

FAIRBANKS MFG LLC

TO

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

LEASE AGREEMENT

*This conveyance of leasehold interest concerns a certain parcel of land known as
79 Industrial Place Ext. in the Town of Wallkill, Orange County, New York
Constituting Tax Map Number: 036.000-0002-037.110*

Dated as of July 1, 2013

**LEASE AGREEMENT
(Company to Agency)**

THIS LEASE AGREEMENT, dated as of the 1st day of July, 2013 (the "Lease Agreement"), is by and between **FAIRBANKS MFG LLC**, a limited liability company duly organized and validly existing under the laws of the State of New York, with offices at c/o Medora Snacks LLC, 79 Industrial Place Ext., Middletown, New York 10940 (the "Company") and **ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY**, a public benefit corporation duly existing under the laws of the State of New York with offices at the Orange County Business Accelerator, 4 Crotty Lane, Suite 100, New Windsor, New York 12553 (the "Agency").

WITNESSETH:

The Company desires to rent to the Agency the real property, including any buildings, structures or improvements thereon, described in Schedule A attached hereto (the "Leased Premises") pursuant to the terms contained herein, during the term of that certain leaseback agreement, between the Agency and the Company, dated as of 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. The parties agree that at the expiration of the Lease Term the Agency will surrender the Leased Premises to the Company pursuant to the terms and conditions

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 approved 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 or its rights to be indemnified under Sections 1.2(d), 1.2(g), 2.1, 3.1(a) and 5.2 of the Leaseback Agreement.

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 Facility 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 and shall be deemed 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
Orange County Business Accelerator
4 Crotty Lane, Suite 100
New Windsor, New York 12553
Attn: Chairman

With Copy To:

Kevin T. Dowd, Esq.
Attorney - Orange County IDA
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:

Fairbanks MFG LLC
c/o Medora Snacks LLC
79 Industrial Place Ext.
Middletown, New York 10940
Attn: Michael Ehrenberg, CFO

With Copy To:

Ronald S. Kossar, Esq.
402 East Main Street
P.O. Box 548
Middletown, New York 10940

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 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 (the "State") 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

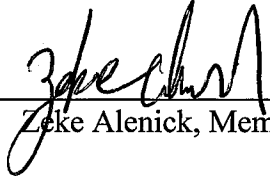
such request and the Agency's refusal to comply is based on its reasonable expectation that it will incur fees and expenses, the party seeking such order or decree shall have placed in an account with the Agency an amount or undertaking sufficient to cover such reasonable fees and expenses, and (iii) 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.

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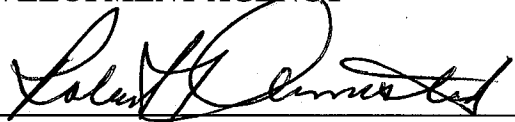
IN WITNESS WHEREOF, the Company and the Agency have caused this Lease Agreement to be executed in their respective names, all as of the date first above written.

FAIRBANKS MFG LLC

By: Medora Snacks LLC, its Managing Member

By: 
Zeke Alenick, Member

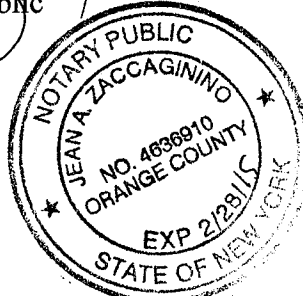
**ORANGE COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

By: 
Robert Armistead, Chairman

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

On the 10 day of July in the year 2013, before me, the undersigned, personally appeared **ZEKE ALENICK**, 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.

Jean A Zaccagnino
Notary Public



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

On the 19 day of July in the year 2013, before me, the undersigned, personally appeared **ROBERT ARMISTEAD**, 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.

Kelly A Reilly
Notary Public

KELLY A. REILLY
Notary Public, State of New York
Registration #01RE6258838
Qualified in Ulster County
Commission Expires March 5, 20 16

Schedule A

Legal Description of Leased Premises

Title Number 2131138

Policy Number: 7230632-88865703

ALL that certain plot, piece or parcel of land situate, lying and being in the Town of Walkill and City of Middletown, County of Orange, State of New York and being more accurately bounded and described as follows:

BEGINNING at an iron pin found in the southeasterly line of Industrial Place Ext. at the northeasterly corner of lands of Carbone and also being the westerly most corner of the here-in described parcel; thence from the said point or place of beginning and following along the line of lands of Carbone, South 51 degrees 52 minutes 00 seconds East 250.50 feet to an iron pin found; thence along the line of lands of Pennsylvania Lines LLC, North 38 degrees 08 minutes 00 seconds East 1320.87 feet to a point; thence along the line of lands of Berkman, North 42 degrees 06 minutes 00 seconds West 186.99 feet to an iron pipe found in the southeasterly line of Industrial Place Ext.; thence along the southeasterly line of Industrial Place Ext., South 37 degrees 44 minutes 00 seconds West 186.33 feet to an iron pipe found; thence along the line of lands of George Saines, Inc. the following (3) courses and distances: 1) South 39-55-00 East 84.31 feet to a point, 2) South 38-08-04 West 473.41 feet to a point, 3) North 51-52-00 West 132.18 feet to an iron pipe found in the southeasterly line of Industrial Place Ext.; thence along the southeasterly line of Industrial Place Ext., the following (2) courses and distances: 1) South 54-44-00 West 62.36 feet to a point, 2) South 38-08-00 West 615.64 feet to the point or place of beginning.

PROPERTY ADDRESS: 79 Industrial Place Ext., Middletown, NY 10940

TAX MAP ID No. : 036.000 - 0002 - 037.110