

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

TO THE

WAWAYANDA ACQUISITION, LLC

LEASEBACK AGREEMENT

Regarding the acquisition of land, and the construction and equipping of certain improvements thereon, all located at 3301 U.S. Highway 6 in the Town of Wawayanda, Orange County, New York

Dated as of:

September 1, 2008

Tax Map Number:

4-1-83.7; 4-1-83.1; 4-1-83.2; and part of 11-1-20.222

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LEASEBACK AGREEMENT

THIS LEASEBACK AGREEMENT, dated as of September 1, 2008 (the "Leaseback Agreement"), is by and between 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") and **WAWAYANDA ACQUISITION, LLC**, a New York limited liability company, with offices at One Medline Place, Mundelein, Illinois 60060 (the "Company").

WITNESSETH:

WHEREAS, Title 1 of Article 18-A of the General Municipal Law of the State of New York (the "Enabling Act") was duly enacted into law as Chapter 1030 of the Laws of 1969 of the State of New York (the "State"); and

WHEREAS, the Enabling Act authorizes the creation of industrial development agencies for the benefit of the several counties, cities, villages and towns in the State and empowers such agencies, among other things, to acquire, construct, reconstruct, lease, improve, maintain, equip and sell land and any building or other improvement, and all real and personal properties, including, but not limited to, machinery and equipment deemed necessary in connection therewith, whether or not now in existence or under construction, which shall be suitable for manufacturing, warehousing, research, commercial or industrial facilities, in order to advance job opportunities, health, general prosperity and the economic welfare of the people of the State and to improve their standard of living; and

WHEREAS, the Enabling Act further authorizes each such agency to lease any or all of its facilities at such rentals and on such other terms and conditions as it deems advisable; and

WHEREAS, pursuant to and in connection with the provisions of the Enabling Act, Chapter 390 of the Laws of 1972 of the State (hereinafter collectively, the "Act") created the Agency which is empowered under the Act to undertake the leasing of the facility described below; and

WHEREAS, the Company has requested the Agency's assistance with a certain project (the "Project") consisting of: (i) the acquisition of title to or a leasehold interest in a parcel of land located at 3301 U.S. Highway 6 in the Town of Wawayanda, Orange County, New York (the "Land"), (ii) the construction and equipping on the Land of an approximately 505,000 square-foot building to be used by the Company as a distribution center (the "Improvements"), (iii) the acquisition in and around the Improvements of certain items of equipment and other tangible personal property, all in furtherance of the Company's medical supplies manufacturing and distribution business (the "Equipment" and, collectively with the Land and the Improvements, the "Facility"); and

WHEREAS, in order to induce the Company to undertake the Project, the Agency is willing to take title to or a leasehold interest in the Land, Improvements and personal property constituting the Facility and to lease its interest in said Land, Improvements and personal property back to the Company pursuant to the terms and conditions contained herein; and

WHEREAS, the Agency has determined that providing the Facility will accomplish, in part, its public purposes; and

WHEREAS, the Company has agreed with the Agency, on behalf of the Agency and as the Agency's agent, to acquire, construct and equip the Facility in accordance with the application filed with the Agency; and

WHEREAS, the Agency proposes to lease the Facility to the Company, and the Company desires to rent the Facility from the Agency, upon the terms and conditions hereinafter set forth in this Leaseback Agreement.

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants hereinafter contained, and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby formally covenant, agree and bind themselves as follows:

ARTICLE I

REPRESENTATIONS AND COVENANTS

Section 1.1. Representations and Covenants of the Agency. The Agency makes the following representations and covenants as the basis for the undertakings on its part herein contained:

(a) The Agency is duly established under the provisions of the Act and has the power to enter into the transaction contemplated by this Leaseback Agreement and to carry out its obligations hereunder. Based upon the representations of the Company as to the utilization of the Facility, the Agency has the authority to take the actions contemplated herein under the Act.

(b) The Agency has been duly authorized to execute and deliver this Leaseback Agreement.

(c) The Agency will lease the Facility from the Company, lease the Facility back to the Company pursuant to this Leaseback Agreement and designate the Company as its agent for purposes of the Project, all for the purpose of promoting the industry, health, welfare, convenience and prosperity of the inhabitants of the State and Orange County and improving their standard of living.

(d) Neither the execution and delivery of this Leaseback Agreement, the consummation of the transactions contemplated hereby nor the fulfillment of or compliance with the provisions of this Leaseback Agreement will conflict with or result in a breach of any of the terms, conditions or provisions of the Act or of any corporate restriction or any agreement or instrument to which the Agency is a party or by which it is bound, or will constitute a default under any of the foregoing, or result in the creation or imposition of any lien of any nature upon any of the property of the Agency under the terms of any such instrument or agreement.

(e) The Agency has been induced to enter into this Leaseback Agreement by the undertaking of the Company to acquire, construct, equip, repair and maintain the Facility and related jobs in the County of Orange, New York.

Section 1.2. Representations and Covenants of the Company. The Company makes the following representations and covenants as the basis for the undertakings on its part herein contained:

(a) The Company is a limited liability company duly organized, validly existing and in good standing under the laws of the State of New York, and has the authority to enter into this Leaseback Agreement and has duly authorized the execution and delivery of this Leaseback Agreement.

(b) Neither the execution and delivery of this Leaseback Agreement, the consummation of the transactions contemplated hereby nor the fulfillment of or compliance with the provisions of this Leaseback Agreement will conflict with or result in a breach of any of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Company is a party or by which it is bound, or will constitute a default under any of the foregoing, or result in the creation or imposition of any lien of any nature upon any of the property of the Company under the terms of any such instrument or agreement.

(c) The providing of the Facility by the Agency and the leasing thereof by the Agency to the Company will not result in the removal of an industrial or manufacturing plant, facility or other commercial activity of the Company from one area of the State to another area of the State nor result in the abandonment of one or more commercial or manufacturing plants or facilities of the Company located within the State; and the Agency has found that, based on the Company's application, to the extent occupants are relocating from one plant or facility to another, the Project is reasonably necessary to discourage the Project occupants from removing such other plant or facility to a location outside the State and/or is reasonably necessary to preserve the competitive position of the Project occupants in their respective industries.

(d) The Facility and the operation thereof will conform with all applicable zoning, planning, building and environmental laws and regulations of governmental authorities having jurisdiction over the Facility, and the Company shall defend, indemnify and hold the Agency harmless from any liability or expenses resulting from any failure by the Company to comply with the provisions of this subsection (d). The Company shall operate the Facility in accordance with this Leaseback Agreement and as a qualified "project" under the Act.

(e) The Company has caused to be transferred to the Agency, a leasehold interest in all those properties and assets contemplated by this Leaseback Agreement and all documents related hereto.

(f) To the knowledge of the Company, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body pending or, to the knowledge of the Company, threatened against or affecting the Company, to which the Company is a party, and in which an adverse result would in any way diminish or adversely impact on the Company's ability to fulfill its obligations under this Leaseback Agreement.

(g) The Company covenants that the Facility will comply in all respects with all environmental laws and regulations, and, except in compliance with environmental laws and regulations, (i) that no pollutants, contaminants, solid wastes, or toxic or hazardous substances will be stored, treated, generated, disposed of, or allowed to exist on the Facility except in compliance with all material applicable laws, (ii) the Company will take all reasonable and prudent steps to prevent an unlawful release of hazardous substances onto the Facility or onto any other property, (iii) that no asbestos will be incorporated into or disposed of on the Facility, (iv) that no underground storage tanks will be located on the Facility, and (v) that no investigation, order, agreement, notice, demand or settlement with respect to any of the above is threatened, anticipated, or in existence. The Company, upon receiving any information or notice contrary to the representations contained in this Section, shall immediately notify the Agency in writing with full details regarding the same. The Company hereby releases the Agency from liability with respect to, and agrees to defend, indemnify, and hold harmless the Agency, its executive director, directors, members, officers, employees, agents (other than the Company), representatives, successors, and assigns from and against any and all claims, demands, damages, costs, orders, liabilities, penalties, and expenses (including reasonable attorneys' fees) related in any way to any violation of the covenants or failure to be accurate of the representations contained in this Section. In the event the Agency in its reasonable discretion deems it necessary to perform due diligence with respect to any of the above, or to have an environmental audit performed with respect to the Facility, the Company agrees to pay the expenses of same to the Agency upon demand, and agrees that upon failure to do so, its obligation for such expenses shall be deemed to be additional rent. The Company hereby agrees that at all times during which it is operating the Project, and during which this Leaseback Agreement is in effect, to comply with, and ensure compliance by its subtenants or sublessees with, the provisions of the Environmental Compliance and Indemnification Agreement, dated on or about the date hereof (the "Environmental Compliance Agreement").

(h) The Company has provided to the Agency a certificate or certificates of insurance containing all of the insurance provision requirements included under Sections 3.4 and 3.5 hereof. If the insurance is canceled for any reason whatsoever, or the same is allowed to lapse or expire, or there be any reduction in amount, or any material change is made in the coverage, such cancellation, lapse, expiration, reduction or change shall not be effective as to any mortgagee, loss payee or additional insured until at least thirty (30) days after receipt by such party of written notice by the insurer of such cancellation, lapse, expiration, reduction or change.

(i) The Company represents, warrants and covenants that, unless otherwise approved by the Agency in compliance with the Act, facilities or properties that are primarily used for making retail sales to customers who personally visit such facilities constitute less than one-third ($\frac{1}{3}$) of the total Project costs. For purposes of this section, "retail sales" means: (a) sales by registered vendors under Article 28 of the Tax Law of the State of New York primarily engaged in the retail sale of tangible personal property, as defined in Section 1101(b)(4)(i) of the Tax Law of the State of New York; or (b) sales of a service to said customers.

Section 1.3. Public Authorities Law Representations. The parties hereto hereby acknowledge that the Facility and the interest therein conveyed to the Agency under the Lease Agreement, dated as of the date hereof, by and between the Company and the Agency (the "Lease Agreement") and conveyed by the Agency back to the Company pursuant to the terms of

this Leaseback Agreement are not "property" as defined in Title 5-A of the Public Authorities Law of the State because the Facility and the leasehold interests therein are securing the Company's obligations to the Agency under the PILOT Agreement, the Environmental Compliance Agreement and this Leaseback Agreement, including (i) the Company's obligation to acquire, construct, equip and maintain the Facility on behalf of the Agency and (ii) the performance by the Company of the Unassigned Rights.

ARTICLE II

FACILITY SITE, DEMISING CLAUSES AND RENTAL PROVISIONS

Section 2.1. Agreement to Convey to Agency. The Company has conveyed to the Agency a leasehold interest in real property, including any buildings, structures or improvements thereon, described in Exhibit A attached hereto and the Company has or will convey all of the interest in the equipment described in Exhibit B (the "Equipment"). The Company agrees that the Agency's interest in the Facility resulting from said conveyances will be sufficient for the purposes intended by this Leaseback Agreement and agrees that it will defend, indemnify and hold the Agency harmless from any expense or liability arising out of a defect in title or a lien adversely affecting the Facility and will pay all reasonable expenses incurred by the Agency in defending any action respecting title to or a lien affecting the Facility.

Section 2.2. Construction and Equipping of the Facility. (a) The Agency hereby confirms its appointment of the Company as the true and lawful agent of the Agency to undertake the Project. Such appointment was made by the Agency pursuant to a resolution duly adopted by the Agency on July 18, 2007 (the "Authorizing Resolution").

