any representations, warranties or statements, whether express or implied, made by Seller or any agent, employee or other representative of Seller or by any broker or any other person representing or purporting to represent Seller, which are not expressly set forth in this Contract, whether or not any such representations, warranties or statements were made in writing or orally.

Purchaser represents and warrants to Seller that:

§5.03. The funds comprising the Purchase Price to be delivered to Seller in accordance with this Contract are not derived from any illegal activity.

§5.04. Purchaser has taken all necessary action to authorize the execution, delivery and performance of this Contract and has the power and authority to execute, deliver and perform this Contract and the transaction contemplated hereby. Assuming due authorization, execution and delivery by each other party hereto, this Contract and all obligations of Purchaser hereunder are the legal, valid and binding obligations of Purchaser, enforceable in accordance with the terms of this Contract, except as such enforcement may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

§5.05. The execution and delivery of this Contract and the performance of its obligations hereunder by Purchaser will not conflict with any provision of any law or regulation to which Purchaser is subject or any agreement or instrument to which Purchaser is a party or by which it is bound or any order or decree applicable to Purchaser or result in the creation or imposition of any lien on any of Purchaser's assets or Premises which would materially and adversely affect the ability of Purchaser to carry out the terms of this Contract. Purchaser has obtained any consent, approval, authorization or order of any court or governmental agency or body required for the execution, delivery or performance by Purchaser of this Contract.

The acknowledgements, representations and warranties made by Purchaser in this Contract shall be deemed restated and shall be true and accurate on the Closing Date.

Section 6, Seller's Obligations as to Leases

§6.01. (a) If any space is vacant on the Closing Date and/or if any space previously occupied becomes vacant prior to the Closing and remains vacant on the Closing Date, Purchaser shall accept the Premises subject to such vacancy. Seller shall not grant any concessions or rent abatements for any period following the Closing without Purchaser's prior written consent. Seller shall only apply all or any part of the security deposit if a tenant vacates its space prior to Closing. This paragraph shall survive Closing.

(b) Seller does not warrant that any particular Lease or Tenancy will be in force or effect at the Closing or that the tenants will have performed their obligations thereunder. The termination of any Lease or Tenancy prior to the Closing by reason of the tenant's default shall not affect the obligations of Purchaser under this Contract in any manner or entitle Purchaser to an abatement of or credit against the Purchase Price or give rise to any other claim on the part of Purchaser. Between the date of this contract and the Closing, Seller shall not permit occupancy of, or enter into any new lease for, space in the Building which is presently vacant or which may hereafter become vacant.

§6.02. Seller hereby indemnifies and agrees to defend Purchaser against any claims made by any tenant(s) for rent securities received by Seller and not turned over to Purchaser. This paragraph shall survive Closing.

§6.03. Seller's affiliate, BC International Group, Inc., occupying the warehouse area and the Seller's affiliate, Constructamax Inc., occupying the office area, subject to the Lease of and areas occupied by Amicus Creative Media LLC as provided for further herein, will deliver a surrender of lease agreement prior to Closing. In addition, Amicus Creative Media LLC shall deliver to Purchaser prior to Closing the estoppel certificates in the form of Exhibits F-1 attached hereto.

Section 7. Responsibility for Violations

§7.01. 7.01. Purchaser shall accept title to the Premises subject to all notes or notices of violations of law or governmental ordinances, orders or requirements by any governmental department, agency or bureau having jurisdiction as to conditions affecting the Premises or otherwise. Notwithstanding anything in this Section 7 to the contrary, Seller shall pay or have deposited in escrow with the title company an amount sufficient to cover all monetary fines that are outstanding and of record against the Premises and/or reported on title report as of the date of Closing. If the cost of such monetary fines, penalties and/or judgments in the aggregate exceeds \$25,000.00, Seller reserves the right to cancel the Contract unless purchaser agrees in writing to proceed to close subject to such fines, penalties and/or judgments with a credit of \$25,000.00 in the aggregate. Purchaser agrees that Seller will only be required to deposit the one hundred fifty (150%) percent of the face amount of the penalties and fines with the Title Company to insure Purchaser and lender, notwithstanding that Contract is not subject to financing, from collection of said fines and penalties from the Premises, and that Seller will be given a reasonable time after Closing to have said fines and penalties, paid, whether or not reduced not to exceed six (6) months, with any savings being refunded to Seller from such escrow less interest and statutory costs applicable to the amounts of fines and penalties required to be paid. Subsequent to Closing Seller's sole obligation under this paragraph shall be up to the amount held in escrow, including any additional interests and statutory costs attributable to fines and penalties required to be paid.

Section 8. Destruction, Damage or Condemnation

§8.01. (a) Between the date of this Contract until the time of Closing, the risk of loss or damage to the Premises by fire or other casualty is borne and assumed by Seller. Seller's assumption of the risk of loss is without any obligation or liability by Seller to repair the same, except Seller, at Seller's sole option, shall have the right to repair or replace such loss or damage to the Premises, pursuant to written notice to Purchaser ("Seller's Election Notice") within sixty (60) days of such loss or damage. In the event any loss or damage to the Premises occurs, and Seller elects to make such repair or replacement, this Contract shall continue in full force and effect, and Seller shall be entitled to a reasonable adjournment of the Closing Date for the Premises affected by the fire or other casualty, not to exceed one hundred eighty (180) days. If Seller does not elect to repair or replace any such loss or damage and the cost of repairing the damage would exceed \$10,000.00, Purchaser shall have the right to elect one of the options set forth in §§ 01(b) or §8.01(c) hereof.

(b) Canceling the provisions of this Contract, in which event the Downpayment shall be promptly refunded to Purchaser, and this Contract shall be null and void and the parties hereto shall be relieved and released of and from any further liability with respect to each other, except with respect to the provisions of this Contract which expressly survive a termination of this Contract.

(c) Accepting (i) the Deed upon payment in full of the Purchase Price and without any abatement of the Purchase Price by reason of such loss or damage, (ii) payment of the amount of any insurance proceeds to the extent actually collected by Seller in connection with such fire or other casualty plus any deductible, less the amount of the reasonable actual expenses incurred by Seller in collecting such proceeds and in making repairs to the Premises occasioned by such fire or other casualty and (iii) an assignment (without warranty or recourse to Seller) of Seller's rights to any payments to be made subsequent to the Closing Date under any hazard insurance policy or policies in effect with respect to the Premises.

(d) If Purchaser fails to exercise its option as set forth in §8.01(b) or §8.01(c) within ten (10) days after receipt of Seller's Election Notice, Purchaser shall be deemed to have exercised the option set forth in §8.01(b) hereof.

§8.02. **Condemnation.** If after the execution of this Contract and prior to Closing, any proceedings are instituted by any governmental authority which shall result in the proposed taking of all or any portion of the Premises by eminent domain, or if any such proceedings are pending on the Effective Date, or if all or any portion of the Premises is taken by eminent domain after the Effective Date of this Contract and prior to the Closing, Seller shall promptly notify Purchaser in writing no later than five (5) business days after Seller's receipt of any notification or on the date of Closing, whichever occurs earlier. Purchaser shall thereupon have the right and option to terminate this Contract by giving written notice to Seller and the Escrow Agent within ten (10) days after receipt by Purchaser of the notice from Seller or on the Closing Date, whichever is earlier. If the Closing Date was scheduled to occur after the institution of such proceedings, the Closing Date shall be deemed adjourned in order that Purchaser shall have its full ten (10) day period within which to determine whether or not to proceed with Closing. If Purchaser timely elects to terminate this Contract, Purchaser shall be entitled to receive the Downpayment from the Escrow Agent and upon such return, this Contract shall thereupon be terminated and become void and of no further effect, and neither party hereto shall have any obligations of any nature to the other hereunder or by reason hereof, except for those obligations and liabilities that are expressly stated to survive termination of this Contract. If Purchaser does not elect to terminate this Contract, the parties shall proceed to Closing and at the Closing, upon Purchaser paying the balance of the Purchase Price without abatement, Seller shall assign without recourse to Purchaser, all of its right, title and interest in all awards in connection with such taking and shall pay to Purchaser any award paid to Seller with respect to such taking.

§8.03. This Section 8 shall survive the Closing and is intended to be an express provision to the contrary within the meaning of Section 5-1311 of the General Obligations Law.

Section 9. Covenants of Seller

Seller covenants that between the date of this Contract and the Closing, however, none of these representations shall survive Closing unless expressly set forth to survive Closing:

§9.01. Seller shall not modify or amend any Service Contract or enter into any new service Contract unless the same is terminable without penalty by the then owner of the Premises upon not more than thirty (30) days' notice.

§9.02. Seller shall maintain in full force and effect until the Closing all existing insurance policies covering or with respect to the Premises.

§9.03. No fixtures, equipment or personal property owned by Seller and included in this sale shall be removed from the Premises unless the same are replaced with similar items of at least equal quality prior to the Closing. *Seller shall not remove any built-in cabinets or cubicles.* Notwithstanding the foregoing, Seller shall remove all trade fixtures, trade equipment, furnishings, trade machinery, records and inventory owned by Seller and/or its affiliates prior to Closing without replacement and without any credit or abatement in the Purchase Price. Seller shall repair any damage to the Premises associated with such removal. Purchaser acknowledges that the existing vault in the warehouse area shall remain in the Premises and not be required to be removed by Seller and sale is subject to such vault not having to be removed by Seller.

§9.04. Seller shall not withdraw, settle or otherwise compromise any protest or reduction proceeding affecting real estate taxes assessed against the Premises for any fiscal period in which the Closing is to occur or any subsequent fiscal period without the prior written consent of Purchaser, which consent shall not be unreasonably withheld. Real estate tax refunds and credits received after the Closing Date which are attributable to the fiscal tax year during which the Closing Date occurs shall be apportioned between Seller and Purchaser, after deducting the proportionate amount of expenses of collection thereof, which shall survive the Closing. ~~A copy of the existing agreement filed for the pending tax protest is attached hereto as Exhibit C.~~ Purchaser will assume any payment obligations due to the company handling the reduction proceeding as they relate for real estate tax savings, if any, for periods subsequent to Closing.

§9.05. Seller shall allow Purchaser or Purchaser's representatives access to the Premises, the Leases and other documents required to be delivered under this Contract, upon reasonable prior notice at reasonable times.

Section 10. Seller's Closing Obligations

At the Closing, Seller shall deliver to Purchaser the following:

§10.01. A statutory form of bargain and sale deed with covenants against grantor's acts, containing the covenant required by Section 13 of the Lien Law, and properly executed in proper form for recording so as to convey the title required by this Contract.

§10.02. All leases in Seller's possession. If Seller only has copies and not original leases for leases and renewals entered into during Seller's ownership, Seller will certify that the copy is a certified copy of the original lease.

§10.03. A schedule of all security deposits, together with the security deposit amounts.

§10.04. The estoppel certificates referred to in Section 6.03.

§10.05. Intentionally omitted.

§10.06. An assignment to Purchaser, without recourse or warranty of any kind whatsoever, of all of the interest of Seller in those Service Contracts, certificates, permits and other documents to be delivered to Purchaser at the Closing which are then in effect and are assignable by Seller.

§10.07. To the extent they are then in Seller's possession and not posted at the Premises, certificates, licenses, permits, authorizations and approvals issued for or with respect to the Premises by governmental and quasi-governmental authorities having jurisdiction.

§10.08. Such affidavits as the title insurer shall reasonably require in order to omit from its title insurance policy all exceptions for judgments, bankruptcies or other returns against persons or entities whose names are the same as or similar to Seller's name.

§10.09. (a) Checks to the order of the appropriate officers in payment of all applicable real Premises transfer taxes and copies of any required tax returns therefore executed by Seller, which checks shall be certified or official bank checks if required by the taxing authority, unless Seller elects to have Purchaser pay any of such taxes and credit Purchaser with the amount thereof, and (b) a certification of non-foreign status, in form required by the Code Withholding Section, signed under penalty of perjury. Seller understands that such certification will be retained by Purchaser and will be made available to the Internal Revenue Service on request.

§10.10. An original letter, executed by Seller or by its agent, advising the tenants of the sale of the Premises to Purchaser and directing that past due (subject to apportionment) and future rents and other payments thereafter be sent to Purchaser or as Purchaser may direct. Any rents received after the Closing will be forwarded to Purchaser, but same shall remain subject to apportionment as set forth herein.

§10.11. A resolution executed by the managing member and/or members of each Seller, in accordance with their operating agreement consenting to the sale.

§10.12. Possession of the Premises subject to the Leases and Tenancies, and keys therefore.

§10.13. Deliver to Purchaser a certificate confirming that the warranties and representations of Seller set forth in this Contract are true and complete on and as of the Closing Date.

§10.14. Deliver to Purchaser an agreement assigning all of landlord's right, title and interest in the Leases and rents, without representation, recourse or warranty, and assigning landlord's interest in any pending landlord/tenant actions, without recourse or warranty, such assignment, however, to have no effect on the obligations of Seller and Purchaser under §12.02 herein.

§10.15. [Intentionally omitted.]

§10.16. Any other documents required by this Contract to be delivered by Seller.

Section 11. Purchaser's Closing Obligations

At the Closing, Purchaser shall:

§11.01. Deliver to Seller checks or wire transfers of immediately available federal funds to Seller, in payment of the portion of the Purchase Price payable at the Closing, as adjusted for apportionments under Section 12.

§11.02. Deliver to Seller an agreement indemnifying and agreeing to defend Seller against any claims made by tenants with respect to tenants' security deposits to the extent paid or credited to Purchaser under §10.03.

§11.03. Cause the deed to be recorded, duly complete all required real Premises transfer tax returns and cause all such returns and checks in payment of such taxes to be delivered to the appropriate officers promptly after the Closing. All transfer taxes due as a result of the recording of the deed shall be paid by the party required by law to pay such transfer tax. Seller will pay the applicable transfer taxes due to New York State.

§11.04. Deliver to Seller an agreement assuming all obligations, covenants, agreements, terms, provisions and conditions under the Leases.

§11.05. Deliver to Seller a certificate confirming that the warranties and representations of Purchaser set forth in this Contract are true and complete on and as of the Closing Date.

§11.06. Deliver any other documents required by this Contract to be delivered by Purchaser.

Section 12. Apportionments

§12.01. The following apportionments shall be made between the parties at the Closing as of the close of business on the day prior to the Closing Date:

(a) prepaid rents (as defined in §12.03);

(b) real estate taxes, water charges and sewer rents, if any, on the basis of the fiscal period for which assessed, except that if there is a water meter on the Premises, and not frontage charges, apportionment at the Closing shall be based on the last available reading, which reading shall be performed not more than sixty (60) days prior to Closing, subject to adjustment after the Closing when the next reading is available;

(c) rental adjustment pursuant to §6.01(b) provided however, if Seller is not ready, willing and able to close on the scheduled Closing date Purchaser shall have no further obligation to pay for vacancies after said date.

(d) value of fuel stored on the Premises, at the price then charged by Seller's supplier, including any taxes, as set forth in a letter dated 48 hours prior to Closing; and

(e) Rental security deposits without interest.

If the Closing shall occur before a new tax rate is fixed, the apportionment of taxes at the Closing shall be upon the basis of the old tax rate for the preceding period applied to latest assessed valuation. Promptly after the new tax rate is fixed, the apportionment of taxes shall be recomputed. A discrepancy resulting from such recomputation and any errors or omissions in computing apportionments at Closing shall be promptly corrected, which obligations shall survive the Closing.

§12.02. If any tenant is in arrears in the payment of rent on the Closing Date, rents received from such tenant after the Closing shall be applied in the following order of priority: (a) first to the month in which the Closing occurred; (b) then to any month or months following the month in which the Closing occurred; and (c) then to the period prior to the month in which the Closing occurred. If rents or any portion thereof received by Seller or Purchaser after the Closing are payable to the other party by reason of this allocation, the appropriate sum, less a proportionate share any reasonable attorneys' fees, costs and expenses of collection thereof, shall be promptly paid to the other party, which obligation shall survive the Closing.

Section 13. Objections to Title, Failure of Seller or Purchaser to Perform and Vendor's Lien

§ 3.01. Purchaser shall promptly order an examination of title and shall cause a copy of the title report, and all updates, supplements and continuations thereof (collectively, the "title report") to be forwarded to Seller's attorney upon receipt. Seller shall be entitled to a reasonable adjournment of the Closing the time of essence date in item 4 of Schedule D shall not apply and the Closing shall be extended as appropriate to permit Seller an adequate time to address and remove any defects in or objections to title noted in such title report and any other defects or objections which may be disclosed on or prior to the Closing Date.

§13.02. If Seller shall be unable to convey title to the Premises at the Closing in accordance with the provisions of this Contract, except for Seller's willful default, or if Purchaser shall have any other valid grounds under this Contract for refusing to consummate the purchase of the Premises provided for herein, Purchaser, nevertheless, may elect to accept such title as Seller may be able to convey for the Premises with a credit against the monies payable at the Closing equal to the reasonably estimated cost to cure the same up to \$60,000, but without any other credit or liability on the part of Seller. If Purchaser shall not so elect, Purchaser may cancel the provisions of this Contract and the sole liability of Seller shall be to refund the Downpayment to Purchaser and to reimburse Purchaser for the net cost of title examination for the Premises, but not to exceed the net amount charged by the title insurer therefore without issuance of a policy, and the net cost of updating the existing survey of the Premises or the net cost of a new survey of the Premises if there was no existing survey or the existing survey was not capable of being updated. Upon such refund and reimbursement, this Contract shall be null and void and the parties hereto shall be relieved of all further obligations and liability with respect to the Premises other than any arising under Section 14. Seller shall not be required to

bring any action or proceeding or to incur any expense in excess of \$60,000 to cure any title defect with respect to the Premises or to enable Seller otherwise to comply with any of the provisions of this Contract, and any action taken by Seller to remove any such exception to title shall not be deemed an admission on Seller's part that Seller is obligated to remove same or that such exception is one which would give Purchaser the right to cancel this Contract. Anything to the contrary herein notwithstanding, the Seller shall pay and remove all municipal liens (liens set forth on tax page of title report), all mortgages, all voluntary liens and encumbrances, and all other monetary liens.

13.03. Any unpaid taxes, assessments, water charges and sewer rents, together with the interest and penalties thereon to a date not less than two (2) days following the Closing Date, and any other liens and encumbrances which Seller is obligated to pay and discharge or which are against corporations, estates or other persons in the chain of title, together with the cost of recording or filing any instruments necessary to discharge such liens and encumbrances of record, may be paid out of the proceeds of the monies payable at the Closing if Seller delivers to Purchaser on the Closing Date official bills for such taxes, assessments, water charges, sewer rents, interest and penalties and instruments in recordable form sufficient to discharge any other liens and encumbrances of record and same is reasonably satisfactory to the title company for the title company to omit same at Closing. Upon request made a reasonable time before the Closing, Purchaser shall provide at the Closing separate checks for the foregoing payable to the order of the holder of any such lien, charge or encumbrance and otherwise complying with §2.02. If the title insurer is willing to insure Purchaser that such charges, liens and encumbrances will not be collected out of or enforced against the Premises, then Seller shall have the right, in lieu of payment and discharge to deposit with the title insurer such funds or assurances or to pay such special or additional premiums as the title insurer may require in order to so insure. In such case the charges, liens and encumbrances with respect to which the title insurer has agreed so to insure shall not be considered objections to title.

13.04. (e) If Purchaser shall default in the performance of its obligation under this Contract to purchase the Premises, the sole remedy of Seller shall be to retain the Downpayment as liquidated damages. Notwithstanding the foregoing, if there are any proceedings with respect to Seller's efforts to retain the Downpayment, the prevailing party in such litigation will be entitled to reasonable legal fees.

(b) If Seller defaults under this Contract for whatever reason, other than a willful default, Purchaser's sole and exclusive remedy shall be limited to a refund of the Downpayment and reimbursement of its net cost of title examination, but not to exceed the net amount charged by the title insurer therefore without issuance of a policy, and the net cost of updating the existing survey of the Premises or the net cost of a new survey of the Premises if there was no existing survey. In no event shall Seller be liable for any damages in the event of any breach of this Contract. Except as set forth in §13.02(a) with respect to title defects, Seller shall not be required to bring any action or proceeding or to incur any expense to comply with the provisions of this Contract. In the event of Seller's default, Purchaser's sole remedy shall be to cancel this Contract and receive back the deposit and title and survey costs as herein provided. However, if Seller willfully defaults Purchaser shall have the right to an action for specific performance only, and not for damages, and the reasonable legal fees of such action, provided purchaser is the prevailing party in such action.

Section 14. Broker

§14.01. If a broker is specified in Schedule D, Seller and Purchaser mutually represent and warrant that such broker is the only broker with whom they have dealt in connection with this Contract and that neither Seller nor Purchaser knows of any other broker who has claimed or may have the right to claim a commission in connection with this transaction, unless otherwise indicated in Schedule D. The commission of such broker shall be paid pursuant to separate agreement by the party specified in Schedule D. Seller and Purchaser shall indemnify and defend each other against any costs, claims or expenses, including attorneys' fees, arising out of the breach on their respective parts of any representations, warranties or agreements contained in this paragraph. The representations and obligations under this paragraph shall survive the Closing or, if the Closing does not occur, the termination of this Contract.

Section 15. Notices

§15.01. All notices under this Contract shall be in writing and shall be delivered personally or shall be sent by prepaid registered or certified mail, or by prepaid overnight courier with receipt acknowledged, or by fax for non-default notices, addressed as set forth in Schedule D, or as Seller or Purchaser shall otherwise have given notice as herein provided. The attorneys for the parties may give and receive notices for the parties.

Section 16. Limitations on Survival of Representations, Warranties, Covenants and other Obligations

§16.01. Except as otherwise provided in this Contract, no representations, warranties, covenants or other obligations of Seller set forth in this Contract shall survive the Closing, and no action based thereon shall be commenced after the Closing.

§16.02. The delivery of the deed by Seller, and the acceptance thereof by Purchaser, shall be deemed the full performance and discharge of every obligation on the part of Seller to be performed hereunder, except those obligations of Seller which are expressly stated in this Contract to survive the Closing.

Section 17. Miscellaneous Provisions

§17.01. This Contract embodies and constitutes the entire understanding between the parties with respect to the transaction contemplated herein, and all prior agreements, understandings, representations and statements, oral or written, are merged into this Contract. Neither this Contract nor any provision hereof may be waived, modified, amended, discharged or terminated except by an instrument signed by the party against whom the enforcement of such waiver, modification, amendment, discharge or termination is sought, and then only to the extent set forth in such instrument.

§17.02. This Contract shall be governed by, and construed in accordance with, the law of the State of New York.

§17.03. The captions in this Contract are inserted for convenience of reference only and in no way define, describe or limit the scope or intent of this Contract or any of the provisions hereof.

§17.04. This Contract shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs or successors and permitted assigns.

§17.05. This Contract shall not be binding or effective until properly executed and delivered by Seller and Purchaser.

§17.06. As used in this Contract, the masculine shall include the feminine and neuter, the singular shall include the plural and the plural shall include the singular, as the context may require.

§17.07. If the provisions of any schedule or rider to this Contract are inconsistent with the provisions of this Contract, the provisions of such schedule or rider shall prevail.

§17.08. Purchaser may not assign this Contract without the prior written consent of Seller in each instance and any purported assignment(s) made without such consent shall be void. Notwithstanding the foregoing, Seller shall consent to an assignment of this Contract by Purchaser to an entity or entities which control or are controlled by Purchaser, provided (a) Purchaser is not in default under this Contract at the effective date of such assignment and at the Closing, (b) no assignee is under any legal incapacity, immunity from suit or requires the appointment of a receiver, (c) the assignee assumes all of the obligations of the Purchaser pursuant to this Contract but nothing contained herein shall relieve Purchaser of any liability under this Contract, and (d) at least five (5) days prior to Closing Purchaser gives Seller written notice of the proposed assignment together with a duplicate original, executed assignment and assumption of this Contract and the Downpayment, and (e) the assignment is without consideration. Any attempted assignment by Purchaser for consideration, commonly referred to as a "flip" is null and void.

17.09. Purchaser hereby agrees that it shall not record this Contract or any memorandum hereof. In the event Purchaser violates the provisions of the preceding sentence, this agreement at Seller's option, shall become null and void, and all rights of Purchaser hereunder shall thereupon cease and terminate and Seller shall have the right to retain the Downpayment as liquidated damages.

17.10. None of the representations, covenants or warranties of Seller shall survive Closing unless expressly set forth herein to survive Closing.

17.11. Purchaser represents that Purchaser has either waived or already had an opportunity to conduct a risk assessment or inspection of the property for the presence of lead based paint and/or lead-based paint hazards at the Purchaser's expense. Purchaser acknowledges that this Contract and Purchaser's obligations are not contingent on such a risk assessment or inspection of the property.

17.12. Purchaser acknowledges and agrees that this purchase and Purchaser's obligations

to close are expressly NOT contingent on Purchaser's efforts to obtain financing and that the contract is expressly NOT contingent on same

~~17.13~~ Except as otherwise expressly provided in this Contract, no representations, warranties, covenants or other obligations of Seller set forth in this Contract shall survive the Closing, and no action based thereon shall be commenced after the Closing.

~~17.14~~ This Agreement may be executed in one or more counterparts, each of which shall be an original but all of which when taken together shall constitute one and the same instrument. A facsimile or pdf scanned signature by email shall have the same effect as an original signature.

Section 18. Like Kind Exchange

§18.01. Seller and Purchaser agree that each Seller, at its option, may elect to effectuate a tax deferred like kind exchange for the benefit of each Seller and convey the Premises, or cause the Premises to be conveyed, to Purchaser in accordance with the provisions of Section 1031 of the Internal Revenue Code as now or hereafter amended, including all rules and regulations promulgated thereunder, or in accordance with any successor law. Each Seller may also elect to receive part of the Purchase Price as "boot" in such like kind exchange, which Purchaser shall pay as directed by such Seller. Purchaser agrees at Seller's expense (including Purchaser's reasonable legal expense) to execute any and all documents as are reasonably necessary in connection therewith, including, but not limited to, any consent to or acknowledgement of an assignment of this Contract and each Seller's rights hereunder to a qualified intermediary, and shall otherwise cooperate with each Seller and use reasonable efforts to effectuate said exchange. Notwithstanding the foregoing, there will be no fee due to Purchaser's attorney with respect to reviewing and having Purchaser execute a customary notice of assignment to the qualified intermediary.

