

MS PACKAGING AND SUPPLY CORP.

and

THANX M.S. ZORN BLVD., LLC

and

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY

PAYMENT-IN-LIEU-OF-TAX AGREEMENT

Town of Brookhaven Industrial Development Agency
(MS Packaging and Supply Corp. and Thanx M.S. Zorn Blvd., LLC Facility)

Town of Brookhaven, South Country School District

District	200
Section	777.00
Block	02.00
Lot	003.000

PAYMENT-IN-LIEU-OF-TAX AGREEMENT

THIS AGREEMENT, dated as of March 1, 2014, is by and among THANX M.S. ZORN BLVD., LLC, a limited liability company, duly organized and validly existing under the laws the State of New York having an office at 50-1 Industrial Way, Rocky Point, New York 11778 (the "Company"), MS PACKAGING AND SUPPLY CORP., a corporation, duly organized and validly existing under the laws of the State of New York having an office at 50-1 Industrial Way, Rocky Point, New York 11778 (the "Subtenant") and TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY, an industrial development agency and a public benefit corporation of the State of New York having its principal office at 1 Independence Hill, Farmingville, New York 11738 (the "Agency").

W I T N E S S E T H:

WHEREAS, the Agency was created by Chapter 358 of the Laws of 1970 of State of New York, as amended, pursuant to Title 1 of Article 18-A of the General Municipal Law of the State of New York (collectively, the "Act"); and

WHEREAS, the Agency has agreed to acquire from the Company certain real property (the "Land") more particularly described on Exhibit A attached hereto and made a part hereof, with the improvements thereon, and construct and/or renovate and/or equip thereon certain buildings, structures and improvements (the "Improvements") in connection with a certain industrial development facility (the "Facility") more particularly described in the Lease Agreement, dated as of March 1, 2014 (the "Lease Agreement"), by and between the Agency and the Company; and

WHEREAS, the Company is expected to transfer title to the Land and Improvements to the Agency or will cause title to the Land and the Improvements to be transferred to the Agency, pursuant to a Deed, dated March 10, 2014 (the "Deed"); and

WHEREAS, the Agency has agreed to lease the Facility to the Company pursuant to the Lease Agreement, such that title will remain in the Agency throughout the Lease Term (as such term is defined in the Lease Agreement); and

WHEREAS, the Company has agreed to sublease the Facility to the Subtenant, and the Subtenant desires to rent the Facility from the Company, upon the terms and conditions set forth in the Sublease Agreement, dated as of March 1, 2014 (the "Sublease Agreement"), by and between the Company, as sublessor, and the Subtenant, as sublessee; and

WHEREAS, the Agency, the Company and the Sublessee have entered into a Recapture Agreement, dated as of March 1, 2014 (the "Recapture Agreement"), pursuant to which the Agency has the right to recapture certain economic benefits and assistance granted to the Company and the Subtenant upon the terms and conditions set forth in the Recapture Agreement; and

WHEREAS, pursuant to Section 874(1) of the Act, the Agency is exempt from payment of taxes and assessments imposed upon real property owned by it, other than special ad valorem levies, special assessments and service charges against real property located in the Town of Brookhaven (including any existing incorporated village or any village which may be incorporated after the date hereof, within which the Facility is or may be wholly or partially located) which are or may be imposed for special improvements or special district improvements; and

WHEREAS, the Agency, the Company and the Subtenant deem it necessary and proper to enter into an agreement making provision for payments in lieu of taxes and such assessments by the Company and the Subtenant to the Town of Brookhaven, any existing incorporated village or any village which may be incorporated after the date hereof, within which the Facility is or may be, wholly or partially located, Suffolk County, South Country School District and appropriate special districts (hereinafter the "Taxing Authorities") in which any part of the Facility is or is to be located;

NOW, THEREFORE, in consideration of the foregoing and in consideration of the covenants herein contained, it is mutually agreed as follows:

1. a. So long as this Agreement is in effect, the Company and the Subtenant, jointly and severally, shall make payments in lieu of all real estate taxes and assessments (in addition to paying all special ad valorem levies, special assessments and service charges against real property located in the Town of Brookhaven (including any existing incorporated village or any village which may be incorporated after the date hereof, within which the Facility is or may be wholly or partially located) which are or may be imposed for special improvements or special district improvements) which would be levied upon or with respect the Facility if the Facility were owned by the Company and not by the Agency (the "Taxes on the Facility"). The amounts of such payments and the method for such calculation are set forth herein.

