

ENVIRONMENTAL COMPLIANCE AND INDEMNIFICATION AGREEMENT

THIS AGREEMENT, dated as of April 1, 2011 (the "Environmental Compliance Agreement"), is given by **SATIN REALTY ASSOCIATES, LLC**, a limited liability company (the "Subsidiary"), **SATIN FINE FOODS INC.**, a corporation (the "Parent", and together with the Subsidiary, the "Company") and sole member of the Subsidiary, each duly organized and validly existing under the laws of the State of New York with offices at 37 Elkay Drive, Suite 41, Chester, New York 10918 and the persons, firms or corporations, if any, identified as Indemnitors at the end of this Agreement (collectively, the "Indemnitors") and the **ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY**, a public benefit corporation duly existing under the laws of the State of New York with offices at 255-275 Main Street, Goshen, New York 10924 (the "Agency").

RECITALS

WHEREAS, the Subsidiary has a leasehold interest in certain real property located at 32 Leone Lane, Chester, New York, Orange County, New York, and described more fully in Exhibit A attached hereto and made a part hereof (the "Premises"); and

WHEREAS, the Company is requesting the Agency's assistance with respect to a certain project (the "Project") consisting of: (i) the acquisition of title to or a leasehold interest in a parcel or parcels of land located at 32 Leone Lane, Town of Chester and the approximately 92,400 square feet building located thereon (the "Existing Improvements"), (ii) the renovation and upgrading of the Existing Improvements by the Company as agent of the Agency to accommodate the Company's bakery products manufacturing business (the "Improvements"), and (iii) the acquisition of and installation in and around the Improvements of certain machinery, equipment and items of personal property (the "Equipment" and, collectively with the Existing Improvements and the Improvements, the "Facility"); and

WHEREAS, the Company has requested that the Agency provide financial assistance (the "Financial Assistance") to the Company to undertake the Project in the form of (a) a sales and use tax exemption for purchases and rentals related to the acquisition, construction and equipping of the Project, (b) an abatement from real property taxes and (c) an exemption from the New York State mortgage recording tax for the financing related to the Project; and

WHEREAS, in furtherance of the Financial Assistance, the Agency has been asked to take a leasehold interest in the Premises and to lease the Premises back to the Subsidiary or its designee; however, any leasehold or title interest in the Premises shall be for the sole purpose of the Agency conferring the Financial Assistance in its sovereign and/or municipal capacity and such ownership or other interest undertaken by the Agency shall not include the right, authority or potential for the Agency to control operations on or at the Premises, nor shall (or has) the Agency participate(d) in the management or participate(d) in the development of the Premises; and

WHEREAS, the Agency is unwilling to take title to or a leasehold interest in the Premises even in the limited capacity defined above, or to otherwise consummate the Financial

Assistance unless the Company and the Indemnitors execute and deliver this Environmental Compliance Agreement to the Agency.

NOW, THEREFORE, in consideration of the foregoing and to induce the Agency to accept a leasehold interest in the Premises in the limited capacity as set forth above, and to consummate the Financial Assistance, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Indemnitors hereby covenant and agree with the Agency as follows:

1. DEFINITIONS. All capitalized terms used in this Environmental Compliance Agreement and not heretofore defined shall have the meanings set forth below.

(a) Environment means any water, groundwater, water vapor, land (including land surface or subsurface), soil vapor, air, fish, wildlife, biota, and all other natural resources.

(b) Environmental Laws mean all federal, state and local environmental, land use, zoning, health, chemical use, safety and sanitation laws, statutes, ordinances and codes relating to the protection of the Environment and/or governing the use, storage, treatment, generation, transportation, processing, handling, production or disposal of Hazardous Substances (as defined below) and the rules, regulations, policies, guidelines, interpretations, decisions, orders and directives of federal, state and local governmental agencies and authorities with respect thereto.

(c) Environmental Permits mean all permits, licenses, approvals, authorizations, consents or registrations required by any applicable Environmental Law in connection with the ownership, use and/or operation of the Premises for the storage, treatment, generation, transportation, processing, handling, production or disposal of Hazardous Substances or the sale, transfer or conveyance of the Premises.

