

HUDSON TRANSIT LINES, INC.

AND

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

LEASE AGREEMENT

Premises

66 Tetz Road in the Town of Chester, Orange County, New York

Tax Map Number:

006.000-0001-028.210

Dated as of:

February 1, 2013

LEASE AGREEMENT
(Company to Agency)

THIS LEASE AGREEMENT, dated as of February 1, 2013 (the "Lease Agreement"), is by and between **HUDSON TRANSIT LINES, INC.**, a corporation duly organized and validly existing under the laws of the State of Delaware, with offices at 4 Leisure Lane, Mahwah, New Jersey 07430 (the "Company") 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 Main Street, Goshen, New York 10924 (the "Agency").

WITNESSETH:

The Company desires to rent to the Agency the real property, including any buildings, structures or improvements thereon, described in Exhibit A attached hereto (the "Leased Premises") pursuant to the terms contained herein (hereinafter, the "Lease Agreement"), during the term of a certain leaseback agreement, between the Agency and the Company dated the date hereof (the "Leaseback Agreement").

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. Granting Clause. The Company hereby leases to the Agency the Leased Premises, upon the terms and conditions of this Lease Agreement.
2. Warranty of Title. The Company warrants that it has good and marketable title to the Leased Premises and forever warrants the title to the Leased Premises.
3. Term. The term of this Lease Agreement shall be coterminous with the term of the Leaseback Agreement (the "Lease Term").
4. Rent. The Agency agrees that it will pay to the Company, for the use of the Leased Premises, rent of One Dollar (\$1.00) per annum.
5. Taxes. The Company agrees to pay all taxes to be assessed on, or charges or expenses incurred with respect to, the Leased Premises during the Lease Term.
6. Maintenance and Insurance of Premises. The Company shall maintain and insure the Leased Premises. The Agency shall not be required to maintain the Leased Premises or incur any costs with respect to the Leased Premises. All insurance or condemnation proceeds shall be distributed and governed by the Leaseback Agreement.
7. Lease Expiration. At the expiration of the Lease Term the Agency will surrender the Leased Premises to the Company, pursuant to the terms and conditions of both this Lease Agreement and the Leaseback Agreement, in the then condition of the Leased Premises.

8. Hold Harmless. The Company hereby releases the Agency from, agrees that the Agency shall not be liable for, and agrees to indemnify, defend and hold the Agency and its executive director, officers, members and employees, and their respective successors or personal representatives, harmless from and against any and all (i) liability for loss or damage to property or injury to or death of any and all persons that may be occasioned by any cause whatsoever pertaining to the Leased Premises or arising by reason of or in connection with the occupation or the use thereof or the presence on, in or about the Leased Premises or as a result of a breach by the Company of its representations or agreements contained herein or in the Leaseback Agreement, or (ii) liability arising from or expense incurred by the Agency's financing, constructing, equipping, owning and leasing of the Leased Premises, including without limiting the generality of the foregoing, all causes of action and attorneys' fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing. The foregoing indemnities shall apply notwithstanding the fault or negligence on the part of the Agency, or any of its respective members, directors, officers, agents or employees and irrespective of the breach of a statutory obligation or the application of any rule of comparative or apportioned liability; except, however, that such indemnities will not be applicable with respect to willful misconduct or gross negligence on the part of the indemnified party to the extent that such an indemnity would be prohibited by law.

9. Subordination of Lease Agreement to Mortgage(s). The Agency agrees that this Lease Agreement shall be subordinate to any mortgages granted by the Company and the Agency in favor of a lender or lenders designated by the Company (the "Mortgagee") placed on the Leased Premises with the consent of the Agency and any prospective mortgagee, but that under no circumstances shall the Agency be required to mortgage, grant a security interest in, or assign its rights to receive the rentals described in Section 2.6 of the Leaseback Agreement, or its rights to be indemnified under Sections 1.2(d), 1.2(g), 2.1, 3.1(a) and 5.2 thereof.

10. Non-Merger. So long as any leasehold or sub-leasehold mortgage is in existence, unless all mortgagees shall otherwise expressly consent in writing, fee title to the Leased Premises and the leasehold estate of the Agency therein created by this Lease Agreement shall not merge but shall remain separate and distinct, notwithstanding the acquisition of said fee title and said leasehold estate by Company or by Agency or by a third party, by purchase or otherwise.