Section 19. OFAC Policy

§19.01. Neither Purchaser nor Seller any of their respective constituents have engaged in any dealings or transactions, directly or indirectly, (a) in contravention of any U.S., international or other money laundering regulations or conventions, including, without limitation, the United States Bank Secrecy Act, the United States Money Laundering Control Act of 1986, the United States International Money Laundering Abatement and Anti-Terrorist Financing Act of 2001, Trading with the Enemy Act (50 U.S.C. §1 et seq., as amended), or any foreign asset control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) or any enabling legislation or executive order relating thereto, or (b) in contravention of Executive Order No. 13224 dated September 24, 2001 issued by the President of the United States (Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), as may be amended or supplemented from time to time ("Anti-Terrorism Order"), or on behalf of terrorists or terrorist organizations, including those persons or entities that are included on any relevant lists maintained by the United Nations, North Atlantic Treaty Organization, Organization of Economic Cooperation and Development, Financial Action Task Force, U.S. Office of Foreign Assets Control, U.S. Securities & Exchange Commission, U.S. Federal Bureau of Investigation,

U.S. Central Intelligence Agency, U.S. Internal Revenue Service, or any country or organization, all as may be amended from time to time. Neither Purchaser nor Seller any of their respective constituents (i) are or will be conducting any business or engaging in any transaction with any person appearing on the U.S. Treasury Department's Office of Foreign Assets Control list of restrictions and prohibited persons, or (ii) are a person described in section 1 of the Anti-Terrorism Order, and to the best of Purchaser's or Seller's knowledge, neither Purchaser nor Seller nor any of their respective affiliates have engaged in any dealings or transactions, or otherwise been associated with any such person. The provisions of this Paragraph 19 shall survive the Closing or earlier termination of this Contract.

Section 20. Mortgage Tax Savings

20.01. If requested by Purchaser timely and without delay to the Closing Date, Seller will co-operate with Purchaser's efforts, at Purchaser's sole cost and expense, to obtain an assignment of the existing mortgages covering the subject Closing to the Purchaser's lending institution. Purchaser acknowledges and agrees that this contract is expressly not contingent on Seller's lending institution assigning its existing mortgages, and Purchaser will, nonetheless, be required to close, without any credit or abatement in the purchase price, even if Seller's lenders are unwilling to assign the existing mortgage or is unable to complete same prior to the Closing Date. The extent of Seller's responsibility and co-operation hereunder is to forward, upon written request by Purchaser with all pertinent information, a request for an assignment to its existing lender to Purchaser's lender.

Section 21. PHASE I Due Diligence

21.01. Purchaser, at its sole cost and expense, shall have until 5:00pm on December 31st, 2015 or thirty (30) days from the date Purchaser's attorney receives a fully executed contract, whichever is later, (the "Due Diligence Period") to conduct a ASTM E standard Phase I environmental assessment ("Phase I") of the Premises by a reputable environmental consultant ("Consultant"), in accordance with standards customarily employed in the industry and in compliance with all laws, ordinances, rules and regulations of the United States, the State of New York, the City of New York and any other applicable governmental authority. A copy of the Phase I report shall be provided by Purchaser to Seller promptly upon its receipt by Purchaser. In the event the Phase I reveals the existence of recognized environmental contamination that may require remediation under Environmental Laws and cost of remediation would exceed \$20,000.00, or (ii) indicates that any Hazardous Material (as hereinafter defined) is suspected of being present or is present on, in, under or about on the Premises or is suspected of having been discharged from the Premises in violation of any Environmental Laws, or recommends the performance of a Phase II environmental assessment ("Phase II"), Purchaser may either (i) terminate the Contract and receive a full refund of the contract deposit, or (ii) proceed and purchase the subject property without any credit or abatement in the Purchase Price. Seller shall have the right to be present or have a representative present at any inspection of the Premises. In no event will any Phase II or other intrusive testing be permitted. All costs and expenses related to the Phase I and any other tests will be paid by the Purchaser.

21.02. In the event the Purchaser has a right to terminate the contract in accordance with Section 21.02, above, and Purchaser's elects to terminate the contract, the Purchaser must notify

21.01

Seller in writing by no later than December 31st, 2015 or the 30th day following the date that a fully executed contract was received by Purchaser's attorney, whichever date is later, that Purchaser elects to terminate in accordance with Section 21.02. of the Contract, with TIME BEING OF THE ESSENCE.

21.03 ~~21.04~~. As used in the preceding Sections, "Environmental Laws" includes the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act (42 U.S.C. §§ 6901, et seq.), the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. §§ 7401 et seq.), the Emergency Planning and Community Right to Know Act (42 U.S.C. §§ 1101 et seq.), the Clean Air Act (42 U.S.C. §§ 7401 et seq.), the Clean Water Act (33 U.S.C. §§ 1251 et seq.), the Toxic Substances Control Act (15 U.S.C. §§ 2601 et seq.), the Hazardous Materials Transportation Act (49 U.S.C. §§ 1801 et seq.), the Occupational Safety and Health Act (29 U.S.C. §§ 651 et seq.), the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. §§ 136 et seq.), and the Safe Drinking Water Act (42 U.S.C. §§3001 et seq.), as any of the same may be amended from time to time, and any other federal law or any state or local law, and any regulations, orders, rules, procedures, guidelines and the like promulgated in connection therewith, "Hazardous Materials" means any substance or material regulated under Environmental Laws.

21.04 ~~21.05~~. Provided the Consultant gives Seller at least two business days advance notice, Seller shall and shall use all reasonable methods to cause each tenant or other occupant of the Premises to permit the Consultant access to all areas of the Building and the Premises during regular business hours for purposes of conducting on-site non-intrusive investigations necessary to complete the Phase I provided same is with reasonable minimal interference to such tenant or occupant's business.

22. Intentionally omitted.

23. REMOVAL OF OCCUPANTS PERSONAL PROPERTY AND MEZZANINE

23.01. Notwithstanding anything to the contrary herein, prior to Closing, the existing occupants, other than Amicus Creative Media LLC, shall remove all of their trade furniture, fixtures and equipment from the Property prior to Closing. In addition, the Seller and/or its affiliate, BC International Group, Inc., shall remove the mezzanine section and racking system in the warehouse and the supply line for the lower tier will be capped from the supply trunk (i.e. the main supply line) and tested to ensure the remaining system is functionally sound. Seller may extend the Closing date for a period of fifteen (15) days in order to remove the property set forth herein and to deliver the Premises vacant, other than the area occupied by Amicus Creative Media LLC.

REST OF THIS PAGE INTENTIONALLY LEFT BLANK. SIGNATURE PAGE FOLLOWS ON NEXT PAGE.

IN WITNESS WHEREOF, the parties hereto have executed this Contract as of the date first above written.


Seller:
L.I.C. REALTY LLC
By: 
Name:

Title:
JMT SPYROPOULOS REALTY LLC
By: 
Name:
Title:

Purchaser:
TEN HP DRIVE LLC
By: 
Name: Michael Gallo
Title: Manager

Receipt by Escrowee

The undersigned Escrowee hereby acknowledges receipt of \$303,750.00, by check subject to collection, to be held in escrow or disbursed pursuant to the Contract.


Bill Vnalladis, Esq.

Schedule A
DESCRIPTION OF PREMISES

Title No.: ALO-N-1521

Schedule A

ALL that certain plot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being at Port Washington, Town of North Hempstead, County of Nassau and State of New York, known and designated as and by Lot 102 in Block 58 as shown on a certain map entitled "Map of Hempstead Harbor Industrial Park, Section 2" and filed in the Office of the Clerk of the County of Nassau on July 28, 1978, as Map No. 8631, which said premises are bounded and described as follows:

BEGINNING at a point on the Southerly side of Harbor Park Drive distant 1181.59 feet Westerly from the Westerly end of the arc of a curve which connects the Westerly side of Roslyn West Shore Drive and the Southerly side of Harbor Park Drive;

RUNNING THENCE South 18 degrees 26 minutes 15 seconds East, 435.60 feet;

THENCE South 71 degrees 33 minutes 45 seconds West 298.78 feet;

THENCE North 18 degrees 26 minutes 15 seconds West, 383.72 feet;

THENCE North 22 degrees 25 minutes 47 seconds East, 97.51 feet to the Southerly side of Harbor Park Drive;

THENCE Easterly along the Southerly side of Harbor Park Drive, the following two (2) courses and distances:

1. Along the arc of a curve bearing to the left, having a radius of 310.00 feet, and a length of 141.79 feet;

2. North 71 degrees 33 minutes 45 seconds East 98.09 feet to the point or place of BEGINNING.

SAID PREMISES also being known as 10 Harbor Park Drive, Port Washington, New York 11050, Section 8, Block 58, Lot 102

INSURE

Schedule B
PERMITTED EXCEPTIONS

1. Zoning regulations and ordinances which are not violated by the existing structures or present use thereof.

2. Consents of record by the Seller or any former owner of the Premises for the erection of any structure or structures on, under or above any street or streets on which the Premises may abut.

3. Leases and Tenancies specified in the Rent Schedule and any renewals, new leases or tenancies not prohibited by this Contract.

4. Unpaid installments of assessments not due and payable on or before the Closing Date.

5. Financing statements, chattel mortgages and liens on personalty filed more than 5 years prior to the Closing Date and not renewed, or filed against Premises or equipment no longer located on the Premises or owned by Tenants provided title company omits same as exceptions from Schedule B of the title report.

6. (a) Rights of utility companies to lay, maintain, install and repair pipes, lines, poles, conduits, cable boxes and related equipment on, over and under the Premises, provided that none of such rights imposes any monetary obligation on the owner of the Premises.

(b) Encroachments of less than one foot stoops, areas, cellar steps, trim cornices, lintels, window sills, awnings, canopies, ledges, fences, hedges, coping and retaining walls projecting from the Premises over any street or highway or over any adjoining Premises and encroachments of less than one foot of similar elements projecting from adjoining Premises over the Premises.

(c) Revoability or lack of right to maintain vaults, coal chutes, excavations or sub-surface equipment beyond the line of the Premises.

7. Covenants, restrictions, reservations, rights of way, party walls, and agreements and easements of record, if any, provided same are not violated by existing structures at the Land or for manufacturing and warehouse use of the Premises. *Notwithstanding the foregoing, Purchaser must advise Seller in writing by no later than 5:00pm on December 15, 2015, the being of the essence, if such a violation exists with the requisite documentation supporting same and that the title company is unwilling to provide affirmative insurance to Purchaser with respect to same without any additional premium. In such event, Purchaser's remedies will be limited to either (i) terminating the contract and receiving a full refund of the contract deposit or, or (ii) proceeding and Closing subject to such violation without any credit or abatement in the Purchase Price.*

8. All notes or notices of violations of law or governmental ordinances, orders or requirements issued by any governmental department, agency or bureau having jurisdiction as to conditions affecting the Premises, including, without limitation, any sidewalk notices, if any,

regardless if same appear in Schedule B, Seller will pay fines related thereto subject to any limitations provided for in Section 7.

9. Any state of facts as indicated on the attached survey prints and survey readings and any state of facts a current survey of the Premises may show, provided same do not render title unmarketable.

10. Variations on less than one foot between record line of hedges, retaining walls, sidewalks and fences.

11. Standard pre-printed exceptions contained in the standard New York form of title insurance issued by the title insurer that insures Purchaser's fee interest in the Premises.

Schedule C
PURCHASE PRICE

The Purchase Price shall be paid as follows:

(a) By check subject to collection, the receipt of which is hereby acknowledged by Seller:

(b) By payment, by official bank check or certified check or wire, made payable to the order of the Seller, or how otherwise the Seller directs in writing (in accordance with Section 2):

////////////////////////////////////

Purchase Price

Schedule D
MISCELLANEOUS

1. Title insurer designed by the parties (§1.02): Any reputable New York Title Company
2. Seller's tax identification number (§2.05):
3. Purchaser's tax identification number (§2.05):
4. Scheduled time and date of Closing (§3.01): 10:00 a.m. on or about January 15, 2016, but no later than February 15th, 2016 with time of the essence for Purchaser to close by said date, provided Seller is otherwise ready to close in accordance with the Contract, but subject to Seller's right to extend the Closing in accordance with Section 13 and/or Section 23 of the Contract.
5. Place of Closing (§3.01): Seller's attorney's office or lender's office notwithstanding the contract is expressly NOT contingent on Purchaser obtaining financing.
6. Broker, if any (§14.01): UNITED REALTY
87. Party to pay broker's commission (§14.01): Seller
98. Address for notices (§15.01):

If to Seller: Bill Vasiliadis, Esq.
32-07 Broadway, Suite 200
Astoria, New York 11106

If to Purchaser: RIVKIN RADLER
Attn: William Cornachio
926 RXR Plaza
Uniondale, NY 11556-0926

Schedule E
RENT SCHEDULE

Name of Tenant	Current Rent	Lease Expiration Date
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See attached sub-lease (the "Lease")

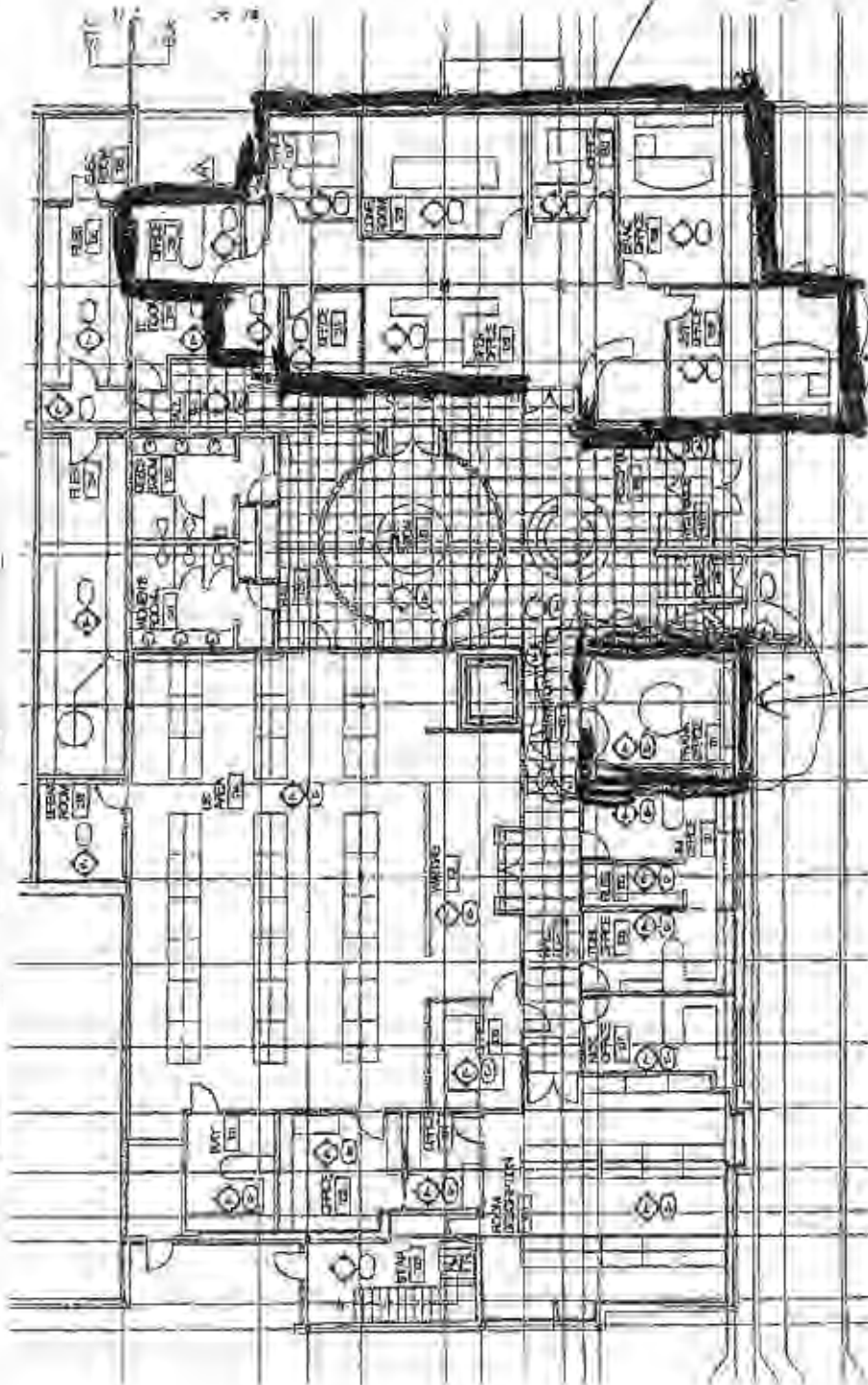
The Sub-landlord and/or Landlord of the Lease will assign, without recourse or warranty, all rights, title and interest to the sub-lease to Purchaser at Closing. The paramount lease related to such Lease will be surrendered at or prior to Closing subject to the Lease becoming a direct lease between the owner and the Amicus Creative Media LLC. Upon such assignment to Purchaser, sub-landlord and Seller will be released from any obligations under the Lease arising on or after Closing, except to indemnify Purchaser with respect to any claims for security deposit to the extent same was not transferred to Purchaser at Closing.

In addition to the attached lease, Amicus Creative Media LLC occupies a portion indicated on the attached diagram with a monthly rent of \$500.00, but there is no written agreement for said space.

Remainder of building other than the spaces occupied by Amicus Creative Media LLC to be delivered vacant.

Exhibit B

Seize Premises,



possibly
transient
premises

FIRST FLOOR FINISH PLAN
2016



**SUB-LEASE DATED FEBRUARY 1, 2013 BETWEEN
CONSTRUCTAMAX INC., AS SUB-LANDLORD and
AMICUS CREATIVE MEDIA, LLC, AS SUB-TENANT
Re: 10 Harbor Park Drive, Port Washington, New York 11050**

This sublease (the "Sub-Lease") is made and entered into as of February 1, 2013 by and between CONSTRUCTAMAX INC., having an address at 10 Harbor Park Dr., Port Washington, New York 11050 ("Sub-Landlord" or "Over-Tenant"), and AMICUS CREATIVE MEDIA, LLC, having an address at 1180 Northern Blvd., Suite 2012, Manhasset, NY 11050, ("Sub-Tenant").

WITNESSETH:

WHEREAS IJC Realty LLC and JMT Spyropoulos Realty LLC (collectively, the "Over-Landlord") is the landlord and Sub-Landlord is the tenant under the Paramount Lease (as defined herein) which demises the Building to Sub-Landlord; and

WHEREAS Sub-Landlord desires to sublease to Subtenant, and Sub-Tenant is willing to Sub-Lease the premises, defined as approximately 2900 Square Feet (including common areas) (the "Sublease Premises") of the First Floor of the building known as 10 Harbor Park Dr., Port Washington, New York (the "Building"), from the Sub-Landlord pursuant to the terms, conditions and provisions set forth in this Sub-Lease;

NOW, THEREFORE, in consideration of the mutual covenants herein contained, Sub-Landlord and Sub-Tenant agree as follows:

I. Compliance with Paramount Lease

(a) This Sub-Lease is subject and subordinate to the terms, covenants and conditions of that certain Lease dated the 30th day of November, 2005, by and between Over-Landlord and Sub-Landlord (the "Paramount Lease"). Sub-Landlord represents to Sub-Tenant that to the best of Sub-Landlord's knowledge: (a) Sub-Landlord has delivered to Sub-Tenant a full and complete copy of the Paramount Lease, (b) the Paramount Lease is, as of the date hereof, in full force and effect, and (c) no event of default has occurred under the Paramount Lease and, to Sub-Landlord's knowledge, no event has occurred and is continuing which would constitute an event of default but for the requirement of the giving of notice and the expiration of the period of time to cure. Sub-Landlord, at Sub-Landlord's sole cost and expense, shall observe, perform and comply with all of the terms, covenants and conditions of the Paramount Lease to be observed, performed or complied with by the lessee thereunder. In the event of any default in the observance, performance or compliance with any such term, covenant or condition of the Paramount Lease, Sub-Tenant, in addition to its other rights and remedies hereunder, shall be

entitled to cure such default under the Paramount Lease, and all sums advanced or incurred by Sub-Tenant in connection therewith shall be paid to Sub-Landlord on demand or, at the option of Sub-Tenant offset against rent hereunder.

(b) This Sub-Lease is expressly made subject to all of the terms, conditions and limitations contained in the Paramount Lease. The restrictions, limitations and conditions imposed upon Sub-Landlord by the terms of the Paramount Lease are hereby imposed upon Sub-Tenant with the same force and effect as if specifically set forth herein at length, and Sub-Tenant hereunder hereby agrees to abide by all of the terms of the Paramount Lease, and Sub-Tenant assumes and agrees to perform all of the obligations of Sub-Landlord under the Paramount Lease insofar as such obligations pertain to the premises hereby demised and/or licensed, except as herein specifically set forth, and except for the covenant to pay rent. Where the provisions of the Paramount Lease conflict with the provisions of this Sub-Lease, the provisions of this Sub-Lease shall control.

2. Term

The "Term" of this Sub-Lease shall be for a period of four (4) years and zero (0) months commencing on the 1st day of February, 2013 and ending on the 31st day of January 2017.

3. Rent

Sub-Tenant covenants to pay to Sub-Landlord the fixed rents listed below inclusive of real estate taxes, electricity, heat, air conditioning, water, sewer, janitorial and maintenance of common areas for the Term of this Sub-Lease as follows:

February 1, 2013-January 31, 2014 at the annual rate of \$46,800.00 payable in equal monthly installments of \$3900.00 per month. No rent or additional rent shall be charged to the tenant for the month of February 2013 and from March 1, 2013 through March 14, 2013.

February 1, 2014-January 31, 2015 at the annual rate of \$49,140.00 payable in equal monthly installments of \$4095.00 per month.

February 1, 2015-January 31, 2016 at the annual rate of \$51,600.00 payable in equal monthly installments of \$4300.00 per month.

February 1, 2016-January 31, 2017 at the annual rate of \$54,180.00 payable in equal monthly installments of \$4515.00 per month.

If the Term of this Sub-Lease does not commence on the first day of a month, the fixed rent for the month in which the term of this Sub-Lease commences shall be appropriately apportioned.

Sub-Tenant also covenants to pay, from time to time as provided in this Sub-Lease, as additional rent, all other amounts and obligations, if any, which Sub-Tenant assumes or agrees to pay under this Sub-Lease and, without prejudice to any other rights, powers or remedies of Sub-Landlord, a late payment charge equal to five (5%) percent of the amount of any item of rent or additional rent not paid when due and such failure continues for ten (10) days following receipt of notice from Sub-Landlord detailing the nature of such failure. In the event of any failure on the part of Sub-Tenant to pay any additional rent, Sub-Landlord shall have all the rights, powers

and remedies provided for in this Sub-Lease, at law, in equity or otherwise, in the case of nonpayment of fixed rent. Sub-Tenant's obligations to pay fixed rent and additional rent shall survive the expiration of the Sub-Lease term or earlier termination of this Sub-Lease.

All fixed rent and additional rent (collectively hereinafter referred to as "rent") shall be paid in such coin or currency (or, subject to collection, by good check payable in such coin or currency) of the United States of America as at the time shall be legal tender for the payment of public and private debts, at the office of Sub-Landlord as set forth above, or at such place and to such person as Sub-Landlord from time to time may designate.

All rent shall be paid to Sub-Landlord without notice, demand, counterclaim, setoff, deduction or defense (except as expressly set forth herein), and nothing shall suspend, defer, diminish, abate or reduce any rent, except as otherwise specifically provided in this Sub-Lease.

This Sub-Lease is intended to be a full service gross sublease pursuant to which Sub-Landlord shall be responsible to pay all costs and expenses attributable to the Sublease Premises, (excluding phone and internet service) except as specifically set forth in this Sub-Lease.

4. Use of Demised Premises

Sub-Tenant covenants that Sub-Tenant shall only use and occupy the Sublease Premises solely for OFFICE SPACE AND USES INCIDENTAL THERETO ONLY and for no other purposes unless approved in writing by Sub-Landlord, which approval may not be unreasonably withheld, conditioned or delayed.

The inclusion of the costs associated with electricity, heat, water, sewer and air conditioning ("utilities") as part of the fixed rent to be paid by Sub-Tenant herein is based upon the normal usage associated with the use and occupancy of the Sublease Premises as stated herein during "Normal Working Hours" defined herein as Monday 8:00 A.M. through Saturday 2:00 P.M. In the event that cost of the utilities is increased as a result of the particular use of the premises by the Sub-Tenant in a manner inconsistent with this paragraph, then, in that event, the Sub-Tenant will be required to pay the amount of the increases costs for utilities as additional rent in an amount equal to Sub-Landlord's then current charges for such additional HVAC charges.

Plumbing facilities will not be used for any purpose other than that for which they are constructed. And except for their intended purposes no foreign substance of any kind shall be deposited therein. The expense of any breakage, stoppage, or damages resulting from a violation of this rule shall be borne by Sub-Tenant if Sub-Tenant or its employees or invitees shall have caused the breakage, stoppage or damage. Sub-Tenant will be responsible for expenses, losses and damages, incurred by Sub-Landlord by reason of Sub-Tenant's misuse of, or negligent or careless operations which result in the obstruction of, drains, waste and sewer pipes and mains in or servicing the building, or any part thereof.

Subject to Sub-Landlord's maintenance obligations, Sub-Tenant shall at all times keep the interior of the Sublease Premises neat, tidy, clean, sanitary and orderly.

If Sub-Landlord's insurance premiums increase as a result of Sub-Tenant's particular use and occupancy of the Sublease Premises for any use other than office space and uses incidental thereto, at any time during the Term of this Sub-Lease, Sub-Tenant shall reimburse Sub-Landlord, as additional rent hereunder within ten (10) days following demand therefor, for that portion of the premium resulting from Sub-Tenant's use and occupancy of the demised premises.

Sub-Tenant agrees to moderate the use of any radio, loudspeaker, phonograph or other instrument in the demised premises.

No auction, fire or bankruptcy sale may be conducted in the demised premises without the prior written consent of Sub-Landlord.

Sub-Tenant shall not use or occupy or permit the Sublease Premises to be used or occupied, nor do or permit anything to be done in or on the demised premises, in any manner which in any way will violate any rules and regulations of governmental authorities, any certificate of occupancy affecting the Building, or make void or voidable any insurance then in force with respect to the Building. In the event that any governmental authority shall contend or declare by notice of violation or order, or otherwise, that the Sublease Premises are being used in a manner in violation of any law, rule or regulation or in violation of any certificate of occupancy, Sub-Tenant, within thirty days after notice shall discontinue such use of the Sublease Premises, and failure to discontinue such use shall constitute a material default by Sub-Tenant hereunder.

Sub-Tenant shall not place a load upon any floor of the Sublease Premises which exceeds the load per square foot for which the floor was designed. All machines and equipment installed in the Sublease Premises shall be properly shielded and so placed, equipped, installed and maintained by Sub-Tenant so as to eliminate the transmission of noise, vibration or electricity or other interference with other occupants of the building. Sub-Tenant shall not move any equipment or bulky matter in or out of the building without Sub-Landlord's prior written consent, which consent shall not be unreasonably withheld, and Sub-Tenant shall repair any damage caused by such movement at Sub-Tenant's expense.

Any change in the character of the use of the Sublease Premises by Sub-Tenant without the prior written consent of Sub-Landlord and such violation continues for fifteen (15) days following receipt of notice from Sub-Landlord detailing the nature of such violation shall constitute an Event of Default (as hereinafter defined) under this Sub-Lease.