(b) The Company, as agent for the Agency, will undertake the Project. The Company hereby agrees to limit its activities as agent for the Agency under the authority of the Authorizing Resolution to acts reasonably related to the acquisition, construction and equipping of the Facility. The right of the Company to act as agent of the Agency shall expire on the earlier of (a) the completion of the Project, or (b) **December 31, 2008**; *provided, however*, that, the Agency may extend the Company's agent appointment at its discretion upon the written request of the Company if such activities and improvements are not completed by such time, and further provided that the Agency shall not unreasonably withhold its consent to the extension of such appointment.

(c) The Company hereby agrees to pay the Agency administrative fee, the fees of local counsel to Agency and/or the fees of transaction counsel, and any and all fees, costs and expenses incurred in the acquisition, construction and equipping of the Project, including recording fees and taxes and any other fees or expenses due hereunder.

(d) The Company, as agent for the Agency, will undertake the Project. The Company hereby covenants and agrees to annually file with the State Department of Taxation and Finance the statement required by General Municipal Law Section 874(8) concerning the value of sales tax exemptions claimed.

Section 2.3. Demise of Facility. The Agency hereby demises and leases the Facility to the Company and the Company hereby rents and leases the Facility from the Agency upon the terms and conditions of this Leaseback Agreement.

Section 2.4. Remedies to be Pursued Against Contractors and Subcontractors and their Sureties. In the event of a default by any contractor or any other person or subcontractor under any contract made by it in connection with the Facility or in the event of a breach of warranty or other liability with respect to any materials, workmanship, or performance guaranty, the Company at its expense, either separately or in conjunction with others, may pursue any and all remedies available to it and the Agency, as appropriate, against the contractor, subcontractor or manufacturer or supplier or other person so in default and against such surety for the performance of such contract. The Company, in its own name or in the name of the Agency, may prosecute or defend any action or proceeding or take any other action involving any such contractor, subcontractor, manufacturer, supplier or surety or other person which the Company deems reasonably necessary, and in such events the Agency, at the Company's expense, hereby agrees to cooperate fully with the Company and to take all action necessary to effect the substitution of the Company for the Agency (including but not limited to reasonable attorneys' fees) in any such action or proceeding.

Section 2.5. Duration of Lease Term; Quiet Enjoyment. (a) The Agency shall deliver to the Company sole and exclusive possession of the Facility (subject to the provisions of Sections 5.3 and 7.1 hereof) and the leasehold estate created hereby shall commence on the date hereof.

(b) The leasehold estate created hereby shall, without any further action of the parties hereto, terminate at 11:59 P.M. on December 31, 2019, or on such earlier date as may be permitted by Section 8.1 hereof.

(c) The period commencing on the date described in Section 2.5(a) herein through the date described in Section 2.5(b) herein shall be herein defined as the Lease Term.

(d) The Agency shall, subject to the provisions of Sections 5.3 and 7.1 hereof neither take nor suffer nor permit any action, other than pursuant to Articles VII or VIII of this Leaseback Agreement, to prevent the Company, during the term of this Leaseback Agreement, from having quiet and peaceable possession and enjoyment of the Facility and will, at the request of the Company and at the Company's cost, cooperate with the Company in order that the Company may have quiet and peaceable possession and enjoyment of the Facility as hereinabove provided.

(e) The Company hereby irrevocably appoints and designates the Agency as its attorney-in-fact for the purpose of executing and delivering and recording any necessary terminations of lease together with any documents required in connection therewith and to take such other and further actions in accordance with this Leaseback Agreement as shall be reasonably necessary to terminate the Agency's leasehold interest in the Project upon the expiration or termination hereof. Notwithstanding any such expiration or termination of this Leaseback Agreement, the Company's obligations under Sections 3.3 and 5.2 hereof and under the Environmental Compliance Agreement shall continue notwithstanding any such termination or expiration.

Section 2.6. Rents and Other Consideration. The rental obligations during the Lease Term are hereby reserved and the Company shall pay rent for the Facility as follows:

(a) Upon execution of this Leaseback Agreement, One Dollar (\$1.00) for the period commencing on the date hereof and ending on December 31, 2008, and on January 1, 2009 of each calendar year thereafter an amount equal to One Dollar (\$1.00) annually.

(b) In addition to the payments of rent pursuant to Section 2.6(a) hereof, throughout the term of this Leaseback Agreement, the Company shall pay to the Agency as additional rent, within thirty (30) days of the receipt of demand therefor, an amount equal to the sum of the reasonable expenses of the Agency and the members thereof incurred (i) for the reason of the Agency's leasing of the Facility and (ii) in connection with the carrying out of the Agency's duties and obligations under this Leaseback Agreement.

(c) The Company agrees to make the above-mentioned payments, without any further notice, in lawful money of the United States of America as, at the time of payment, shall be legal tender for the payment of public or private debts. In the event the Company shall fail to timely make any payment required in this Section 2.6, the Company shall pay the same together with interest from the date said payment is due at the rate of twelve percent (12%) per annum.

Section 2.7. Obligations of Company Hereunder Unconditional. The obligations of the Company to make the payments required in Section 2.6 hereof and to perform and observe any and all of the other covenants and agreements on its part contained herein shall be a general obligation of the Company and shall be absolute and unconditional irrespective of any defense or any rights of setoff, recoupment or counterclaim it may otherwise have against the Agency. The Company agrees it will not (i) suspend, discontinue or abate any payment required by Section 2.6 hereof or (ii) fail to observe any of its other covenants or agreements in this Leaseback Agreement or (iii) except as provided in Section 8.1 hereof, terminate this Leaseback Agreement for any cause whatsoever including, without limiting the generality of the foregoing, failure to complete the Facility, any defect in the title, design, operation, merchantability, fitness or condition of the Facility or in the suitability of the Facility for the Company's purposes and needs, failure of consideration, destruction of or damage to the Facility, commercial frustration of purpose, or the taking by condemnation of title to or the use of all or any part the Facility, any change in the tax or other laws of the United States of America or administrative rulings of or administrative actions by the State or any political subdivision of either, or any failure of the Agency to perform and observe any agreement, whether expressed or implied, or any duty, liability or obligation arising out of or in connection with this Leaseback Agreement, or otherwise. Subject to the foregoing provisions, nothing contained in this Section 2.7 shall be construed to release the Agency from the performance of any of the agreements on its part contained in this Leaseback Agreement or to affect the right of the Company to seek reimbursement, and in the event the Agency should fail to perform any such agreement, the Company may institute such separate action against the Agency as the Company may deem necessary to compel performance or recover damages for nonperformance, and the Agency covenants that it will not, subject to the provisions of Section 5.2 hereof, take, suffer or permit any action which will adversely affect, or create any defect in its title to the Facility or which will otherwise adversely affect the rights or estates of the Company hereunder, except upon the written consent of the Company. None of the foregoing shall relieve the Company of its obligations under Section 5.2 hereof.

ARTICLE III
MAINTENANCE, MODIFICATIONS, TAXES AND INSURANCE

Section 3.1. Maintenance and Modifications of Facility By Company. (a) The Company agrees that during the term of this Leaseback Agreement it or its operator will (i) keep the Facility in as reasonably safe condition as its operations shall permit; (ii) make all necessary repairs and replacements to the Facility (whether ordinary or extraordinary, structural or nonstructural, foreseen or unforeseen); (iii) operate the Facility in a sound and prudent manner; (iv) operate the Facility such that it continues to qualify as a "project" under the Act and pursuant to the terms contained herein; and (v) indemnify and hold the Agency harmless from any liability or expenses from the failure by the Company to comply with (i), (ii), (iii) or (iv) above.

(b) The Company, at its own expense, from time to time may make any structural addition, modifications or improvements to the Facility or any addition, modifications or improvements to the Facility or any part thereof which it may deem desirable for its business purposes and uses. All such structural additions, modifications or improvements so made by the Company shall become a part of the Facility; *provided, however*, that, the Company shall not be qualified for a sales and use tax exemption when making said additions, modifications or improvements except to the extent (i) the Company is acting as agent for the Agency under an Agent Agreement between the Agency and the Company which contemplates said additions, modifications or improvements or (ii) as otherwise provided by law.

Section 3.2. Installation of Additional Equipment. The Company, from time to time, may install additional machinery, equipment or other personal property in the Facility (which may be attached or affixed to the Facility), and such machinery, equipment or other personal property shall not become, or be deemed to become, a part of the Facility. The Company, from time to time, may remove or permit the removal of such machinery, equipment or other personal property.

Section 3.3. Taxes, Assessments and Utility Charges. (a) The Company agrees to pay, as the same respectively become due, (i) all taxes and governmental charges of any kind whatsoever which may at any time be lawfully assessed or levied against or with respect to the Facility and any machinery, equipment or other property installed or brought by the Company therein or thereon, including, without limiting the generality of the foregoing, any taxes levied upon or with respect to the income or revenues of the Agency from the Facility, (ii) all payments under a certain payment-in-lieu-of-tax agreement, dated as of the date hereof, by and between the Agency and the Company (the "PILOT Agreement"); (iii) all utility and other charges, including "service charges", incurred or imposed for the operation, maintenance, use, occupancy, upkeep and improvement of the Facility, and (iv) all assessments and charges of any kind whatsoever lawfully made by any governmental body for public improvements; *provided*, that, with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the Company shall be obligated under this Leaseback Agreement to pay only such installments as are required to be paid during the Lease Term.

(b) The Company, at its own expense and in its own name and on behalf or in the name and on behalf of the Agency but with notice to the Agency, may in good faith contest any

such taxes, assessments and other charges. In the event of any such contest, the Company may, with prior written notice to the Agency, permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Agency reasonably requests payment prior to settlement.

Section 3.4. Insurance Required. At all times throughout the Lease Term, including, without limitation, during any period of construction of the Facility, the Company shall maintain or cause to be maintained insurance against such risks and for such amounts as are customarily insured against by businesses of like size and type paying, as the same become due and payable, all premiums in respect thereto, including, but not necessarily limited to:

(a) Insurance against loss or damage by fire, lightning and other casualties, with a uniform standard extended coverage endorsement, such insurance to be in an amount not less than the full replacement value of the Facility, exclusive of excavations and foundations, as determined by a recognized appraiser or insurer selected by the Company; or as an alternative to the foregoing the Company may insure the Facility under a blanket insurance policy or policies covering not only the Facility but other properties as well, provided a periodic appraisal is performed and provided to the Agency.

(b) Workers' compensation insurance, disability benefits insurance and each other form of insurance which the Agency or the Company is required by law to provide, covering loss resulting from injury, sickness, disability or death of employees of the Company who are located at or assigned to the Facility.

(c) Insurance against loss or losses from liabilities imposed by law or assumed in any written contract (including the contractual liability assumed by the Company under Section 5.2 hereof) and arising from personal injury and death or damage to the property of others caused by any accident or occurrence, with limits of not less than \$1,000,000 per accident or occurrence on account of personal injury, including death resulting therefrom, and \$1,000,000 per accident or occurrence on account of damage to the property of others, excluding liability imposed upon the Company by any applicable workers' compensation law; and a blanket excess liability policy in the amount not less than \$3,000,000, protecting the Company against any loss or liability or damage for personal injury or property damage.

(d) Flood insurance in an amount at least equal to the lesser of (i) the cash replacement value of the Facility, or (ii) the maximum amount of flood insurance available with respect to the Facility under the Flood Disaster Protection Act of 1974, as amended. In the alternative, a letter from the appropriate office of the municipality in which the Facility is located to the effect that the Facility is not located in an area designated as a flood hazard area by the Federal Insurance Administration or the Department of Housing and Urban Development.