(d) Hazardous Substance means any substance (i) the presence of which requires investigation or remediation under any Environmental Law; or (ii) which is or becomes defined as a "hazardous waste", "hazardous substance", "toxic substance", "solid waste", pollutant and/or or contaminant under the Comprehensive Environmental Response, Compensation and Liability Act, as amended (42 U.S.C. section 9601 *et seq.*), the Resource Conservation and Recovery Act (42 U.S.C. section 6901 *et seq.*), as amended, the Hazardous Materials Transportation Act, as amended (49 U.S.C. Section 1801 *et seq.*), the Clean Air Act (42 U.S.C. Sections 7401, *et seq.*), the Toxic Substances Control Act, as amended (15 U.S.C. Section 2601, *et seq.*), the Clean Water Act, as amended (33 U.S.C. Sections 1251 *et seq.*), the Occupational Safety and Health Act, as amended (29 U.S.C.A. Section 651 *et seq.*), Articles 15 or 27 of the New York State Environmental Conservation Law, and/or any other applicable Environmental Law or any regulations promulgated under any of the foregoing; or (iii) which is toxic (including, but not limited to, toxic mold), explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic, or otherwise hazardous and is or becomes regulated by any governmental authority, agency, department, commission, board, agency or instrumentality of the United States, the State of New York or any political subdivision thereof; or (iv) the presence of which on the Premises causes or threatens to cause a nuisance upon the Property or to adjacent properties or poses or threatens to pose a hazard to the health or safety of persons on or about the

Premises; or (v) which contains gasoline, diesel fuel or other petroleum hydrocarbons; or (vi) which contains polychlorinated biphenyls (PCBs), asbestos or urea formaldehyde foam insulation.

(e) Improvements mean any buildings, structures and other improvements (if any) presently or hereafter located on the Premises.

(f) Indemnitee means the Agency, its successors and assigns, and their respective officers, directors, employees, agents, representatives, contractors and subcontractors.

(g) Reserved.

(h) Release means any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into the Environment (including the abandonment or discarding of barrels, containers, and other closed receptacles containing any Hazardous Substance).

2. REPRESENTATIONS AND WARRANTIES. The Company represents and warrants to the Agency that to the best of the Company's knowledge, information and belief:

(a) Neither the Premises nor any property adjacent to or within the immediate vicinity of the Premises is being or has been used for the storage, treatment, generation, transportation, processing, handling, production, disposal or release of any Hazardous Substance or as a landfill or other solid waste disposal site or for military, manufacturing or industrial purposes or for the storage of petroleum or petroleum based products.

(b) Underground storage tanks are not and have not been located on the Premises.

(c) The soil, subsoil, bedrock, soil vapor, surface water and groundwater of the Premises are free of any Hazardous Substances.

(d) There has been no Release nor is there the threat of a Release of any Hazardous Substance on, at or from the Premises, or any property adjacent to or within the immediate vicinity of the Premises which through soil, subsoil, soil vapor, bedrock, surface water or groundwater migration could come to be located on the Premises, and the Company has not received any form of notice or inquiry from any federal, state or local governmental agency or authority, any operator, tenant, subtenant, licensee or occupant of the Premises or any property adjacent to or within the immediate vicinity of the Premises or any other person with regard to a Release or the threat of a Release of any Hazardous Substance on, at or from the Premises or any property adjacent to or within the immediate vicinity of the Premises.

(e) All Environmental Permits necessary for the acquisition, construction, equipping, use or operation of the Premises have been obtained and are in full force and effect.

(f) No event has occurred with respect to the Premises which, with the passage of time or the giving of notice, or both, would constitute a violation of any applicable Environmental Law or non-compliance with any Environmental Permit.

(g) There are no agreements, consent orders, decrees, judgments, notices of violations, demand letters, license or permit conditions or other orders or directives of any federal, state or local court, governmental agency or authority relating to the past, present or future ownership, use, operation, sale, transfer or conveyance of the Premises which require any change in the present condition of the Premises or any work, repairs, construction, containment, clean up, investigations, studies, removal or other remedial action or capital expenditures with respect to the Premises.

(h) There are no actions, suits, claims or proceedings, pending or threatened, which could cause the incurrence of expenses or costs of any name or description or which seek money damages, injunctive relief, investigations, remedial action or any other remedy that arise out of, relate to or result from (i) a violation or alleged violation of any applicable Environmental Law or non compliance or alleged non compliance with any Environmental Permit, (ii) the presence of any Hazardous Substance or a Release or the threat of a Release of any Hazardous Substance on, at or from the Premises or any property adjacent to or within the immediate vicinity of the Premises or (iii) human exposure to any Hazardous Substance, noises, vibrations or nuisances of whatever kind to the extent the same arise from the condition of the Premises or the ownership, use, operation, sale, transfer or conveyance thereof.

3. COVENANTS OF COMPANY. The Company covenants and agrees with the Agency as follows:

(a) The Company shall keep, and shall cause all operators, tenants, subtenants, licensees, invitees and occupants of the Premises to keep, the Premises free of all Hazardous Substances and shall not cause or permit the Premises or any part thereof to be used for the storage, treatment, generation, transportation, processing, handling, production, disposal or release of any Hazardous Substances.