This Sub-Lease includes the use by the Sub-Tenant of certain furniture and personal property of the Sub-Landlord as currently exists in the Premises. Throughout the term of this Sub-Lease, Sub-Tenant will keep and maintain the furniture and personal property in good condition, subject to ordinary wear and tear and damage by fire or other casualty and will not dispose of any of said furniture and personal property without the express written consent of the Sub-Landlord. Ownership and title to any of the Sub-Landlord's furniture and personal property shall remain in Sub-Landlord and Sub-Tenant shall surrender Sub-Landlord's furniture and

personal property upon expiration or sooner termination of this Sub-Lease in good condition in accordance with the provisions of this Sub-Lease.

Subject to the limitation of Utilities to be provided only during "Normal Working Hours" as defined herein, Sub-Tenant shall have unfettered access to the subject premises twenty-four hours a day seven days a week and three hundred sixty five days per year for the term of this Agreement.

5. Condition of Premises

Sub-Tenant has examined and inspected the Sublease Premises. Sub-Tenant agrees to accept possession of the demised premises "AS IS", except as expressly provided herein. Sub-Landlord shall not be responsible for making any improvements, alterations or repairs therein or for spending any other money to prepare the demised premises for Sub-Tenant's occupancy, except as expressly provided herein. Neither Sub-Landlord nor any employee or agent of Sub-Landlord have made any representation or promise with respect to the demised premises except as expressly set forth herein. Sub-Landlord represents, warrants and covenants that the Sublease Premises shall be free from any structural defects, the roof is free of leaks, the demising walls, plumbing, bathrooms, electrical, lighting, HVAC, mechanical systems, be in good working order and conform and comply with all federal, state and local codes. Sub-Landlord represents, warrants and covenants that upon (he commencement date, the leased premises, will comply with (at Sub-Landlord's expense) all applicable laws, regulations and building codes, including, without limitation, all laws governing non-discrimination in public accommodations and commercial facilities, including, without limitation, the requirements of the Americans with Disabilities Act and all regulations there under. Sub-Landlord further covenants that the HVAC system serving the Sublease Premises shall be in good operating condition for the term of the Sub-Lease. If at any point during the Term, Sub-Landlord shall be responsible for making all replacements or repairs to the HVAC system at Sub-Landlord's sole cost and expense.

6. Replacement of Broken Glass

If any glass of any of the windows of or within the demised premises shall be broken during the term of this Sub-Lease, through the fault of Sub-Tenant, Sub-Tenant promptly shall replace the same at Sub-Tenant's expense.

7. Maintenance of Sprinkler System

Sub-Landlord shall maintain in good and proper condition the sprinkler system in the Sublease Premises. If such system or any of its appliances shall be damaged or not in a proper working condition, other than by fault of Sub-Tenant, Sub-Landlord promptly shall repair and restore the same to a good working condition. If any governmental authority shall require or recommend any changes, modifications, alterations or additions to the sprinkler system for any reason, Sub-Landlord promptly shall make and supply the same at Sub-Landlord's expense. If such system or any of its appliances shall be damaged or not in a proper working condition, due to the negligence of Sub-Tenant, Sub-Tenant promptly shall repair and restore the same to a good working condition.

8. Waste Removal

Sub-Landlord, at Sub-Landlord's expense, shall contract for the removal, on a daily basis, of all Sub-Tenant's garbage waste. Sub-Landlord, at Sub-Landlord's expense, shall cause the Sublease Premises to be exterminated from time to time. If the Sublease Premises is at any time infested with vermin, Sub-Landlord, at Sub-Landlord's expense, shall cause the Sublease Premises to be exterminated from time to time to the satisfaction of Sub-Tenant. Sub-Landlord shall be responsible for cleaning (with respect to areas of the Sublease Premises other than the common areas limited to trash removal and vacuuming of interior offices), waste removal, janitorial and similar services for the Sublease Premises and the common areas (including, without limitation, the kitchenette and the restrooms and the conference rooms) at the cost thereof shall be included in fixed rent.

9. Licenses and Permits

Sub-Tenant agrees to secure and maintain, at its own expense, all licenses and permits from Federal, State and local authorities as may be necessary for the conduct of Sub-Tenant's business in the Sublease Premises, and shall comply with all laws, rules and regulations applicable to Sub-Tenant's particular use and occupancy of the Sublease Premises. Sub-Landlord does not represent that any license or permit which may be required will be granted or, if granted, will continue in effect or be renewed. Sub-Tenant's obligations under this Sub-Lease shall in no way be affected by Sub-Tenant's inability to secure or maintain any license or permit.

10. Limited Liability

Sub-Tenant agrees that, notwithstanding any other provision of this Sub-Lease, the officers, directors and shareholders of Sub-Landlord shall not be under any personal liability under this Sub-Lease and, if Sub-Landlord defaults hereunder, Sub-Tenant shall look solely to Sub-Landlord or its successor in the demised premises for the satisfaction of any judgment or other judicial process requiring the payment of money by Sub-Landlord based upon any default hereunder. Upon any conveyance or transfer of the building, the transferor shall be relieved from all liability hereunder accruing from and after the date of such transfer. Sub-Landlord shall not be held liable for any injury to or death of any person or persons, or injury or damage to merchandise, goods, furniture, fixtures or other property, from theft or accident, or from steam, gas, electricity, water, rain which may seep into, issue or flow from the building, unless same shall be due to Sub-Landlord's negligence.

11. Indemnification

Sub-Tenant shall indemnify and hold Sub-Landlord and Over-Landlord (and any fee Sub-Landlord, mortgagee or lessor under any superior Sub-Lease) harmless from and against any and all liability, claim, loss, damage or expense, including reasonable attorneys' fees, by reason of

any injury to or death of any person or persons, or injury or damage to property, or otherwise, arising from or in connection with Sub-Tenant's occupancy or use of the demised premises or any work, installation or thing whatsoever done in, at or about the Sublease Premises, or resulting from any default by Sub-Tenant in the payment or performance of Sub-Tenant's obligations under this Sub-Lease or from any act, omission or negligence of Sub-Tenant or any contractors, agents, employees, customers, sub-Sub-Tenants, licensees, guests or invitees of Sub-Tenant.

Sub-Landlord shall indemnify and hold Sub-Tenant harmless from and against any and all liability, claim, loss, damage or expense, including reasonable attorneys' fees, by reason of any injury to or death of any person or persons, or injury or damage to property, or otherwise, arising from or in connection with Sub-Landlord's occupancy or use of the Building or any work, installation or thing whatsoever done in, at or about the Building, or from any act, omission or negligence of Sub-Landlord or any contractors, agents, employees, customers, sub-tenants, licensees, guests or invitees of Sub-Landlord.

12. Insurance

Sub-Tenant, at all times during the Term of this Sub-Lease and at Sub-Tenant's expense, shall provide and keep in force commercial public liability and property damage insurance protecting Sub-Landlord against any and all claims occasioned by negligence, occurrence, accident, disaster and other risks included under "extended coverage" policies, occurring in or about the Sublease Premises or any part thereof, in the following amounts: in the case of public liability \$1,000,000.00 per person and \$1,000,000.00 per accident, and \$1,000,000.00 in the case of property damage, and insurance against such other hazards and in such amounts as is customarily carried by Sub-Tenants in similar offices, as Sub-Landlord reasonably may request.

All insurance maintained by Sub-Tenant pursuant to this Article shall name Sub-Landlord and Over-Landlord as additional insureds, shall provide that no cancellation, reduction in amount or material change in coverage thereof will be effective until at least ten days after receipt by Sub-Landlord of written notice thereof. Sub-Tenant and Sub-Landlord shall each procure an appropriate clause in, or endorsement to, all insurance policies covering the Sublease Premises or the Building whereby the insurance company waives subrogation or consents to a waiver of right of recovery.

Upon the execution of this Sub-Lease and thereafter not less than fifteen days prior to the expiration date of any policy delivered pursuant to this Article, Sub-Tenant shall deliver to Sub-Landlord certificates of the insurer, in form and substance reasonably satisfactory to Sub-Landlord. Such insurance may be provided through a blanket or umbrella policy or policies. Such blanket or umbrella policies shall give to Sub-Landlord no less protection than that which would be afforded by separate policies.

If at any time Sub-Tenant shall neglect or fail to provide or maintain insurance or to deliver insurance certificates in accordance with this Article and such failure continues for

fifteen (15) days following receipt of notice from Landlord detailing the nature of such failure, Sub-Landlord may effect such insurance as agent for Sub-Tenant, by taking out policies in a company satisfactory to Sub-Landlord, and the amount of the premiums paid for such insurance shall be paid by Sub-Tenant to Sub-Landlord as additional rent.

13. Security Deposit

Sub-Tenant has deposited with Sub-Landlord the sum of \$3,900.00 as security for the faithful performance and observance by the Sub-Tenant of the terms and conditions of this Sub-Lease. Failure on the part of the Sub-Tenant to deposit the security as set forth above will be deemed a default under this Sub-Lease and Sub-Landlord will have all rights provided by this Sub-Lease. It is agreed that in the event the Sub-Tenant defaults in respect of any of the terms and conditions of this Sub-Lease, including, but not limited to, the non-payment of fixed rent or additional rent, Sub-Landlord may use, apply or retain the whole or any part of the security so deposited to the extent required for the payment of any fixed rent or additional rent or any other sum as to which Sub-Tenant is in default or for any sum which Sub-Landlord may expend, or be required to expend, by reason of Sub-Tenant's default in respect to the terms and conditions of this Sub-Lease. In the event that Sub-Tenant is not in default beyond all applicable notice and cure periods at the end of the Term, the security shall be returned to Sub-Tenant after the date fixed as the end of the Sub-Lease and after delivery of possession of the Sublease Premises to Sub-Landlord but in no event later than thirty (30) days after Sub-Tenant's surrender. Sub-Tenant agrees that if, at any time, any portion or all of the security deposit is used by the Sub-Landlord as provided for in this paragraph, the Sub-Tenant will deposit those amounts necessary to bring the security being held to an amount equal to 1 month's rent at all times.

14. Notices

All notices required or permitted to be given hereunder shall be personally delivered, sent by Federal Express courier or by registered or certified mail, return receipt requested, with postage prepaid, addressed to Sub-Landlord at the address herein above stated or to such other address as either party hereafter may designate by written notice hereunder.

15. Holdover

If Sub-Tenant remains in possession of the Premises after the expiration of the Term, then, at Sub-Landlord's option, Sub-Tenant shall be deemed to be occupying the Premises as a month-to-month sub-tenant only, at a monthly rental equal to one hundred twenty percent (120%) the fixed rent payable hereunder during the last month of the Term. Sub-Tenant shall also pay all Additional Rent, if any, payable under the terms of this Sub-Lease, prorated for each month during which Sub-Tenant remains in possession. Such month-to-month tenancy may be terminated by Sub-Landlord or Sub-Tenant, effective as of the last day of any calendar month by delivery to the other of notice of such termination prior to the first day of such calendar month.

16. Assignment or Subletting

Sub-Tenant has the right to assign this Sub-Lease or sub-sublet the Sublease Premises, in whole or in part, without Sub-Landlord's consent, to an affiliate, parent or subsidiary of Sub-Tenant or its affiliates or to corporation or other entity into which Sub-Tenant or Sub-Tenant's affiliates shall be merged, consolidated or to which substantially all of Sub-Tenant's or Sub-Tenant's affiliates' assets and/or stock or other interests have been transferred ("Related Transfers"). With respect to an assignment or sub-subletting which is not a Related Transfer, Sub-Tenant expressly covenants that Sub-Tenant shall not voluntarily or involuntarily assign, encumber, mortgage or otherwise transfer this Sub-Lease, or sublet the Sublease Premises or any part thereof, or suffer or permit the Sublease Premises or any part thereof to be used or occupied by others, by operation of law or otherwise, without the prior written consent of Sub-Landlord in each instance, which consent may be withheld for any reason or no reason. Absent such consent, any act or instrument purporting to do any of the foregoing shall be null and void.

17. Abandonment

It is expressly understood and agreed that in the event Sub-Tenant shall vacate, surrender, abandon or be removed from the Sublease Premises for more than thirty (30) days without any intention to return, Sub-Landlord may terminate this Sub-Lease and re-renter the Sublease Premises and resume possession thereof, and it shall be conclusively presumed that any and all furniture, fixtures, equipment, goods, wares, merchandise and any property of every kind and nature remaining in the Sublease Premises have been abandoned by Sub-Tenant and Sub-Landlord, without liability whatsoever or notice to anyone, may enter the demised premises and remove therefrom any such furniture, fixtures, equipment, goods, wares, merchandise and property of every kind and nature and dispose of the same in such manner and upon such basis as Sub-Landlord may deem proper or advisable without any duty to account therefore to Sub-Tenant.

18. LEFT INTENTIONALLY BLANK

19. Default

This Sub-Lease is subject to the conditions of limitation that, if any one or more of the following acts, conditions or events shall occur (each called an "event of default"):

(a) Sub-Tenant defaults in the payment when due of any Rents or any other sum payable by Sub-Tenant to Sub-Landlord and such default continues for more than five (5) days after notice to Sub-Tenant (which may be oral) that such Rents are due; or

(b) Sub-Tenant defaults in fulfilling any of the covenants of this Lease, other than those referred to in the foregoing clause (a) of this Section 19, upon Sub-Landlord serving a written notice upon Sub-Tenant specifying the nature of said default, and if Sub-Tenant shall have failed to comply with or remedy such default within ten (10) days after being served with such notice; or

(c) if the Demised Premises becomes vacant or deserted; or

(d) if there shall be a dissolution of Sub-Tenant or Sub-Tenant shall otherwise cease to exist;

Upon any event of default as set forth above and in any part of this Sub-Lease, then Sub-Landlord may serve a written ten (10) day notice of cancellation of this Sub-Lease upon Sub-Tenant, and upon the expiration of said ten (10) days, this Sub-Lease and the term hereof shall end, expire and terminate (whether or not the Term shall theretofore have commenced) as fully and completely as if the date of expiration of such ten (10) day period were the day herein definitely fixed for the end and expiration of this Sub-Lease and the Term hereof, and Sub-Tenant shall then quit and surrender the Demised Premises to Sub-Landlord but Sub-Tenant shall remain liable as hereinafter provided.

If the notices provided for in this Section 19 hereof shall have been given and the Term of this Sub-Lease shall expire as aforesaid, then and in any of such events Sub-Landlord may, without notice, re-enter the Demised Premises either by force or otherwise, and dispossess Sub-Tenant or other occupants of the Demised Premises, by summary proceedings or otherwise and remove their effects and hold the Demised Premises as if this Sub-Lease had not been made, and Sub-Tenant hereby waives the service of notice of intention to re-enter or to institute legal proceedings to that end.

20. Restrooms, Kitchen, Conference Room

Sub-Tenant shall have non-exclusive use of the restrooms, kitchen and conference room in the common areas of the first floor of the subject building on a 24/7 basis subject to the limitation on Utilities more fully described in Section 4 of this Sublease. Sub-Tenant shall have the right to reserve and use said conference room in coordination with the other tenants of the first floor by appointment only.

21. Maintenance

Sub-Landlord to repair, maintain and replace the Sublease Premises, the Building and the common areas except to the extent caused by Tenant's negligence. Sub-Landlord shall at all times keep the interior and exterior of the Sublease Premises and the Building neat, tidy, clean, sanitary and orderly.

22. Fire or Other Casualty

Sub-Tenant shall give immediate notice to Sub-Landlord of partial damage to the Sublease Premises by fire or other casualty. If the damage was caused by any reason other than the acts of Sub-Tenant, Sub-Landlord shall cause the damage to be repaired with reasonable speed. Rent shall be proportionately reduced to the extent that the Sublease Premises are rendered untenable. If the Sublease Premises are destroyed or so damaged that in normal course the Sublease Premises cannot be made tenable within sixty (60) days, or if the damage occurs during the last ninety (90) days of the Term, either Sub-Landlord or Sub-Tenant may terminate this Sub-Lease by written

notice to the other. Rent shall be adjusted as of the date of the damage, and Sub-Tenant shall vacate the Sublease Premises within twenty (20) days from the notice of termination.

23. Quiet Enjoyment

Sub-Landlord and Over-Landlord agree that Sub-Tenant shall quietly have, hold and enjoy the Sublease Premises for the Term as herein stated pursuant to the terms and conditions of this Sub-Lease.

24. Parking

Parking spaces for Sub-Tenant, its employees and guests is limited to two reserved spaces, #10 and #11, located on the west side of building and non-reserved spaces on the west side and rear of building on a first come first served basis.

25. Signage

Sub-Tenant, at its expense, may erect and/or place a company sign on the front lawn of the subject building, with said sign to be approximately 2.5 feet wide and 1.5 feet high. Sub-Landlord shall also cooperate to include Sub-Tenant's name in the directory of the vestibule of the subject building.

26. Minor Alterations

Sub-Tenant, at its expense, may have the subject premises professionally painted and the floors of the subject premises professionally changed to laminate flooring.

27. Broker

Both parties herein represent to each other that they have not entered into any agreement with any broker in connection with this transaction and the Leased Premises. Notwithstanding the above, each party agrees to indemnify the other for fifty-percent (50%) of any claims and costs, including reasonable attorney fees involved in the defense of such claims and costs, in the event that any broker shall make a claim against or commence any action against either party related to the Leased Premises.

28. Miscellaneous

Attorney's Fees. Sub-Tenant shall reimburse Sub-Landlord for all reasonable attorneys' fees incurred in connection with actions to compel compliance by Sub-Tenant with any provision of this Sub-Lease or to recover damages resulting from non-compliance. Such amounts shall be deemed additional rent and shall be paid on demand.

Non-Recording. Neither this Sub-Lease nor any memorandum thereof shall be recorded.

Relationship of Parties. Nothing contained in this Sub-Lease shall be deemed or construed by the parties, or by a third party, to create the relationship of principal and agent, of partnership, or of joint venture between them. No provision contained herein, including the method of computation of rent, and no acts of the parties shall be deemed to create any relationship between them other than the relationship of Sub-Landlord and Sub-Tenant.

Non-Waiver. A waiver by either party of one or more covenants, terms, or conditions of this Sub-Lease shall not be construed as a waiver of a subsequent breach of the same covenant, term, or condition. The first party's consent to or approval of any act by the second party shall not be deemed to waive or render unnecessary consent to or approval of any subsequent similar act. The failure of Sub-Landlord or Sub-Tenant to insist upon a strict performance of any term, covenant or condition herein shall not be deemed a waiver of any rights or remedies that Sub-Landlord or Sub-Tenant may have or a waiver of any subsequent breach or default. If any provision of this Sub-Lease shall be unenforceable or invalid, such unenforceability or invalidity shall not affect any other provision of this Sub-Lease.

Delays Beyond Control. Whenever a provision of this Sub-Lease prescribes a time period for either party to take action, such party shall not be liable or responsible for, and there shall be excluded from the computation of that period, all delays due to strikes, riots, acts of God, shortages of labor or materials, war, terrorism, governmental laws, regulations, restrictions, or other causes that are beyond such party's reasonable control.

Governing Law; Partial Validity; Venue. The interpretation, validity, performance, and enforcement of this Sub-Lease shall be governed by the laws of the State of New York. If any provision is held to be invalid or unenforceable, the validity and enforceability of the remaining provisions shall not be affected thereby. Venue for any action under this Sub-Lease shall be in Nassau County.

Waiver of Jury Trial: SUB-TENANT AND SUB-LANDLORD HEREBY WAIVE ALL RIGHTS TO A TRIAL BY JURY.

Headings. Headings in this Sub-Lease are for convenience and reference only and shall not be used to limit, amplify, or otherwise construe its provisions.

Number; Gender. Whenever used in this Sub-Lease, the singular number shall include the plural, and words of any gender shall include each other gender.

Binding Effect. The terms, provisions, and covenants of this Sub-Lease shall be binding upon and inure to the benefit of both parties and their respective heirs, successors in interest, and legal representatives, except as otherwise expressly provided herein.

Modification; Entire Agreement. This Sub-Lease contains the entire agreement between the parties. No other agreements shall be effective to change, modify, or terminate this Sub-

Lease, in whole or in part, unless in writing and duly signed by both parties. Each party acknowledges that it is not relying on any representation or promise of the other or of the Agent or Cooperating Agent, except as expressly set forth herein.

Counterparts. This Sub-Lease may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

THE SUBMISSION OF THIS SUB-LEASE TO SUB-TENANT SHALL NOT BE CONSTRUED AS AN OFFER OR OPTION, AND SUB-TENANT SHALL NOT HAVE ANY RIGHTS HEREUNDER UNLESS AND UNTIL ALL PARTIES SHALL EXECUTE A COPY OF THIS SUB-LEASE AND DELIVER THE SAME TO EACH OTHER.

IN WITNESS WHEREOF, Sub-Landlord and Sub-Tenant have executed this Sub-Lease as of the date first above written.

Witness for Sub-Landlord:

Sub-Landlord:
CONSTRUCTAMAX INC.

By: 

Name: **PHOTIOS CONGERAKIS**
Title: **PRES.**

Witness for Sub-Tenant:

Sub-Tenant:
AMICUS CREATIVE MEDIA, LLC

By: 

Name: **Fred Cohen**
Title: **President**

Landlord consents to the Sub-Lease of the portion of the premises known as 10 Harbor Park Drive, Port Washington, New York, by Constructamax Inc., as Sub-Landlord and Amicus Creative Media, LLC, as Sub-Tenant:

Landlord:
LIC REALTY LLC

By: 

Name: **PHOTIOS CONGERAKIS**
Title: **MEMBER**

Landlord:
JMT SPYROPOULOS LLC

By: 

Name: **ELYENIA PARAGOSTITIS**
Title: **MGR**

LEASE

dated November 30, 2005

among

LIC REALTY LLC and
JMT SPYROPOULOS REALTY LLC

as Lessor

and

CONSTRUCTAMAX CORP.,

as Lessee

Affecting premises commonly known as 1,000 square feet of warehouse space on the ground floor and 9,500 square feet of office space on the ground floor and 9,500 square feet of office space on the second floor at 10 Harbor Park, in Port Washington, (Nassau County) New York.

- 1 -- Demised Premises and Lease Term
- 2 -- Rent
- 2A- Common Area Maintenance
- 3 -- No Counterclaim or Abatement
- 4 -- Use of Demised Premises
- 5 -- Condition of Demised Premises
- 6 -- Maintenance and Repair
- 7-- Alterations and Additions
- 8 -- Impositions
- 9 -- Compliance With Requirements
- 10 -- Liens
- 11 -- Permitted Contests
- 12 -- Utility Services
- 13 -- Insurance
- 14 -- Indemnification By Lessee
- 15 -- Damage or Destruction
- 16 -- Taking of the Demised Premises
- 17 -- Quiet Enjoyment
- 18 -- Right to Cure Lessee's Default
- 19 -- Events of Default and Termination
- 20 -- Repossession
- 21 -- Relletting
- 22 -- Assignment of Subrents
- 23 -- Lessee's Equipment
- 24 -- Survival of Obligations; Damages
- 25 -- Injunction
- 26 -- Waivers
- 27 -- Lessor's Remedies Cumulative
- 28 -- Estoppel Certificates
- 29 -- Assignment and Subletting
- 30 -- Subordination and Attornment
- 31 -- Entry by Lessor
- 32 -- Conveyance by Lessor
- 33 -- No Merger of Title
- 34 -- Acceptance of Surrender
- 35 -- End of Lease Term
- 36 -- Brokerage
- 37 -- Definitions
- 38 -- Notices
- 39 -- Miscellaneous
- 40 -- Security Deposit

Exhibit A -- Description of Land
 Exhibit B -- Lessor's work

LEASE

LEASE, dated November 30, 2005, between LIC REALTY LLC, a New York limited liability company, and JMT SPYROPOULOS REALTY LLC, a New York limited liability company, each having an address at 10 Harbor Park, Port Washington, New York (collectively hereinafter referred to as "Lessor"), and CONSTUCTAMAX CORP., a New York corporation, having an address at 10 Harbor Park, Port Washington, New York, ("Lessee"),

1. The Demised Premises and Lease Term

In consideration of the Rent hereinafter reserved and the terms, covenants and conditions set forth in this Lease to be observed and performed by Lessee, Lessor hereby demises and leases to Lessee, and Lessee hereby rents and takes from Lessor, the following property (collectively hereinafter referred to as the "Demised Premises"): approx. 1,000 square feet of warehouse space on the ground floor and 9,500 square feet of office space on the ground floor and the 9,500 square feet of office space on the second floor of the building known as and by the street address 10 Harbor Park, Port Washington, New York (see diagram attached hereto as Exhibit 'A'); **TO HAVE AND TO HOLD** the Demised Premises unto Lessee, and the permitted successors and assigns of Lessee, upon and subject to all of the terms, covenants and conditions herein contained, for a term (the "Lease Term") of 15 years, commencing on December 1, 2005, or on the date lessor purchases the subject premises, (the "commencement date"), whichever occurs later, and expiring on October 31st, 2020, or the last of the month which is fifteen years from the commencement date, whichever is later, unless the Lease Term shall sooner terminate pursuant to any of the conditional limitations or other provisions of this Lease.

2. Rent

Lessee covenants to pay to Lessor as a net minimum rent (the "Fixed Rent") during the Lease Term \$394,000.00 per annum. Commencing with the fixed rent due for the third year of the lease term (the first day of the 25th month after the lease commencement date) the rent will be adjusted annually to the greater of \$394,000.00 per annum or the amount determined by multiplying the annual rent by 100 % of the percentage increase in the cost of living, if any, measured by the consumer price index of the U.S. Department of Labor, Bureau of Labor Statistics, for the New York Metropolitan Area, (or a comparable index if same is no longer available) (hereinafter "CPI") between the date that is 30 days prior to the first month of the rent adjustment date and last day of the preceding year. The first rent adjustment date will be December 1, 2007, and every December 1st thereafter. (For purposes of example only, if the CPI from has increased by 3 %, then the fixed rent will be \$394,000.00 plus 3 % or \$405,820.00 per annum for the third year of the lease term. This will be the new fixed rent. Then, if the CPI on the following year has increased by 2 % from the preceding year then the rent beginning on December 1, 2008, will be \$405,820.00 plus a 2 % increase or \$413,936.400 per annum.) The

11-8-05

Fixed rent for any future year will never be lower than the highest fixed rent charged during the term of this lease.

The Fixed Rent shall be payable in advance in equal monthly installments on the first day of each calendar month. If the Lease Term does not commence on the first day of a month, the Fixed Rent for the month in which the Lease Term commences shall be appropriately apportioned. The first installment of Fixed Rent shall be paid simultaneously with the execution of this Lease. Each date on which Fixed Rent is payable hereunder is hereinafter referred to as a "Rent Payment Date".

If the required rental, fixed rent or additional rent, as defined herein, is not received by the 15th of the month for any reason, the Lessee shall pay a late charge equal to the lesser of 2 % of the requisite payment that was not timely paid or \$500.00. Additionally, if either rental is not received by the 15th of the month for any reason, the amount due shall bear interest at the rate of 10% commencing with the above due date and terminating with the date on which Lessee makes full payment of all amounts owing to Lessor. This interest shall accrue continuously on any unpaid balance due to Lessor by Lessee during the period commencing with the above due date and terminating with the date on which Lessee makes full payment of all amounts owing to Lessor at the time of payment. Any such late payment charge shall be payable as additional rent hereunder, and shall be payable immediately on demand.

