

WALLKILL REALTY PARTNERS LLC

AND

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

LEASE AGREEMENT

Premises & Tax Map Numbers:

19-25 Riverside Drive (Tax Map ID Nos. 60-1-99 and 60-1-100) and
11-17 Riverside Drive (Tax Map ID No. 60-1-101) in
the Town of Wallkill, Orange County, New York

Dated as of:
March 1, 2013

LEASE AGREEMENT
(Company to Agency)

THIS LEASE AGREEMENT, dated as of March 1, 2013 (the "Lease Agreement"), is by and between **WALLKILL REALTY PARTNERS LLC**, a limited liability company formed and validly existing under the laws of the State of New York, with offices at 800 Westchester Avenue, Suite S-712, Rye Brook, New York 10573 (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 the 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 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: Wallkill Realty Partners LLC
800 Westchester Avenue, Suite S-712
Rye Brook, New York 10573
Attn.: Richard Filaski, Member

With a copy to: Windels, Marx, Lane & Mittendorf, LLP
156 West 56th Street
New York, New York 10019
Attn: Michael M. Moriarty, 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]

[Signature Page to Lease Agreement]

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.

WALLKILL REALTY PARTNERS LLC

By: Wallkill Partners, GP LLC, its Class A
Member

By: Wallkill Partners LLC, its sole member

By: FilBen Development LLC, its manager

By: Richard Filaski
Richard Filaski, Authorized Representative

**ORANGE COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

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

[Signature Page to Lease Agreement]

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Richard Filaski, Authorized Representative

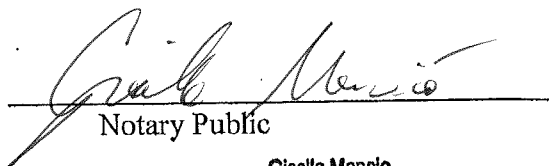
**ORANGE COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

By: 
James D. O'Donnell, Executive Director

[Acknowledgment Page to Lease Agreement]

STATE OF NEW YORK)
COUNTY OF **KINGS**) SS.:

On the 14th day of Feb in the year 2013, before me, the undersigned, personally appeared **Richard Filaski**, 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

Giselle Mencio
Notary Public State of New York
Kings County
Lic. #01ME6090070
Comm. Exp. April 7, 2015

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

On the ____ day of _____ 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

[Acknowledgment Page to Lease Agreement]

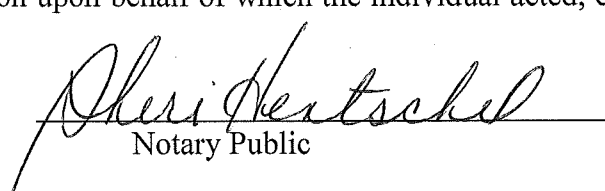
STATE OF NEW YORK)
COUNTY OF) SS.:

On the ____ day of _____ in the year 2013, before me, the undersigned, personally appeared **Richard Filaski**, 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 plot, piece or parcel of land, situate, lying and being in the Town Wallkill, County of Orange and State of New York, known and designated as Lots 17, 18 and 19 shown on a subdivision map entitled, "Plan of Subdivision for Wallkill Industrial Park, Town of Wallkill, Orange County, New York", dated October 31, 1988, last revised May 1, 1990 and filed in the Orange County Clerk's Office on July 13, 1990 as Map No. 9958; being more particularly bounded and described as follows, pursuant to "Survey Prepared for Filben Development, LLC., Town of Wallkill, Orange County, New York", by Lanc & Tully Engineering and Surveying, P.C. dated February 28, 2011, last revised March 22, 2011:

BEGINNING at a point lying on the southwesterly line of Rykowski Lane, said point being the northerly corner of lands herein described and the easterly corner of Lot No. 20, as shown on the previously mentioned map;

THENCE running along the southwesterly line of said Rykowski Lane being the northeasterly line of lands herein described on the following two (2) courses and distances:

- (1) on a curve to the right having a radius of 1,540.00 feet, an arc length of 99.32 feet, as defined by the chord South 33 degrees 18 minutes 37 seconds East, as per Filed Map No. 9958, 99.31 feet to a concrete monument at a point of tangency; and
- (2) South 31 degrees 27 minutes 45 seconds East, a distance of 272.74 feet to a point of curvature lying on the northwesterly line of Riverside Drive;

THENCE running along the northwesterly line of said Riverside Drive being the southeasterly line of lands herein described on the following seven (7) courses and distances:

- (1) on a curve to the right having a radius of 20.00 feet, an arc length of 27.23 feet, as defined by the chord South 07 degrees 32 minutes 47 seconds West, 25.18 feet to a concrete monument at a point of tangency;
- (2) South 46 degrees 33 minutes 20 seconds West, a distance of 54.70 feet to a point of curvature;
- (3) on a curve to the right having a radius of 538.36 feet, an arc length of 93.19 feet, as defined by the chord South 51 degrees 30 minutes 53 seconds West, 93.08 feet to a concrete monument at a point of tangency;
- (4) South 56 degrees 28 minutes 26 seconds West, a distance of 256.10 feet to a concrete monument at a point of curvature;

(5) on a curve to the right having a radius of 454.75 feet, an arc length of 37.77 feet, as defined by the chord South 58 degrees 51 minutes 12 seconds West, 37.76 feet to a concrete monument at a point of compound curvature;

(6) on a curve to the right having a radius of 20.00 feet, an arc length of 31.24 feet, as defined by the chord North 74 degrees 01 minutes 14 seconds West, 28.16 feet to a concrete monument at a point of reverse curvature; and

(7) on a curve to the left having a radius of 70.00 feet, an arc length of 214.89 feet, as defined by the chord South 62 degrees 47 minutes 03 seconds West, 139.91 feet to a point being a southwesterly corner of lands herein described and the northerly corner of Lot No. 16 as shown on the previously mentioned map;

THENCE running along a northwesterly line of said Lot No. 16 being a southeasterly line of lands herein described South 72 degrees 52 minutes 23 seconds West, a distance of 100.09 feet to a point being the westerly corner of said Lot No. 16, the southerly corner of lands herein described and lying on the northeasterly line of lands now or formerly Gurda;

THENCE running along a portion of the northeasterly line of lands of said Gurda being the southwesterly line of lands herein described North 21 degrees 01 minutes 34 seconds West, a distance of 350.00 feet to a point being the westerly corner of lands herein described and the southerly corner of Lot No. 20, as shown on the previously mentioned map;

THENCE running along the southeasterly line of said Lot No. 20 and the northwesterly line of lands herein described North 56 degrees 28 minutes 26 seconds East, a distance of 644.80 feet to the point or place of BEGINNING.

FOR INFORMATION ONLY: Containing 6.001 acres, more or less. Premises herein described being Tax Map Lot Nos. 99, 100, & 101, in Block 1, within Section 60, as shown on the Tax Maps of the Town of Wallkill, Orange County, New York, dated 2011.

Being a portion of the premises conveyed to Wallkill Realty Partners L.P. herein by deed dated March 31, 2011 and recorded April 27, 2011 in Book 13168 Page 1161. Wallkill Realty Partners LLC, a New York limited liability company, is the successor by conversion to Wallkill Realty Partners L.P., a New York Limited Partnership, Certificate of Conversion filed in the New York Secretary of State's Office on May 30, 2012.