(e) Prior to completion of the construction of the Facility, any contractor or subcontractor constructing the Facility shall be required to carry worker's compensation and general comprehensive liability insurance with limits reasonably acceptable to the Agency and containing coverages for premises operations, owner's protective, contractor's protective, contractual liability, personal injury liability, broad form property damage, explosion hazard,

collapse hazard and underground property damage hazard and coverage for all owned, non-owned and hired vehicles with non-ownership protection for the contractor's or subcontractor's employees.

THE AGENCY DOES NOT IN ANY WAY REPRESENT THAT THE INSURANCE SPECIFIED HEREIN, WHETHER IN SCOPE OR IN LIMITS OF COVERAGE, IS ADEQUATE OR SUFFICIENT TO PROTECT THE COMPANY'S BUSINESS OR INTERESTS.

Section 3.5. Additional Provisions Respecting Insurance. (a) All insurance required by Section 3.4(a) hereof shall name the Agency as a named insured and all other insurance required by Section 3.4 shall name the Agency as an additional insured. All insurance shall be procured and maintained in financially sound and generally recognized responsible insurance companies selected by the Company and authorized to write such insurance in the State. Such insurance may be written with deductible amounts comparable to those on similar policies carried by other companies engaged in businesses similar in size, character and other respects to those in which the Company is engaged. All policies evidencing such insurance shall provide for (i) payment of the losses of the Company and the Agency as their respective interests may appear, and (ii) at least thirty (30) days' prior written notice of the cancellation thereof to the Company and the Agency.

(b) All such certificates of insurance of the insurers that such insurance is in force and effect, shall be deposited with the Agency on or before the commencement of the term of this Leaseback Agreement. Prior to expiration of the policy evidenced by said certificates, the Company shall furnish the Agency evidence that the policy has been renewed or replaced or is no longer required by this Leaseback Agreement.

(c) Within one hundred twenty (120) days after the end of each of its fiscal years, the Company shall file with the Agency a certificate of the Company to the effect that the insurance it maintains with respect to the Project complies with the provisions of this Article III and that duplicate copies of all policies or certificates thereof have been filed with the Agency and are in full force and effect.

Section 3.6. Application of Net Proceeds of Insurance. The net proceeds of the insurance carried pursuant to the provisions of Section 3.4 hereof shall be applied as follows:

(i) the net proceeds of the insurance required by Section 3.4(a) hereof shall be applied as provided in Section 4.1 hereof, and

(ii) the net proceeds of the insurance required by Section 3.4(b) and (c) hereof shall be applied toward extinguishment or satisfaction of the liability with respect to which such insurance proceeds may be paid.

Section 3.7. Right of Agency to Pay Taxes, Insurance Premiums and Other Charges. If the Company fails (i) to pay any tax, assessment or other governmental charge

required to be paid by Section 3.3 hereof or (ii) to maintain any insurance required to be maintained by Section 3.4 hereof, the Agency may pay such tax, assessment or other governmental charge or the premium for such insurance. The Company shall reimburse the Agency for any amount so paid together with interest thereon from the date of payment at twelve percent (12%) per annum.

ARTICLE IV

DAMAGE, DESTRUCTION AND CONDEMNATION

Section 4.1. Damage or Destruction. (a) If the Facility shall be damaged or destroyed (in whole or in part) at any time during the term of this Leaseback Agreement:

(i) the Agency shall have no obligation to replace, repair, rebuild or restore the Facility;

(ii) there shall be no abatement or reduction in the amounts payable by the Company under this Leaseback Agreement; and

(iii) except as otherwise provided in subsection (b) of this Section 4.1, the Company shall promptly replace, repair, rebuild or restore the Facility to substantially the same condition and value as an operating entity as existed prior to such damage or destruction, with such changes, alterations and modifications as may be desired by the Company and may use insurance proceeds for all such purposes.

All such replacements, repairs, rebuilding or restoration made pursuant to this Section 4.1, whether or not requiring the expenditure of the Company's own money, shall automatically become a part of the Facility as if the same were specifically described herein.

(b) The Company shall not be obligated to replace, repair, rebuild or restore the Facility, and the net proceeds of the insurance shall not be applied as provided in subsection (a) of this Section 4.1, if the Company shall exercise its option to terminate this Leaseback Agreement pursuant to Section 8.1 hereof.

(c) The Company may adjust all claims under any policies of insurance required by Section 3.4(a) hereof.

Section 4.2. Condemnation. (a) If at any time during the term of this Leaseback Agreement the whole or any part of title to, or the use of, the Facility shall be taken by condemnation, the Agency shall have no obligation to restore or replace the Facility and there shall be no abatement or reduction in the amounts payable by the Company under this Leaseback Agreement. The Agency shall not have any interest whatsoever in any condemnation award, and the Company shall have the exclusive right to same.

Except as otherwise provided in subsection (b) of this Section 4.2, the Company shall promptly:

(i) restore the Facility (excluding any land taken by condemnation) to substantially the same condition and value as an operating entity as existed prior to such condemnation, or

(ii) acquire, by construction or otherwise, facilities of substantially the same nature and value as an operating entity as the Facility subject to Agency consent.

The Facility, as so restored, or the substitute facility, whether or not requiring the expenditure of the Company's own moneys, shall automatically become part of the Facility as if the same were specifically described herein.

(b) The Company shall not be obligated to restore the Facility or acquire a substitute facility, and the net proceeds of any condemnation award shall not be applied as provided in Section 4.2(a) above, if the Company shall exercise its option to terminate this Leaseback Agreement pursuant to Section 8.1 hereof.

(c) The Agency shall cooperate fully with the Company in the handling and conduct of any condemnation proceeding with respect to the Facility. In no event shall the Agency voluntarily settle, or consent to the settlement of, any condemnation proceeding with respect to the Facility without the written consent of the Company.

Section 4.3. Condemnation of Company-Owned Property. The Company shall be entitled to the proceeds of any condemnation award or portion thereof made for damage to or taking of any property which, at the time of such damage or taking, is not part of the Facility.

ARTICLE V

SPECIAL COVENANTS

Section 5.1. No Warranty of Condition or Suitability by the Agency. THE AGENCY MAKES NO WARRANTY, EITHER EXPRESS OR IMPLIED, AS TO THE CONDITION, TITLE, DESIGN, OPERATION, MERCHANTABILITY OR FITNESS OF THE FACILITY OR THAT IT IS OR WILL BE SUITABLE FOR THE COMPANY'S PURPOSES OR NEEDS.

Section 5.2. Hold Harmless Provisions. 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, directors, agents (other than the Company) and employees, and their respective successors, assigns 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 Facility or arising by reason of or in connection with the occupation or the use thereof or the presence on, in or about the Facility or (ii) liability arising from or expense incurred by the Agency's financing, constructing, equipping, owning and leasing of the Facility, 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 (other than the Company) 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.

Section 5.3. Right to Inspect the Facility. The Agency and its duly authorized agents shall have the right at all reasonable times and upon reasonable notice to inspect the Facility. The Agency shall honor and comply with any restricted access policy of the Company relating to the Facility.

Section 5.4. Agreement to Provide Information. The Company agrees, whenever requested by the Agency, to provide and certify or cause to be provided and certified, without delay, such information concerning the Company, the Company's employment history and statistics related thereto, the Facility and other topics necessary to enable the Agency to make any report required by law or governmental regulation or as otherwise reasonably requested by the Agency.

Section 5.5. Books of Record and Account; Financial Statements. The Company at all times agrees to maintain proper accounts, records and books in which full and correct entries shall be made, in accordance with generally accepted accounting principles, of all business and affairs of the Company relating to the Facility.

Section 5.6. Compliance With Orders, Ordinances, Etc. (a) The Company agrees that it will, throughout the term of this Leaseback Agreement, promptly comply in all material respects with all statutes, codes, laws, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorizations, directions and requirements of all federal, state, county, municipal and other governments, departments, commissions, boards, companies or associations insuring the premises, courts, authorities, officials and officers, foreseen or unforeseen, ordinary or extraordinary, which now or at any time hereafter may be applicable to the Facility or any part thereof, or to any use, manner of use or condition of the Facility or any part thereof.

(b) Notwithstanding the provisions of subsection (a) of this Section 5.6, the Company may in good faith contest the validity of the applicability of any requirement of the nature referred to in such subsection (a). In such event, the Company may fail to comply with the requirement or requirements so contested during the period of such contest and any appeal therefrom. The Company will endeavor to give notice of the foregoing to the Agency but failure to do so shall not be a breach of this Leaseback Agreement.

Section 5.7. Discharge of Liens and Encumbrances. (a) The Company shall not permit or create or suffer to be permitted or created any lien upon the Facility or any part thereof by reason of any labor, services or materials rendered or supplied or claimed to be rendered or supplied with respect to the Facility or any part thereof except any liens existing on the date hereof. This provision shall not prohibit the Approved Liens as they are defined in Section 6.1(a) hereof.

(b) Notwithstanding the provisions of subsection (a) of this Section 5.7, the Company may in good faith contest any such lien. In such event, the Company, with prior written notice to the Agency, may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom, unless the Agency shall notify the Company to promptly secure payment of all such unpaid items by filing the requisite bond, in form and substance satisfactory to the Agency, thereby causing said lien to be removed.

Section 5.8. Depreciation Deductions and Investment Tax Credit. The parties agree that the Company shall be entitled to all depreciation deductions with respect to any depreciable property in the Facility pursuant to Section 167 of the Internal Revenue Code and to any investment credit pursuant to Section 38 of the Internal Revenue Code with respect to any portion of the Facility which constitutes "Section 38 Property."

ARTICLE VI

RELEASE OF CERTAIN LAND; ASSIGNMENTS AND SUBLEASING; MORTGAGE AND PLEDGE OF INTERESTS

Section 6.1. Restriction on Sale of Facility; Release of Certain Land. (a) Except as otherwise specifically provided in this Article VI and except for the granting of a mortgage interest and security interests to lenders designated by the Company (the "Lender") under a mortgage, security agreement and/or assignment of leases and rents in a form acceptable to the Agency, the Lender and the Company, for purposes of financing the improvement of the Facility along with all modifications, substitutions and/or restatements thereof with the Lender or its successors and/or assigns (the "Approved Liens"), the Agency shall not sell, convey, transfer, encumber or otherwise dispose of the Facility or any part thereof or any of its rights under this Leaseback Agreement, without the prior written consent of the Company. 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 hereof or its rights to be indemnified under Sections 1.2(d), 1.2(g), 2.1, 3.1(a) and 5.2 hereof or (i) the right of the Agency on its own behalf to receive all opinions of counsel, reports, financial information, certificates, insurance policies or binders or certificates, or other notices or communications required to be delivered to the Agency hereunder or otherwise reasonably requested by the Agency; (ii) the right of the Agency to grant or withhold any consents or approvals required of the Agency hereunder; (iii) the right of the Agency in its own behalf to enforce the obligation of the Company to complete the Project and to confirm the qualification of the Project as a "project" under the Act; (iv) the right of the Agency to amend with the Company this Leaseback Agreement, and the right of the Agency to exercise its rights and remedies hereunder or under the Environmental Compliance Agreement; (v) the right of the Agency on its own behalf to declare an Event of Default under Section 7.1 hereof; and (vi) the right of the Agency as to any of the foregoing, exercisable with respect to any sublessees or subtenants (collectively, the "Unassigned Rights").

(b) With the exception of the Unassigned Rights, the Agency agrees that this Leaseback Agreement shall be subordinate to mortgage liens granted by the Company and the Agency in favor of any lender (the "Mortgagee") executed and delivered herewith and all further mortgages hereafter placed on the Leased Premises with the consent of the Agency and the

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

Section 6.2. Removal of Equipment. (a) The Agency shall not be under any obligation to remove, repair or replace any inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary item of Equipment. In any instance where the Company determines that any item of Equipment has become inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary, the Company may remove such item of Equipment from the Facility and may sell, trade-in, exchange or otherwise dispose of the same, as a whole or in part.