Lessee also covenants to pay, from time to time as provided in this Lease, as Additional Rent: all other amounts and obligations which Lessee assumes or agrees to pay under this Lease; interest at the rate of ten percent per annum on such of the foregoing amounts and obligations as are payable to Lessor and are not paid within ten days after the due date, from the due date or such demand, as the case may be, until the payment thereof; and interest at the rate of ten percent per annum on all installments of Fixed Rent not paid on the due date, from the due date until paid. If Lessee fails to pay any such Additional Rent, Lessor shall have all the rights, powers and remedies provided for in this Lease or at law or in equity or otherwise in the case of nonpayment of rent.

All Fixed Rent and Additional Rent (collectively hereinafter referred to as "Rent") shall be paid in such coin or currency (or, subject to collection, by good check payable in such coin or currency) of the United States of America as at the time shall be legal tender for the payment of public and private debts, at the office of Lessor as set forth above, or at such place and to such person as Lessor from time to time may designate.

2. A. Common Area Maintenance

Additional Rent In addition to rentals and other charges prescribed in this Lease, Lessee shall pay to Lessor as Additional Rent a sum equal to Lessee's proportionate share of all of Lessor's Operating Costs in ratio that Lessee's rentable space bears to all rentable space in the Building. Lessee's Proportionate Share of the cost of operating and maintaining the Common Area shall be computed on the ratio that the total rentable floor area of the Demised Premises bears to the total rentable floor area of the building. Lessee shall make the payments to Lessor on

demand, at monthly intervals. Lessor may require Lessee to pay in advance monthly or other periodic charges based upon the estimated annual cost of operating and maintaining the Common Area. However, such charges shall be subject to adjustment after the end of the year on the basis of the actual cost for that year.

Lessor's Operating Expenses (Common Area Charges)

The term "Common Area Charges" or "Operating Costs" shall mean all costs and expense incurred by Lessor in operating and maintaining the Building and Common Areas (which shall include the parking facilities and land surrounding the Building).

- (1) Lessee shall pay to Owner for each calendar year all of a Portion of which falls within the Term Lessee's Pro Rata Share (i.e., Lessee's Proportionate Share shall be computed on the ratio that the total floor area of the Demised Premises bears to the total rentable floor area of the buildings within the Shopping Center) of Common Area Charges (also referred to as "Operating Costs" herein) in the manner hereinafter set forth.
- (2) Lessee's Pro Rata Share of Common Area Charges shall be paid by Lessee in monthly installments in such amounts as are reasonably estimated and billed by Owner at the beginning of a twelve-month period commencing and ending on the dates designated by Owner, each such installment being due on the first of each month. Within one hundred twenty (120) days after the end each twelve month period, Owner shall send Lessee a statement of the actual Owner's Common Area Charges for such preceding period and an adjustment shall be made to reflect any excess or refund due from or to Lessee. If the amount so collected is less than the amount actually due under said statement for the calendar year in question, the Lessee shall pay the difference, as additional rent to the Owner within twenty (20) days demand, and if the amount so collected exceeds the amount actually due for the said calendar year, the excess shall be credited against the rental next becoming due from Lessee or, if at the end of the Term, refunded to Lessee. Partial calendar years during the Term shall be pro-rated.
- (3) The Common Areas shall be subject to the exclusive control and management of Owner and Owner shall have the right to establish and modify, change, and enforce uniform and nondiscriminatory rules and regulations with respect to the Common Areas, and Lessee agrees to abide by and conform with such rules and regulations. Owner shall have the right to close any part of the Common Areas for such time or times as any, in the opinion of Owner, be necessary to prevent a dedication thereof or the accrual of any rights of any persons.
- (4) Lessee acknowledges that the listing of any services or goods in the definition of Common Areas shall not be construed as imposing any affirmative obligation upon Owner to furnish such services or goods unless an affirmative obligation to do so is expressly imposed upon Owner pursuant to another provision of this Lease.
- (5) Common Area; The term "Common Area" is defined for all purposes of this Lease as that part of the Building, including applicable facilities, that are intended for the common use of all Lessees. For purposes of this definition, facilities include the parking area, private streets and alleys, landscaping, curbs, loading area, sidewalks, malls and promenades (enclosed or otherwise), elevators, lighting facilities, drinking fountains, meeting rooms, public toilets, and the like. Not included, however, are space in streets

and alleys maintained by a public authority. Lessor may from time to time change the dimensions and locations of the Common Area, as well as the dimensions, identity, and type of all buildings. Lessee, and its employees and customers, when duly authorized under the provisions of this Lease, its subLessees, licensees, and concessionaires, shall have the nonexclusive right to use the Common Area as constituted from time to time. The use shall be in common with Lessor, other Lessees in the building, and other persons permitted by Lessor to use the premises. The use shall be subject to all reasonable rules and regulations prescribed by Lessor, including the designation of specific areas within the premises or in reasonable proximity to it for parking automobiles owned by Lessee and its employees, subLessees, licensees, and concessionaires. Lessee shall not solicit business within the Common Area or take any action that would interfere with the rights of other persons to use. Lessor may temporarily close any part of the Common Area for any period necessary to make repairs or alterations or to prevent the public from obtaining adverse rights.

- (6) "Common Area Charges" shall include all costs and expenses incurred by or on behalf of Owner in operation, maintaining, equipping, lighting, repairing, securing, management fee, protecting, reconstructing, insuring and cleaning the Common Areas, including, without limitation, the cost and expense of the following: heating, ventilating and air conditioning (if any), snow removal, gardening, landscaping, planting, replanting, and replacing flowers and shrubbery; commercial general liability and casualty insurance with such extended coverage and vandalism endorsements as Owner may, from time to time, deem necessary; repairs; painting and decorating; striping; lighting including cost of electricity and maintenance and replacement of fixtures and bulbs; policing and regulating automobile and pedestrian traffic; sanitary control; extermination; and sump maintenance and improvements; capital improvements made to Common Areas amortized over their useful life; removal of rubbish, garbage and other refuse; security; machinery, equipment, vehicles and supplies used in the operation and maintenance of common areas (including the costs of inspection and depreciation thereof); replacement of paving, curbs and walkways, drainage; music program services and loud speaker system, including electricity therefore; cleaning, including carpeting or other floor covering; cost of water for fountains, if any; cost of personnel to implement all of the aforementioned (including fringe benefits and workmen's compensation insurance covering personnel); other similar direct costs of the type incurred in the operation of comparable properties.
- (7) The exclusion of any of the expenses listed above from Operating Costs payable as Additional Rent provided for under this Article 2 A of the Lease shall in no way impair Lessor's rights to recover any cost to which it is otherwise entitled pursuant to this Lease.

Management and Maintenance. Lessor shall be responsible for the operation, management, and maintenance of the Common Area. The manner of and expenditures for same shall be in Lessor's sole reasonable discretion.

Lessee's proportionate share is 52.63 %.

3. No Counterclaim or Abatement

All Rent shall be absolutely net to Lessor so that this Lease shall yield to Lessor the full amount of the installments thereof throughout the Lease Term without deduction. All Rent shall be paid to Lessor without notice, demand, counterclaim, setoff, deduction or defense, and nothing shall suspend, defer, diminish, abate or reduce any Rent, except as otherwise specifically provided in this Lease.

The obligations and liabilities of Lessee hereunder in no way shall be released, discharged or otherwise affected (except as expressly provided herein) by reason of: any damage to or destruction of or any Taking of the Demised Premises or any part thereof; any restriction or prevention of or interference with any use of the Demised Premises or any part thereof; any title defect or encumbrance or any eviction from the Demised Premises or any part thereof by title paramount or otherwise; any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation or other like proceeding relating to Lessor, or any action taken with respect to this Lease by any trustee or receiver of Lessor, or by any court, in any such proceeding; any claim which Lessee has or might have against Lessor; any failure on the part of Lessor to comply with or perform any of the terms hereof or of any other agreement with Lessee; or any other occurrence whatsoever, whether similar or dissimilar to the foregoing, whether or not Lessee shall have notice or knowledge of any of the foregoing. Except as expressly provided herein, Lessee waives all rights now or hereafter conferred by statute or otherwise to quit, terminate or surrender this Lease or the Demised Premises or any part thereof, or to receive any abatement, suspension, deferment, diminution or reduction of any Rent payable by Lessee hereunder.

4. Use of Demised Premises

Lessee covenants that the Demised Premises shall be used solely for any lawful purpose and uses incidental thereto, including but not limited to general warehouse and office use on the ground floor and general office use on second floor.

Lessee shall not do or permit any act or thing which is contrary to any Legal Requirements or Insurance Requirements, or which might impair the value or usefulness of the Demised Premises or any part thereof. Lessee shall not use, or allow the Demised Premises or any part thereof or any Improvements now or hereafter erected thereon or any appurtenances thereto to be used or occupied, for any unlawful purpose or in violation of any certificate of occupancy, and shall not suffer any act to be done or any condition to exist within the Demised Premises or any part thereof, or in any Improvements now or hereafter erected thereon, or on any appurtenance to the Demised Premises, or permit any article to be brought therein, which may be dangerous, unless safeguarded as required by law, or which may constitute a nuisance, public or private, or which may make void or voidable any insurance in force with respect thereto.

Lessee shall not do or suffer any waste, damage, disfigurement or injury to the Demised Premises.

Lessee shall not permit the spilling, discharge, release, deposit or placement on the Demised Premises or any part thereof, whether in containers or other impoundments, of any substance which is a hazardous or toxic substance within the meaning of any applicable environmental law.

If there is any increase in the Lessor's insurance premium for the entire building resulting solely from Lessee's manner and use of the premises, the Lessee agrees on demand to pay for such increases.

5. Condition of Demised Premises:

Except as otherwise set forth on Exhibit 'B' attached hereto and captioned as "Lessor's Work", Lessee represents that Lessee has examined and is fully familiar with the physical condition of the Demised Premises, the Improvements thereon, the sidewalks and structures adjoining the same, subsurface conditions, and the present (encumbrances, and uses thereof. Lessee accepts the same, without recourse to Lessor, in the condition and state in which they now are, and agrees that the Demised Premises complies in all respects with all requirements of this Lease. Except as otherwise set forth herein, Lessor makes no representation or warranty, express or implied in fact or by law, as to the nature or condition of the Demised Premises, or its fitness or availability for any particular use, or the income from or expenses of operation of the Demised Premises.

6. Maintenance and Repair

Lessee, at all times during the Lease Term and at Lessee's expense, shall keep the Demised Premises, in a good and clean order and condition and in such condition as may be required by all Legal Requirements and Insurance Requirements, and promptly shall make all necessary or appropriate repairs, replacements and renewals thereof, except for structural repairs that will remain the responsibility of Lessor, provided same were not caused by acts of Lessee or its sub-Lessees, agents. Any repairs/replacements required to be made by the Lessee will be equal in quality and class to the original work. Lessee waives any right created by any law now or hereafter in force to make repairs to the Demised Premises at Lessor's expense.

Lessee, at Lessee's expense, shall do or cause others to do every act necessary or appropriate for the preservation and safety of the Demised Premises by reason of or in connection with any excavation or other building operation upon the Demised Premises or any adjoining property, including without limitation all shoring of foundations and walls of the Improvements or of the ground adjacent thereto, whether or not the Lessor of the Demised Premises shall be required by any Legal Requirement to take such action or shall be liable for failure to do so.

7. Alterations and Additions

If not at the time in default under this Lease, Lessee at Lessee's expense may make reasonable alterations of and additions to the Demised Premises, provided that any alteration or addition: shall not change the general character of the Demised Premises, or reduce the fair market value thereof below its value immediately before such alteration or addition, or impair the usefulness of the Demised Premises; is effected with due diligence, in a good and workmanlike manner and in compliance with all Legal Requirements and Insurance Requirements; is promptly and fully paid for by Lessee; and is made, in case the estimated cost of such alteration or addition exceeds \$10,000.00, only after Lessee shall have obtained Lessor's prior written consent thereto and under the supervision of an architect or engineer satisfactory to Lessor and in accordance with plans, specifications and cost estimates approved by Lessor, and only after Lessee shall have furnished to Lessor, if requested, waivers of mechanics' and materialmen's liens from all persons furnishing material or labor and a performance bond or other security satisfactory to Lessor assuring Lessor of the completion of such alteration or addition and payment in full of the cost thereof.

The title to all additions, repairs and replacements to any Improvements made during the Lease Term and any renewal thereof, forthwith shall vest in Lessor, and said Improvements, additions, repairs and replacements shall be and become the sole and absolute property of Lessor, without any obligation of payment by Lessor therefor.

8. Taxes

8.1. Personal Property Taxes Lessee shall be liable for all taxes levied against personal property and trade fixtures placed by it in the Demised Premises: if the taxes are levied against Lessor or its property and it elects to pay them, or if the assessed value of Lessor's property is increased by inclusion of personal property and trade fixtures placed by Lessee in the Demised Premises and Lessor elects to pay the taxes based on the increase, Lessee shall pay to Lessor upon demand that part of the taxes for which Lessee is primarily liable as Additional Rent under this Lease.

8.2. Real Estate and General Tax Increases. Except as otherwise provided herein Lessor shall pay or cause to be paid all general real estate taxes, general and special assessments, parking surcharges, and other governmental charges (collectively "the general taxes") levied against the Building, land and improvements for each real estate tax year, and Lessee shall pay its Proportionate Share, as defined herein, as Additional Rent.

Lessee shall pay to Lessor within ten days of receipt by Lessee from Lessor a statement indicating the amount owed by Lessee for Lessee's share of the real estate taxes.

"Real Estate Taxes" shall mean all real estate taxes, assessments, water charges and sewer rents, and other taxes and charges of every nature and kind whatsoever, whether general or special, ordinary or extraordinary, foreseen or unforeseen, of every character, which at any time may be assessed, levied, charged, confirmed or imposed on or in respect of or be a lien upon the building.

The "building" shall mean the premises known as 10 Harbor Park, Port Washington, New York (the "premises").

Lessee's proportionate share is 52.63 %.

"Lessee's Proportionate Share" shall mean 52.63 % of all increases in the real estate taxes from the base year of July 1, 2005 to June 30, 2006 for the School Taxes and January 1, 2005 to December 31, 2005 for the General/Town Taxes.

In no event shall the annual fixed rent under this lease be reduced by virtue of this Article 8. The computations under this Article 8 are intended to constitute a formula for an agreed rental escalation and do not necessarily constitute an actual reimbursement to Lessor for costs or expenses paid by Lessor with respect to the building.

The additional rent provided herein shall be apportioned as of the commencement and the expiration of the lease term or earlier termination of this lease. If the commencement of the term of this lease is not the first day of the first Escalation Year, then the rent due hereunder for such first Escalation Year shall be a proportionate share of the additional rent that would have been payable for the entire first Escalation Year. Upon the date of the expiration of the lease term or earlier termination of this lease, a proportionate share of the additional rent payable under this Article 8 for the Escalation Year during which such expiration or termination occurs shall immediately become due and payable by Lessee to Lessor. Said proportionate share shall be based on the length of time that the term of this lease shall be within such Escalation Year. Promptly after such expiration or termination, Lessor shall compute the additional rent due from Lessee, as aforesaid, which computation shall be an estimate based upon the most recent annual statements theretofore furnished by Lessor to Lessee. Promptly after the end of the aforesaid Escalation Year, Lessor shall cause a final statement showing the computation of the actual additional rent due from Lessee for that Escalation Year to be prepared and furnished to Lessee, whereupon any appropriate adjustments of amount owed to Lessor shall be made. The obligations of Lessee to pay additional rent as provided for herein shall survive the expiration of the lease term or earlier termination of this lease. If Lessee continues in possession of the demised premises after the expiration of the lease term or earlier termination of this lease, as a month to month Lessee or otherwise, the provisions of this Article 8 shall continue in full force and effect for so long as Lessee remains in possession of the demised premises.

The additional rent provided for herein shall be collectible by Lessor in the same manner as the regular installments of fixed rent due under this lease. No delay or failure by Lessor in preparing or delivering any statement or demand for any additional rent shall constitute a waiver of, or impair Lessor's rights to collect, such additional rent.

The statements provided by Lessor pursuant to this Article 8 shall constitute a final determination as between Lessor and Lessee of the additional rent for the periods represented hereby, unless Lessee within thirty days after they have been furnished shall give a notice to Lessor that Lessee disputes their accuracy or appropriateness, which notice shall specify the particular respects in which the statement is inaccurate or inappropriate. Pending the resolution of such dispute, Lessee shall pay the additional rent to Lessor in accordance with the statements

furnished by Lessor. After payment of said additional rent, Lessee shall have the right, during reasonable business hours and upon not less than three business days prior written notice to Lessor, to examine Lessor's books and records with respect to the foregoing, provided such examination is commenced within thirty days and is concluded within sixty days following the rendition of the statement in question.

Any dispute under this Article 8 shall be resolved by arbitration conducted by the American Arbitration Association, by a panel of three arbitrators, in accordance with the rules of the Association, and judgment on the award may be entered by any court of competent jurisdiction. The arbitrators in no circumstance may vary or change the provisions of this Article 8, and their jurisdiction shall be limited accordingly. Pending resolution of the dispute, Lessee shall pay the additional rent demanded by Lessor without offset, subject to a proper adjustment upon the rendition of the award. If Lessee fails to make such payment or endeavors to take an offset for a claimed reduction in additional rent, it shall constitute a bar to Lessee's demanding any arbitration or maintaining any other proceeding on Lessee's claim. If Lessee fails to demand arbitration within sixty days after the delivery by Lessor of a statement demanding payment of additional rent hereunder, then such statement shall be deemed binding, conclusive and no longer open to challenge for any reason.

8.3. Rent or Other Taxes If at any time during the Lease Term or any renewal or extension thereof a tax or excise on rents or other tax however described (except any franchise, estate, inheritance, capital stock, income or excess profits tax imposed upon Lessor) is levied or assessed against Lessor by any lawful taxing authority on account of Lessor's interest in this Lease or the rents or other charges reserved hereunder, as a substitute in whole or in part, Lessee shall pay to Lessor upon demand, in accordance with Additional Rent, the amount of the tax or excise in Lessee's Proportionate Share. If the tax or excise is levied or assessed directly against Lessee, it shall be responsible for and pay the tax or excise whenever and in the manner required by the taxing authority.

9. Compliance With Requirements

Subject to Article 11 relating to contests, Lessee, at all times during the Lease Term and at Lessee's expense, promptly and diligently shall: comply with all Legal Requirements and Insurance Requirements, whether or not compliance therewith shall require structural changes in the Improvements or interfere with the use and enjoyment of the Demised Premises or any part thereof; comply with any instruments of record at the time affecting the Demised Premises or any part thereof; and procure, maintain and comply with all permits, licenses, franchises and other authorizations required for any use of the Demised Premises or any part thereof then being made, including without limitation all permits, licenses, and franchises which Lessee is required to obtain for the proper erection, installation, operation or maintenance of the Improvements or Lessee's Equipment or any part thereof.

From time to time at the request of Lessor, Lessee at Lessee's expense shall execute, file and record such certificates of compliance, continuation statements, and other

documents and certificates, and shall pay such fees and comply with such laws and regulations, as are necessary or appropriate to preserve and protect any right of Lessor under this Lease. Lessee shall furnish to Lessor an opinion satisfactory to Lessor, of counsel satisfactory to Lessor, with respect to the adequacy of such filings and recording.

If Lessee's use of the Demised Premises is or becomes a legal nonconforming use under any Legal Requirement, Lessee shall continually occupy and use the Demised Premises without interruption and comply with such other requirements as may be necessary or appropriate so that such use does not become illegal and may be continued by future occupants of the Demised Premises following the expiration or termination of the Lease Term.

During any period of the Lease Term when any perimeter portion of the Demised Premises shall be unimproved by any structure, wall, fence or gate, Lessee shall prevent the same from being used by the public, as such, without restriction or in such manner as might tend to impair Lessor's title to the Demised Premises or any part thereof, or in such manner as might create an enforceable claim or claims of adverse use or possession by the public, or of implied dedication, of the Demised Premises or any part thereof. Such perimeter portion of the Demised Premises so unimproved at all times shall be subject to such rules or directions as Lessor from time to time may make or give in writing with respect to the maintenance and use thereof, consistent with Lessor's protection against a claim or claims of the public. All such rules and directions so made or given shall be deemed to be and become incorporated in this Lease by reference and shall be complied with and performed fully and promptly by Lessee at Lessee's expense. Lessee hereby acknowledges that Lessor does not hereby consent, expressly or by implication, to the unrestricted use or possession of any portion of the Demised Premises by the public.

10. Liens

Lessee shall not directly or indirectly create or permit to be created or to remain, and shall discharge, any mortgage, lien, security interest, encumbrance or charge on, pledge of or conditional sale or other retention agreement with respect to the Demised Premises or any part thereof, Lessee's interest therein, or any Fixed Rent or other Rent payable under this Lease, other than: the Occupancy Leases; liens for Impositions not yet payable, or payable without the addition of any fine, penalty, interest or cost for nonpayment, or being contested as permitted in Article 11 hereof; and the liens of mechanics, materialmen, suppliers or vendors, or right thereto, incurred in the ordinary course of business for sums which under the terms of the related contract are not at the time due, provided that adequate provision for the payment thereof shall have been made and provisions of the following paragraph are complied with.

If, in connection with any work being performed by or for Lessee or any subLessee or in connection with any materials being furnished to Lessee or any subLessee, any mechanic's lien or other lien or charge shall be filed or made against the Demised Premises or any part thereof, or if any such lien or charge shall be filed or made against Lessor, then Lessee, at Lessee's expense, within thirty days after such lien or charge shall have been filed or made, shall cause the same to be canceled and discharged of record by payment thereof or filing a bond

or otherwise. Lessee promptly and diligently shall defend any suit, action or proceeding which may be brought for the enforcement of such lien or charge; shall satisfy and discharge any judgment entered therein within thirty days from the entering of such judgment by payment thereof or filing a bond or otherwise; and on demand shall pay all damages, costs and expenses, including reasonable attorneys' fees, suffered or incurred by Lessor in connection therewith.

Nothing contained in this Lease shall constitute any consent or request by Lessor, express or implied, for the performance of any labor or services or the furnishing of any materials or other property in respect of the Demised Premises or any part thereof, nor as giving Lessee any right, power or authority to contract for or permit the performance of any labor or services or the furnishing of any materials or other property in any fashion that would permit the filing or making of any lien or claim against Lessor or the Demised Premises. Lessor shall have the right, from time to time, to place upon the Demised Premises in a conspicuous place such sign or other notice as Lessor may deem necessary so as to give notice to others of the provisions of the preceding sentence.

11. Permitted Contests

Lessee, at Lessee's expense, after prior written notice to Lessor, may contest, by appropriate legal proceedings conducted in good faith and with due diligence, the amount or validity or application, in whole or in part, of any Imposition or any Legal Requirement, or the application of any instrument of record referred to in Article 9 hereof, provided that: Lessee shall first make all contested payments, under protest if Lessee desires, unless such proceedings shall suspend the collection thereof from Lessor; from any Rent and from the Demised Premises; neither the Demised Premises, nor any part thereof or interest therein, nor any Rent would be in any danger of being sold, forfeited, lost or interfered with; in the case of a Legal Requirement, Lessor would not be in any danger of any additional civil or criminal liability for failure to comply therewith and the Demised Premises would not be subject to the imposition of any lien as a result of such failure; and Lessee shall have furnished such security, if any, as may be reasonably requested by Lessor.

Prior to any Imposition being contested becoming due, and from time to time thereafter until payment thereof shall be made or shall be determined not to be payable by the appropriate body having jurisdiction, Lessee shall deposit and maintain with Lessor an amount of money, or other security satisfactory to Lessor, sufficient to pay the items so contested or intended to be contested together with the interest and penalties thereon which may accrue during such contest, which amount shall be held by Lessor and may be applied by Lessor to the payment of such items, interest and penalties, when finally fixed and determined. If the amount deposited with Lessor shall exceed the amount of such items, and any interest and penalties, any excess remaining in Lessor's hands after the payment thereof shall be returned to Lessee. At any time prior to or during any such contest, Lessor, after written notice to Lessee, may pay and apply said money, or so much thereof as may be required, to the payment of any Impositions, interest and penalties which, in Lessor's judgment, should be paid to prevent the sale of the Demised Premises or any part thereof or of the lien created thereby, or to prevent the commencement of any action of foreclosure or otherwise, by the holder of any such lien. To the

extent that the amount of money so deposited with Lessor shall be insufficient fully to satisfy and discharge any such Imposition, and interest and penalties thereon, Lessor may pay the same and the deficiency so paid by Lessor shall be and become immediately due and payable by Lessee to Lessor.

12. Utility Services

Lessee shall pay all charges for all public or private utility services that solely serve the demised premises and all sprinkler systems, if applicable, at any time rendered solely or in connection with the Demised Premises or any part thereof; shall comply with all contracts relating to any such services; and shall do all other things required for the maintenance and continuance of all such services. The Lessor will pay for utilities related to the common areas, (i.e., exterior lights, parking lot, etc.).

13. Insurance

Lessee, at all times during the term of this lease and at Lessee's expense, shall provide and keep in force with insurers approved by Lessor comprehensive public liability and property damage insurance protecting Lessor against any and all liability occasioned by negligence, occurrence, accident, disaster and other risks included under "extended coverage" policies, occurring in or about the demised premises or any part thereof, in amounts approved from time to time by Lessor, which amounts at the date hereof shall be, in the case of public liability \$1,000,000.00 per person and \$2,000,000.00 per accident, and \$1,000,000.00 in the case of property damage, and insurance against such other hazards and in such amounts as is customarily carried by Lessees in similar stores, as Lessor reasonably may request. In addition, Lessee, at all times during the term of this lease and at Lessee's expense, shall provide and keep in force with insurers approved by Lessor rent insurance with a standard extended endorsement keeping the rental value of the demised premises insured against loss or damage by negligence, occurrence, accident, disaster and other risks included under "extended coverage" policies, in an amount to be designated by Lessor from time to time, not to exceed the aggregate of the annual fixed rent and all other rent to be paid by Lessee in the succeeding twelve month period, as estimated by Lessor, and the cost of obtaining, for a one year period, all insurance required to be maintained by Lessee hereunder. Lessee shall comply with such other requirements as Lessor from time to time reasonably may request for the protection by insurance of Lessor's interest.

All insurance maintained by Lessee pursuant to this Article shall name Lessor and Lessee as insured, shall provide that any loss shall be payable to Lessor notwithstanding any act or failure to act or negligence of Lessor, Lessee or any other person, shall provide that no cancellation, reduction in amount or material change in coverage thereof will be effective until at least thirty (30) days after receipt by Lessor of written notice thereof, and shall be satisfactory to Lessor, acting reasonably, in all other respects. Lessee shall procure an appropriate clause in, or endorsement to, all such insurance whereby the insurance company waives subrogation or consents to a waiver of right of recovery.