(b) The Company shall comply with, and shall cause all operators, tenants, subtenants, licensees, invitees and occupants of the Premises to comply with, all applicable Environmental Laws, and shall obtain and comply with, and shall cause all operators, tenants, subtenants, licensees, invitees and occupants of the Premises to obtain and comply with, all Environmental Permits.

(c) The Company shall not cause or permit any change to be made in the present or intended use of the Premises which would (i) involve the storage, treatment, generation, transportation, processing, handling, production, disposal or release of any Hazardous Substance or the use of the Premises as a landfill or other solid waste disposal site or for military, manufacturing or industrial purposes or for the storage of petroleum or petroleum based products, (ii) violate any applicable Environmental Law, (iii) constitute non compliance with any Environmental Permit or (iv) increase the risk of a Release of any Hazardous Substance.

(d) The Company shall promptly provide the Agency with a copy of all notifications which the Company gives or receives with respect to any past or present Release or the threat of a Release of any Hazardous Substance on, at or from the Premises or any property adjacent to or within the immediate vicinity of the Premises.

(e) The Company shall undertake and complete all investigations, studies, sampling and testing and all removal and other remedial actions necessary to contain, remove and clean up all Hazardous Substances that are determined to be present at the Premises in accordance with all applicable Environmental Laws and all Environmental Permits.

(f) The Company shall at all times allow the Agency and its officers, employees, agents, representatives, contractors and subcontractors reasonable access to the Premises for the purposes of ascertaining site conditions, including, but not limited to, subsurface conditions.

(g) If at any time the Agency obtains any evidence or information which suggests that potential environmental problems may exist at the Premises, the Agency may require that a full or supplemental environmental investigation and environmental assessment report (including a Phase II environmental investigation) with respect to the Premises of a scope and level of detail satisfactory to the Agency to be prepared by an environmental engineer or other qualified person reasonably acceptable to the Agency, at the Company's expense. Said investigation may include a physical inspection of the Premises, a visual inspection of any property adjacent to or within the immediate vicinity of the Premises, personnel interviews and a review of all Environmental Permits. If the Agency requires, such inspection shall also include a records search and/or subsurface testing for the presence of Hazardous Substances in the soil, subsoil, soil vapor, bedrock, surface water and/or groundwater. If the investigations indicate the presence of any Hazardous Substance or a Release or the threat of a Release of any Hazardous Substance on, at or from the Premises, the Company shall promptly undertake and diligently pursue to completion all necessary, appropriate and legally authorized investigative, containment, removal, and other remedial actions, using methods recommended by the engineer or other person who conducted the investigations and acceptable to the appropriate federal, state and local agencies or authorities.

(h) Attached hereto as Schedule "C" is a complete list of all Environmental Permits presently required for the ownership, use or operation of the Premises and the businesses located thereon. The Company agrees to notify the Agency of any additions, deletions, or modifications of any Environmental Permits and the list thereof. Upon written request of the Agency, the Company shall furnish true and complete copies of all Environmental Permits.

4. INDEMNIFICATION PROVISIONS. The Company and the Indemnitors hereby jointly and severally covenant and agree, at their sole cost and expense, to indemnify, protect, defend, and save harmless each and every Indemnitee from and against any and all damages, losses, liabilities, obligations, penalties, claims, litigation, demands, defenses, judgments, suits, actions, proceedings, costs, disbursements and/or expenses (including, without limitation, attorneys' and experts' fees for attorneys and experts selected by the Indemnitee, expenses and disbursements) of any kind or nature whatsoever which may at any time be imposed upon, incurred by or asserted or awarded against any Indemnitee relating to, resulting from or arising out of (a) the use of the Premises for the storage, treatment, generation, transportation, processing, handling, production or disposal of any Hazardous Substance or as a landfill or other waste disposal site or for military, manufacturing or industrial purposes or for the storage of petroleum or petroleum based products, (b) the presence or claimed presence of any Hazardous Substance or a Release or the threat of a Release of any Hazardous Substance on,

at or from the Premises, or of any property adjacent to or within the immediate vicinity of the Premises, (c) the failure to promptly undertake and diligently pursue to completion all necessary, appropriate and legally authorized investigative, containment, removal, clean up and other remedial actions with respect to a Release or the threat of a Release of any Hazardous Substance on, at or from the Premises, (d) human exposure to any Hazardous Substance, noises, vibrations or nuisances of whatever kind to the extent the same arise from the condition of the Premises or the ownership, use, operation, sale, transfer or conveyance thereof, (e) a violation of any applicable Environmental Law, (f) non compliance with any Environmental Permit, (g) a material misrepresentation or inaccuracy in any representation or warranty or a material breach of or failure to perform any covenant made by the Company in this Agreement, and (h) the designation by the New York State Department of Environmental Conservation, the United States Environmental Protection Agency or any other governmental authority of the Agency as a party responsible or potentially responsible for the remediation of any condition on the Premises (collectively, the "Indemnified Matters").