(b) The Agency shall execute and deliver to the Company all instruments necessary or appropriate to enable the Company to sell or otherwise dispose of any such item of Equipment. The Company shall pay any costs (including reasonable attorneys' fees) incurred in transferring title to and releasing any item of Equipment removed pursuant to this Section 6.2.

(c) The removal of any item of Equipment pursuant to this Section 6.2 shall not entitle the Company to any abatement of or diminution of the rents payable under Section 2.6 hereof.

Section 6.3. Assignment and Subleasing. (a) This Leaseback Agreement may not be assigned in whole or in part except to a Related Person of the Company (as that term is defined in subparagraph (C) of paragraph three of subsection (b) of section four hundred sixty-five of the Internal Revenue Code of 1986, as amended, hereinafter "Related Person"), and the Facility may not be subleased, in whole or in part, by the Company except to a Related Person of the Company, without the prior written consent of the Agency. Any assignment of this Agreement and related PILOT Agreement shall require the prior written consent of the Agency upon application 45 days prior to a regularly scheduled meeting of the Agency. A transfer in excess of 50% of the equity voting interests of the Company, other than to a Related Person of the Company, shall be deemed an assignment and require the prior written consent of the Agency.

Any and all subleases of one or more portions of the Facility by the Company, and any amendments thereto, to a non-related person or to any person or entity in the normal course of business and operation of the Facility shall be delivered to the Agency within 10 days of execution and delivery along with evidence of subtenant insurance naming the Agency as an additional insured. Any such subleases shall also incorporate the provisions set forth within **Exhibit C**, hereto.

Any assignment, if and once approved by the Agency, shall be on the following conditions, as of the time of such assignment:

(i) no assignment shall relieve the Company from primary liability for any of its obligations hereunder;

(ii) the assignee shall assume the obligations of the Company hereunder to the extent of the interest assigned;

(iii) the Company shall, within ten (10) days after the delivery thereof, furnish or cause to be furnished to the Agency a true and complete copy of such assignment and the instrument of assumption; and

(iv) the Facility shall continue to constitute a "project" as such quoted term is defined in the Act.

If the Agency shall so request, as of the purported effective date of any assignment pursuant to subsection (a) above, the Company at its cost shall furnish the Agency with an opinion, in form and substance satisfactory to the Agency as to items (i), (ii) and (iv) above.

(b) Any assignment or sublease is subject to the review and approval by the Agency and its counsel (at no cost to the Agency; any such cost to be paid by the Company, including attorneys' fees), and shall contain such terms and conditions as reasonably required by the Agency and its counsel.

(c) Notwithstanding the foregoing or any other provision to the contrary contained herein, the Company is authorized to lease/sublease the Facility to Medline Industries, Inc.; provided, however, that any such lease/sublease agreement shall require Medline Industries, Inc. to operate and maintain the Facility as a "project" under the Act.

ARTICLE VII

DEFAULT

Section 7.1. Events of Default Defined. (a) Each of the following shall be an "Event of Default" under this Leaseback Agreement:

(1) If the Company fails to pay the amounts required to be paid pursuant to Section 2.6 of this Leaseback Agreement and such failure shall have continued for a period of ten (10) days after the Agency gives written notice of such failure to the Company; or

(2) If there is any purposeful, willful and knowing breach by the Company of any of its other agreements or covenants set forth in this Leaseback Agreement; or

(3) If there is any failure by the Company to observe or perform any other covenant, condition or agreement required by this Leaseback Agreement to be observed or performed and such failure shall have continued for a period of thirty (30) days after the Agency gives written notice to the Company specifying that failure and stating that it be remedied, or in the case of any such default which can be cured with due diligence but not within such thirty (30) day period, the Company's failure to proceed promptly to cure such default and thereafter prosecute the curing of such default with due diligence; or

(4) If any representation or warranty of the Company contained in this Leaseback Agreement is incorrect in any material respect; or

(5) If an Event of Default shall occur under the PILOT Agreement.

(b) Notwithstanding the provisions of 7.1(a) above, if by reason of force majeure either party hereto shall be unable in whole or in part to carry out its obligations under this Leaseback Agreement and if such party shall give notice and full particulars of such force majeure in writing to the other party within a reasonable time after the occurrence of the event or cause relied upon, the obligations under this Leaseback Agreement of the party giving such notice, so far as they are affected by such force majeure, shall be suspended during continuance of the inability, which shall include a reasonable time for the removal of the effect thereof. The suspension of such obligations for such period pursuant to this subsection (b) shall not be deemed an Event of Default under this Section 7.1. Notwithstanding anything to the contrary in this subsection (b), an event of force majeure shall not excuse, delay or in any way diminish the obligations of the Company to make the payments required by Sections 2.6 and 3.3 hereof, to obtain and continue in full force and effect the insurance required by Section 3.4 hereof, to provide the indemnity required by Section 5.2 hereof and to comply with the terms of Sections 5.2, 5.3, 5.6, 5.7, and 7.1(a)(1) hereof. The term "force majeure" as used herein shall include, without limitation, acts of God, strikes, lockouts or other industrial disturbances, acts of public enemies, acts, priorities or orders of any kind of the government of the United States of America or of the State or any of their departments, agencies, governmental subdivisions, or officials, any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fire, hurricanes, storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, breakage or accident to machinery, transmission pipes or canals, shortages of labor or materials or delays of carriers, partial or entire failure of utilities, shortage of energy or any other cause or event not reasonably within the control of the party claiming such inability and not due to its fault. The party claiming such inability shall remove the cause for the same with all reasonable promptness. It is agreed that the settlement of strikes, lock-outs and other industrial disturbances shall be entirely within the discretion of the party having difficulty, and the party having difficulty shall not be required to settle any strike, lockout and other industrial disturbances by acceding to the demands of the opposing party or parties.

Section 7.2. Remedies on Default. Whenever any Event of Default shall have occurred and be continuing, the Agency may take, to the extent permitted by law, any one or more of the following remedial steps;

(1) Declare, by written notice to the Company, to be immediately due and payable, whereupon the same shall become immediately due and payable: (i) all unpaid installments of rent payable pursuant to Section 2.6(a) hereof and (ii) all other payments due under this Leaseback Agreement.

(2) Take any other action as it shall deem necessary to cure any such Event of Default, provided that the taking of any such action shall not be deemed to constitute a waiver of such Event of Default.

(3) Take any other action at law or in equity which may appear necessary or desirable to collect the payments then due or thereafter to become due hereunder, and to enforce the obligations, agreements or covenants of the Company under this Leaseback Agreement.

(4) Terminate this Leaseback Agreement and terminate the Agency's leasehold interest.

Section 7.3. Remedies Cumulative. No remedy herein conferred upon or reserved to the Agency is intended to be exclusive of any other available remedy, but each and every such remedy shall be cumulative and in addition to every other remedy given under this Leaseback Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

Section 7.4. Agreement to Pay Attorneys' Fees and Expenses. In the event the Company should default under any of the provisions of this Leaseback Agreement and the Agency should employ attorneys or incur other expenses for the collection of amounts payable hereunder or the enforcement of performance or observance of any obligations or agreements on the part of the Company herein contained, the Company shall, on demand therefor, pay to the Agency, the reasonable fees of such attorneys and such other expenses so incurred.

Section 7.5. No Additional Waiver Implied by One Waiver. In the event any agreement contained herein should be breached by any party and thereafter waived by any other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

ARTICLE VIII

EARLY TERMINATION OF AGREEMENT; OBLIGATIONS OF COMPANY

Section 8.1. Early Termination of Agreement.

(a) The Company shall have the option at any time to terminate this Leaseback Agreement upon filing with the Agency a certificate signed by an authorized representative of the Company stating the Company's intention to do so pursuant to this Section 8.1 and upon compliance with the requirements set forth in Section 8.2 hereof.

(b) The Agency shall have the option at any time to terminate this Leaseback Agreement and to demand immediate payment in full of the rental reserved and unpaid as described in Section 2.6 hereof upon written notice to the Company of the occurrence of an Event of Default hereunder.

Section 8.2. Obligation to Purchase Facility. Upon termination of the term of this Leaseback Agreement in accordance with Sections 2.5, 7.2 or Section 8.1 hereof, the Company shall purchase the Facility from the Agency (or if the Agency's interest is a leasehold, the

Agency shall surrender its leasehold estate) for One Dollar (\$1.00) plus all rental reserved and unpaid as described in Section 2.6 hereof (the "Purchase Payment"). The Company shall exercise its obligation to purchase or option to have the Agency's leasehold interest terminated by giving written notice to the Agency and paying said amount to the Agency.

Section 8.3. Conveyance on Purchase. At the termination of the Company's leasehold interest in the Facility pursuant to Section 8.2 hereof, the Agency shall, upon receipt of the Purchase Payment, deliver to the Company all necessary documents to reflect either (i) a transfer by quitclaim deed of a fee interest (if the Agency holds a fee interest) or (ii) termination of the Agency's leasehold interest.

ARTICLE IX MISCELLANEOUS

Section 9.1. 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
County Office Building
255-275 Main Street
Goshen, New York 10924
Attn: Executive Director

With a Copy to: Philip A. Crotty, Esq.
8 Stable Way
Cornwall-on-Hudson, New York 12520

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

To the Company: Wawayanda Acquisition, LLC.
One Medline Place
Mundelein, Illinois 60060
Attn: Greg Orlando

With a copy to: Redmond & Parrinello LLP
36 West Main Street, Suite 400
Rochester, New York 14614
Attn: J. Matthew Parrinello, 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.

Section 9.2. Binding Effect. This Leaseback Agreement shall inure to the benefit of and shall be binding upon the Agency, the Company and their respective successors and assigns.

Section 9.3. Severability. In the event any provision of this Leaseback Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 9.4. Amendments, Changes and Modifications. This Leaseback Agreement may not be amended, changed, modified, altered or terminated without the concurring written consent of the parties hereto.

Section 9.5. Execution of Counterparts. This Leaseback 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.

Section 9.6. Applicable Law. This Leaseback Agreement shall be governed, construed and enforced in accordance with the laws of the State of New York for contracts to be wholly performed therein.

Section 9.7. Recording and Filing. This Leaseback Agreement (or a memorandum thereof) shall be recorded or filed, as the case may be, in the Office of the Clerk of Orange County, New York, or in such other office as may at the time be provided by law as the proper place for the recordation or filing thereof.

Section 9.8. Survival of Obligations. This Leaseback Agreement shall survive the performance of the obligations of the Company to make payments required by Section 2.6 and all indemnities shall survive any termination or expiration of this Leaseback Agreement.

Section 9.9. Section Headings Not Controlling. The headings of the several sections in this Leaseback Agreement have been prepared for convenience of reference only and shall not control, affect the meaning or be taken as an interpretation of any provision of this Leaseback Agreement.

Section 9.10. No Broker. Agency and Company represent and warrant to the other that neither the Agency nor the Company has dealt with any broker or finder entitled to any commission, fee, or other compensation by reason of the execution of this Leaseback Agreement, and each party agrees to indemnify and hold the other harmless from any charge, liability or expense (including attorneys' fees) the other may suffer, sustain, or incur with respect to any claim for a commission, fee or other compensation by a broker or finder claiming by, through or under the other party.

Section 9.11. 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 hereto or thereto, 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 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 Facility (except for revenues derived by the Agency with respect to the Unassigned Rights).

(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.