b. After the date of this Agreement and until the provisions of paragraph 1(c) become effective, the Company and the Subtenant, jointly and severally, shall pay, as payments in lieu of taxes and assessments one hundred percent (100%) of the taxes and assessments which would be levied upon the Facility by the respective Taxing Authorities without exemption as if the Facility were owned by the Company and not by the Agency.

c. Commencing with the 2015/2016 tax year (that is, the period December 1, 2015 through November 30, 2016), the Company and the Subtenant, jointly and severally, shall pay, as payments in lieu of taxes and assessments, the amounts set forth on Exhibit B attached hereto and made a part hereof

d. The Company and the Subtenant, jointly and severally, shall pay, or cause to be paid, the amounts set forth in paragraph 1(a), (b) and (c) above, as applicable, after receipt of tax (including payments in lieu thereof) bills from the Agency or the Taxing Authorities, as the case may be. Failure to receive a tax bill shall not relieve the Company or the Subtenant of its obligations to make all payments provided for hereunder. If, for any reason, the Company or the Subtenant do not receive an appropriate tax bill, the Company and the Subtenant shall have the

responsibility and obligation to make all reasonable inquiries to the Taxing Authorities and the Agency and to have such a bill issued, and thereafter to make payment of the same no later than the due dates provided therein directly to the Taxing Authorities or the Agency, as directed or provided therein. Payments made after the due date(s) as set forth in the applicable tax bills shall accrue interest (and penalties) at the rates applicable to late payments of taxes for the respective Taxing Authorities and as further provided in the General Municipal Law, including Section 874(5) thereof, which provides for an initial penalty of five percent (5%) of the amount due and an additional penalty of one percent (1%) per month on payments more than one (1) month delinquent.

e. During the term of this Agreement, the Company and the Subtenant shall continue to pay all special ad valorem levies, special assessments, and service charges levied, or would be levied if the Facility were owned by the Company and not the Agency, against the Facility for special improvements or special district improvements.

f. In the event any structural addition shall be made to the building or buildings included in the Facility subsequent to the "Closing Date" (as such term is defined in the Lease Agreement), or any additional building or improvement shall be constructed on the real property described on Exhibit A hereto (such structural additions, buildings and improvements being referred to hereinafter as "Additional Facilities"), other than such improvements as are specifically contemplated by the Lease Agreement (that is, the approximately 70,000 square foot building on the Land and the related, contemporaneous site improvements), the Company and the Subtenant, jointly and severally, shall make additional payments in lieu of taxes to the Agency in amounts equal to the product of the then current ad valorem tax rates which would be levied upon or with respect to the Additional Facilities by the Taxing Authorities as if the Additional Facilities were owned by the Company and not the Agency times the assessment or assessments established for that tax year by the Town of Brookhaven. All other provisions of this Agreement shall apply to this obligation for additional payments.

2. In the event that title to the Facility or any part thereof is transferred from the Agency to the Company (or its designee) at such time in reference to any taxable status date as to make it difficult or impossible to place such Facility or part thereof on the tax rolls of Suffolk County, the Town of Brookhaven, South Country School District, any existing incorporated village or any village which may be incorporated after the date hereof within which the Facility is or may be, wholly or partially, located, or appropriate special districts, as the case may be, by such taxable status date, the Company and the Subtenant, jointly and severally, shall pay at the first time taxes or assessments are due following the taxable status date on which such Facility or part thereof is placed on the tax rolls, an amount equal to the taxes or assessments which would have been levied on such Facility or part thereof had it been on the tax rolls from the time the Agency conveyed title to the Company until the date of the tax rolls following the taxable status date as of which such Facility or part thereof is placed on the tax rolls. There shall be deducted from such amount any amounts previously paid pursuant to this Agreement by the Agency, or the Company or the Subtenant, to the respective Taxing Authorities relating to any period of time after the date of transfer of title to the Company. The provisions of this paragraph 2 shall survive the termination or expiration of the Lease Agreement.

3. In the event the Facility or any part thereof is declared to be subject to taxation for taxes or assessments by an amendment to the Act, or other legislative change, or by final judgment of a court of competent jurisdiction, the obligations of the Company and the Subtenant hereunder shall, to such extent, be null and void.

4. In the event that the Company and the Subtenant shall enter into a subsequent payment in lieu of taxes agreement or agreements with respect to the Taxes on the Facility directly with any or all Taxing Authorities in the jurisdiction of which the Facility is located, the obligations of the Company and the Subtenant hereunder, which are inconsistent with such future agreement or agreements, shall be superseded and shall, to such extent, be null and void.