11. Notices. All notices, certificates and other communications hereunder shall be in writing and shall be sufficiently given when delivered and, if delivered by mail, shall be sent by certified mail, postage prepaid, addressed as follows:

To the Agency: Orange County Industrial Development Agency
 255 Main Street
 Goshen, New York 10924
 Attn: Executive Director

With a Copy to: Kevin Dowd, Esq.
 46 Daisy Lane
 Montgomery, New York 12549

And to: Harris Beach PLLC
99 Garnsey Road
Pittsford, New York 14534
Attn: Russell E. Gaenzle, Esq.

To the Company: Hudson Transit Lines, Inc.
4 Leisure Lane
Mahwah, New Jersey 07430
Attn.: President

With a copy to: Hinman, Howard & Kattell, LLP
700 Security Mutual Building
80 Exchange Street
Binghamton, New York 13901
Attn: James R. Franz, Esq.

or at such other address as any party may from time to time furnish to the other party by notice given in accordance with the provisions of this Section. All notices shall be deemed given when mailed or personally delivered in the manner provided in this Section.

12. No Recourse; Special Obligation.

(a) The obligations and agreements of the Agency contained herein and any other instrument or document executed in connection herewith, and any other instrument or document supplemental thereto or hereto, shall be deemed the obligations and agreements of the Agency, and not of any member, officer, agent (other than the Company) or employee of the Agency in his/her individual capacity, and the members, officers, agents (other than the Company) and employees of the Agency shall not be liable personally hereon or thereon or be subject to any personal liability or accountability based upon or in respect hereof or thereof or of any transaction contemplated hereby or thereby.

(b) The obligations and agreements of the Agency contained hereby shall not constitute or give rise to an obligation of the State of New York or of Orange County, New York and neither the State of New York nor Orange County, New York shall be liable hereon or thereon, and, further, such obligations and agreements shall not constitute or give rise to a general obligation of the Agency, but rather shall constitute limited obligations of the Agency, payable solely from the revenues of the Agency derived and to be derived from the sale or other disposition of the Leased Premises (except for revenues derived by the Agency with respect to the Unassigned Rights, as such term is defined in the Leaseback Agreement).

(c) No order or decree of specific performance with respect to any of the obligations of the Agency hereunder shall be sought or enforced against the Agency unless (i) the party seeking such order or decree shall first have requested the Agency in writing to take the action sought in such order or decree of specific performance, and ten (10) days shall have elapsed from the date of receipt of such request, and the Agency shall have refused to comply with such request (or, if compliance therewith would reasonably be expected to take longer than ten (10)

days, shall have failed to institute and diligently pursue action to cause compliance with such request) or failed to respond within such notice period, (ii) if the Agency refuses to comply with such request and the Agency's refusal to comply is based on its reasonable expectation that it will incur fees and expenses, the party seeking such order or decree shall place, in an account with the Agency, an amount or undertaking sufficient to cover such reasonable fees and expenses, and (iii) if the Agency refuses to comply with such request and the Agency's refusal to comply is based on its reasonable expectation that it or any of its members, officers, agents (other than the Company) or employees shall be subject to potential liability, the party seeking such order or decree shall agree to indemnify and hold harmless the Agency and its members, officers, agents (other than the Company) and employees against all liability expected to be incurred as a result of compliance with such request.

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

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Company and the Agency have caused this Lease Agreement to be executed in their respective names, all as of the date first above written.

HUDSON TRANSIT LINES, INC.

By: _____

George Grieve, President

**ORANGE COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

By: _____

James D. O'Donnell, Executive Director

~~STATE OF NEW YORK)
COUNTY OF ORANGE) SS.:~~

~~On the 20 day of February in the year 2013, before me, the undersigned, personally appeared **George Grieve**, 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.~~

Katie Frast
NOTARY PUBLIC
STATE OF NEW JERSEY
MY COMMISSION EXPIRES April 15, 2013

~~Katie Frast
Notary Public~~

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

On the 20th day of February in the year 2013, before me, the undersigned, personally appeared ~~James D. O'Donnell~~ George Grieve, 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

Lori A. Palmer

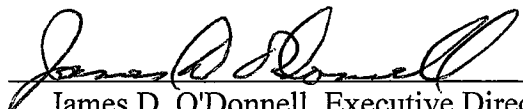
Notary Public, State of New York
Qualified in Monroe County
Commission Expires May 31, 2015

IN WITNESS WHEREOF, the Company and the Agency have caused this Lease Agreement to be executed in their respective names, all as of the date first above written.

HUDSON TRANSIT LINES, INC.