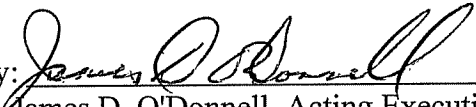
Section 9.12. No Joint Venture Created. The Agency and the Company mutually agree that by entering into this Leaseback Agreement the parties hereto are not entering into a joint venture.

(Remainder of page intentionally left blank)

[Signature page to Leaseback Agreement]


IN WITNESS WHEREOF, the Agency and the Company have caused this Leaseback Agreement to be executed as of the date first above written.

**ORANGE COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

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

WAWAYANDA ACQUISITION, LLC

By: National Safe Harbor Exchanges,
a California corporation, its sole member

By: 
Dana R. Sobrado, Assistant Vice President

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

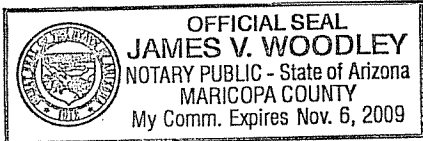
On the 11th day of September in the year 2008, before me, the undersigned, personally appeared James D. O'Donnell, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed 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.

Doreen Hamel
Notary Public
DOREEN HAMEL
REG. # 01HA6175975
NEW YORK STATE
MY COMMISSION EXP. 10-22-2011

STATE OF ARIZONA)
) ss.:
COUNTY OF MARICOPA)

On the 3rd day of ~~September~~ October in the year 2008, before me, the undersigned, personally appeared Dana R. Sobrado, 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.

James V. Woodley
Notary Public



FIDELITY NATIONAL TITLE INSURANCE COMPANY

TITLE NO. 08-7405-52733A-ORAN

SCHEDULE A-1 (Description)

Parcel A:

ALL that certain plot, piece or parcel of land, situate, lying and being in the Town of Wawayanda, County of Orange, State of New York, being the northerly portion of Tax Map Parcel 11-1-20.222 and being bounded and described as follows:

BEGINNING at a point on the northerly right-of-way line of Interstate Highway 84, said point being the southeasterly corner of the herein described parcel and the southwesterly corner of lands n/f of Concrete Properties (T.M. 11-1-35.23);

THENCE from said point of beginning and along a portion of the northerly right-of-way line of Interstate Highway 84 on the following three courses and distances:

South 70 degrees 27 minutes 35 seconds west 470.98 feet to a highway monument found;

THENCE south 71 degrees 22 minutes 10 seconds west 252.42 feet;

THENCE south 65 degrees 46 minutes 54 seconds west 183.72 feet to a point on the southeasterly line of lands n/f of the Middletown and New Jersey Railway Company (T.M. 11-1-16), said point also being located, north 65 degree 46 minutes 54 seconds east 20.0 feet from a highway monument found;

THENCE along the southeasterly line of the Middletown and New Jersey Railway Company, passing in part along an old wire fence and stone wall, on the following two courses distances:

On a curve to the right having a radius of 1,876.00 feet an arc distance of 876.90 feet to a point of reverse curvature;

THENCE on a curve to the left having a radius of 1,942.86 feet, an arc distance of 85.33 feet to the westerly corner of lands n/f of Concrete Properties (T.M. 11-1-35.23);

THENCE along the westerly line of said lands, marked in part by the remains of an old wire fence and stone wall on the remaining three courses and distances:

South 35 degrees 50 minutes 32 seconds east 12.59 feet;

THENCE south 32 degrees 27 minutes 28 seconds east 232.63 feet;

THENCE south 32 degrees 56 minutes 21 seconds east 304.46 feet to the point or place of BEGINNING.

Parcel B:

Part of Lot 83.7 (Part of Filed Map Lot 7):

ALL that certain lot, piece or parcel of land, situate in the Town of Wawayanda, County of Orange, State of New York, and being more accurately bounded and described as follows:

BEGINNING at a point on the westerly line of New York State (NYS) Route 6, said point of beginning marking the corner of Lot 6 and the most easterly corner of Lot 7 as shown on a plan entitled, "Metes and Bounds Plan for Special Use Site and Subdivision for Panattoni Development Company/Concrete Properties" dated June 29, 2007, last revised February 14, 2008, as prepared by Eustance & Horowitz, P.C.;

THENCE from said point of beginning along the westerly line of NYS Route 6 on the following two courses and distances:

South 25 degrees 49 minutes 09 seconds West 32.05 feet;

THENCE South 12 degrees 55 minutes 12 seconds West 159.48 feet to a concrete monument found on the northerly right-of-way line of Interstate Highway 84;

THENCE along the northerly right-of-way line of Interstate Highway 84 on a line running north of, and generally parallel to, a chain link fence on the following seven courses and distances:

North 84 degrees 52 minutes 33 seconds West 242.62 feet;

THENCE South 68 degrees 05 minutes 20 seconds West 289.30 feet to a concrete monument;

THENCE South 89 degrees 04 minutes 14 seconds West 667.93 feet,

THENCE South 84 degrees 58 minutes 22 seconds West 161.70 feet;

THENCE South 84 degrees 56 minutes 24 seconds West passing over a concrete monument at 240.90 feet a total distance of 542.31 feet;

THENCE South 75 degrees 32 minutes 34 seconds West 414.64 feet;

THENCE South 68 degrees 45 minutes 05 seconds West 463.56 feet to the most easterly corner of lands now or formerly of Howard Shapiro (T.M. 11-1-20.222);

THENCE along the line of said lands on the following three courses and distances:

North 32 degrees 56 minutes 21 seconds West 304.46 feet;

THENCE North 32 degrees 27 minutes 28 seconds West 232.63 feet;

THENCE North 35 degrees 50 minutes 32 seconds West 12.59 feet to the easterly line of lands now or formerly of the Middletown and New Jersey Railway Company (T.M. 11-1-16);

THENCE along the line of said lands on the following courses and distances:

On a curve to the left having a radius of 1,942.86 feet, an arc distance of 1,417.37 feet to a point of tangency;

THENCE on a tangent, North 05 degrees 31 minutes 31 seconds East 35.75 feet;

THENCE North 05 degrees 06 minutes 13 seconds East 128.61 feet to a point of curvature;

THENCE on a curve to the right having a radius of 2,831.79 feet, an arc distance of 440.85 feet to an iron rod marking the most westerly corner of Lot 1 and a corner of the lands now or formerly of Adamson (T.M. 4-1-47);

THENCE along the line between Lot 1 and Lot 7, South 50 degrees 52 minutes 41 seconds East 583.10 feet to the most westerly corner of Lot 6;

THENCE along the lot line between Lot 6 and Lot 7 on the remaining seven courses and distances:

South 28 degrees 25 minutes 11 seconds East 1,010.62 feet;

THENCE South 62 degrees 29 minutes 41 seconds East 842.01 feet;

THENCE South 89 degrees 40 minutes 48 seconds East 156.82 feet;

THENCE North 50 degrees 44 minutes 21 seconds East 81.03 feet to a point of curvature;

THENCE on a curve to the right having a radius of 310.00 feet an arc distance of 240.29 feet;

THENCE South 13 degrees 58 minutes 47 seconds West 110.06 feet;

THENCE South 76 degrees 23 minutes 06 seconds East 293.62 feet to the point and place of BEGINNING.

Part of Lot 83.7 (Part of Filed Map Lot 7)

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

BEGINNING at a point on the westerly line of lands now or formerly of Middletown and New Jersey Railway Company (T.M. 4-1-12.2), said point being on the extension of the southeasterly line of lands now or formerly of Adamson (T.M. 4-1-47) and located, South 52 degrees 59 minutes 09 seconds West 106.01 feet from an iron rod on the southeasterly line of said lands, said rod also marking the westerly corner of Lot 1 as shown on a plan entitled, "Metes and Bounds for Special Use Site and Subdivision for Panattoni Development Company/Concrete Properties" dated June 29, 2007, last revised February 14, 2008, as prepared by Eustance & Horowitz, P.C.;

THENCE from said point of beginning and along the westerly line of the Middletown and New Jersey Railway Company on a curve to the left having a radius of 2,897.97 feet, an arc distance of 137.95 feet to the easterly corner of lands now or formerly of Grogan Equities, LLC (T.M. 34-1-1);

THENCE along the northeasterly line of said lands, North 53 degrees 09 minutes 11 seconds West 93.62 feet to a point on the approximate southeasterly line of Wawayanda Avenue, said point also being the westerly corner of lands now or formerly of Adamson (T.M. 4-1-47);

THENCE along the southeasterly line of said lands, North 52 degrees 59 minutes 09 seconds East 130.60 feet to the point and place of BEGINNING.

Lot 83.1 (Filed Map Lot 1)

ALL that certain lot, piece or parcel of land, situate in the Town of Wawayanda, County of Orange, State of New York and being more accurately bounded and described as follows:

BEGINNING at an iron rod found on the southerly line of Kirbytown Road, said iron rod being the most easterly corner of lands now or formerly of Adamson (T.M. 4-1-47) and the most northerly corner of Lot 1 as shown on a plan entitled, "Metes and Bounds Plan for Special Use Site and Subdivision for Panattoni Development Company/Concrete Properties" dated June 29, 2007, last revised February 14, 2008 as prepared by Eustance & Horowitz, P.C.;

THENCE from said point of beginning and along the southerly line of Kirbytown Road on the following courses and distances:

South 66 degrees 36 minutes 38 seconds East 146.60 feet;

THENCE South 69 degrees 52 minutes 31 seconds East 82.42 feet to a point of curvature;

THENCE on a curve to the left having a radius of 741.00 feet an arc distance of 137.76 feet to the northwest corner of Lot 2 of the aforementioned plan;

THENCE along the lot line between Lot 1 and Lot 2, South 09 degrees 28 minutes 21 seconds West 479.90 feet to a point in the northerly line of Lot 6;

THENCE along the line between Lot 6 and Lot 1, South 87 degrees 16 minutes 55 seconds West 122.69 feet to the northwest corner of Lot 6 and a corner of Lot 7;

THENCE along the lot line between Lot 7 and Lot 1, North 50 degrees 52 minutes 41 seconds West 583.10 feet to an iron rod found on the easterly line of lands now or formerly Middletown and New Jersey Railway Co. (T.M. 4-1-12.2) and the most southerly corner of lands now or formerly Adamson (T.M. 4-1-47);

THENCE along the property line between the lands of Adamson and the lands of Lot 1 North 52 degrees 59 minutes 09 seconds East 386.93 feet to the point and place of BEGINNING.

Lot 83.2 (Filed Map Lot 2)

ALL that certain lot, piece or parcel of land, situate in the Town of Wawayanda, County of Orange, State of New York, and being more accurately bounded and described as follows:

BEGINNING at a point on the southerly line of Kirbytown Road, said point of beginning being the northeasterly corner of Lot 1 and the northwesterly corner of Lot 2 as shown on a plan entitled, "Metes and Bounds Plan for Special Use Site and Subdivision for Panattoni Development Company/Concrete Properties" dated June 29, 2007, last revised February 14, 2008 as prepared by Eustance & Horowitz, P.C.;

THENCE from said point of beginning and along the southerly line of Kirbytown Road on a curve to the left having a radius of 741.00 feet, an arc distance of 163.53 feet to a point of tangency;

THENCE on a tangent North 86 degrees 49 minutes 39 seconds East 64.85 feet to the northwesterly corner of Lot 3 and the northeasterly corner of Lot 2;

THENCE along the lot line between Lot 2 and Lot 3, South 04 degrees 47 minutes 31 seconds East 453.20 feet to a point in the northerly line of Lot 6;

THENCE along the lot line between Lot 6 and Lot 2, South 87 degrees 16 minutes 55 seconds West 344.93 feet to the southeasterly corner of Lot 1 and the southwest corner of Lot 2;

THENCE along the lot line between Lot 1 and Lot 2, North 09 degrees 28 minutes 21 seconds East 479.90 feet to the point and place of BEGINNING.