The liability of the Company and the Indemnitors to each Indemnitee hereunder shall be perpetual and shall survive, and shall in no way be limited, abridged, impaired or otherwise affected, by (i) any amendment or modification of any of the documents (a) entered into in connection with any prospective indebtedness associated with the Premises as approved by the Agency (the "Loan Documents") or (b) otherwise entered into in connection with the Financial Assistance (the "Agency Documents") by or for the benefit of the Agency, any lender, or any subsequent owner of the Premises, (ii) any extensions of time for payment or performance required by any of the Loan Documents or the Agency Documents, (iii) the release of the Company, any Indemnitor, any guarantor of any of the indebtedness associated with the Financial Assistance, or any other person, from the performance or observance of any of the agreements, covenants, terms or conditions contained in any of the Loan Documents, the Agency Documents or this Agreement by operation of law, the lender's or Agency's voluntary act or otherwise, (iv) the invalidity or unenforceability of any of the terms or provisions of the Loan Documents or the Agency Documents, (v) any exculpatory provision contained in any of the Loan Documents or the Agency Documents limiting the lender's or the Agency's recourse to property encumbered by a mortgage or to any other security, (vi) any applicable statute of limitations, (vii) any investigation or inquiry conducted by or on the behalf of the Agency or any other Indemnitee or any information which the Agency or any other Indemnitee may have or obtain with respect to the environmental or ecological condition of the Premises, (viii) the sale or assignment of any indebtedness associated with the Financial Assistance or the foreclosure of any mortgage, (ix) the sale, transfer or conveyance of all or part of the Premises, (x) the dissolution or liquidation of the Company, (xi) the death or legal incapacity of any Indemnitor, (xii) the release or discharge, in whole or in part, of the Company or any Indemnitor in any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation or similar proceeding, (xiii) any other circumstances which might otherwise constitute a legal or equitable release or discharge, in whole or in part, of the Company under any bond, note or mortgage entered into in connection with the Financial Assistance or of any Indemnitor under this Agreement, (xiv) the expiration or termination of any lease between the Agency and the Company or any other person with respect to the Financial Assistance (the "Lease"), or (xv) the reconveyance of title to the Premises by the Agency to the Company or any other person, whether in accordance with the terms of the Lease, by foreclosure or deed in lieu of foreclosure, sale or otherwise.

The indemnification agreement contained herein is wholly independent of and in addition to any indemnification agreement heretofore given to the Agency or any other Indemnatee, as part of the application process for the Financial Assistance or otherwise.

5. AGENCY'S LIMITED ROLE: Under no circumstances shall the Agency's limited involvement herein be deemed to be (because it is not) participating in the management or development of the Premises as those terms are used in Title 13, Section 27-1323 of the N.Y. Environmental Conservation Law ("ECL"), nor has decision-making control, day-to-day management of environmental compliance or responsibility for hazardous waste handling or disposal practices at the Premises. The Agency's limited involvement herein results from its acquiring a nominal security interest in the Premises in exercise of its statutory purposes, and for no other reason, and such acquisition was undertaken under circumstances where it amounts to an involuntary acquisition as that term is defined under ECL Section 27-1323.

6. GOVERNING LAW: This Agreement shall be governed by, construed in accordance with and enforceable under the laws of the State of New York.

7. COUNTERPARTS: This Agreement may be executed in one or more counterparts, each of which shall be deemed an original. Said counterparts shall constitute but one and the same instrument and shall be binding upon each of the undersigned as fully and completely as if all had signed the same instrument.

8. SUCCESSORS AND ASSIGNS: This Agreement shall be binding upon the Company, its successors and assigns, all subsequent owners of the Premises, the Indemnitors and their respective successors, assigns, executors, administrators, legal representatives, distributees and fiduciaries and shall inure to the benefit of each Indemnatee.

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9. WAIVER OF TRIAL BY JURY. THE PARTIES HEREBY EXPRESSLY WAIVE ALL RIGHTS TO TRIAL BY JURY ON ANY CAUSE OF ACTION DIRECTLY OR INDIRECTLY INVOLVING THE TERMS, COVENANTS OR CONDITIONS OF THIS AGREEMENT OR THE PREMISES, OR ANY MATTERS ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS AGREEMENT.