Upon the execution of this lease and thereafter not less than thirty days prior to the expiration date of any policy delivered pursuant to this Article, Lessee shall deliver to Lessor the originals of all policies or renewal policies, as the case may be, required by this lease, bearing notations evidencing the payment of the premiums therefor. In lieu of any such policies, Lessee may deliver certificates of the insurer, in form and substance satisfactory to Lessor, as to the issuance and effectiveness of such policies and the amounts of coverage afforded thereby, accompanied by copies of such policies. Such insurance may be provided through a blanket policy or policies in form and substance satisfactory to Lessor. Such blanket policies shall provide specific allocation to the demised premises of the coverage afforded thereby, and shall give to Lessor no less protection than that which would be afforded by separate policies.

If at any time Lessee shall neglect or fail to provide or maintain insurance or to deliver insurance policies in accordance with this Article, Lessor may effect such insurance as agent for Lessee, by taking out policies in a company satisfactory to Lessor, and the amount of the premiums paid for such insurance shall be paid by Lessee to Lessor on demand. Lessor, in addition to Lessor's other rights, powers and remedies, shall be entitled to recover as damages for any breach of this Article the uninsured amount of any liability, claim, loss, damage or expense, including reasonable attorneys' fees, suffered or incurred by Lessor, and shall not be limited in the proof of damages which Lessor may claim against Lessee to the amount of the insurance premiums not paid or incurred by Lessee which would have been payable for such insurance.

14. Indemnification By Lessee

Lessee shall indemnify and hold Lessor harmless from and against all liabilities, obligations, claims, damages, fines, penalties, interest, causes of action, costs and expenses, including attorneys' fees (but excluding any income or excess profits or franchise taxes of Lessor determined on the basis of general income or revenue or any interest or penalties in respect thereof), imposed upon or incurred by or asserted against Lessor or the Demised Premises by reason of the occurrence or existence of any of the following, whether or not resulting from any negligent act or omission of Lessor: ownership of the Demised Premises or any interest therein, or receipt of any rent or other sum therefrom; any accident, injury to or death of persons (including workers) or loss of or damage to property occurring, or claimed to have occurred, on or about the Demised Premises or any part thereof, or any improvements now or hereafter created thereon, or the adjoining sidewalks, curbs, vaults or vault spaces, if any, streets or ways, or appurtenances thereto; any use or condition of the Demised Premises or any part thereof, or any improvements now or hereafter erect thereon, or the adjoining sidewalks, curbs, vaults and vault spaces, if any, streets or ways, or appurtenances thereto; any failure on the part of Lessee promptly and fully to comply with or perform any of the terms, covenants or conditions of this Lease; or performance of any labor or services or the furnishing of any materials or other property in respect of the Demised Premises or any part thereof. In the case any suit, action or proceeding is brought against Lessor or filed against the Demised Premises or any part thereof by reason of any such occurrence, Lessee, upon Lessor's request and at Lessee's expense, shall resist and defend such suit, action or proceeding, or cause the same to be resisted and defended

by counsel designated by Lessee and approved by Lessor. The obligations of Lessee under this Article 14 shall survive the expiration or termination of the Lease Term.

15. Damage to or Destruction of the Demised Premises

If there is any material damage to or destruction of the Demised Premises or any part thereof, Lessee promptly shall give written notice thereof to Lessor, generally describing the nature and extent of such damage or destruction.

If there is any damage to or destruction of the Demised Premises or any part thereof, Lessee, at Lessee's expense whether or not the insurance proceeds, if any, on account of such damage or destruction shall be sufficient for the purpose, promptly shall commence and complete, subject to Unavoidable Delays, the restoration, replacement or rebuilding of the Demised Premises as nearly as possible to its value, condition and character immediately prior to such damage or destruction, with such alterations and additions as may be made at Lessee's election pursuant to and subject to the terms, covenants and conditions of Article 7. Pending the completion of such Restoration, Lessee shall perform all temporary work and take all such actions as may be necessary or desirable to protect and preserve the Demised Premises.

Insurance proceeds received by Lessor on account of any damage to or destruction of the Demised Premises or any part thereof, less the costs and expenses incurred by Lessor or Lessee in the collection thereof, including without limitation fees and expenses of adjusters and attorneys, shall be applied as hereinafter provided.

Net insurance proceeds received on account of any damage to or destruction of the Demised Premises or any part thereof, unless Lessee is in default under this Lease, shall be paid to Lessee or as Lessee may direct, from time to time as Restoration progresses, to pay or to reimburse Lessee for the cost of Restoration, upon written request of Lessee accompanied by evidence, satisfactory to Lessor that the amount requested has been paid or is then due and payable and is properly a part of such cost, that there are no mechanics' or similar liens for labor or materials theretofore supplied in connection with the Restoration, and that the balance of said proceeds after making the payment requested will be sufficient to pay the balance of the cost of Restoration. Upon receipt by Lessor of evidence satisfactory to Lessor that the Restoration has been completed and the cost thereof has been paid in full, and that there are no mechanics' or similar liens for labor or materials supplied in connection therewith, the balance, if any, of such proceeds shall be paid to Lessor.

Any insurance proceeds held by Lessor on any termination of this Lease, for reasons other than damage and destruction, and not required to be paid to Lessee pursuant to this Article 15, shall be paid to and retained by Lessor.

16. Taking of the Demised Premises

If there is a Taking of the fee of the entire Demised Premises, other than for a temporary use, this Lease shall terminate as of the date of such Taking. In case of a Taking, other than for temporary use, of such perpetual easement on the entire Demised Premises, or of such a substantial part of the Demised Premises, as shall result, in the good faith judgment of Lessor, in the Demised Premises remaining after such Taking (even after Restoration where made) being unsuitable for the use contemplated in this Lease, Lessee may terminate this Lease by written notice to Lessor given within sixty days after such Taking, as of a date specified in such notice within ninety days after such Taking. Any Taking of the Demised Premises of the character referred to in this Article 16, which results in the termination of this Lease, is referred to herein as a "Total Taking".

If there is a Taking of the Demised Premises other than a Total Taking, this Lease shall remain in full force and effect as to the principal of the Demised Premises remaining immediately after such Taking, without any abatement or reduction of Rent, except as may be expressly provided in this Article 16, and Lessee, at Lessee's expense whether or not the awards or payments, if any, on account of such Taking will be sufficient for the purpose, promptly shall commence and complete, subject to Unavoidable Delays, Restoration of the Demised Premises as nearly as possible to its value, condition and character immediately prior to such Taking, except for any reduction in area caused thereby, provided that in case of a Taking for temporary use Lessee shall not be required to effect Restoration (other than temporary work and actions necessary or desirable for the protection of the Demised Premises) until such Taking for a temporary use is terminated.

Awards and other payments on account of a Taking, less fees, costs and expenses incurred in connection therewith, shall be applied as follows:

(a) Net awards and payments received on account of a Taking, other than a Taking for temporary use or a Total Taking, shall be held and applied from time to time as Restoration progresses, to pay or to reimburse Lessee for the cost of Restoration, upon written request of Lessee accompanied by evidence, satisfactory to Lessor, that the amount requested has been paid or is then due and payable and is properly a part of such cost, that there are no mechanics' or similar liens for labor or materials theretofore supplied in connection with the Restoration, and that the balance of said proceeds after making the payment requested will be sufficient to pay the balance of the cost of Restoration. Upon the completion of the Restoration, the balance, if any, of such awards and payments shall be paid to and retained by Lessor.

(b) Net awards and payments received on account of a Taking for temporary use shall be held and applied to the payment of Rent until such Taking for temporary use is terminated and Restoration, if any, has been completed, provided that, if any portion of such award or payment is made by reason of any damage to or destruction of the Demised Premises, such portion shall be held and applied as provided in the first sentence of clause (a) of this Article 16. The balance, if any, of such awards and payments, unless Lessee is in default hereunder, shall be paid to Lessee.

(c) All awards and payments received on account of a Total Taking shall be paid to Lessor.

Notwithstanding the foregoing, if at the time of any Taking or at any time thereafter, Lessee shall be in default under this Lease and such default shall be continuing, Lessor is hereby authorized and empowered, in the name and on behalf of Lessee and otherwise, to file and prosecute Lessee's claim, if any, for an award on account of any Taking and to collect such award and apply the same, after deducting all fees, costs and expenses incident to the collection thereof, to the curing of any then existing default under this Lease.

If any portion of an award or other payment received on account of a Taking shall be paid to Lessor pursuant to the second sentence of clause (a) of this Article 16, each installment of Fixed Rent hereunder shall be reduced, commencing with the first Rent Payment Date following the date of such payment, by an amount to be computed by multiplying such installment in effect prior to such date by a fraction, the numerator of which is the amount of the award or payment made to Lessor in connection with such Taking after deduction of Lessor's expenses in the collection of such awards and payments, including without limitation fees and expenses of appraisers and attorneys, and the denominator of which is the fair market value of the Demised Premises prior to such Taking as determined by Lessor, acting reasonably, as reduced by the amount of any other such award or payment previously made to Lessor pursuant to the second sentence of clause (a) of this Article 16.

Revocation by any public authority of any license or permit to maintain or use any vault or other area within the streets adjoining the Demised Premises, shall not affect this Lease, or diminish any Rent payable by Lessee hereunder, or diminish any of Lessee's other obligations hereunder. Lessee shall comply with and perform all laws, rules, orders, ordinances, regulations and requirements relating to said vaults and other street areas. Lessee shall pay all fees, charges, taxes and other amounts imposed by reason of the existence or use of said vaults or other street areas.

17. Quiet Enjoyment

Lessor covenants that so long as Lessee is not in default hereunder in the payment of any Rent or compliance with or the performance of any of the terms, covenants or conditions of this Lease on Lessee's part to be complied with or performed, Lessee shall not be hindered or molested by Lessor in Lessee's enjoyment of the Demised Premises.

18. Right to Cure Lessee's Default

If Lessee fails to make any payment or to comply with or perform any term, covenant or condition of this Lease to be complied with or performed by Lessee, Lessor may, but shall be under no obligation to, after thirty days' notice to Lessee (or upon shorter notice, if

without notice, if necessary to meet an emergency situation or time limitation of a Legal Requirement), make such payment or perform or cause to be performed such work, labor, services, acts or things, and take such other steps as Lessor may deem advisable, to comply with any such term, covenant or condition which is in default. Entry by Lessor upon the Demised Premises for such purpose shall not waive or release Lessee from any obligation or default hereunder. Lessee shall reimburse Lessor (with interest at the rate of ten percent per annum) for all sums so paid by Lessor and all costs and expenses incurred by Lessor in connection with the making of any payments, the performance of any act or other steps taken by Lessor pursuant to this Article 18.

19. Events of Default and Termination

If any one or more of the following events ("Events of Default") shall occur:

(a) if Lessee shall fail to pay any Fixed Rent when as the same becomes due and payable; or

(b) if Lessee shall fail to pay any Rent, other than Fixed Rent, when and as the same becomes due and payable and such failure shall continue for more than ten days; or

(c) if Lessee shall fail to comply with or perform any term, covenant or condition of Articles 8, 9, 10 or 13, and such failure shall continue for more than thirty days after Lessee receives notice of such failure, regardless of the source of such notice; or

(d) if Lessee shall fail to comply with or perform any other term, covenant or condition hereof, and such failure shall continue for more than thirty days after notice thereof from Lessor, and Lessee within said period, subject to Unavoidable Delays, shall not commence with due diligence and dispatch the curing of such default, or, having so commenced, thereafter shall fail or neglect to prosecute or complete with due diligence and dispatch the curing of such default for reasons other than Unavoidable Delays; or

(e) if Lessee shall make a general assignment for the benefit of creditors, or shall admit in writing Lessee's inability to pay Lessee's debts as they become due, or shall file a petition in bankruptcy, or shall be adjudicated a bankrupt or insolvent, or shall file a petition seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation, or shall file an answer admitting, or shall fail to contest, the material allegations of a petition filed against Lessee in any such proceeding, or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of Lessee or any material part of Lessee's properties; or

(f) if, within ninety days after the commencement of any proceeding against Lessee seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation, such proceeding shall not have been dismissed, or if, within ninety days after the appointment without the consent or acquiescence of Lessee, of any trustee, receiver or liquidator of Lessee or of any material part of Lessee's properties, such appointment shall not have been vacated; or

(g) if a final judgment for the payment of money shall be rendered against Lessee and, within sixty days after the entry thereof, such judgment shall not have been discharged or execution thereof stayed pending appeal, or if, within sixty days after the expiration of any such stay, such judgment shall not have been discharged;

then, and in any such Event of Default, regardless of the pendency of any proceeding which has or might have the effect of preventing Lessee from complying with the terms, covenants or conditions of this Lease, Lessor, at any time thereafter may give a written termination notice to Lessee, and on the date specified in such notice this Lease shall terminate and, subject to Article 24, the Lease Term shall expire and terminate by limitation, and all rights of Lessee under this Lease shall cease, unless before such date (i) all arrears of Rent (with interest at the rate of ten percent per annum) and all costs and expenses, including reasonable attorneys' fees, incurred by or on behalf of Lessor hereunder, shall have been paid by Lessee, and (ii) all other defaults at the time existing under this Lease shall have been fully remedied to the satisfaction of Lessor; Lessee shall reimburse Lessor for all costs and expenses, including reasonable attorneys' fees, incurred by or on behalf of Lessor occasioned by or in connection with any default by Lessee under this Lease.

20. Repossession

If an Event of Default shall have occurred and be continuing, Lessor, whether or not the Lease Term shall have been terminated pursuant to Article 19, may enter upon and repossess the Demised Premises or any part thereof by force, summary proceedings, ejectment or otherwise, and may remove Lessee and all other persons and any and all property therefrom.

21. Retletting

At any time or from time to time after the repossession of the Demised Premises or any part thereof pursuant to Article 20, whether or not the Lease Term shall have been terminated pursuant to Article 19, Lessor may (but shall be under no obligation to) relet the Demised Premises or any part thereof for the account of Lessee, for such term or terms (which may be greater than or less than the period which would otherwise have constituted the balance of the Lease Term) and on such conditions (which may include concessions or free rent) and for such uses as Lessor, in Lessor's absolute discretion, may determine, and may collect and receive the rents therefrom. Lessor, at Lessor's option, may make such alterations and decorations in the

Demised Premises as Lessor, in Lessor's sole judgment, considers necessary or advisable for the purpose of reletting the Demised Premises or any part thereof, and the making of such alterations and decorations shall not operate or be construed to release Lessee from any liability under this Lease. Lessor shall not be responsible or liable for any failure to relet the Demised Premises or any part thereof or for any failure to collect any rent due upon any such reletting.

22. Assignment of Subrents

Lessee hereby irrevocably assigns to Lessor all rents due or to become due from any assignee of Lessee's interest hereunder and any sublessee or any Lessee or occupant of the Demised Premises or any part thereof, together with the right to collect and receive such rents, provided that, so long as Lessee is not in default under this Lease, Lessee shall have the right to collect such rents for Lessee's own use and purposes. Upon any default by Lessee under this Lease, Lessor shall have absolute title to such rents and the absolute right to collect the same. Lessor shall apply to the Rent due under this Lease the net amount (after deducting all costs and expenses incident to the collection thereof and the operation and maintenance, including repairs, of the Demised Premises) of any rents so collected and received by Lessor. Lessee shall not demand or accept from any sublessee, Lessee or occupant of the Demised Premises or any part thereof, any payment, prepayment or advance payment in respect of more than one rental period under the applicable sublease and in no event shall Lessee demand or accept any payment, prepayment or advance payment for a period exceeding one month.

Lessee shall have the right to assign or sub-lease this lease, subject to Lessor's consent which will not be unreasonably withheld, delayed or conditioned.

23. Lessee's Equipment

All Lessee's Equipment shall be the property of Lessee or Occupancy Lessees, as the case may be, provided that upon the occurrence of an Event of Default, Lessor shall have, to the extent permitted by law and in addition to all other rights, a right of distress for rent and a lien on all Lessee's Equipment (other than Lessee's Equipment not owned by Lessee) then on the Demised Premises as security for the Rent.

Any Lessee's Equipment not removed by Lessee, at Lessee's expense, within thirty days after any repossession of the Demised Premises, whether or not this Lease has been terminated, shall be considered abandoned by Lessee and may be appropriated, sold, destroyed or otherwise disposed of by Lessor without notice to Lessee and without obligation to account therefor; and Lessee shall pay Lessor, on demand, all costs and expenses incurred by Lessor in removing, storing or disposing of any of Lessee's Equipment. Lessee shall immediately repair at Lessee's expense all damage to the Demised Premises caused by any removal of Lessee's Equipment therefrom, whether effected by Lessee or by any other person. Lessor shall not be responsible for any loss or damage to Lessee's Equipment. The ownership of Occupancy Lessees' Equipment shall be governed by the terms of the applicable Occupancy Lease.

24. Survival of Lessee's Obligations and Damages

No expiration or termination of the Lease Term pursuant to this Lease, by operation of law or otherwise (except as expressly provided herein), and no repossession of the Demised Premises or any part thereof pursuant to this Lease or otherwise, shall relieve Lessee of Lessee's obligations or liabilities hereunder, all of which shall survive such expiration, termination or repossession.

In the event of any such expiration, termination or repossession, Lessee shall pay to Lessor all Rent up to the time of such expiration, termination or repossession, together with all costs and expenses incurred by Lessor in connection with such termination or repossession including attorneys' fees, and thereafter Lessee, until the end of what would have been the Lease Term in the absence of such expiration, termination or repossession, and whether or not the Demised Premises or any part thereof shall have been relet, shall be liable to Lessor for, and shall pay to Lessor, as liquidated and agreed and current damages for Lessee's default, (a) all Rent which would be payable under this Lease by Lessee in the absence of such expiration, termination or repossession, less (b) all net rents collected by Lessor from the Lessees or subLessees of the Demised Premises, if any, and the net proceeds, if any, of any reletting affected for the account of Lessee pursuant to Article 21 after deducting from such proceeds all Lessor's expenses in connection with such reletting and other sums owed Lessor, including without limitation all repossession costs, brokerage commissions, legal and accounting expenses, attorneys' fees, employees' expenses, promotional expenses, reasonable alteration costs, and expenses of preparation for such reletting. Lessee shall pay such current damages monthly on the Rent Payment Dates applicable in the absence of such expiration, termination or repossession, and Lessor shall be entitled to recover the same from Lessee on each such date. Any suit brought to collect said amounts for any month or months shall not prejudice in any way the rights of Lessor to collect the deficiency for any subsequent month by similar action or proceeding.

At any time after such expiration, termination or repossession, whether or not Lessor shall have collected any current damages as aforesaid, Lessor shall be entitled to recover from Lessee, and Lessee shall pay to Lessor on demand, as and for liquidated and agreed final damages for Lessee's default and in lieu of all current damages beyond the date of such demand, an amount equal to the excess, if any, of (a) all Rent which would be payable under this Lease from the date of such demand (or, if it be earlier, the date to which Lessee shall have satisfied in full Lessee's obligation under the preceding paragraph of this Article 24 to pay current damages) until what would be the then unexpired Lease Term in the absence of such expiration, termination or repossession, over (b) the then fair net rental value of the Demised Premises for the same period. In determining said fair net rental value, the rent realized by any reletting of the Demised Premises, if such reletting is upon terms (other than rental amounts) generally comparable to the terms of this Lease, shall be deemed to be said fair net rental value. Upon the payment of such final damages, this Lease, if not already terminated, shall be deemed terminated. If any statute or rule of law shall validly limit the amount of such liquidated final damages to less than the amount above agreed upon, Lessor shall be entitled to the maximum amount allowable under such statute or rule of law.

25. Injunction

Lessor, in addition to all other rights, powers and remedies and notwithstanding the concurrent pendency of summary or other dispossession proceedings, at Lessor's option, shall have the right at all times during the Lease Term to restrain by injunction any violation or attempted violation by Lessee of any of the terms, covenants or conditions of this Lease, and to enforce by injunction any of such terms, covenants or conditions.

26. Waivers

To the extent permitted by law, Lessee waives: any notice of reentry or of the institution of legal proceedings to that end; any right of redemption, reentry or repossession; any right to trial by jury in any action or proceeding or in any matter in any way connected with this Lease or the Demised Premises; and the benefit of any laws now or hereafter in force exempting property for rent or for debt.

No failure by Lessor or Lessee to insist upon the strict performance of and compliance with any term, covenant or condition hereof or to exercise or enforce any right, power or remedy consequent upon a breach thereof, and no submission by Lessee or acceptance by Lessor of full or partial Rent during the continuance of any such breach, shall constitute a waiver of any such breach or of any such term, covenant or condition. No waiver of any breach of any term, covenant or condition of this Lease shall affect or alter this Lease, which shall continue in full force and effect, or the respective rights, powers or remedies of Lessor or Lessee with respect to any other then existing or subsequent breach.

27. Lessor's Remedies Cumulative

All of the rights, powers and remedies of Lessor provided for in this Lease or now or hereafter existing at law or in equity, or by statute or otherwise, shall be deemed to be separate, distinct, cumulative and concurrent. No one or more of such rights, powers or remedies, nor any mention of reference to any one or more of them in this Lease shall be deemed to be in the exclusion of, or a waiver of, any other rights, powers or remedies provided for in this Lease, or now or hereafter existing at law or in equity, or by statute or otherwise. The exercise or enforcement by Lessor of any one or more of such rights, powers or remedies shall not preclude the simultaneous or later exercise or enforcement by Lessor of any or all of such other rights, powers or remedies.

28. Estoppel Certificates

Lessee shall execute, acknowledge and deliver to Lessor, promptly upon request, a certificate certifying: (a) that this Lease is unmodified and in full force and effect (or, if there have been modifications, that the Lease is in full force and effect, as modified, and identifying

the modifications); (h) the dates to which Rent has been paid; (c) whether or not there is any existing default by Lessor or Lessee with respect to which a notice of default has been delivered, and if there is any such default, specifying the nature and extent thereof; and (d) whether or not there are any setoffs, defenses or counterclaims against the enforcement of any term, covenant or condition of this Lease. Any such certificate may be relied upon by any prospective purchaser or mortgagee of the Demised Premises or any part thereof.

29. Assignment, Subletting and Mortgages

Lessee expressly covenants that Lessee shall not voluntarily or involuntarily assign, encumber, mortgage or otherwise transfer this Lease, or sublet the Demised Premises or any part thereof, or suffer or permit the Demised Premises or any part thereof to be used or occupied by others, by operation of law or otherwise, without the prior written consent of Lessor in each instance, which consent will not be unreasonably withheld, delayed or conditioned. Absent such consent, any act or instrument purporting to do any of the foregoing shall be null and void.

If this Lease is assigned, whether or not in violation of the terms of this Article 29, Lessor may collect Rent from the assignee. If the Demised Premises or any part thereof are sublet or occupied by anybody other than Lessee, Lessor, after any default by Lessee, may collect rent from the sublessee or occupant, and apply the net amount collected to the Rent due hereunder. Such collection of rent by Lessor shall not be deemed a waiver of the provisions hereof, the acceptance of the assignee, sublessee or occupant as a Lessee, or a release of Lessee from the further observance and performance by Lessee of the terms, covenants and conditions of this Lease.

The consent by Lessor to an assignment, encumbrance, transfer or subletting shall not in any way be deemed consent to any further assignment, encumbrance, transfer or subletting. In no event shall any permitted sublessee assign or encumber its sublease or further sublet all or any portion of its sublet space, or otherwise suffer or permit the sublet space or any part thereof to be used or occupied by others, without the prior written consent of Lessor in each instance, and each permitted sublease shall so provide in its terms.

If Lessee requests Lessor's consent to a specific assignment or subletting, Lessee shall first submit to Lessor in writing: the name and address of the proposed assignee or sublessee; a counterpart of the proposed agreement of assignment or sublease and all other instruments or agreements pertaining thereto; such information as to the nature and character of the business of the proposed assignee or sublessee and as to the nature of its proposed use of the space, as Lessor reasonably may request; banking, financial or other credit information relating to the proposed assignee or sublessee sufficient to enable Lessor to determine the financial responsibility and character of the proposed assignee or sublessee; and a statement of all sums or other consideration paid or to be paid to Lessee by or for the account of the assignee or sublessee for or in connection with such assignment or sublease, including without limitation sums paid or to be paid for the sale or rental of Lessee's fixtures, leasehold improvements, equipment, furniture, furnishings or other personal property.

Any such consent of Lessor shall be subject to the terms of this Lease and conditional upon there being no default by Lessee, beyond any grace period, under any term, covenant or condition of this Lease at the time that Lessor's consent is requested and on the date of the commencement of the term of any such proposed sublease or the effective date of any such proposed assignment.

Upon receiving Lessor's written consent, a duly executed copy of the sublease or assignment shall be delivered to Lessor within thirty days after execution thereof. Any such sublease shall provide that the sublessee shall comply with all applicable terms, covenants and conditions of this Lease to be observed or performed by Lessee hereunder. Any such assignment shall contain an assumption by the assignee of all of the terms, covenants and conditions of this Lease to be observed or performed by Lessee.

The transfer of a majority of the issued and outstanding capital stock of any corporate Lessee or subLessee of this Lease or of a majority of the total interest in any partnership Lessee or subLessee, however accomplished, and whether in a single transaction or in a series of related or unrelated transactions, shall be deemed an assignment of this Lease or of such sublease. The transfer of outstanding capital stock of any corporate Lessee or subLessee, for purposes of this Article 29, shall not include a sale of such stock by persons other than those deemed "insiders" within the meaning of the Securities Exchange Act of 1934 as amended, effected through any "over the counter" market or recognized stock exchange.

Notwithstanding the foregoing and anything to the contrary herein, the Tenant may assign the lease to an entity in which the principal of tenant or his immediate family members are the principals without the consent of the Lessor. Notwithstanding the foregoing, the lease may be sub-leased without the consent of Lessor to entities controlled by Lessor herein or to creditworthy sub-tenants. The tenant will advise the Lessors of such permitted assignments and sub-leases and provide copies related thereto to Lessors.

30. Subordination and Attornment

This Lease, and all rights of Lessee hereunder, are and shall be subject and subordinate in all respects to all mortgages which may now or hereafter affect the Demised Premises, whether or not such mortgages shall also cover other lands or buildings, to each and every advance made or hereafter to be made under such mortgages and to all renewals, modifications, replacements, spreaders, consolidations and extensions of such mortgages. In the event of any sale of the Demised Premises in a foreclosure of any such mortgage or the exercise by the holder of any such mortgages of any other remedies provided for by law or in such mortgage, Lessee, upon written request of the holder of the mortgage or the purchaser at such foreclosure or any person succeeding to the interest of the holder of the mortgage, shall attorn to such holder, purchaser or successor in interest, as the case may be, without change in the terms, covenants or conditions of this Lease. If such a request is made, this Lease shall not be deemed to be terminated by any foreclosure proceedings or other remedies for the enforcement of the mortgage by such holder, purchaser or successor in interest. The provisions of this Article 30

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shall be self-operative and no further instrument of subordination and/or attornment shall be required. In confirmation of such subordination and/or attornment, Lessee promptly shall execute and deliver at Lessee's expense any instrument that Lessor or the holder of any such mortgage may reasonably request to evidence such subordination and/or attornment; and Lessee hereby irrevocably constitutes and appoints Lessor as Lessee's attorney-in-fact, coupled with an interest, to execute, acknowledge and deliver any such instruments for and on behalf of Lessee.