TOGETHER with the benefit for Parcels 1 and 2 of an access and utility easement through Lot 6 for utilities and access to and from NYS Route 6 as set forth in that certain Declaration of Reciprocal Ingress, Egress and Access Easement and Maintenance Agreement to be duly recorded said easement being more accurately bounded and described as follows:

BEGINNING at a point on the westerly line of NYS Route 6, said point of beginning being the most easterly corner of Lot 7 and a southerly corner of Lot 6 as shown on a plan entitled, "Metes and Bounds Plan for Special Use Site Subdivision for Panattoni Development Company/Concrete Properties" dated June 29, 2007, last revised February 14, 2008 as prepared by Eustance & Horowitz, P.C.;

THENCE from said point of beginning and along the lot line between Lot 6 and Lot 7, North 76 degrees 23 minutes 06 seconds West 293.62 feet;

THENCE North 13 degrees 58 minutes 47 seconds East 110.06 feet;

THENCE through Lot 6, South 74 degrees 08 minutes 23 seconds East 314.30 feet to a point on the westerly line of NYS Route 6;

THENCE along the westerly line of said road, South 25 degrees 49 minutes 09 seconds West 100.00 feet to the point and place of BEGINNING.

EXHIBIT B

Equipment

All machinery, apparatus, appliances, equipment, fittings, fixtures and furnishings and other property of every kind and nature whatsoever now or hereafter affixed to, located upon, appurtenant thereto or usable in connection with the present or future operation and occupancy of the Facility together with any replacements therefore to the extent acquired in the name of the **Orange County Industrial Development Agency** (the "Agency") by **Wawayanda Acquisition, LLC** (the "Company"), pursuant to the Agency appointment described in Section 2.2 of that certain Leaseback Agreement, dated as of September 1, 2008, by and between the Agency and the Company (the "Leaseback Agreement"), or to the extent the Company conveys title to the Agency.

Schedule C

Form of Sublease Rider

WAWAYANDA ACQUISITION, LLC (the "Landlord") and _____, (the "Tenant") hereby acknowledge that the within lease agreement pertains to a certain facility (the "Facility") which is also leased to and from the Orange County Industrial Development Agency (the "Agency") pursuant to a certain Lease Agreement and Leaseback Agreement, each dated as of September 1, 2008 (with related documents, including a PILOT Agreement, collectively, the "Agency Documents").

Landlord and Tenant acknowledge and agree that the obligations and agreements of the Agency contained within the Agency Documents and any other instrument or document executed in connection therewith, and any other instrument or document supplemental thereto, are and shall be deemed the obligations and agreements of the Agency, and not of any member, officer, agent (other than the Landlord) or employee of the Agency in his/her individual capacity, and the members, officers, agents (other than the Landlord) 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. Landlord and Tenant hereby further acknowledge and agree that the obligations and liabilities of the Agency, if any, with respect to the Facility are specifically limited and controlled by the terms and conditions set forth within the Leaseback Agreement. No recourse may be sought by the Tenant or any permitted guests, agents or invitees from the Agency for any of the operation, condition, or maintenance of the Facility – whether in tort or equity, with any such liability being the express responsibility of Landlord and/or Tenant, as their respective interests shall appear.

The obligations and agreements of the Agency contained within the Agency Documents do and shall not constitute or give rise to an obligation of the State of New York or 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 are and 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 Facility (except for revenues derived by the Agency with respect to the Unassigned Rights, as defined within the Leaseback Agreement).

No order or decree of specific performance with respect to any of the obligations of the Agency under the Agency Documents 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 Landlord) 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 Landlord) and employees against all liability expected to be incurred as a result of compliance with such request.

Tenant further represents and acknowledges that by entering into the within Lease Agreement will not result in the removal of a civic, commercial, industrial, or manufacturing plant of the Company or any other proposed occupant of the Facility from one area of the State of New York (the "State") to another area of the State or result in the abandonment of one or more plants or facilities of the Tenant located within the State. To the extent that Tenant are relocating from one plant or facility to another, Tenant's shift of operations to the Facility is and was necessary to discourage the Tenant from removing such other plant or facility to a location outside the State and/or is reasonably necessary to preserve the competitive position of the Tenant in its respective industry.

The within acknowledgments and representations are made for the benefit of the Agency and the Landlord and may be relied upon by same.

WAWAYANDA ACQUISITION, LLC

By: National Safe Harbor Exchanges,
a California corporation, its sole member

By: _____
Dana R. Sobrado, Assistant Vice President

Form Only - Do Not Sign

By: _____
AS TENANT

Form Only - Do Not Sign

By: _____
Name:
Title:

ORANGE COUNTY CLERK'S OFFICE RECORDING PAGE

THIS PAGE IS PART OF THE INSTRUMENT - DO NOT REMOVE



TYPE IN BLACK INK:
NAME(S) OF PARTY(S) TO DOCUMENT

SLB: 4-1-83.7; 4-1-83.1; 4-1-83.2; and part of 11-1-20.222

SECTION _____ BLOCK _____ LOT _____

Orange County Industrial Development Agency

RECORD AND RETURN TO:
(name and address)

TO

Wawayanda Acquisition, LLC

Harris Beach PLLC
99 Gamsey Road
Pittsford, NY 14534
ATTN: Alex Neubert, Paralegal

THIS IS PAGE ONE OF THE RECORDING

ATTACH THIS SHEET TO THE FIRST PAGE OF EACH
RECORDED INSTRUMENT ONLY

DO NOT WRITE BELOW THIS LINE

INSTRUMENT TYPE: DEED _____ MORTGAGE _____ SATISFACTION _____ ASSIGNMENT _____ OTHER Memo of Lease

PROPERTY LOCATION

2089 BLOOMING GROVE (TN)	4289 MONTGOMERY (TN)	NO PAGES <u>9</u>	CROSS REF.
2001 WASHINGTONVILLE (VLG)	4201 MAYBROOK (VLG)	CERT. COPY	ADD'L X-REF.
2289 CHESTER (TN)	4203 MONTGOMERY (VLG)	MAP#	PGS.
2201 CHESTER (VLG)	4205 WALDEN (VLG)	PAYMENT TYPE:	CHECK <input checked="" type="checkbox"/>
2489 CORNWALL (TN)	4489 MOUNT HOPE (TN)		CASH <input type="checkbox"/>
2401 CORNWALL (VLG)	4401 OTISVILLE (VLG)		CHARGE <input type="checkbox"/>
2600 CRAWFORD (TN)	4600 NEWBURGH (TN)		NO FEE <input type="checkbox"/>
2800 DEERPARK (TN)	4800 NEW WINDSOR (TN)	Taxable	
3089 GOSHEN (TN)	5089 TUXEDO (TN)	CONSIDERATION \$	
3001 GOSHEN (VLG)	5001 TUXEDO PARK (VLG)	TAX EXEMPT	
3003 FLORIDA (VLG)	5200 WALLKILL (TN)	Taxable	
3005 CHESTER (VLG)	5489 WARWICK (TN)	MORTGAGE AMT. \$	
3200 GREENVILLE (TN)	5401 FLORIDA (VLG)		
3489 HAMPTONBURGH (TN)	5403 GREENWOOD LAKE (VLG)		
3401 MAYBROOK (VLG)	5405 WARWICK (VLG)		
3689 HIGHLANDS (TN)	5600 WAWAYANDA (TN)	MORTGAGE TAX TYPE:	
3601 HIGHLAND FALLS (VLG)	5889 WOODBURY (TN)		(A) COMMERCIAL/FULL 1%
3889 MINISINK (TN)	5801 HARRIMAN (VLG)		(B) 1 OR 2 FAMILY
3801 UNIONVILLE (VLG)			(C) UNDER \$10,000
4089 MONROE (TN)			(E) EXEMPT
4001 MONROE (VLG)	CITIES		(F) 3 TO 6 UNITS
4003 HARRIMAN (VLG)	0900 MIDDLETOWN		(I) NAT.PERSON/CR. UNION
4005 KIRYAS JOEL (VLG)	1100 NEWBURGH		(J) NAT.PER-CR.UN/1 OR 2
	1300 PORT JERVIS		(K) CONDO
	9999 HOLD		

Donna L. Benson
DONNA L. BENSON
ORANGE COUNTY CLERK

RECEIVED FROM: Harris

RECORDED/FILED
10/21/2008/ 14:31:34
DONNA L. BENSON
County Clerk
ORANGE COUNTY, NY
FILE#20080103584
LEASE / BK 12742PG 1497
RECORDING FEES 90.00
TTX# 001912 T TAX 0.00
Receipt#945232 dab



**MEMORANDUM OF LEASEBACK PURSUANT TO
SECTION 291-c OF THE REAL PROPERTY LAW
(Agency to Company)**

THIS MEMORANDUM OF LEASE, dated as of September 1, 2008 (the "Memorandum of Lease"), is by and between 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"), and **WAWAYANDA ACQUISITION, LLC**, a New York limited liability company, with offices at One Medline Place, Mundelein, Illinois 60060 (the "Company").

1. Reference to Lease Agreement: The Leaseback Agreement, dated as of September 1, 2008 (the "Lease Agreement"), whereby the Agency leases certain real property to the Company.

2. Description of the Leased Premises: Certain real property and improvements located at 3301 U.S. Highway 6 in the Town of Wawayanda, Orange County, New York, as more particularly described on Exhibit A attached hereto (the "Leased Premises").

3. Term of Lease: Commencing September 1, 2008 and ending December 31, 2019.

4. Date of Commencement: September 1, 2008.

5. Date of Termination: December 31, 2019.

6. Rights of Extension or Renewal: None.

Property Address: 3301 U.S. Highway 6 in the Town of Wawayanda,
Orange County, New York

Tax Map Number: 4-1-83.7; 4-1-83.1; 4-1-83.2; and part of 11-1-20.222

Record and Return to:

Harris Beach PLLC
99 Garnsey Road
Pittsford, New York 14534
Attn: Alex Neubert, Paralegal

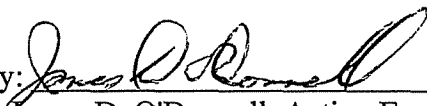
IN WITNESS WHEREOF, the Company and the Agency have caused this Memorandum of Lease to be executed as of the date first written above.

WAWAYANDA ACQUISITION, LLC

By: National Safe Harbor Exchanges,
a California corporation, its sole member

By: 
Dana R. Sobrado, Assistant Vice President

**ORANGE COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

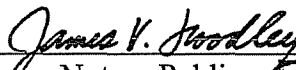
By: 
James D. O'Donnell, Acting Executive Director

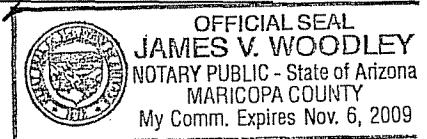
STATE OF ARIZONA)
COUNTY OF MARICOPA) SS:

On the 3rd day of October in the year 2008, before me, the undersigned, personally appeared **Dana R. Sobrado**, 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.