[SIGNATURE PAGE FOLLOWS]

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IN WITNESS WHEREOF, the Subsidiary, the Parent and the Indemnitor have caused this Environmental Compliance Agreement to be executed as of the date first above written.

SATIN REALTY ASSOCIATES, LLC

By: SATIN FINE FOODS, INC., its Sole Member

By: Kevin O'Reilly
Kevin O'Reilly, President

SATIN FINE FOODS INC.

By: Kevin O'Reilly
Kevin O'Reilly, President

STATE OF NEW YORK)
COUNTY OF ORANGE) SS:

On the 26th day of April in the year 2011, before me, the undersigned, personally appeared **Kevin O'Reilly**, 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.

Wanda Betancourt
Notary Public
WANDA BETANCOURT
Notary Public, State of New York
Qualified in Orange County
Registration # 01BE6193444
Commission Expires September 15, 2012

SCHEDULE A

Legal Description of Leased Premises

First American Title Insurance Company

Title No: 206571

Schedule A

Description

The Condominium Unit ("Unit") known as Unit 1 in the building ("Building") known as The Leone Lane Condominium ("Condominium") and by the street number 32 Leone Lane, County of Orange, Village and Town of Chester, State of New York, said Unit being designated and described as Unit 1 in a certain declaration dated May 10, 2011, made by Grantor pursuant to Article 9-B of the Real Property Law of the State of New York (the "Condominium Act") establishing a plan of condominium ownership of the Building and the land ("Land") upon which the Building is situate (which Land is more particularly described in Exhibit "A" annexed hereto and by this reference made a part hereof), which declaration was recorded in the Orange County Clerk's Office (the "County Clerk's Office") on May 19, 2011 as File # 2011004836 in Book 13178 Page 0161 (hereinafter called the "Declaration") and also designated as Tax Lot 1.1 in Block 1 of Section 113 on the tax map of the County Clerk's Office and on the Floor Plans of the Building and filed in the County Clerk's Office on May 19, 2011 as Map # 123-11;

TOGETHER with a combined 35.627% interest in the Common Elements (as such term is defined in the Declaration);

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

FOR CONVEYANCING ONLY:

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

First American Title Insurance Company

Title No: 206571

Schedule A

ALL THAT CERTAIN plot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in Village of Chester, Town of Chester, County of Orange and State of New York, bounded and described as follows:-

BEGINNING at an axle found in the northeasterly line of Leone Lane (50.00 feet wide), where the same is intersected by the division line of lands now or formerly Pennsylvania Lines, LLC (a.k.a Lehigh and Hudson River Railway) to the southeast and the herein described parcel to the northwest, and

RUNNING THENCE north 53 degrees 43 minutes 40 seconds west, 1068.70 feet along the aforementioned northeasterly line of Leone Lane to a point in the southeasterly line of lands now or formerly The Village of Chester;

THENCE north 36 degrees 16 minutes 20 seconds east, 67.55 feet along the same to a point in the northeasterly line of lands now or formerly The Village of Chester;

THENCE north 61 degrees 08 minutes 00 seconds west, 50.42 feet along the same to a point in the southeasterly line of lands now or formerly Chester Industrial Park Associates, LLC;

THENCE north 36 degrees 16 minutes 20 seconds east, 430.48 feet along the same to a point on a curve in the southwesterly line of New York State Route 17 (a.k.a Palisades Interstate Park - Goshen, Part 2 (Oxford - Chester) State Highway;

THENCE southeasterly on a curve to the left having a radius of 3,648.40 feet, an arc length of 1,179.89 feet and a chord of south 61 degrees 45 minutes 37 seconds east, 1,174.75 feet along the same to a point in the southwesterly line of lands now or formerly of Suburban Propane LP;

THENCE south 14 degrees 40 minutes 30 seconds east, 141.68 feet along the same to a point in the northwesterly line of lands now or formerly Pennsylvania Lines, LLC (a.k.a Lehigh and Hudson River Railway);

THENCE south 51 degrees 32 minutes 00 seconds west, 587.12 feet along the same to a point in the aforementioned northeasterly line of Leone Lane and to the point or place of BEGINNING.

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

FOR CONVEYANCING ONLY:

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

SCHEDULE B

[Underground Storage Tanks]

Based upon information and belief and to the best of Purchaser's and Counsel
to the Purchaser's knowledge, no underground storage tanks exist

SCHEDULE C

[Environmental Permits Required]

To the Purchaser's knowledge, none required