5. As long as this Agreement is in effect, (i) the Company shall be deemed to be the owner of the Facility and of the Additional Facilities, for purposes of instituting, and shall have the right to institute, judicial review of an assessment of the real estate with respect to the Facility and of the Additional Facilities pursuant to the provisions of Article 7 of the Real Property Tax Law or any other applicable law, as the same may be amended from time to time; and (ii) the Agency shall request the Assessor of the Town of Brookhaven, or any other assessor having jurisdiction to assess the Facility and Additional Facilities, to take into consideration the value of surrounding properties of like character when assessing the Facility and Additional Facilities. Notwithstanding the foregoing, in the event that the assessment of the real estate with respect to the Facility and the Additional Facilities is reduced as a result of any such judicial review so that such complaining party would be entitled to receive a refund or refunds of taxes paid to the respective Taxing Authorities, if such complaining party were the owner of the Facility and the Additional Facilities, such complaining party shall not be entitled to receive a refund or refunds of the payments in lieu of taxes and assessments paid pursuant to this Agreement nor a credit against or reduction in any payments in lieu of taxes and assessments to be paid to the respective Taxing Authorities pursuant to this Agreement; except, however, if the assessment of the real estate with respect to the Additional Facilities is reduced as result of any such judicial review so that such complaining party would be entitled to receive a refund or refunds of taxes paid to the respective Taxing Authorities if such complaining party were the owner of the Additional Facilities, then, in that event, such complaining party shall be entitled to receive a credit against future payments in lieu of taxes and assessments to be paid pursuant to this PILOT Agreement on account of the Additional Facilities, as and when collected by the Agency or the affected tax jurisdictions as defined in Section 854 of the General Municipal Law, as amended (as the case may be), in an amount equal to any refund that such complaining party would be entitled to receive if such complaining party were the owner of the Additional Facilities; provided, however, that the Agency shall have no obligation to provide a credit against any payments-in-lieu-of taxes or assessments which it has remitted to any of the respecting Taxing Authorities before the date the Agency receives written notice from the complaining party that it seeks a credit. In no event shall the Agency be required to remit to the Company, the Subtenant or any Taxing Authority any moneys otherwise due as a result of a reduction in real property taxes or assessments due to a certiorari review. If the Company or the Subtenant receive a reduction in assessment in the last year of the Lease Agreement after they have made their final payments in lieu of taxes, the Company and the Subtenant acknowledge that they shall look solely to the Taxing Authorities for repayment or for a credit against the first payment(s) of Taxes on the Facility which will be due after the Facility is returned to the tax rolls. The Company and the Subtenant shall promptly notify the Agency if the

Company, the Subtenant, or any other person, shall request a reassessment of the Facility or a reduction in the taxes on the Facility or shall institute any tax certiorari proceedings with respect to the Facility (or Additional Facilities). The Company shall deliver to the Agency copies of all notices, correspondence, claims, actions and/or proceedings brought by or against the Company and/or the Subtenant in connection with any reassessment of the Facility, reduction of taxes with respect to the Facility or tax certiorari proceedings with respect to the Facility.

6. The Company and the Subtenant, in recognition of the benefits provided under this Agreement, including the formula for payments in lieu of taxes set forth in Exhibit B (the "Formula"), and as long as this Agreement is in effect and the Company and/or the Subtenant have the obligation to make the payments set forth on Exhibit B hereof, and for a period of two years after the expiration or termination of this Agreement, the Company and the Subtenant agree that the Company and the Subtenant shall not institute judicial review of an assessment of the real estate with respect to the Facility pursuant to the provisions of Article 7 of the Real Property Tax Law or any other applicable law, as the same may be amended from time to time.

7. The Company and the Subtenant, in recognition of the benefits provided under the terms of this Agreement, including the formula for payments in lieu of taxes set in the Formula), and for as long as the Lease Agreement is in effect, expressly waive any rights they may have for any exemption under Section 485 or 485-b of the Real Property Tax Law or any other exemption under any other law or regulation (except, however, for the exemption provided by Article 18-A of the General Municipal Law) with respect to the Facility. The Company and the Subtenant, however, reserve any such rights with respect to all special ad valorem levies, special assessments and service charges levied against the Facility as referred to in Paragraph 1(e) and Additional Facilities as referred to in Paragraph 1(f) and with respect to the assessment and/or exemption of the Additional Facilities.

8. The Company and the Subtenant acknowledge that the amounts due under this Agreement are in addition to, and not in lieu of, such amounts as may be due and payable by the Company or the Subtenant pursuant to the Recapture Agreement.