31. Entry by Lessor

Lessor and the authorized representatives of Lessor shall have the right to enter the Demised Premises at all reasonable times for the purpose of inspecting the same or for the purpose of doing any work permitted to be done by Lessor under this Lease, and to take all such actions thereon as may be necessary or appropriate for any other purpose. Nothing contained in this Lease shall create or imply any duty on the part of Lessor to make any such inspection or do any such act. Lessor and representatives of Lessor shall have the right to enter the Demised Premises at all reasonable times for the purpose of showing the Demised Premises to prospective purchasers or mortgagees, and at any time during the twelve month period preceding the expiration or termination of this Lease for the purpose of showing the same to prospective Lessees, and within said period to display on the Demised Premises advertisements for sale or letting if such advertisements do not interfere unreasonably with the business then conducted on the Demised Premises. No such entry shall constitute an eviction of Lessee.

32. Conveyance by Lessor

If the original or any successor Lessor shall convey or otherwise dispose of the Land and Improvements, Lessor shall thereupon be released from all obligations and liabilities of Lessor under this Lease (except those accruing prior to such conveyance or other disposition), and such obligations and liabilities shall be binding solely on the then Lessor of the Land and Improvements.

In any action brought to enforce the obligations or liabilities of Lessor under this Lease, any judgment or decree shall be enforceable against Lessor only to the extent of Lessor's interest in the Land and Improvements, and no such judgment shall be the basis of execution on, or be a lien on, assets of Lessor other than Lessor's interest in the Land and Improvements.

33. No Merger of Title

There shall be no merger of the leasehold estate created by this Lease with the fee estate in the Demised Premises by reason of the fact that the same person may own or hold (a) the leasehold estate created by this Lease or any interest therein, and (b) the fee estate in the Demised Premises or any interest in such fee estate. No such merger shall occur unless and until all persons having any interest in the leasehold estate created by this Lease, and in the fee estate

in the Demised Premises, shall join in a written instrument effecting such merger and shall duly record the same.

34. Acceptance of Surrender

No modification, termination or surrender of this Lease or surrender of the Demised Premises or any part thereof or of any interest therein by Lessee shall be valid or effective unless agreed to and accepted in writing by Lessor, and no act by any representative or agent of Lessor, other than such a written agreement and acceptance, shall constitute an acceptance thereof.

35. End of Lease Term

Upon the expiration or termination of the Lease Term, Lessee shall quit, surrender and deliver to Lessor the Demised Premises with the Improvements thereon in good order and condition, ordinary wear and tear excepted, and shall remove all Lessee's Equipment therefrom.

36. Brokerage

Lessor and Lessee each represents and warrants to the other that such party has not dealt with any broker or finder in connection with the Demised Premises or this Lease. Lessor and Lessee each agrees to indemnify and hold the other harmless from and against any and all commission, liability, claim, loss, damage or expense, including reasonable attorneys' fees, arising from any claims for brokerage or any other fee or commission by any person with whom such party has dealt.

37. Definitions

As used in this Lease, the following terms have the following respective meanings:

"default" -- any condition or event which constitutes, or which after notice or lapse of time or both would constitute, an Event of Default.

"Demised Premises" -- as defined in Article 1.

"Event of Default" -- as defined in Article 19.

"Fixed Rent" -- as defined in Article 2.

"Impositions" -- all taxes, assessments (including without limitation all assessments for public improvements or benefits, whether or not commenced or

completed prior to the date hereof and whether or not to be completed within the Lease Term), water and sewer rents and charges, charges for public utilities, excises, levies, license fees, permit fees, inspection fees and other authorization fees and other charges of every nature and kind whatsoever (including all interest and penalties thereon), in each case, whether general or special, ordinary or extraordinary, foreseen or unforeseen, of every character, which at any time during or in respect of the Lease Term may be assessed, levied, charged, confirmed or imposed on or in respect of or be a lien upon (a) the Demised Premises or any part thereof or any rent therefrom or any estate, right or interest therein, or (b) any occupancy, use or possession of or activity conducted on the Demised Premises or any part thereof. The term "Impositions" shall exclude, however, any income taxes assessed against Lessor, franchise, estate, inheritance or transfer taxes of Lessor, or any (tax or charge in replacement or substitution of the foregoing or of a similar character; provided, however, that if at any time during the Lease Term the then prevailing method of taxation or assessment shall be changed so that the whole or any part of the Impositions theretofore payable by Lessor as above provided, shall instead be levied, charged, assessed or imposed whole or partially on the rents received by Lessor from the Demised Premises, or shall otherwise be imposed against Lessor in the form of a franchise tax or otherwise, then Lessee shall pay the same (and the same shall be deemed Impositions) at least twenty days prior to the last day upon which the same may be paid without interest or penalty for the late payment thereof.

"Improvements" -- as defined in Article I. The term "Improvements" shall include all fixtures, equipment and machinery now situated on or appurtenant to the Improvements referred to in Article I, other than Lessee's Equipment.

"Insurance Requirements" -- all terms of any insurance policy covering or applicable to the Demised Premises or any part thereof, all requirements of the issuer of any such policy, and all orders, rules, regulations and other requirements of the National Board of Fire Underwriters, or his successor or any other body exercising similar functions, applicable to or affecting the Demised Premises or any part thereof or any use or condition of the Demised Premises or any part thereof.

"Land" -- as defined in Article I.

"Lease" -- this Lease, as at the time amended, modified or supplemented.

"Lease Term" -- as defined in Article I, as the same may be extended or renewed.

"Legal Requirements" -- all laws, statutes, codes, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorizations, directions and requirements of all governments, departments, commissions, boards, courts, authorities, agencies, officials and officers, foreseen or unforeseen, ordinary or extraordinary, which now or at any time hereafter may

be applicable to the Demised Premises or any part thereof, or the Improvements now or hereafter located thereon, or the facilities or equipment therein, or any of the adjoining sidewalks, curbs, vaults or vault space, if any, streets or ways, or the appurtenances to the Demised Premises or the franchises and privileges connected therewith, or any use or condition of the Demised Premises or any part thereof. Legal Requirements shall include the Comprehensive Environmental Response Compensation and Liability Act, 42 U.S.C. Section 9601 et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq., and all other applicable environmental laws and regulations, and all requirements to be complied with pursuant to any certificate of occupancy affecting the Demised Premises.

"Lessee's Equipment" -- all fixtures, machinery, apparatus, furniture, furnishings and other equipment and all temporary or auxiliary structures installed by or at the request of Lessee or any Occupancy Lessee, if any, in or about the Demised Premises or any part thereof, which (a) are not used and are not procured for use, in whole or in part, in connection with the operation, maintenance or protection of the Demised Premises, and (b) are removable without damage to the Demised Premises.

"Occupancy Lease" -- any lease of any space constituting part of the Demised Premises.

"Occupancy Lessee" -- any Lessee or occupant under any Occupancy Lease.

"Occupancy Lessee's Equipment" -- all Lessee's Equipment which under the terms of any Occupancy Lease or otherwise is the property of an Occupancy Lessee.

"person" -- an individual, a corporation, an association, a partnership, a joint venture, an organization, or other business entity, or a governmental or political unit or agency.

"Rent Payment Date" -- as defined in Article 2.

"Restoration" -- all restorations, replacements, rebuildings, alterations, additions, temporary repairs and property protection to be performed in connection with a Taking of the Demised Premises or the damage to or destruction of the Demised Premises.

"Taking" -- a taking during the Lease Term of all or any part of the Demised Premises, or any leasehold or other interest therein or right accruing thereto, as the result of the exercise of the right of condemnation or eminent domain or a sale in lieu or in anticipation of such exercise or a change or grade affecting the Demised Premises or any part thereof.

"Total Taking" -- as defined in Article 16.

"Unavoidable Delays" -- delays due to strikes, acts of God, governmental restrictions, enemy action, riot, civil commotion, fire, unavoidable casualty or other causes beyond the control of Lessee, provided that no delay shall be deemed an Unavoidable Delay if the Demised Premises or any part thereof or interest therein or any Rent would be in any danger of being sold, forfeited, lost or interfered with, or if any Occupancy Lessee, Lessor or Lessee would be in danger of incurring any civil or criminal liability for failure to perform the required act. Lack of funds shall not be deemed a cause beyond the control of Lessee.

38. Notices

All notices, demands, elections and other communications desired or required to be delivered or given under this Lease shall be in writing, and shall be deemed to have been delivered and given when delivered by hand, or on the third business day after the same have been mailed by first class registered or certified mail, return receipt requested, postage prepaid, enclosed in a securely sealed envelop addressed to the party to which the same is to be delivered or given at such party's address as set forth in this Lease or at such other address as said party shall have designated in writing in accordance with this Article 38.

39. Miscellaneous

All rights, powers and remedies provided herein may be exercised only to the extent that the exercise thereof does not violate any applicable law, and are intended to be limited to the extent necessary so that they will not render this Lease invalid, unenforceable or not entitled to be recorded under any applicable law. If any term, covenant or condition of this Lease shall be held to be invalid, illegal or unenforceable, the validity of the other terms, covenants and conditions of this Lease shall in no way be affected thereby. If any interest provided for herein shall be deemed to be in excess of the maximum amount permitted under applicable law, Lessee shall be deemed to be entitled to the maximum amount permitted under applicable law.

Captions The headings in this Lease are for purposes of reference only and shall not limit or define the meaning hereof. This Lease may be executed in any number of counterparts, each of which is an original, but all of which shall constitute one instrument. Neither this Lease, nor any memorandum thereof, shall be recorded by Lessee without the prior written consent of Lessor.

Relationship of Parties Nothing contained in this Lease shall be deemed or construed by the parties, or by a third party, to create the relationship of principal and agent, of partnership, or of joint venture between them. No provision contained herein, including the method of computation of rent, and no acts of the parties shall be deemed to create any relationship between them other than the relationship of Lessor and Lessee.

Separate Rent Obligation. Lessee shall not for any reason withhold or reduce its required payments of rentals and other charges. Lessor's obligations under this Lease are independent of Lessee's obligations, except as expressly provided otherwise. In this regard, if Lessor commences proceedings against Lessee for nonpayment of rentals or any other sum due and payable under this Lease, Lessee shall not interpose any counterclaim or other claim against Lessor. If Lessee does so, Lessor may, in addition to its other lawful remedies, move to have the counterclaim or other claim severed out of the proceedings. The proceedings may then proceed to final judgment separately and apart from, and without consolidation with or reference to, the status of the counterclaim or other claim.

Non-Waiver A waiver by either party of one or more covenants, terms, or conditions of this Lease shall not be construed as a waiver of a subsequent breach of the same covenant, term, or condition. The first party's consent to or approval of any act by the second party shall not be deemed to waive or render unnecessary consent to or approval of any subsequent similar act.

Delays Beyond Lessor's Control Whenever a provision of this Lease prescribes a time period for Lessor to take action, it shall not be liable or responsible for, and there shall be excluded from the computation of that period, all delays due to strikes, riots, acts of God, shortages of labor or materials, war, governmental laws, regulations, restrictions, or other causes that are beyond Lessor's reasonable control.

Governing Law; Partial Validity; Venue. The interpretation, validity, performance, and enforcement of this Lease shall be governed by the laws of the State of New York. If any provision is held to be invalid or unenforceable, the validity and enforceability of the remaining provisions shall not be affected thereby. Venue for any action under this Lease shall be in New York County. Lessee hereby waives jury trial.

Number; Gender. Whenever used in this Lease, the singular number shall include the plural, and words of any gender shall include each other gender.

Binding Effect. The terms, provisions, and covenants of this Lease shall be binding upon and inure to the benefit of both parties and their respective heirs, successors in interest, and legal representatives, except as otherwise expressly provided herein.

Modification; Entire Agreement. This Lease contains the entire agreement between the parties. No other agreements shall be effective to change, modify, or terminate this Lease, in whole or in part, unless in writing and duly signed by both parties. Each party acknowledges that it is not relying on any representation or promise of the other, or of the Agent or Cooperating Agent, except as expressly set forth herein.

Counterparts. This Lease may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

Lessee agrees that, notwithstanding any other provision of this lease, Lessor shall not be under any personal liability under this lease and, if Lessor defaults hereunder, Lessee shall look solely to the interest of Lessor or its successor in the demised premises for the satisfaction of any judgment or other judicial process requiring the payment of money by Lessor based upon any default hereunder, and no other assets of Lessor or any such successor shall be subject to levy, execution or other enforcement procedure for the satisfaction of any such judgment or process. Upon any conveyance or transfer of the building, the transferor shall be relieved from all liability hereunder.

Lessor shall not be held liable for any injury to or death of any person or persons, or injury or damage to merchandise, goods, furniture, fixtures or other property, from theft or accident, or from steam, gas, electricity, water, rain which may seep into, issue or flow from the building, unless same shall be due to Lessor's gross negligence.

It is expressly understood and agreed that in the event Lessee shall vacate, surrender, abandon or be removed from the demised premises for more than thirty (30) days without any intention to return, Lessee shall be deemed to be in default hereunder and, without limiting Lessor's rights and remedies available on default by Lessee hereunder, Lessor may re-enter the demised premises and resume possession thereof, and it shall be conclusively presumed that any and all furniture, fixtures, equipment, goods, wares, merchandise and any property of every kind and nature remaining in the demised premises have been abandoned by Lessee and Lessor, without liability whatsoever or notice to anyone, may enter the demised premises and remove therefrom any such furniture, fixtures, equipment, goods, wares, merchandise and property of every kind and nature and dispose of the same in such manner and upon such basis as Lessor may deem proper or advisable without any duty to account therefor to Lessee.

Lessee shall comply with all requirements of the law commonly known as "Americans with Disabilities Act" as same may be amended from time to time and the regulations now or hereafter promulgated thereunder, with respect to the demised premises, resulting as a consequence of Lessee's use or manner of use thereof, or with respect to the building if arising out of Lessee's use or manner of use of the demised premises or the building (including the use permitted under this Lease), and Lessee shall make all necessary repairs or alterations to the demised premises, structural or not, as may be required by the "Americans with Disabilities Act", including related regulations.

Lessee will be given the exclusive right to the parking spaces outside the demised premises, specifically excluding the 20 parking spaces designated to BC International Corp., its successors and/or its assignees and/or sublessees.

40. Security Deposit

40. Security Deposit. Lessor hereby acknowledges receipt from Lessee of the sum of one month's fixed rent as set forth herein (Security Deposit), to be held without interest as security for Lessor's performance of its covenants and obligations under this Lease. The Security Deposit may be co-mingled with Lessor's other funds; it is not an advance payment of


11-8-05

rental or a measure of Lessor's damages in case of Lessee's default. In the event of a default by Lessee, Lessor may, without prejudice to any other remedy provided in this Lease or by law, use the Security Deposit to the extent necessary to make good all arrears of rentals and other damage, injury, expense, or liability caused to it by the event of default. Lessee shall pay to Lessor on demand the amount so applied in order to restore the Security Deposit to its original amount. If Lessee is not then in default, Lessor shall return to Lessee the remaining balance of the deposit upon termination of this Lease.

IN WITNESS WHEREOF, Lessor and Lessee have executed this Lease on the date first above written.

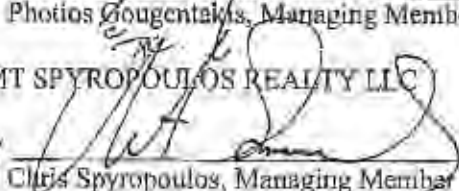
LIC REALTY LLC

By


Photios Gougentakis, Managing Member

JMT SPYROPOULOS REALTY LLC

By


Chris Spyropoulos, Managing Member

CONSTRUCTAMAX CORP.

By

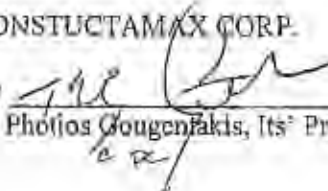
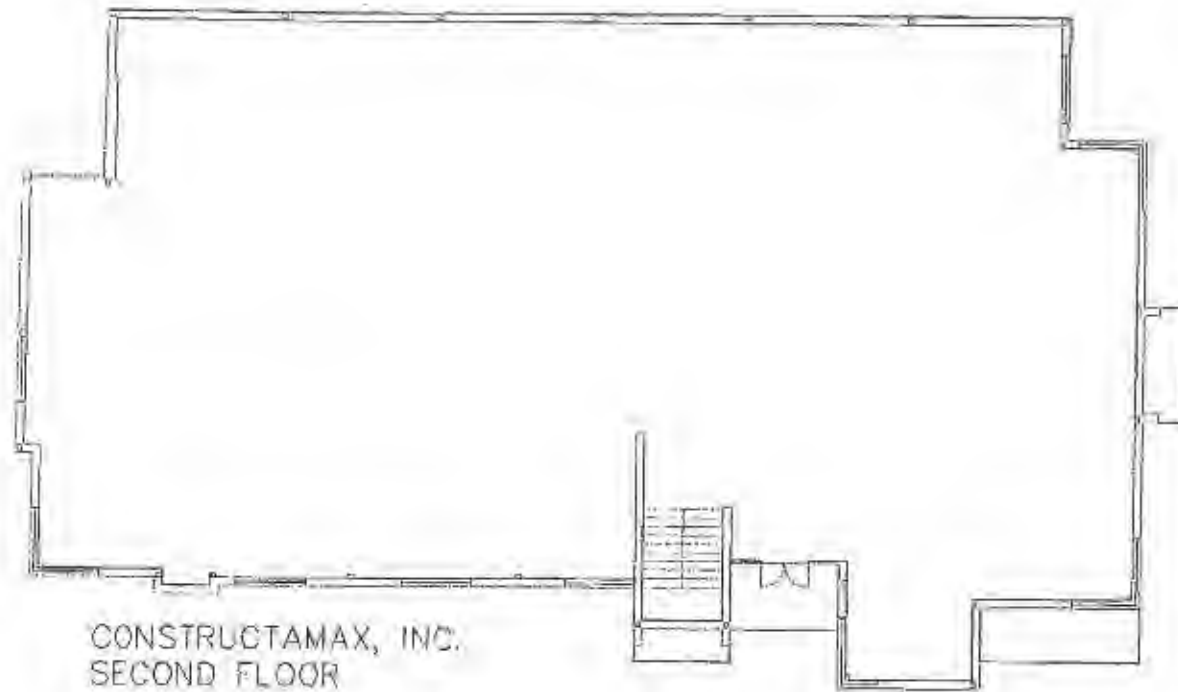
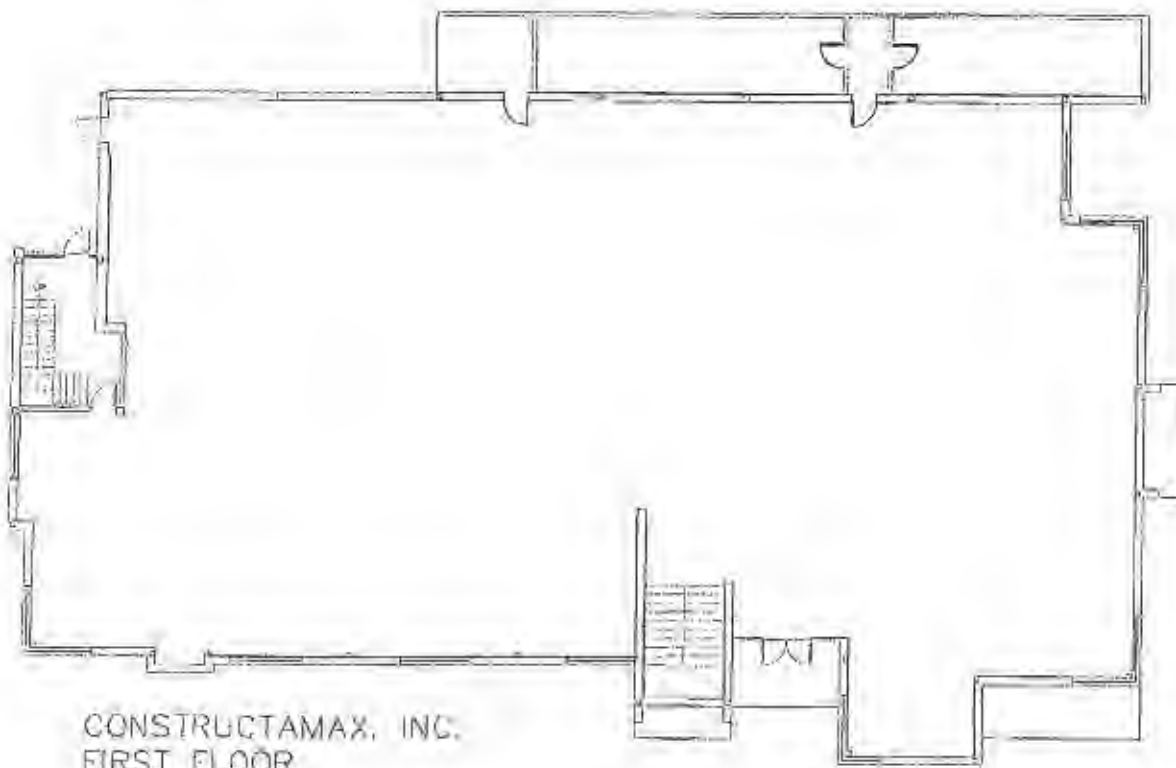

Photios Gougentakis, Its' President

EXHIBIT A



CONSTRUCTAMAX, INC.
SECOND FLOOR



CONSTRUCTAMAX, INC.
FIRST FLOOR

EXHIBIT A

The Demised Premises

LIC realty llc/Spyropoulos realty llc/constructamax lease

EXHIBIT B

LESSOR'S WORK

Lessor will provide build to suit newly constructed offices on the first floor

Lessor will provide build to suit renovated offices on the second floor

Exhibit F-1

Estoppel Certificate and Assignment

_____ 2016

10 HP Drive, LLC
c/o T.F. Industries, Inc.
5 Harbor Park Drive
Port Washington, NY 11050
Attn: Vincent Gallo

Re: Lease Agreement dated November 30, 2005 ("Lease") among L.J.C. Realty L.L.C. and JMT Spyropoulos Realty LLC ("Landlord") and Constructamax Corp. (the "Lessee"), for the premises described in the Lease and commonly known as 10 Harbor Park Drive, Port Washington, New York (the "Property")

Where so expressed, the undersigned certify to and agree with 10 HP Drive, LLC ("Buyer") as follows:

1. Attached hereto as Exhibit A is a true, correct and complete copy of the Lease. There have been no modifications or amendments to the Lease.
2. Except for the Lease and the Sublease dated February 1, 2013 ("Sub-Lease") between Lessee, as Sub-Landlord and Amicus Creative Media, LLC, as Sub-Tenant for approximately 2,900 square feet of office space at the Property, there are no other agreements, written or oral, between Landlord and Lessee or between Lessor, as Sub-Landlord and any other person or entity affecting the Property or giving any person any possessory or other rights respecting the Property.
3. The Lease is in full force and effect and Lessee is not in default under the Lease. Lessee has not sent or received any notice of default under the Lease.
4. Landlord and Lessee each hereby assigns their respective rights and obligations under Lease to Buyer, without recourse, representation or warranty. Buyer hereby releases the Landlord, Lessee and the existing guarantor, if any, from any liability or obligations under the Lease.
5. Lessee has not filed a petition in bankruptcy, or been subject to an involuntary petition in bankruptcy, made an assignment for the benefit of any creditor, or been adjudged to be bankrupt or insolvent by a court of competent jurisdiction.

6. Each of the undersigned has all requisite authority to execute this Estoppel Certificate.

The undersigned acknowledge that 10 HP Drive, LLC is relying (and will rely) on the truth and accuracy of the representations made herein as a prospective purchaser of the Property.

{Signature Page Follows}

As to paragraphs 4 and 6 only:

BUYER:

10 HP DRIVE, LLC

By: _____
Name:
Title:

LESSEE:

Constructamax Corp.

By: _____
Name:
Title:

As to paragraphs 4 and 6 only:

LANDLORD:

L.I.C. Realty I.I.C

By: _____
Name:
Title:

JMT SPYROPOULOS REALTY LLC

By: _____
Name:
Title:

Tenant Estoppel Certificate and Agreement to Attorn

2016

10 HPD, LLC
c/o L.I.F. Industries, Inc.
5 Harbor Park Drive
Port Washington, NY 11050
Attn: Vincent Gallo

Re: Sub-Lease Agreement, dated February 1st, 2013, (the "Sub-Lease"), and Monthly Arrangement made by Constructamax Corp., as Sub-Landlord, (the "Sub-Landlord"), and Amicus Creative Media, LLC, as Sub-Tenant, (the Sub-Tenant), for the demised premises described in the Sub-Lease and Monthly Arrangement (see below) and attached Exhibit A, (herein the "Demised Premises"), in the property commonly known as 10 Harbor Park Drive, Port Washington, New York (the "Property"), which Sub-Lease is subject to the Paramount Lease, dated November 30th, 2005, (herein the "Prime Lease"), made by and between the Sub-Landlord, as Tenant, and L.I.C. REALTY LLC and JMT SPYROPOULOS REALTY LLC, as the Prime-Landlord, (hereinafter each and together the "Prime Landlord")

The undersigned certify to and (where so expressed) agree with 10 HP Drive, LLC ("Buyer") as follows:

1. The undersigned have been advised that Buyer is presently in Contract to acquire the Property from the Prime Landlord pursuant to a certain contract, dated December __, 2015 (hereinafter the "Contract of Sale").
2. Attached hereto as Exhibit A is a true, correct and complete copy of the Sub-Lease. There have been no modifications or amendments to the Sub-Lease.
3. (a) The demised premises which are the subject of the Sub-Lease are identified on Exhibit A. Rent under the Sub-Lease is in the amount of \$4,300 per month and has been paid through and including the month ending _____, 2016. Sub-Tenant has not prepaid any rent under the Sub-Lease. There is a cash security deposit under the Sub-Lease equal to \$ _____. Sub-Tenant does not claim a right to any concessions, free rent, or rental abatement. Sub-Tenant does not have any rights to renew the Sub-Lease beyond its January 31, 2017 expiration date.

(b) Sub-Tenant also subleases a separate office on a month-to-month basis identified on Exhibit A (the "Monthly Arrangement"). The monthly period begins and ends on the first and last day of each calendar month, respectively.

Rent for the Monthly Arrangement is \$500 per month and has been paid through and including the month ending _____, 2016. Sub-Tenant has not prepaid any rent under the Monthly Arrangement. There is a cash security deposit under the Monthly Arrangement equal to \$ _____.

