

**NOWAK PROPERTIES, INC.**

**TO**

**ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY**

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**LEASE AGREEMENT**

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*This conveyance of leasehold interest concerns a certain parcel of land located at  
3491 Route 6 in the Town of Wawayanda, Orange County, New York  
TMID No.: 5-5-16.1*

**Dated as of October 1, 2015**

**LEASE AGREEMENT**  
**(Company to Agency)**

THIS LEASE AGREEMENT, dated as of the 1<sup>st</sup> day of August, 2015 (the "Lease Agreement"), is by and between **NOWAK PROPERTIES, INC.**, a corporation duly organized and validly existing under the laws of the State of New York with offices at 386 Ingrassia Road, 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 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 a good and marketable leasehold interest in the Leased Premises and forever warrants such leasehold interest in 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

of 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 negligence on the part of the indemnified party.

9. 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.

10. 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: Executive Director

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:

Nowak Properties, Inc.  
386 Ingrassia Road  
Middletown, New York 10940  
Attn.: Martin S. Nowak, Jr., Vice President

With Copy To:

de Ramon Wade PC  
21 Old Main Street  
Fishkill, New York 12524  
Attn.: Roderick de Ramon, 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.

11. 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; provided that such employees did not engage in willful misconduct or negligent acts or omissions.

(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 Orange County, New York, and neither the State 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.

12. 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.

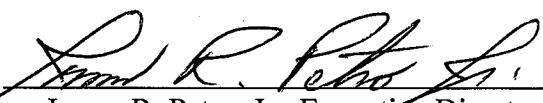
*[Remainder of Page Intentionally Left Blank]*

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.

**NOWAK PROPERTIES, INC.**

By:   
Martin S. Nowak, Jr., Vice President

**ORANGE COUNTY INDUSTRIAL  
DEVELOPMENT AGENCY**

By:   
James R. Petro, Jr., Executive Director

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

On the 7<sup>th</sup> day of October in the year 2015, before me, the undersigned, personally appeared **Martin S. Nowak, Jr.**, 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.

  
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Notary Public

Lori A. Palmer  
Notary Public, State of New York  
Qualified in Monroe County  
Commission Expires May 31, 2019

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

On the 7<sup>th</sup> day of October in the year 2015, before me, the undersigned, personally appeared **James R. Petro, Jr.**, 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.

  
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Notary Public

Lori A. Palmer  
Notary Public, State of New York  
Qualified in Monroe County  
Commission Expires May 31, 2019

## Schedule A

### **Legal Description of Premises**

ALL that certain plot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the Town of Wawayanda, County of Orange, and State of New York and being more particularly bounded and described as follows:

BEGINNING at a point on the northerly side of New York State Route 284 (a.k.a U.S. Route 6), said point being the southwesterly most corner of the lands reputedly of Argonaut; thence from said point or place of beginning and along the northerly side of said New York State Route 284, South 73 degrees 35 minutes 57 seconds West a distance of 148.64 feet; thence along the lands reputedly of Taylor, North 54 degrees 37 minutes 30 seconds West a distance of 306.76 feet to an iron pin found; thence along the lands reputedly of Kosuga, North 29 degrees 54 minutes 10 seconds East a distance of 219.01 feet to an iron pin found; thence continuing along the lands reputedly of Kosuga and along the lands reputedly of said Argonaut, South 73 degrees 02 minutes 20 seconds East a distance of 322.23 feet to an iron pin found; thence continuing along the lands reputedly of said Argonaut, South 06 degrees 05 minutes 10 seconds West a distance of 232.79 feet to the point or place of beginning, as surveyed by Howard W. Weeden, P.L.S. Walden, New York; on 9 June 1998 and containing 2.283 acres of land, more or less.