9. Except as otherwise provided herein, all notices and other communications required or permitted to be given pursuant to this Agreement shall be in writing and shall be deemed to have been given, if delivered by hand with acknowledgement of receipt therefor, on the day of delivery, or if mailed by registered or certified mail, return receipt requested, postage prepaid, on the third business day after mailing, or if sent by recognized national overnight courier for next business day delivery for the account of the sender, on the next business day following the deposit of such notice into the custody of the overnight courier, to the parties at the following addresses (or at such other address for a party as such party may designate in a notice given pursuant to this paragraph):

The Agency:
Town of Brookhaven Industrial Development Agency
1 Independence Hill
Farmingville, New York 11738
Attention: Chief Executive Officer

The Company:
Thanx M.S. Zorn Blvd., LLC
50-1 Industrial Way
Rocky Point, New York 11778

The Subtenant:
MS Packaging and Supply Corp.
50-1 Industrial Way
Rocky Point, New York 11778

With a Copy Sent by Regular Mail To:
Andrew Presberg, PC
Law Offices of Andrew Presberg, PC
100 Corporate Plaza
Islandia, NY 11749

10. Failure by the Agency in any instance to insist upon the strict performance of any one or more of the obligations of the Company or the Subtenant under this Agreement, or to exercise any election herein contained, shall in no manner be or be deemed to be a waiver by the Agency of any of the Company's or the Subtenant's defaults or breaches hereunder or of any of the rights and remedies of the Agency by reason of such defaults or breaches, or a waiver or relinquishment of any or all of the Company's or the Subtenant's obligations hereunder. No waiver, amendment, release or modification of this Agreement shall be established by conduct, custom or course of dealing. Further, no payment by the Company or the Subtenant, or receipt by the Agency of a lesser amount than or different manner from the correct amount or manner of payment due hereunder, shall be deemed to be other than a payment on account, nor shall any endorsement or statement on any check or any letter accompanying any check or payment be deemed to effect or evidence an accord and satisfaction, and the Agency may accept any checks or payments as made without prejudice to the right to recover the balance or pursue any other remedy in this Agreement or otherwise provided at law or in equity.

11. This Agreement shall become effective as of the date hereof. All taxes, assessments, special assessments, service charges, special ad valorem levies, or similar tax equivalents due or to become due based upon prior taxable status dates shall be paid by the Company when due. Upon termination of the Lease Agreement and reconveyance of title to the Facility to the Company, this Agreement shall terminate, provided, however, the Agency's rights and remedies accruing prior thereto shall survive such termination.

12. Whenever the Company or the Subtenant fails to comply with any provision of this Agreement, the Agency may, but shall not be obligated to, take whatever action at law or in equity as may appear necessary or desirable to collect the amount then in default or to enforce the performance and observance of the obligations, agreements and covenants of the Company and the Subtenant under this Agreement.

13. This Agreement shall be governed by and construed in accordance with the laws of the State of New York without regard or reference to New York principles of conflict of laws. Any actions, suits or proceedings arising under or by virtue of this Agreement shall be commenced, prosecuted or maintained by the Company or the Subtenant solely in the State of New York, County of Suffolk, and the Company and the Subtenant consent to the jurisdiction of the courts of said State and of the United States sitting within said County in any action, suit or proceedings commenced, prosecuted or maintained under or in connection with this Agreement. The Company and the Subtenant waive trial by jury in any action or proceeding on any matters whatsoever arising out of, under, or by virtue of the terms of this Agreement.

14. The Company and the Subtenant, jointly and severally, shall be liable under this Agreement, and shall indemnify and hold Agency harmless from and against any damage or liability arising from any default by the Company or the Subtenant in performing their respective obligations hereunder or any expense incurred under this Agreement, including any expenses of the Agency, including attorneys' fees.

15. This Agreement may be modified only by written instrument duly executed by the parties hereto.

16. This Agreement shall be binding upon and inure to the benefit of the parties, their respective successors, heirs, distributees and assigns.

17. If any provision of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction, such provision so adjudged invalid, illegal or unenforceable shall be deemed separate, distinct and independent and the remainder of this Agreement shall be and remain in full force and effect and shall not be invalidated or rendered illegal or unenforceable or otherwise affected by such holding or adjudication.

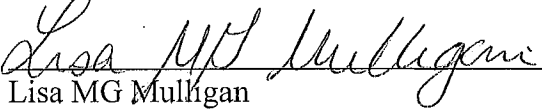
18. If the Company fails to make any payment when due hereunder, the Agency, in addition to any remedy or right it or any Taxing Authority may have pursuant to this Agreement or applicable law, shall have the rights and remedies provided for in the Lease Agreement.

19. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned thereto in the Lease Agreement.