4. Except for the Sub-Lease and Monthly Arrangement, there are no other agreements, written or oral, between Lessee and Sub-Tenant affecting the Property or giving any person any possessory or other rights respecting the Property.
5. The Sub-Lease is in full force and effect and Sub-Tenant is not in default under the Sub-Lease. Sub-Tenant has not received any default notices from Sub-landlord or Prime Landlord and has not sent any notice that the Sub-Landlord is in default under the Sub-Lease. Sub-Tenant has no knowledge of any facts that would give rise to a breach or default by Sub-tenant under the Sub-Lease, and to Sub-Tenant's actual knowledge, there are no defenses, counterclaims, offsets or other claims presently in favor of Sub-Tenant arising out of the Sub-Lease. Sub-Landlord has not sent or received any notice or default under the Sub-Lease.
6. At the closing of the Contract of Sale, the Sub-Landlord will assign its rights and obligations under Sub-Lease and Prime Lease to Buyer, without recourse, representation or warranty. In addition, pursuant to a separate instrument, the Prime Landlord will assign, without recourse, warranty or representation, its rights in the Paramount Lease referenced in the Sub-Lease to Buyer. Effective on such assignments, Sub-Tenant releases Prime Landlord and Sub-Landlord from all obligations and matters arising on and after the date of closing between Buyer and Prime Landlord.
7. Sub-Tenant acknowledges and agrees that the assignment of the Prime Lease to Buyer from Prime Landlord and the Sub-Lease to Buyer from the Sub-Landlord shall not cause a merger of the Prime Landlord's and Sub-Landlord's interests, each of which shall remain and continue separately for the purposes of the Prime Lease and the Sub-Lease with Sub-Tenant. Sub-Tenant hereby agrees to affirm to Buyer and recognize Buyer as the Prime Landlord under Prime Lease and Sub-Landlord under the Sub-Lease.
8. None of Sub-Landlord or Sub-Tenant has filed a petition in bankruptcy, or been subject to an involuntary petition in bankruptcy, made an assignment for the benefit of any creditor, or been adjudged to be bankrupt or insolvent by a court of competent jurisdiction.
9. Each of the undersigned has all requisite authority to execute this Estoppel Certificate.

The Sub-Landlord and Sub-Tenant acknowledge that 10 HP Drive, LLC is relying (and will rely) on the truth and accuracy of the representations made herein as a prospective purchaser

of the Property. Nothing herein shall be construed to increase Prime Landlord's obligations under the Contract of Sale between Buyer and Prime Landlord.

{Signature Page Follows}

SUB-LANDLORD:

Constructamax Corp.

By: _____

Name:

Title:

SUB-TENANT:

Amicus Creative Media, LLC

By: _____

Name:

Title:

BUYER:

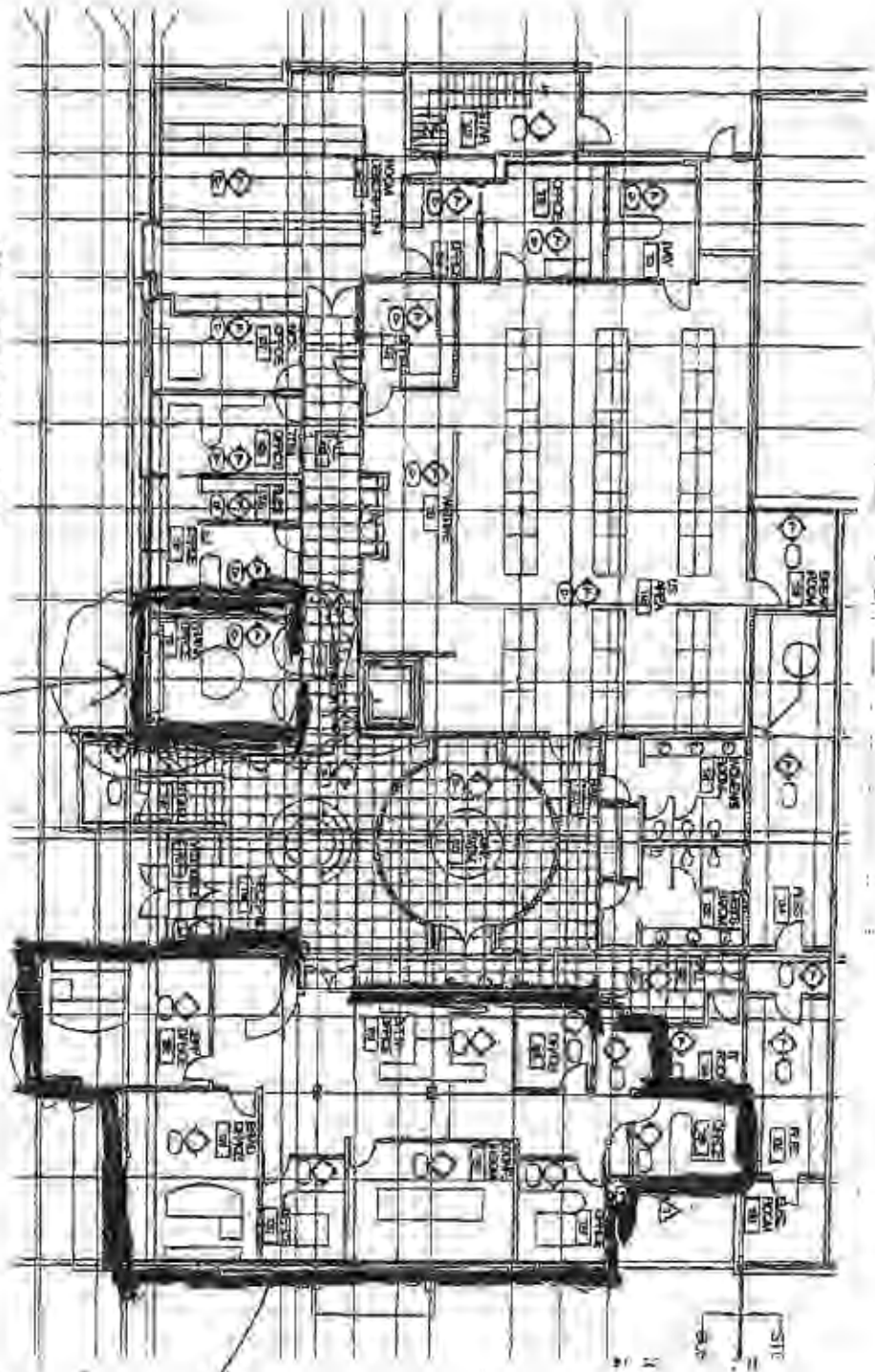
10 HP DRIVE, LLC

By: _____

Name:

Title:

1-1
WEST FLOOR FINISH PLAN



Monthly
Flammable
Hazardous

Seismic
Prepares

Exhibit #

User Name: GREG MITCHELL

Date and Time: Feb 11, 2016 11:46 a.m. EST

Job Number: 29056612

Document(1)

1. [10 NYCRR § 600.9](#)

Client/Matter: 999999-99999

**FIRST AMENDMENT
TO CONTRACT OF SALE**

First Amendment to Contract of Sale ("First Amendment") among L.I.C. Realty, LLC and JMT Spyropoulos Realty LLC, each as to a 50% tenant in common interest (collectively, "Seller") and Ten HP Drive LLC ("Purchaser"). This First Amendment is dated March 21, 2016.

Seller and Purchaser have entered into that certain real estate contract of sale dated as of December 14, 2015 (the "Contract"), whereby Seller agreed to sell to Purchaser, and Purchaser agreed to acquire from Seller, certain real estate located at 10 Harbor Park Drive, Port Washington, New York (the "Property").

The parties wish to change certain terms and provisions of the Contract, as set forth herein.

Accordingly, Seller and Purchaser agree to amend the Contract as follows:

1. (a) Certain capitalized words and phrases which are used in this First Amendment and which are not defined herein shall have the meanings given to them in the Contract.

(b) The Contract is hereby amended as follows:

(i) Seller is hereby relieved of any obligation to remove the mezzanine/racking system in the warehouse, reconfigure the existing fire sprinkler system and other work set forth in Article 23, with no credit or abatement in the purchase price. Accordingly, Section 23.01 is amended so that it now reads as follows:

"23.01 Subject to Section 9.03, prior to Closing, the existing occupants, other than Amicus Creative Media LLC, shall remove all of their trade furniture, fixtures and equipment from the Property prior to Closing."

(ii) Item 4 of Schedule D is amended to reflect a closing date not later than May 30, 2016 with time being of the essence (the "Closing Date"). All of the existing language is deleted, so that, as amended, Item 4 of Schedule D reads as follows in its entirety:

"4. Scheduled time and date of Closing (§3.01): on or before May 30, 2016, with time of the essence at that date."

2. On the date hereof, Purchaser's affiliate, LIF Industries, Inc. ("LIF"), is extending a loan to L.I.C. Realty, LLC in the principal amount of \$1,000,000. Purchaser and Seller agree that it is expected that L.I.C. Realty, LLC will repay the loan to LIF out of the proceeds of sale at the closing of the Contract, but JMT Spyropoulos Realty LLC has no obligation for payment of same.

3. Except as specifically set forth in this Amendment, all of the terms and provisions of the Contract shall remain unchanged and in full force and effect, and Seller and Purchaser hereby ratify and affirm the same.

4. For convenience, this First Amendment may be executed with electronic signatures by facsimile or as a PDF or other image file attached to an e-mail, and in any number of counterparts, each of which shall be deemed an original and all of such counterparts when taken together shall constitute but one and the same document which shall be sufficiently evidenced by such executed counterparts.

5. The parties will have a Memorandum of Contract recorded which will automatically terminate on July 15, 2016 or the date of closing, whichever is earlier. In addition, if Purchaser defaults under the Contract, a termination of this Memorandum of Contract will be filed. If Purchaser fails to authorize the filing of such termination after default, Seller will have the right to pursue a claim, for damages and any other rights and remedies available in law and in equity related to same.

In Witness Whereof, the Seller and Purchaser have signed this First Amendment:

Seller:

I.I.C. REALTY LLC

By: 

Name: THOMAS J. GERBASIS
Title: MEMBER

Purchaser:

TEN IP DRIVE LLC

By: 

Name:
Title:

IMT SPYROPOULOS REALTY LLC

By: 

Name:
Title:

Exhibit D

EXHIBIT D
TO
SCHEDULE H

Signature Bank Loan Commitment Letter

[Attached]

February 2, 2016

TEN HP Drive LLC
c/o LIF Industries, Inc.
5 Harbor Park Drive
Port Washington, New York 11050
Attention: Mr. Vincent Gallo

Re: _____ with TEN HP Drive LLC.
Premises: 10 Harbor Park Drive, Port Washington, NY 11050

Ladies and Gentlemen:

We are pleased to advise you that _____ (the "Bank") has approved (a) a first mortgage loan to Borrower (described below) in the aggregate maximum principal sum of _____ (the "Mortgage Loan") secured by a first mortgage lien on the land and improvements described in "The Mortgaged Property" section (Paragraph 2) of this commitment (the "Mortgaged Property").

1. Terms of the Loan.

Borrower: Ten HP Drive LLC

Guarantor: Unlimited Payment Guaranty of LIF Industries, Inc. and Payment Guaranty of Vincent Gallo limited to the deficiency, if any, calculated at any given time during the term between the principal balance which would satisfy a 50% loan to appraised value ratio requirement and the actual outstanding principal balance of the Loan at such time.

Principal Amount: _____ but in no event greater than _____ percent of the as-is appraised value of the Property

Term: Eight (8), ten (10) or fifteen (15) years at Borrower's option to be exercised three (3) business days prior to closing.

Rate of Interest: At Borrower's Option:

(a) Floating Rate: (i) 90 day Libor + 2.5% , or (ii) Prime Rate minus 50BP, or

(b) Fixed Rate: (i) Self-Amortizing Eight years - 3.75%, or (ii) Self-Amortizing Ten years - 3.85%, or (iii) Self-Amortizing Fifteen years - 4.25%.

In the event the Borrower does not elect a LIBOR Rate at the expiration of any 90 day LIBOR period, the Loan shall bear interest at a floating rate equal to the Bank's Prime Rate minus 50 BP.

Interim Interest Payment: At the closing of the Loan (the "Closing"), interest will be paid with respect to the Loan from the date of Closing to the end of the month.

Monthly Payments: Monthly payments shall commence on the first day of the second month immediately following Closing and shall be for principal and interest, fully amortizing within the term with installments of principal and interest, either for Fixed Rate Loan "mortgage style" or equal principal payments with interest on the unpaid principal balance, at Borrower's option to be exercised three (3) business days prior to Closing, for Fixed Rate Loan and equal principal payments for LIBOR and Prime Rate Loan to be exercised at least three (3) business days prior to Closing.

In the case of Prime Rate Loan, interest shall be payable monthly in arrears. In the case of a LIBOR Loan interest shall be payable on the last day of the LIBOR Interest Period for such LIBOR Loan. Interest shall be computed on the basis of a 360-day year for actual days elapsed.

All payments due under the Loan documents shall be made by automatic debit from an account maintained by the Borrower for such purpose at the

Bank in which the Borrower shall maintain balances sufficient to pay each monthly payment due to the Bank under the Loan documents. In the event that the money maintained in such account is insufficient for any payment due under the Loan documents, the Bank may charge any account of the Borrower for any payment due to the Bank under the Loan documents.

Interest shall be calculated on the basis of a 360-day year for actual days elapsed.

All of the principal amount of the Loan, all accrued interest and all other amounts due or outstanding in connection with the Loan shall be paid in full at the expiration of the respective Term of the Loan.

Prepayment of Loan:

Prepayment of principal may be made, in whole or in part based on the maturity of the Loan on thirty (30) days prior written notice upon payment of the prepayment premium, if any, as follows:

Eight Year Maturity:

Years 1-6: 5,4,3,2,1,1 % respectively.

Years 7-8: None; unless the loan is prepaid due to the sale of the real property located at 10 Harbor Park Drive, Port Washington, in which case a 0.5% prepayment penalty will apply.

Ten Year Maturity:

Years 1-6: 5,4,3,2,1,1% respectively.

Years 7-10: None; unless the loan is prepaid due to the sale of the real property located at 10 Harbor Park Drive, Port Washington, in which case a .05% prepayment penalty will apply.

Fifteen Year Maturity:

Years 1-11: 5,5,4,4,3,3,2,2,1,1,1% respectively.

Years 12-15: None; unless the loan is prepaid due to the sale of the real property located at 10 Harbor Park Drive, Port Washington, NY in which case .05% prepayment penalty will apply.

Purpose:

To finance the acquisition of the Property

2. The Property

The property is to be an owner-occupied mixed use warehouse distribution and offices building containing approximately 33,500 square feet located at 10 Harbor Park Drive, Port Washington, New York 11050.

3. Security for the Loan

The Mortgage Loan shall be evidenced by a note (the "Note") and secured by a first mortgage (the "Mortgage") on the Mortgaged Property which shall be a valid first lien on good, unencumbered and marketable title in fee simple to the applicable Mortgaged Property. The Mortgage Loan shall also be secured by (a) a security interest duly perfected under the Uniform Commercial Code, subject to no prior or superior interest, covering all equipment, fixtures, fittings, appliances, apparatus, chattels and articles of personal property now or at any time hereafter affixed to, attached to, installed at, placed upon or in any way used in connection with the operation of the Mortgaged Property (but not any separate business operating on the Mortgage Property by unaffiliated third party tenants or occupants), and any and all replacements thereof and additions thereof, (b) an assignment of all leases, rents and profits of the Mortgaged Property, and (c) all other security instruments and interests referred to in this commitment. All documents relating to the Mortgage Loan must and shall constitute legal, valid and binding obligations of Borrower, enforceable in accordance with their terms and conditions, and free from any right of setoff, counterclaim or other defense.

4. Loan Document Provisions

The Loan documents shall provide, among other things, that:

(a) Restrictions on Transfer

The Bank shall have the right to declare the Loan immediately due and payable in the event of a sale, conveyance, transfer or net leasing or disposition, directly or indirectly, of the Mortgaged Property or any interest therein, including the further encumbrance of the Mortgaged Property to secure an obligation of Borrower, or the sale or transfer of a majority interest in the Borrower (either of record or beneficially), if such Borrower is an entity). Notwithstanding the foregoing, Vincent Gallo shall have the right to transfer his membership interests in the Borrower to his family members or trusts for the benefit of family members.

(b) Tax and Insurance Escrow

If Borrower defaults in payment of real estate taxes on a timely basis, the Bank may thereafter require the Borrower to make monthly deposits with the Bank in such amounts as the Bank shall determine to be required in order to have sufficient funds available to pay real estate taxes, water and sewer charges and, to the extent flood insurance is required, premiums for the flood insurance policy with respect to the Mortgaged Property.

one month prior to the date such taxes, water and sewer charges and insurance premiums are next payable without interest or penalty. The amounts so deposited shall be held by the Bank, not as a trust fund, and without interest (except as may be required by applicable law), to be applied to the payment of such taxes, charges and premiums as they become due and payable. The Borrower will be required to pay the cost of a tax service which will confirm payment or non-payment of taxes and impositions.

(c) Records and Accounts

Borrower shall keep proper books of record and account with respect to the operation of the Mortgaged Property in accordance with generally accepted accounting principles, and shall cause to be furnished to the Bank (i) annual audited financial statements of LIF Industries, Inc. and its affiliates and subsidiaries prepared on a combined and combining basis by an accounting firm reasonably acceptable to the Bank within 150 days of fiscal year end which financial statements shall be satisfactory to the Bank, and shall disclose in reasonable detail all earnings and expenses with respect to the operation of the Mortgaged Property; (ii) quarterly financial statements of LIF prepared by management and certified as true, complete and accurate, within 60 days of each fiscal quarter ending on March 31st, June 30th and September 30th during the Loan Term, which financial statements shall be satisfactory to the Bank and shall include a balance sheet, income and expense and cash flow statements; (iii) annual personal financial statements of Vincent Gallo, to be completed on the Bank's standard form, by May 30th of each calendar year, which financial statements shall be satisfactory to the Bank; (iv) annual Federal tax returns, including extensions, of Vincent Gallo within 30 days of filing; (v) annual Federal tax returns, including extensions, of the Borrower and 32-15 Downing Street, LLC, 32-27 Downing Street, LLC and 132-34 32nd Avenue, LLC, within 30 days of filing; (vi) annual rent roll and summary of expenses for each non-owner occupied Mortgaged Property of affiliates of LIF Industries, Inc., and such other financial information including tax returns 30 days after filing, concerning the Borrower as shall be requested by the Bank, and such other information concerning the business operation or financial condition of the Borrower or the Mortgaged Property as the Bank may reasonably request from time to time.

(d) Security Deposit and Operating Account

All tax escrow, if applicable at some future date and operating accounts for the Borrower and the Corporate Guarantor shall be maintained in accounts at the Bank.

(e) [Intentionally Omitted.]

(f) Late Charges

If any payment required under the Loan shall become overdue for a period in excess of fifteen (15) days, then, to the extent permitted by law, a late charge of five (5%) per cent of the payment due shall become immediately due to the Bank as liquidated damages for failure to make timely payment, and such late charge shall be secured by the Mortgage.

(g) Post Default/Maturity Interest

Upon default under the Mortgage or the other Loan documents or upon maturity of any of the Loan (whether by acceleration or otherwise), the interest payable on the Loan shall be at the rate of four (4%) percent above the then applicable Rate of Interest, but in no event in excess of the maximum rate allowed to be charged by law, whichever is lower. Payment of the Loan following an acceleration of the Loan due to Borrower's default thereunder shall be deemed to be a voluntary prepayment, and Borrower shall pay, in addition to all other amounts due and payable under the Mortgage, the prepayment consideration specified herein.

(h) Property Insurance Policy

An original property insurance policy in an amount not less than the full replacement value of the Mortgaged Property, excluding the land and foundations with extended coverage must be delivered on Closing. No binders will be accepted. In designated flood hazard areas, an effective flood insurance policy in customary FEMA form, must be delivered at Closing. All policies must be written with loss payable clause designating Signature Bank and/or its successors and assigns as first mortgagee.

(i) Financial Covenant

The Loan documents shall provide, among other things, the following financial covenant:

Debt Coverage Ratio. The Borrower shall not permit the Debt Service Coverage Ratio to be less than 1.20:1.00. "Debt Service Coverage Ratio" shall mean, as of each fiscal year end for the immediately prior twelve month period (based upon the consolidated financial statements of LIF Industries, Inc. and its affiliates and subsidiaries, a ratio of (i) earnings before interest, taxes, depreciation, amortization and change in fair value of derivatives less total distributions to (ii) the current portion of all long term debt and all interest expense thereon (inclusive of shareholder and member loans), as determined in accordance with GAAP standards consistently applied.

(j) Further Indebtedness

The Loan documents shall contain a covenant to the effect that the Borrower shall not incur any additional debt other than purchase money liens for equipment made in the ordinary course of Borrower's business.

(k) Cross-Default and Cross-Acceleration

The Loan shall be cross-defaulted and cross-accelerated to to all other agreements and other obligations between any of the Borrower and the Bank.

(l) Possible IDA Transactions

In the event Borrower obtains an inducement resolution from the Nassau County Industrial Development Agency (the "IDA") for tax benefits with respect to the Mortgage Loan, the Bank will reasonably cooperate to structure the financing as a fee and leasehold mortgage for an IDA style transaction.

5. Conditions

(a) The obligation of the Bank to make the Loan is expressly subject to (i) the satisfaction of and compliance with each of the provisions and conditions in this commitment, including the General Conditions annexed hereto, which conditions are an integral part of this commitment.

(b) The Loan documents shall provide, among other things, a covenant to the effect that Borrower, agree that Mortgaged Property shall at all times comply to the extent applicable with the requirements of the Americans with Disabilities Act of 1990, Fair Housing Amendments Act of 1988, all state and local laws and ordinances related to handicapped access and all rules, regulations and orders issued pursuant thereto, including, without limitation, the American with Disabilities Act Accessibility Guidelines for Buildings and Facilities (collectively, "Access Laws").

Notwithstanding any provisions set forth herein or in any other document regarding Bank's approval of alterations of the Mortgaged Property, Borrower shall not alter any of the Mortgaged Property in any manner which would increase Borrower's responsibilities for compliance with the applicable Access Laws without the prior written approval of the Bank, which approval shall not be unreasonably withheld, conditioned or delayed. The foregoing shall apply to tenant improvements constructed by Borrower or by any of their respective tenants. The Bank may condition any such approval upon receipt of a certificate of Access Law compliance from an architect, engineer, or other person reasonably acceptable to the Bank.

Borrower agree to give prompt notice to the Bank of the receipt by Borrower of any complaints related to violations of any Access Laws and of the commencement of any proceedings or investigations which relate to the compliance with applicable Access Laws.

(c) The Borrower and the Guarantors shall indemnify the Bank from the payment of any deficiency, loss or damage suffered by the Bank as a result of (i) the misappropriation of any rent, or (ii) the use of any real other than in connection with the Mortgaged Property (except for distributions in the ordinary course of business); or (iii)

misappropriation of the proceeds of insurance or condemnation other than as required by the Mortgages; or (iv) the misappropriation of security deposits held by the Borrower pursuant to leases of any portion of the Mortgaged Property; or (v) any fraud or misrepresentation by the Borrower; or (vi) the cost, if any, incurred by the Bank for the removal of any asbestos, hydrocarbons or other hazardous or unlawful materials, which under existing law are or under future law may be required to be removed from any of the Mortgaged Property; or (vii) intentional waste to the Mortgaged Property; or (viii) non-compliance with Access Laws.

6. Commitment Fee

The Bank will not charge a commitment fee in connection with the issuance of this commitment.

7. Restrictions on Assignment

The identity of the persons with whom the Bank deals is of material importance to it. Accordingly, this commitment may not and shall not be assigned or transferred by Borrower.

8. Broker

Borrower represents that Borrower or its affiliates have not dealt with any broker in connection with the negotiation or issuance of this commitment.

9. Bank's Counsel

The Bank will be represented in this matter by Farrell Fritz, P.C., 1320 RXR Plaza, Uniondale, New York 11556-1320, Attn: Peter L. Curry, Esq. (telephone number (516) 227-0772)

10. Closing

The Closing will take place at the offices of the Bank's counsel or the Bank's offices on such date on or prior to the Commitment Expiration Date (as hereinafter defined) as shall be designated by Borrower in a written notice to the Bank and its counsel given not more than thirty (30) days nor less than ten (10) days prior to the date so designated; provided, however, that the title report, survey, leases and any other documents and information requested by the Bank or its counsel in connection with the Loan shall have been received by counsel on or before the date such notice is given. Time shall be of the essence with respect to such Commitment Expiration Date. At the Closing, Borrower shall execute and deliver the Notes, the Mortgages, the Security Agreement, and such other documents, instruments, certificates, opinions, assurances, financing statements, consents and approvals as the terms and provisions of this commitment, or the Bank or its counsel, may reasonably require. All of the aforesaid documents shall be in form and content reasonably satisfactory to the Bank and its counsel.

11. Expenses

Borrower's acceptance of this commitment shall constitute its unconditional agreement to pay all fees, costs, charges and expense with respect to the Loan or its making, or in any way connected therewith, including, without limiting the generality thereof: the fees and expenses of the Bank's counsel for the preparation of the Loan documentation and the examination of title, survey, tenant leases, etc., and for closing the Loan; appraisal, environmental or engineering reports, title report and title insurance premiums; survey costs; recording and filing fees; credit information charges; documentary stamps; mortgage taxes; fees for any required appraisals, inspections and property review; and any and all other taxes, fees and expenses payable in connection with this transaction. The Bank shall not be required to pay any premium, brokerage fee or commission or similar compensation in connection with this transaction, and Borrower agree to defend, indemnify and hold the Bank harmless against and from any and all claims for any fees, charges, taxes and compensation in connection with the Loan and their making. This provision shall survive the Closing.

12. Appraisal

The Loan are subject to the receipt by the Bank of an appraisal of the Mortgaged Property prepared by an appraiser acceptable to the Bank, which appraisal shall be prepared in accordance with all applicable laws, rules and regulations and shall be satisfactory in all respects to the Bank, in its sole and absolute discretion. Borrower shall be responsible for payment of all Bank fees incurred in connection with the preparation and review of the appraisal for the Mortgaged Property. The appraisal has been received and accepted by the Bank.

14. Entire Commitment

No statements, agreements or representations, oral or written, which may have been made by the Bank or any employee, officer or agent acting on the Bank's behalf with respect to the Loan shall be of any force or effect, except to the extent stated in this commitment. This commitment, together with all representations and/or documentation heretofore furnished by Borrower to the Bank, embodies and constitutes the entire understanding with respect to the Loan and supersedes all prior understandings and agreements by Borrower or on Borrower's behalf, or representations by the Bank, all of which are merged herein. No waiver, extension or modification of any of the terms or provisions of this commitment shall be binding on the Bank unless embodied in a document executed by it.