By: _____
George Grieve, President

**ORANGE COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

By:  _____
James D. O'Donnell, Executive Director

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

On the ____ day of February in the year 2013, before me, the undersigned, personally appeared **George Grieve**, 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)
COUNTY OF ORANGE) SS.:

On the 21st day of February in the year 2013, before me, the undersigned, personally appeared **James D. O'Donnell**, 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

SHERI HENTSCHEL
Notary Public, State of New York
No. 01HE 4943443
Qualified in Orange County
Commission Expires October 24, 2014

EXHIBIT A

Legal Description of Leased Premises

ALL that certain lot piece or parcel of land situate, lying and being in the Town of Chester, County of Orange and State of New York and being known and designated as Lot No. 5 on map entitled, "Subdivision of Property for Concrete Properties" and filed in the Orange County Clerk's Office on August 11, 2005 as Map No. 627-05 and being more accurately bounded and described as follows:

BEGINNING at a point in the southwesterly line of Tetz Road at the easterly most corner of lands of Unilock; thence from said point or place of beginning and along the southwesterly line of Tetz Road on the following three (3) courses and distances: 1) South 40 degrees 00 minutes 16 seconds East a distance of 93.76 feet to a point; 2) on a curve to the right, concaved to the west, having a radius of 25.00 feet for an arc length of 26.18 feet to a point; 3) on a reverse curve, concaved to the east, having a radius of 75.00 feet for an arc length of 80.85 feet to a point; thence along the lands of Chester Investment Partners, South 48 degrees 13 minutes 43 seconds West a distance of 251.49 feet to a point; thence along the same, South 39 degrees 38 minutes 41 seconds East a distance of 890.01 feet to a point; thence along the lands of Madigan, lands of Custard, lands of Straub and lands of McCoy, South 50 degrees 19 minutes 59 seconds West a distance of 2,461.69 feet to a tree; thence along the lands of Utter the following five (5) courses and distances: 1) North 38 degrees 54 minutes 44 seconds West a distance of 345.27 feet to a point; 2) North 29 degrees 01 minutes 13 seconds East a distance of 132.43 feet to a wood post; 3) along a stonewall, North 06 degrees 38 minutes 42 seconds West a distance of 305.27 feet to a tree; 4) along or near a stonewall, North 36 degrees 01 minutes 25 seconds East a distance of 1053.83 feet to a point; 5) North 40 degrees 14 minutes 12 seconds West a distance of 139.41 feet to an iron pin; thence along the lands of Unilock on the following three (3) courses and distances: 1) North 50 degrees 19 minutes 59 seconds East a distance of 928.98 feet to a point; 2) North 40 degrees 05 minutes 32 seconds East a distance of 185.62 feet to an iron pin; 3) North 50 degrees 19 minutes 59 seconds East a distance of 336.57 feet to the point or place of beginning.

Together with the rights of ingress and egress over and across Tetz Road as shown on the aforesaid map.

Subject to an Access Easement through Lot 5, Filed Map #627-05 described as follows:

ALL that plot, piece or parcel of land situate and being in the Town of Chester, County of Orange and State of New York, being an access easement, bounded and described as follows:

EXHIBIT A (continued)

BEGINNING at the northeasterly corner of the herein described easement, said point being on the westerly bounds of Tetz Road, and said point being the northeasterly corner of Lot 5 as shown on map entitled "Subdivision of Property for Concrete Properties", prepared by Roger J. Ferris, P.L.S. and filed in the Orange County Clerk's Office on August 11, 2005 as Filed Map # 627-05 and said point being the southeasterly corner of Lot # 6 as shown on said Filed Map; thence along westerly bounds of Tetz Road S 40 degrees 00' 16" E 93.76 feet to the point of curvature of a curve to the right having a radius of 25.00 feet; thence along said curve and arc length of 6.31 feet to the southeasterly corner of the herein described easement; thence through Lot 5, S 50 degrees 19' 59" W 327.41 feet, S 40 degrees 05' 32" W 185.62 feet, S 50 degrees 19' 59" W 597.71 feet, and S 43 degrees 42' 01" W 341.13 feet to the southwesterly corner of the herein described easement, said point being on the easterly bounds of the lands now or formerly of Utter; thence along the division line between said lands now or formerly Utter and Lot 5, N 40 degrees 14' 12" W 139.41 feet to the northwesterly corner of the herein described easement, said point being the southwesterly corner of Lot 6; thence along the division line between the Lot 5 and Lot 6, N 50 degrees 19' 59" E 928.98 feet, N 40 degrees 05' 32" E 185.62 feet, and N 50 degrees 19' 59" E 336.57 feet to the point or place of beginning.