STATE OF NEW YORK)
COUNTY OF ORANGE) SS:

On the 11th day of September in the year 2008, 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





Notary Public
DOREEN HAMEL

REG. # 01HA6175975
NEW YORK STATE

MY COMMISSION EXP 10-22-2011

FIDELITY NATIONAL TITLE INSURANCE COMPANY

TITLE NO. 08-7405-52733A-ORAN

SCHEDULE A-1 (Description)

Parcel A:

ALL that certain plot, piece or parcel of land, situate, lying and being in the Town of Wawayanda, County of Orange, State of New York, being the northerly portion of Tax Map Parcel 11-1-20.222 and being bounded and described as follows:

BEGINNING at a point on the northerly right-of-way line of Interstate Highway 84, said point being the southeasterly corner of the herein described parcel and the southwesterly corner of lands n/f of Concrete Properties (T.M. 11-1-35.23);

THENCE from said point of beginning and along a portion of the northerly right-of-way line of Interstate Highway 84 on the following three courses and distances:

South 70 degrees 27 minutes 35 seconds west 470.98 feet to a highway monument found;

THENCE south 71 degrees 22 minutes 10 seconds west 252.42 feet;

THENCE south 65 degrees 46 minutes 54 seconds west 183.72 feet to a point on the southeasterly line of lands n/f of the Middletown and New Jersey Railway Company (T.M. 11-1-16), said point also being located, north 65 degree 46 minutes 54 seconds east 20.0 feet from a highway monument found;

THENCE along the southeasterly line of the Middletown and New Jersey Railway Company, passing in part along an old wire fence and stone wall, on the following two courses distances:

On a curve to the right having a radius of 1,876.00 feet an arc distance of 876.90 feet to a point of reverse curvature;

THENCE on a curve to the left having a radius of 1,942.86 feet, an arc distance of 85.33 feet to the westerly corner of lands n/f of Concrete Properties (T.M. 11-1-35.23);

THENCE along the westerly line of said lands, marked in part by the remains of an old wire fence and stone wall on the remaining three courses and distances:

South 35 degrees 50 minutes 32 seconds east 12.59 feet;

THENCE south 32 degrees 27 minutes 28 seconds east 232.63 feet;

THENCE south 32 degrees 56 minutes 21 seconds east 304.46 feet to the point or place of BEGINNING.

Parcel B:

Part of Lot 83.7 (Part of Filed Map Lot 7):

ALL that certain lot, piece or parcel of land, situate in the Town of Wawayanda, County of Orange, State of New York, and being more accurately bounded and described as follows:

BEGINNING at a point on the westerly line of New York State (NYS) Route 6, said point of beginning marking the corner of Lot 6 and the most easterly corner of Lot 7 as shown on a plan entitled, "Metes and Bounds Plan for Special Use Site and Subdivision for Panattoni Development Company/Concrete Properties" dated June 29, 2007, last revised February 14, 2008, as prepared by Eustance & Horowitz, P.C.;

THENCE from said point of beginning along the westerly line of NYS Route 6 on the following two courses and distances:

South 25 degrees 49 minutes 09 seconds West 32.05 feet;

THENCE South 12 degrees 55 minutes 12 seconds West 159.48 feet to a concrete monument found on the northerly right-of-way line of Interstate Highway 84;

THENCE along the northerly right-of-way line of Interstate Highway 84 on a line running north of, and generally parallel to, a chain link fence on the following seven courses and distances:

North 84 degrees 52 minutes 33 seconds West 242.62 feet;

THENCE South 68 degrees 05 minutes 20 seconds West 289.30 feet to a concrete monument;

THENCE South 89 degrees 04 minutes 14 seconds West 667.93 feet,

THENCE South 84 degrees 58 minutes 22 seconds West 161.70 feet;

THENCE South 84 degrees 56 minutes 24 seconds West passing over a concrete monument at 240.90 feet a total distance of 542.31 feet;

THENCE South 75 degrees 32 minutes 34 seconds West 414.64 feet;

THENCE South 68 degrees 45 minutes 05 seconds West 463.56 feet to the most easterly corner of lands now or formerly of Howard Shapiro (T.M. 11-1-20.222);

THENCE along the line of said lands on the following three courses and distances:

North 32 degrees 56 minutes 21 seconds West 304.46 feet;

THENCE North 32 degrees 27 minutes 28 seconds West 232.63 feet;

THENCE North 35 degrees 50 minutes 32 seconds West 12.59 feet to the easterly line of lands now or formerly of the Middletown and New Jersey Railway Company (T.M. 11-1-16);

THENCE along the line of said lands on the following courses and distances:

On a curve to the left having a radius of 1,942.86 feet, an arc distance of 1,417.37 feet to a point of tangency;

THENCE on a tangent, North 05 degrees 31 minutes 31 seconds East 35.75 feet;

THENCE North 05 degrees 06 minutes 13 seconds East 128.61 feet to a point of curvature;

THENCE on a curve to the right having a radius of 2,831.79 feet, an arc distance of 440.85 feet to an iron rod marking the most westerly corner of Lot 1 and a corner of the lands now or formerly of Adamson (T.M. 4-1-47);

THENCE along the line between Lot 1 and Lot 7, South 50 degrees 52 minutes 41 seconds East 583.10 feet to the most westerly corner of Lot 6;

THENCE along the lot line between Lot 6 and Lot 7 on the remaining seven courses and distances:

South 28 degrees 25 minutes 11 seconds East 1,010.62 feet;

THENCE South 62 degrees 29 minutes 41 seconds East 842.01 feet;

THENCE South 89 degrees 40 minutes 48 seconds East 156.82 feet;

THENCE North 50 degrees 44 minutes 21 seconds East 81.03 feet to a point of curvature;

THENCE on a curve to the right having a radius of 310.00 feet an arc distance of 240.29 feet;

THENCE South 13 degrees 58 minutes 47 seconds West 110.06 feet;

THENCE South 76 degrees 23 minutes 06 seconds East 293.62 feet to the point and place of BEGINNING.

Part of Lot 83.7 (Part of Filed Map Lot 7)

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

BEGINNING at a point on the westerly line of lands now or formerly of Middletown and New Jersey Railway Company (T.M. 4-1-12.2), said point being on the extension of the southeasterly line of lands now or formerly of Adamson (T.M. 4-1-47) and located, South 52 degrees 59 minutes 09 seconds West 106.01 feet from an iron rod on the southeasterly line of said lands, said rod also marking the westerly corner of Lot 1 as shown on a plan entitled, "Metes and Bounds for Special Use Site and Subdivision for Panattoni Development Company/Concrete Properties" dated June 29, 2007, last revised February 14, 2008, as prepared by Eustance & Horowitz, P.C.;

THENCE from said point of beginning and along the westerly line of the Middletown and New Jersey Railway Company on a curve to the left having a radius of 2,897.97 feet, an arc distance of 137.95 feet to the easterly corner of lands now or formerly of Grogan Equities, LLC (T.M. 34-1-1);

THENCE along the northeasterly line of said lands, North 53 degrees 09 minutes 11 seconds West 93.62 feet to a point on the approximate southeasterly line of Wawayanda Avenue, said point also being the westerly corner of lands now or formerly of Adamson (T.M. 4-1-47);

THENCE along the southeasterly line of said lands, North 52 degrees 59 minutes 09 seconds East 130.60 feet to the point and place of BEGINNING.

Lot 83.1 (Filed Map Lot 1)

ALL that certain lot, piece or parcel of land, situate in the Town of Wawayanda, County of Orange, State of New York and being more accurately bounded and described as follows:

BEGINNING at an iron rod found on the southerly line of Kirbytown Road, said iron rod being the most easterly corner of lands now or formerly of Adamson (T.M. 4-1-47) and the most northerly corner of Lot 1 as shown on a plan entitled, "Metes and Bounds Plan for Special Use Site and Subdivision for Panattoni Development Company/Concrete Properties" dated June 29, 2007, last revised February 14, 2008 as prepared by Eustance & Horowitz, P.C.;

THENCE from said point of beginning and along the southerly line of Kirbytown Road on the following courses and distances:

South 66 degrees 36 minutes 38 seconds East 146.60 feet;

THENCE South 69 degrees 52 minutes 31 seconds East 82.42 feet to a point of curvature;

THENCE on a curve to the left having a radius of 741.00 feet an arc distance of 137.76 feet to the northwest corner of Lot 2 of the aforementioned plan;

THENCE along the lot line between Lot 1 and Lot 2, South 09 degrees 28 minutes 21 seconds West 479.90 feet to a point in the northerly line of Lot 6;

THENCE along the line between Lot 6 and Lot 1, South 87 degrees 16 minutes 55 seconds West 122.69 feet to the northwest corner of Lot 6 and a corner of Lot 7;

THENCE along the lot line between Lot 7 and Lot 1, North 50 degrees 52 minutes 41 seconds West 583.10 feet to an iron rod found on the easterly line of lands now or formerly Middletown and New Jersey Railway Co. (T.M. 4-1-12.2) and the most southerly corner of lands now or formerly Adamson (T.M. 4-1-47);

THENCE along the property line between the lands of Adamson and the lands of Lot 1 North 52 degrees 59 minutes 09 seconds East 386.93 feet to the point and place of BEGINNING.

Lot 83.2 (Filed Map Lot 2)

ALL that certain lot, piece or parcel of land, situate in the Town of Wawayanda, County of Orange, State of New York, and being more accurately bounded and described as follows:

BEGINNING at a point on the southerly line of Kirbytown Road, said point of beginning being the northeasterly corner of Lot 1 and the northwesterly corner of Lot 2 as shown on a plan entitled, "Metes and Bounds Plan for Special Use Site and Subdivision for Panattoni Development Company/Concrete Properties" dated June 29, 2007, last revised February 14, 2008 as prepared by Eustance & Horowitz, P.C.;

THENCE from said point of beginning and along the southerly line of Kirbytown Road on a curve to the left having a radius of 741.00 feet, an arc distance of 163.53 feet to a point of tangency;

THENCE on a tangent North 86 degrees 49 minutes 39 seconds East 64.85 feet to the northwesterly corner of Lot 3 and the northeasterly corner of Lot 2;

THENCE along the lot line between Lot 2 and Lot 3, South 04 degrees 47 minutes 31 seconds East 453.20 feet to a point in the northerly line of Lot 6;

THENCE along the lot line between Lot 6 and Lot 2, South 87 degrees 16 minutes 55 seconds West 344.93 feet to the southeasterly corner of Lot 1 and the southwest corner of Lot 2;

THENCE along the lot line between Lot 1 and Lot 2, North 09 degrees 28 minutes 21 seconds East 479.90 feet to the point and place of BEGINNING.

TOGETHER with the benefit for Parcels 1 and 2 of an access and utility easement through Lot 6 for utilities and access to and from NYS Route 6 as set forth in that certain Declaration of Reciprocal Ingress, Egress and Access Easement and Maintenance Agreement to be duly recorded said easement being more accurately bounded and described as follows:

BEGINNING at a point on the westerly line of NYS Route 6, said point of beginning being the most easterly corner of Lot 7 and a southerly corner of Lot 6 as shown on a plan entitled, "Metes and Bounds Plan for Special Use Site Subdivision for Panattoni Development Company/Concrete Properties" dated June 29, 2007, last revised February 14, 2008 as prepared by Eustance & Horowitz, P.C.;

THENCE from said point of beginning and along the lot line between Lot 6 and Lot 7, North 76 degrees 23 minutes 06 seconds West 293.62 feet;

THENCE North 13 degrees 58 minutes 47 seconds East 110.06 feet;

THENCE through Lot 6, South 74 degrees 08 minutes 23 seconds East 314.30 feet to a point on the westerly line of NYS Route 6;

THENCE along the westerly line of said road, South 25 degrees 49 minutes 09 seconds West 100.00 feet to the point and place of BEGINNING.



**Combined Real Estate
Transfer Tax Return,
Credit Line Mortgage Certificate, and
Certification of Exemption from the
Payment of Estimated Personal Income Tax**

Recording office time stamp

See Form TP-584-I, Instructions for Form TP-584, before completing this form. Please print or type.