20. As used in this Agreement: the terms "hereby", "hereof", "herein", "hereunder", and any similar terms as used in this Agreement refer to this Agreement as a whole and not to any particular provision; the term "heretofore" shall mean before, and the term "hereafter" shall mean after, the date of this Agreement; the word "shall" is mandatory; the word "will" shall be construed to have the same meaning in effect as the word "shall;" the word "may" is permissive; "or" is used in the inclusive sense of "and/or;" the word "all" shall include "any and all." Singular number includes the plural number and vice versa; "including" (and with correlative meanings such as "include") means including without limiting the generality of any description preceding such term.

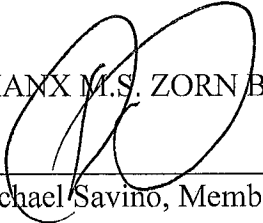
IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of March 1, 2014.

TOWN OF BROOKHAVEN INDUSTRIAL
DEVELOPMENT AGENCY

By: 


Lisa MG Mulligan
Its Chief Executive Officer

THANX M.S. ZORN BLVD., LLC

By: 

Michael Savino, Member


MS PACKAGING AND SUPPLY CORP.

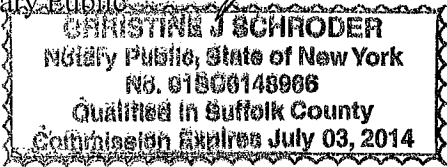
By: 

Michael Savino, President

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

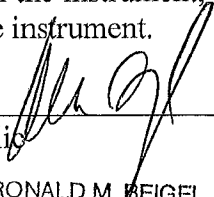
On the 4 day of March in the year 2014, before me, the undersigned, personally appeared LISA MG MULLIGAN, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.



Notary Public


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

On the 10th day of March in the year 2014, before me, the undersigned, personally appeared MICHAEL SAVINO, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.



Notary Public
RONALD M. BEIGEL
Notary Public, State of New York
No. 01BE4861461
Qualified in Nassau County
Commission Expires June 9, 2014

EXHIBIT A

ALL THAT CERTAIN PLOT, PIECE OR PARCEL OF LAND, SITUATE, LYING AND BEING at Yaphank, Town of Brookhaven, County of Suffolk and State of New York, being bounded and described as follows:

BEGINNING at a point on the easterly side of 25 foot strip reserved as a public highway known as Miller Avenue distant 2092.85 feet (deed) 2092.51 actual northerly from the intersection of the easterly side of the 25 foot strip known as Miller Avenue with the northerly side of Horse Block Road (C.R. 16); said point being where the northerly line of land now or formerly of Yale and Elizabeth Murov intersects with the easterly side of 25 foot strip known as Miller Avenue;

RUNNING THENCE along the easterly side of a 25 foot strip known as Miller Avenue North 07 degrees 45 minutes 07 seconds East (actual) (North 05 degrees 31 minutes 27 seconds West deed) 660.00 feet to the southerly side of Zorn Boulevard;

THENCE along the southerly side of Zorn Boulevard, South 82 degrees 14 minutes 53 seconds East (actual) (North 84 degrees 28 minutes 33 seconds East deed) 635.00 feet to land now or formerly of Lake Windwood Properties, Inc.;

THENCE along said last mentioned land South 07 degrees 45 minutes 07 seconds West (actual) (South 05 degrees 31 minutes 27 seconds East deed) 660.00 feet to land now or formerly of Yale and Elizabeth Murov first above mentioned;

THENCE along land now or formerly of Yale and Elizabeth Murov, North 82 degrees 14 minutes 53 seconds West (actual) (South 84 degrees 28 minutes 33 seconds West deed) 635.00 feet to the easterly side of the 25 foot strip known as Miller Avenue, the point or place of BEGINNING.

EXHIBIT B

Formula for payments-in-lieu-of-taxes: Town of Brookhaven (including any existing incorporated village and any village which may be incorporated after the date hereof, within which the Facility is wholly or partially located), South Country School District, Suffolk County and Appropriate Special Districts

Payment Formula

YEAR	PILOT Amount
2015/2016	\$8,420.30
2016/2017	\$8,588.71
2017/2018	\$8,760.48
2018/2019	\$8,935.69
2019/2020	\$9,114.41
2020/2021	\$9,296.70
2021/2022	\$9,482.63
2022/2023	\$9,672.28
2023/2024	\$9,865.73
2024/2025	\$10,063.04

Thereafter, all taxes and assessments, including special ad valorem levies, special assessments and service charges against real property located in the Town of Brookhaven (including any existing incorporated village or any village which may be incorporated after the date hereof, within which the Facility is wholly or partially located) which are or may be for special improvements or special district improvements, that the Company would pay without exemption as if the Facility was owned by the Company and not the Agency.