15. Environmental Audit Requirement

An environmental audit of the Mortgaged Property prepared by an environmental consultant approved by the Bank, in form and substance acceptable to the Bank, must be delivered to the Bank or the Bank's counsel at least fifteen (15) business days prior to the

Closing. The Bank reserves the right, in its sole and absolute discretion, to retain, at the Borrower's expense, an independent professional consultant to review any report prepared on behalf or by the Borrower and/or to conduct its own investigation of the Mortgaged Property, and the Borrower hereby grant to the Bank, its agents, employees, consultants and contractors the right to enter upon the Mortgaged Property and to perform such tests on the Mortgaged Property as are necessary to conduct such a review or investigation. The Borrower and the Guarantors shall execute any and all documentation concerning environmental issues as the Bank may request, and such documentation shall include, but not be limited to, an indemnification that shall survive foreclosure or a conveyance made pursuant to a deed in lieu of foreclosure, and such documentation shall be satisfactory to the Bank and the Bank's counsel. Borrower shall be responsible for payment of all Bank fees incurred in connection with the preparation and review of the environmental audit for the Mortgaged Property. The environmental audit has been received and accepted by the Bank.

16. Acceptance and Expiration

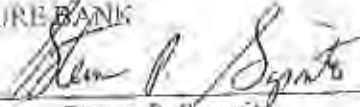
The application for the Loan and commitment shall not become effective unless, within seven (7) business days from the date of this commitment, Borrower shall have accepted the same by executing the enclosed copy of this commitment and returning same to the Bank. Acceptance of this commitment shall constitute Borrower's agreement to accept the Loan from the Bank and an authorization for the Bank's counsel to proceed at Borrower's expense to prepare for the Closing.

This commitment shall expire, and all obligations of the Bank hereunder shall terminate, on April 4, 2016 (the "Commitment Expiration Date"), which date shall be of the essence with respect to Borrower's obligations hereunder. The Borrower agrees to work toward a Closing Date earlier than the Commitment Expiration Date.

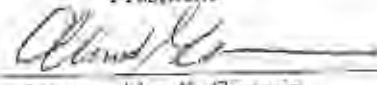
Very truly yours,

SIGNATURE BANK

By:


Name: Steven P. Saporito
Title: Senior Lender and Senior Vice President

By:


Name: Alan S. Gutmis
Title: Group Director and Senior Vice President

Date: February 2, 2016

Accepted and Agreed to:

TEN HP DRIVE LLC

By: 

Name: Vincent Gallo

Title:

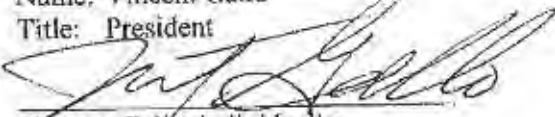
The undersigned, LIF Industries, Inc. and Vincent Gallo, as guarantors, join in and accepts and agrees to the terms and conditions of this Letter:

LIF INDUSTRIES, INC.

By: 

Name: Vincent Gallo

Title: President


Vincent Gallo, individually

GENERAL CONDITIONS

1. Title Insurance

At the Closing, Borrower shall deliver to the Bank, at the Borrower's cost, a policy of, or a commitment for, title insurance for the Mortgage Loan, issued by a title company approved by the Bank (the "Title Company"), in the principal amount of such Mortgage Loan, with such reinsurance or co-insurance as the Bank may require, showing good and marketable fee simple title to the Mortgaged Property in Borrower and insuring the Bank that the Mortgage is a first and prior lien, for the full amount of the Mortgage Loan, subject only to such exceptions as shall be approved by the Bank's counsel, in its sole discretion.

2. Survey

Prior to the Closing, Borrower shall deliver to the Bank a survey of the Property by a licensed engineer or surveyor, dated or redated not more than thirty (30) days prior to the Closing, which shall be certified to the Bank and the Title Company and shall indicate the dimensions of the Mortgaged Property, the dimensions and locations of the improvements on the Mortgaged Property except utility easements, if any, the location of adjacent streets, and such other details as may be requested by the Bank.

3. Compliance with Laws

Borrower shall provide the Bank with evidence satisfactory to the Bank and its counsel that:

(a) The Loan comply with all applicable laws, ordinances, rules and regulations of any governmental authority having jurisdiction over the Property or the Loan in force at the time of the Closing;

(b) The tax lot or lots for the Mortgaged Property does not include any properties other than such Mortgaged Property;

(c) A permanent and unconditional certificate of occupancy and all other permits, licenses and other approvals required by all applicable laws and governmental authorities for the occupancy and operation of all portions of the Mortgaged Property have been issued and are in full force and were issued solely on the basis of the Mortgaged Property and not on the basis of other properties or easements or other interests that are not covered by the applicable Mortgage. The certificate of occupancy shall cover all the improvements described in "The Mortgaged Property" section (Paragraph 2) of this commitment, and permit such improvements to be legally occupied for the purposes contemplated under "The Mortgaged Property" section hereof.

(d) The Mortgaged Property and operation and use thereof comply in all respects with all zoning, building, subdivisions, environmental, flood plain and all other applicable laws, ordinances, rules and regulations and other legal requirements affecting or relating to the Mortgaged Property and with all applicable insurance underwriting requirements, and there is no violation or claimed violation of any of the foregoing; and

(e) The rentals and other charges payable under all leases, and all other provisions of the leases, comply with all applicable laws, ordinances, rules and regulations.

4. Insurance

At least seven (7) days prior to the Closing, Borrower shall deliver to the Bank copies of the policies of property and extended coverage insurance covering the Mortgaged Property (and also covering all equipment, fixtures, fittings, appliances, apparatus, chattels and other articles of personal property affixed to, attached to, installed at, placed upon or in any way used in connection with the operation of the Mortgaged Property, and may and all replacements thereof and additions thereto), in such amounts as shall be required by the Bank to avoid co-insurance, with a replacement value endorsement and with appropriate endorsements showing the interest of the Bank as first mortgagee without contribution and with loss payable to the Bank under a standard New York mortgagee endorsement, and addressed to the Bank at its address at 29 West 38th Street, 12th Floor, New York, New York 10018, Attention: Loan Servicing. All such policies shall be satisfactory to the Bank as to amounts and types of coverage and the companies by which such policies are issued. Such policies shall be in the New York standard form of property insurance policy with extended coverage and shall provide coverage against such other risks as the Bank may require. At least seven (7) days prior to the Closing, Borrower shall also deliver to the Bank either (a) a policy of flood insurance in form that will insure the Bank, in an amount equal to the amount of the Loan or the maximum limit of coverage available under the National Flood Insurance Act, or (b) proof satisfactory to the Bank that the Mortgaged Property is not within a designated flood hazard area as identified by the Department of Housing and Urban Development.

Borrower also shall maintain comprehensive general liability insurance in an amount reasonably satisfactory to the Bank against claims and liabilities for injury or damage to persons or property occurring on or about the Mortgaged Property. Borrower shall provide a copy of all such policies to the Bank not less than seven (7) days prior to the Closing.

5. Leases

At least seven (7) days prior to the Closing, Borrower shall submit to the Bank or its counsel true copies of all commercial leases, if any, and other occupancy agreements for the Mortgaged Property other than residential leases, including all amendments thereto or extensions thereof and any guarantees thereof (collectively, the "Lease Agreements"). The Lease Agreements shall be reasonably satisfactory to the Bank's counsel in all material respects, and each and every Lease Agreement shall contain a provision

satisfactory to the Bank's counsel subordinating such Lease Agreement to the Mortgage, all advances thereunder, and any renewals, extensions, modifications or consolidations thereof. The Mortgage, and such other agreement as the Bank may require, shall provide for the assignment to the Bank of all leases, including the Lease Agreements and the rents, profits and issue thereof, as additional security for the Mortgage. All commercial Lease Agreements entered into after the Closing shall be in form and substance satisfactory to the Bank's counsel, shall comply with all applicable laws, rules and regulations of any governmental authority having jurisdiction over such Lease Agreement. All leases shall be assigned to the Bank as additional security. Copies of all commercial Lease Agreements which may be executed after the Closing shall be delivered to the Bank. Borrower shall provide the Bank with tenant estoppel certificates duly executed by tenants of the rental income for the Mortgaged Property on the Bank's form of certificate for commercial Lease Agreements.

6. Financial Condition

Borrower and the Guarantors shall furnish to the Bank current financial statements, certified by Borrower and the Guarantors as the case may be, to be complete, correct and accurate, and the financial condition and net worth of Borrower and the Guarantors shall be satisfactory to the Bank in its sole discretion.

7. No Change of Circumstances

At and as of the closing, (a) no portion of the Mortgaged Property shall have been destroyed or damaged, nor shall any substantial portion of the Mortgaged Property have been taken in a condemnation proceeding, (b) no material adverse change shall have occurred in the income of the Mortgaged Property or in the financial condition of the Borrower or the Guarantors, (c) no judicial or administrative proceeding shall be pending against Borrower or any portion of the Mortgaged Property which, if adversely determined, would, in the opinion of the Bank, materially adversely affect the security of the Loan, (d) there shall be no default by Borrower, any partner of any Borrower (if a partnership), any member of any Borrower (if a limited liability company), any officer or shareholder of any Borrower (if a corporation), or any person or entity which shall control, be controlled by, or be under common control with any of the foregoing under any agreement with the Bank now or hereafter in effect (and any such default occurring prior to the Closing shall constitute a default by Borrower under the Mortgage), and (e) there shall have been no material and adverse misrepresentation by the Borrower in the information delivered to the Bank concerning the Borrower, the Mortgaged Property or the Guarantors.

At the Closing, Borrower shall certify to the existence or non-existence of such changes of circumstances as listed above, and the Bank shall have the right independently to verify the existence or non-existence of said changes of circumstances. If any of said changes of circumstances shall have occurred, the Bank may, at its option, terminate this commitment, in which event the Bank shall nevertheless be entitled to retain all fees and

payments made by Borrower in consideration for the issuance of this commitment and for any costs incurred with respect thereto.

8. Approval by Bank's Counsel

The Bank's obligations under this commitment are conditioned, among other things, upon the approval by the Bank's counsel of: (a) the form and substance of all documents referred to in or contemplated by this commitment or incident to the Loan, including, without limitation, the Note, the Mortgage, the Security Agreement, the leases and title insurance policies, and such other documentation as the Bank or its counsel may require, (b) all matters pertaining to the title to the Mortgaged Property and the marketability of such title, (c) Borrower's capacity and authority to accept the Loan and to execute the Loan documents, and (d) all other legal matters relating to the Loan. The judgment of the Bank's counsel with respect to all legal matters shall be final and binding upon all parties.

9. Taxes

All unpaid taxes, assessments and/or unamortized assessments, water, water meter and sewer charges which are a lien on the Mortgaged Property as of the Closing shall be paid in full prior to the disbursement of any proceeds of the Loan, and the title policy to be issued to the Bank shall insure the Bank free of the same.

10. Interest Rate

The interest on the Note shall be paid monthly in arrears, computed on the basis of a 360-day year for the actual days elapsed. All payments under the Note shall be made to the Bank in immediately available funds as the Bank shall direct in writing. It is not intended by any provision of the commitment or these General Conditions to charge Borrower interest at a rate in excess of the maximum legal rate of interest permitted to be charged to Borrower under applicable law, but if, nevertheless, interest in excess of said maximum legal rate shall be paid on the Loan, the excess amount shall be deemed to have been paid in error and shall be automatically applied in reduction of the principal balance of the Loan.

11. Governing Law

This commitment, these General Conditions and the documents executed in connection with the Loan shall be governed by and construed in accordance with the internal laws of the State of New York.

13. Opinion of Counsel

Counsel for the Borrower and Guarantors shall furnish an opinion, in the form and substance reasonably satisfactory to the Bank and its counsel, that the execution and delivery of the Loan documents, including the Note, the Mortgage and the Security Agreement, have been duly authorized by the Borrower and are valid, binding and

enforceable obligations in accordance with their terms and such other matters incident to the transaction contemplated by this commitment as the Bank or its counsel may request.

14. Corporate, Limited Liability or Partnership Authority

If a Borrower is a corporation, such Borrower must be a corporation duly organized and existing and in good standing under the laws of the State of New York with full power and authority to hold the Mortgaged Property, to accept the Loan, to execute the Note, the Mortgage and all other required instruments and documents relating thereto and to perform all of such Borrower's obligations hereunder. If a Borrower is a limited liability company, such Borrower must be a limited liability company duly organized and existing under the laws of the State of New York with full power and authority to hold the Mortgaged Property, to accept the Loan, to execute the Note, the Mortgage, and all other required instruments and documents relating thereto and to perform all of such Borrower's obligations hereunder. If a Borrower is a partnership, such Borrower must be a partnership duly organized and existing and in good standing under the laws of the State of New York with full power and authority to hold the Mortgaged Property, to accept the Loan, to execute the Note, the Mortgage, and all other required instruments and documents relating thereto and to perform all of such Borrower's obligations hereunder. At the Closing, the Borrower shall furnish to the Bank or its counsel true copies of, respectively, such Borrower's certificate of incorporation, by-laws and such other corporate documents, or such Borrower's articles of organization, operating agreement, proof of publication, and certificate of existence, together with such other limited liability company documents, or such Borrower's partnership certificates, agreements and such other partnership documents, as the Bank or its counsel may reasonably require, including, in either case, an opinion of counsel that such Borrower is duly organized, has made all necessary filings in the State of New York, and has full power and authority to accept the Loan and execute any and all documents in connection therewith.

15. Loan Sales

The Bank reserves the right to sell participations in or to sell and assign the Loan to such banks, lending institutions or other parties as it may choose without the consent of the Borrower or the Guarantors.

16. Miscellaneous Provisions

(a) The provisions of this commitment cannot be waived, modified or changed unless such waiver, modification or change is in writing and signed by both the Borrower and the Bank.

(b) Any provision in this Letter or the Loan documents to the contrary notwithstanding, the Borrower and the Guarantors shall indemnify and hold the Bank harmless and defend the Bank at the sole cost and expense of the Borrower and the Guarantors, against any loss or liability, cost or expense (including, but not limited to,

reasonable fees and disbursements of the Bank's counsel) and all claims, actions, procedures and suits arising out of or in connection with:

- (i) any ongoing matters arising out of the transaction contemplated by this commitment letter, the Note, the Mortgage, the Security Agreement or any other document or instrument now or hereafter executed and/or delivered in connection with the Loan (collectively, the "Loan Documents"), including, but not limited to, all costs of any reappraisals of the Property or any other collateral for the Loan;
- (ii) any amendment to, or restructuring of the Loan and the Loan Documents; and
- (iii) any and all lawful actions that may be taken by the Bank in connection with the enforcement of the provisions of the Note, the Mortgage, the Security Agreement or any of the other Loan Documents, whether or not suit is filed in connection with the same, or in connection with the Borrower, any Guarantor, and/or any partner, joint venturer or shareholder thereof becoming a party to a voluntary or involuntary federal or state bankruptcy, insolvency or similar proceeding.

All sums expended by the Bank shall be payable upon demand and, until reimbursed by the Borrower, shall be deemed additional principal of the Loan and shall bear interest at the penalty interest rate set forth in the Note.

- (c) The terms of the commitment ~~which~~ are not incorporated in the formal Loan documents shall, to the extent applicable, survive the funding of the Loan and remain binding on the parties.

EXHIBIT E
TO
SCHEDULE H

**Settlement of Real Estate Tax Protest Proceedings
(5 Harbor Park Drive and 18 Industrial Park Drive)**

[Attached]

BERNARD HYMAN
 PARTNER
 DIRECT DIAL: 516.296.7073
 bhyman@certilmanbalin.com

February 2, 2016

VIA FACSIMILE, E-MAIL
and REGULAR MAIL

Mr. Vince Gallo
 Long Island Fireproof Door, Inc.
 5 Harbor Park Drive
 Port Washington, NY 11050

Re: LONG ISLAND FIREPROOF DOOR, INC.
 v. THE BOARD OF ASSESSORS AND/OR THE ASSESSOR
 OF THE COUNTY OF NASSAU AND THE NASSAU COUNTY
 ASSESSMENT REVIEW COMMISSION
 Premises: 5 Harbor Dr., 18 Industrial Park Dr.,
 Port Washington
 Section 6, Block 86, Lot(s) 4-5, 6B
 Section 6, Block 86, Lot(s) 6A
 Section 6, Block 86, Lot(s) 9
Our File No.: 22x482

Dear Mr. Gallo:

We have recently conferenced this case with the Assessment Review Commission of Nassau County. At our last meeting, the following offer of settlement was made:

<u>Tax Year</u>	<u>Original Total Assessed Valuation</u>	<u>New Total Assessed Valuation</u>	<u>Total Reduction In Assessed Valuation</u>
<u>Lot(s) 4-5, 6B</u>			
2015/16	\$85,257	\$77,327	\$ 7,930
2016/17	\$85,257	\$73,931	\$11,326
<u>Lot(s) 6A</u>			
2015/16	\$ 8,740	\$ 7,927	\$ 813
2016/17	\$ 8,740	\$ 7,579	\$ 1,161
<u>Lot(s) 9</u>			
2016/17	\$22,292	\$18,792	\$ 3,500

We estimate that the real estate tax refunds resulting from this settlement for the 2015/16 tax year(s) should be approximately

CEITILMANBALIN

Mr. Vince Gallo
February 2, 2016
Page 2

\$53,500.00, if all the applicable real estate taxes have been paid and the County agrees with our calculations.

We estimate that the real estate tax savings resulting from this settlement for the 2016/17 tax year should be approximately \$105,000.00, if the County agrees with our calculations.

We feel that the offer of settlement is fair and recommend its acceptance. If you agree, please indicate your acceptance of the terms of the settlement by signing the enclosed copy of this letter and returning same to this office. Please be advised that we MUST advise the Commission of your acceptance of this offer by FEBRUARY 9, 2016, therefore, your immediate attention to this matter is imperative.

In order to process the refund, the enclosed affidavit(s) evidencing payment of taxes for the period covered by the settlement must be provided to the Nassau County Treasurer's Office together with the enclosed completed and signed Form(s) W-9. The purpose of the affidavit(s) is to indemnify the Treasurer in the event that payment is made to the wrong party.

Therefore, kindly: 1) complete the first paragraph(s) of the Affidavit(s) and sign same before a notary public; 2) complete and sign the enclosed Form(s) W-9; and 3) return the original W-9(s), original Affidavit(s) and signed copy of the settlement letter indicating your acceptance of this offer so that these documents with original signatures MUST reach our office by FEBRUARY 9, 2016.

If you have any questions with regard to the foregoing, please do not hesitate to call my office.

Very truly yours,



Bernard Hyman

BH/TMC/smk
Enclosures

TERMS OF THE FOREGOING ACCEPTED

BY:



DATED:

2/2/2016

AR70

ASSESSMENT REVIEW COMMISSION
NASSAU COUNTY, NEW YORK

22x482

ARC STIPULATION

Stipulation # 151510001-1701

Fax # 516-296-7111
004 CERTILMAN, SALIN, ROLES & HYMAN
90 MERRICK AVENUE
EAST MEADOW NY 11534

Economic Unit # 1510.001
Offer Date 01/19/2018

Taxyr	Proposed Assessments		Economic Unit Totals
	Original AV	Proposed AV	Reduction
2016/17	22,292	18,792	3,500

Parcel 05086 00090

Year	Original AV Ctr	Proposed AV Ctr	Reduction
2016/17	22,292	18,792	3,500

Proceedings Resolved

Taxyr	Index #	Case #	Ctr PETITIONER	ATTORNEY

Proceedings Resolved

Taxyr	Application #	Ctr APPLICANT	ATTORNEY
2016/17	1727095	1 LONG ISLAND FIREPROOF DOOR, INC.	CERTILMAN, SALIN, ROLES & HYMAN

Sales

parcel	Date	Price	Seller	Buyer
05086 00090	05/09/2006	1		
05086 00090	01/24/2011	3,600,000	DOHERT JACB	18 INDUSTRIAL PARK DRIVE

AR70

ASSESSMENT REVIEW COMMISSION
NASSAU COUNTY, NEW YORK

ARC STIPULATION

Attorney Acceptance and Signature

Applicant: CERTILMAN, BAILEY, ADLER & EYMAN
Parcels: 06086 00050 and 0 related lots forming Economic Unit No. 1518-001
Tax Years: 2015/17 through 2016/17

The Assessment Review Commission proposes to implement the reductions set forth on page 3 of this ARC Stipulation, subject to the terms specified on page 1 - 4 of the ARC Stipulation, the applicant's acceptance and final approval by the Commission.

CERTILMAN, BAILEY, ADLER & EYMAN
Attorneys for the Applicant

Accepted by:

Rejected by:

Eileen O'Boyle Bitetto

By: Eileen O'Boyle Bitetto
Print Name

By: _____
Print Name

Date: 1/21/16

Date: _____

This offer expires on 02/18/2016

To accept, sign, date and submit this page, with all other documents required by the terms of the stipulation before the expiration date. Send the complete package to:

Assessment Review Commission
240 Old Country Road 5th Fl.
Mineola, NY 11501

Pages 1 - 4 of the ARC Stipulation may be found as form AR 70 on the Information for Practitioners page of ARC's website: <http://www.nassaucountyny.gov/arc/>

If you need additional information, contact ARCCommercial@nassaucountyny.gov

NAASAU COUNTY TAXABLE ASSESSED VALUE COMPUTATION

No. ARC 151516001-1701

MUN: 151B.001
Personal and STAB Exemptions Subject to Dept of Assess final review.

NAASAU COUNTY TAXABLE ASSESSED VALUE COMPUTATION		Original Assessment		Corrected Assessment											
Year	Total AV	Physical	Exempt	Code	Exempt	Total AV	Physical	Exempt	Code	Exempt	Total AV	Physical	Exempt	Code	Exempt
2015/17	21,292	43				21,292	43				18,792	43			
						27,252					18,792				
						24,292					18,792				

NAASAU County Taxable Assessed Value Computation

Taxpayer's counsel, This schedule is an attachment to a Nassau County offer of reduction. If you accept the reduction, and it is approved by the County, the computation will be binding on you. Please review the computations and submit any objection to the department issuing the offer prior to acceptance.

Receiver of Taxes: This schedule is valid for issuance of a corrected tax bill only when submitted to you by the Nassau County Assessment Review Commission as an attachment to an ARC Determination(A290), or when it is incorporated into a stipulation of settlement or consent order signed by a Deputy County Attorney.

AR70

ASSESSMENT REVIEW COMMISSION
NASSAU COUNTY, NEW YORK

22x482

ASC STIPULATION

Stipulation # 16316001-1701

Fax # 516-296-7111
004 CERTILMAN, BALIN, ADLER & HYMAN
80 MERRICK AVENUE
EAST MADISON NY 11554

Economic Unit # 314.001
Offer Date 01/28/2016

Proposed Assessments Economic Unit Totals

Year	Original AV	Proposed AV	Reduction
2015/16	85,997	85,254	743
2016/17	85,997	81,510	17,487

Parcel 06086 00040

Parcel 06086 00062

Year	Original AV Cls	Proposed AV Cls	New Reduction
2015/16	85,257 4	77,327 4	7,930
2016/17	85,257 4	73,802 4	11,326

Year	Original AV Cls	Proposed AV Cls	New Reduction
2015/16	8,740 4	7,927 4	813
2016/17	8,740 4	7,575 4	1,165

Proceedings Resolved

Year	Writ#	Index #	Call#	Cnt PETITIONER	ATTORNEY
2015/16	201640791	801523		1	LONG ISLAND FIREPROOF DOOR, CERTILMAN, BALIN, ADLER & HYMAN

Proceedings Resolved

Year	Application #	Cnt APPLICANT	ATTORNEY
2016/17	21727093	1	LONG ISLAND FIREPROOF DOOR, INC CERTILMAN, BALIN, ADLER & HYMAN
2016/17	21727094	1	LONG ISLAND FIREPROOF DOOR, INC CERTILMAN, BALIN, ADLER & HYMAN

Sales

parcel	Date	Price	Seller	Buyer
06086 00040	11/24/1998	4,500,000		
06086 00040	05/29/1995			
06086 00040	09/29/1993	9,163,194		
06086 00040	11/17/2000		LONG ISLAND FIREPROOF DOOR	LIF INDUSTRIES INC

AR70

ASSESSMENT REVIEW COMMISSION
NASSAU COUNTY, NEW YORK

ARC STIPULATION

Attorney Acceptance and Signature

Applicant: CERTILMAN, BALIN, ADLER & SYMAN
Parcels: 06085 00040 and 1 related lots forming Economic Unit No. 314.002
Tax Years: 2015/16 through 2016/17

The Assessment Review Commission proposes to implement the reductions set forth on page 5 of this ARC stipulation, subject to the terms specified on page 1 - 4 of the ARC Stipulation, the applicant's acceptance and final approval by the Commission.

CERTILMAN, BALIN, ADLER & SYMAN
Attorneys for the Applicant

Accepted by:

Rejected by:

Eileen O'Boyle Bifette

By: *Eileen O'Boyle Bifette*
Print Name

By: _____
Print Name

Date: *11/29/16*

Date: _____

This Offer expires on 02/29/2016

To accept, sign, date and submit this page, with all other documents required by the terms of the stipulation before the expiration date. Send the complete package to:

Assessment Review Commission
240 Old Country Road 5th Fl
Mineola, NY 11501

Pages 1 - 4 of the ARC Stipulation may be found on Form AR 70 on the Information for Practitioners page of ARC's website: <http://www.nassaucountyny.gov/arc/>

if you need additional information, contact ARCConnect@nassaucountyny.gov

NASSAU COUNTY TAXABLE ASSESSED VALUE COMPUTATION

NO. ARC 16319001-1701

ENTR: 315,002
 personal and state exemptions subject to Dept of Assess final review

Parcel 06085 00060				Original Assessment				Parcel 06086 00060				Corrected Assessment			
Year	Total AV	Physic #1	Exempt	Code	School Taxable	Gen Taxable	Year	Total AV	Physic #1	Exempt	Code	School Taxable	Gen Taxable		
2015/16	85,257				85,257	85,257	2015/16	77,327				77,327	77,327		
2016/17	85,257				85,257	85,257	2016/17	73,931				73,931	77,327		

Parcel 06085 0006A				Original Assessment				Parcel 06086 0006A				Corrected Assessment			
Year	Total AV	Physic #1	Exempt	Code	School Taxable	Gen Taxable	Year	Total AV	Physic #1	Exempt	Code	School Taxable	Gen Taxable		
2015/16	8,740				8,740	8,740	2015/16	7,927				7,927	7,327		
2016/17	8,740				8,740	8,740	2016/17	7,575				7,575	7,327		

Nassau County Taxable Assessed Value Computation

Taxpayer's counsel: This schedule is an attachment to a Nassau County offer of reduction. If you accept the reduction, and it is approved by the County, the computation will be binding on you. Please review the computations and submit any objection to the department issuing the offer prior to acceptance.

Receiver of Taxes: This schedule is valid for issuance of a corrected tax bill only when submitted to you by the Nassau County Assessment Review Commission as an attachment to an ARC Determination (AR90), or when it is incorporated into a stipulation of settlement or consent order signed by a Deputy County Attorney.