Schedule A — Information relating to conveyance

<input type="checkbox"/> Individual <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Estate/Trust <input type="checkbox"/> Other	Grantor/Transferor	Name (if individual: last, first, middle initial)			Social security number
		Orange County Industrial Development Agency			
		Mailing address			Social security number
		255 Main Street			
		City State ZIP code	Goshen NY 10924		Federal employer ident. number
					14-1603415
<input type="checkbox"/> Individual <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Estate/Trust <input type="checkbox"/> Other	Grantee/Transferee	Name (if individual: last, first, middle initial)			Social security number
		Wawayanda Acquisition, LLC			
		Mailing address			Social security number
		One Medline Place			
		City State ZIP code	Mundelein IL 60060		Federal employer ident. number
					77-0558360

Location and description of property conveyed

Tax map designation			Address	City/village	Town	County
Section	Block	Lot	SBL: 4-1-83.7; 4-1-83.1; 4-1-83.2; and part of 11-1-20.222		Town of Wawayanda	Orange
			3301 U.S. Highway Route 6			

Type of property conveyed (check applicable box)

1 <input type="checkbox"/> One- to three-family house	5 <input checked="" type="checkbox"/> Commercial/Industrial	Date of conveyance	Percentage of real property conveyed which is residential real property <u>0.00</u> % (see instructions)
2 <input type="checkbox"/> Residential cooperative	6 <input type="checkbox"/> Apartment building	10 15 08	
3 <input type="checkbox"/> Residential condominium	7 <input type="checkbox"/> Office building	month day year	
4 <input type="checkbox"/> Vacant land	8 <input type="checkbox"/> Other _____		

Condition of conveyance (check all that apply)

- | | | |
|---|--|---|
| a. <input type="checkbox"/> Conveyance of fee interest | f. <input type="checkbox"/> Conveyance which consists of a mere change of identify or form of ownership or organization (attach Form TP-584.1, Schedule F) | l. <input type="checkbox"/> Option assignment or surrender |
| b. <input type="checkbox"/> Acquisition of a controlling interest (state percentage acquired _____%) | g. <input type="checkbox"/> Conveyance for which credit for tax previously paid will be claimed (attach Form TP-584.1, Schedule G) | m. <input type="checkbox"/> Leasehold assignment or surrender |
| c. <input type="checkbox"/> Transfer of a controlling interest (state percentage transferred _____%) | h. <input type="checkbox"/> Conveyance of cooperative apartment(s) | n. <input checked="" type="checkbox"/> Leasehold grant |
| d. <input type="checkbox"/> Conveyance to cooperative housing corporation | i. <input type="checkbox"/> Syndication | o. <input type="checkbox"/> Conveyance of an easement |
| e. <input type="checkbox"/> Conveyance pursuant to or in lieu of foreclosure or enforcement of security interest (attach Form TP-584.1, Schedule E) | j. <input type="checkbox"/> Conveyance of air rights or development rights | p. <input checked="" type="checkbox"/> Conveyance for which exemption from transfer tax claimed (complete Schedule B, Part III) |
| | k. <input type="checkbox"/> Contract assignment | q. <input type="checkbox"/> Conveyance of property partly within and partly outside the state |
| | | r. <input type="checkbox"/> Other (describe) _____ |

For recording officer's use	Amount received	Date received	Transaction number
	Schedule B., Part I \$ _____ Schedule B., Part II \$ _____		

Schedule B — Real estate transfer tax return (Tax Law, Article 31)**Part I — Computation of tax due**

1 Enter amount of consideration for the conveyance (if you are claiming a total exemption from tax, check the exemption claimed box, enter consideration and proceed to Part III) <input checked="" type="checkbox"/> Exemption claimed	1.	0
2 Continuing lien deduction (see instructions if property is taken subject to mortgage or lien)	2.	
3 Taxable consideration (subtract line 2 from line 1)	3.	
4 Tax: \$2 for each \$500, or fractional part thereof, of consideration on line 3	4.	
5 Amount of credit claimed (see instructions and attach Form TP-584.1, Schedule G)	5.	
6 Total tax due* (subtract line 5 from line 4)	6.	0

Part II — Computation of additional tax due on the conveyance of residential real property for \$1 million or more

1 Enter amount of consideration for conveyance (from Part I, line 1)	1.	
2 Taxable consideration (multiply line 1 by the percentage of the premises which is residential real property, as shown in Schedule A) ...	2.	
3 Total additional transfer tax due* (multiply line 2 by 1% (.01))	3.	

Part III — Explanation of exemption claimed on Part I, line 1 (check any boxes that apply)

The conveyance of real property is exempt from the real estate transfer tax for the following reason:

- a. Conveyance is to the United Nations, the United States of America, the state of New York, or any of their instrumentalities, agencies, or political subdivisions (or any public corporation, including a public corporation created pursuant to agreement or compact with another state or Canada) a ☐
- b. Conveyance is to secure a debt or other obligation b ☐
- c. Conveyance is without additional consideration to confirm, correct, modify, or supplement a prior conveyance c ☐
- d. Conveyance of real property is without consideration and not in connection with a sale, including conveyances conveying realty as bona fide gifts d ☐
- e. Conveyance is given in connection with a tax sale e ☐
- f. Conveyance is a mere change of identity or form of ownership or organization where there is no change in beneficial ownership. (This exemption cannot be claimed for a conveyance to a cooperative housing corporation of real property comprising the cooperative dwelling or dwellings.) Attach Form TP-584.1, Schedule F f ☐
- g. Conveyance consists of deed of partition g ☐
- h. Conveyance is given pursuant to the federal Bankruptcy Act h ☐
- i. Conveyance consists of the execution of a contract to sell real property, without the use or occupancy of such property, or the granting of an option to purchase real property, without the use or occupancy of such property i ☐
- j. Conveyance of an option or contract to purchase real property with the use or occupancy of such property where the consideration is less than \$200,000 and such property was used solely by the grantor as the grantor's personal residence and consists of a one-, two-, or three-family house, an individual residential condominium unit, or the sale of stock in a cooperative housing corporation in connection with the grant or transfer of a proprietary leasehold covering an individual residential cooperative apartment j ☐
- k. Conveyance is not a conveyance within the meaning of Tax Law, Article 31, section 1401(e) (attach documents supporting such claim) k ☐
- l. Other (attach explanation) Grantee is beneficiary of IDA assisted financing l ☒

*Please make check(s) payable to the county clerk where the recording is to take place. If the recording is to take place in New York City, make check(s) payable to the **NYC Department of Finance**. If a recording is not required, send this return and your check(s) made payable to the **NYS Department of Taxation and Finance**, directly to the NYS Tax Department, RETT Return Processing, PO Box 5045, Albany NY 12205-5045.

Schedule C — Credit Line Mortgage Certificate (Tax Law, Article 11)**Complete the following only if the interest being transferred is a fee simple interest.**

I (we) certify that: (check the appropriate box)

1. ☐ The real property being sold or transferred is not subject to an outstanding credit line mortgage.
2. ☐ The real property being sold or transferred is subject to an outstanding credit line mortgage. However, an exemption from the tax is claimed for the following reason:
- ☐ The transfer of real property is a transfer of a fee simple interest to a person or persons who held a fee simple interest in the real property (whether as a joint tenant, a tenant in common or otherwise) immediately before the transfer.
- ☐ The transfer of real property is (A) to a person or persons related by blood, marriage or adoption to the original obligor or to one or more of the original obligors or (B) to a person or entity where 50% or more of the beneficial interest in such real property after the transfer is held by the transferor or such related person or persons (as in the case of a transfer to a trustee for the benefit of a minor or the transfer to a trust for the benefit of the transferor).
- ☐ The transfer of real property is a transfer to a trustee in bankruptcy, a receiver, assignee, or other officer of a court.
- ☐ The maximum principal amount secured by the credit line mortgage is \$3,000,000 or more, and the real property being sold or transferred is **not** principally improved nor will it be improved by a one- to six-family owner-occupied residence or dwelling.
- Please note:** for purposes of determining whether the maximum principal amount secured is \$3,000,000 or more as described above, the amounts secured by two or more credit line mortgages may be aggregated under certain circumstances. See TSB-M-96(6)-R for more information regarding these aggregation requirements.
- ☐ Other (attach detailed explanation).
3. ☐ The real property being transferred is presently subject to an outstanding credit line mortgage. However, no tax is due for the following reason:
- ☐ A certificate of discharge of the credit line mortgage is being offered at the time of recording the deed.
- ☐ A check has been drawn payable for transmission to the credit line mortgagee or his agent for the balance due, and a satisfaction of such mortgage will be recorded as soon as it is available.
4. ☐ The real property being transferred is subject to an outstanding credit line mortgage recorded in _____ (insert liber and page or reel or other identification of the mortgage). The maximum principal amount of debt or obligation secured by the mortgage is _____. No exemption from tax is claimed and the tax of _____ is being paid herewith. (Make check payable to county clerk where deed will be recorded or, if the recording is to take place in New York City, make check payable to the **NYC Department of Finance**.)

Signature (both the grantor(s) and grantee(s) must sign)

The undersigned certify that the above information contained in schedules A, B, and C, including any return, certification, schedule, or attachment, is to the best of his/her knowledge, true and complete, and authorize the person(s) submitting such form on their behalf to receive a copy for purposes of recording the deed or other instrument effecting the conveyance.

Orange County Industrial Development Agency

Grantor signature

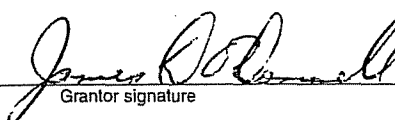
Title

Wawayanda Acquisition, LLC

Grantee signature

Title

By: National Salt Harbor Exchanges, its sole member



Grantor signature

 Acting
Executive Director
Title



Grantee signature

 Asst. Vice President
Title

Reminder: Did you complete all of the required information in Schedules A, B, and C? Are you required to complete Schedule D? If you checked e, f, or g in Schedule A, did you complete Form TP-584.1? Have you attached your check(s) made payable to the county clerk where recording will take place or, if the recording is in New York City, to the **NYC Department of Finance**? If no recording is required, send your check(s), made payable to the **Department of Taxation and Finance**, directly to the NYS Tax Department, RETT Return Processing, PO Box 5045, Albany NY 12205-5045.

Schedule D - Certification of exemption from the payment of estimated personal income tax (Tax Law, Article 22, section 663)

Complete the following only if a fee simple interest or a cooperative unit is being transferred by an individual or estate or trust.

Part I - New York State residents

If you are a New York State resident transferor(s)/seller(s) listed in Schedule A of Form TP-584 (or an attachment to Form TP-584), you must sign the certification below. If one or more transferors/sellers of the real property or cooperative unit is a resident of New York State, **each** resident transferor/seller must sign in the space provided. If more space is needed, please photocopy this Schedule D and submit as many schedules as necessary to accommodate all resident transferors/sellers.

Certification of resident transferor(s)/seller(s)

This is to certify that at the time of the sale or transfer of the real property or cooperative unit, the transferor(s)/seller(s) as signed below was a resident of New York State, and therefore is not required to pay estimated personal income tax under Tax Law, section 663(a) upon the sale or transfer of this real property or cooperative unit.

Signature	Print full name	Date
Signature	Print full name	Date
Signature	Print full name	Date
Signature	Print full name	Date

Note: A resident of New York State may still be required to pay estimated tax under Tax Law, section 685(c), but not as a condition of recording a deed.

Part II - Nonresidents of New York State

If you are a nonresident of New York State listed as a transferor/seller in Schedule A of Form TP-584 (or an attachment to Form TP-584) but are not required to pay estimated personal income tax because one of the exemptions below applies under Tax Law, section 663(c), check the box of the appropriate exemption below. If any one of the exemptions below applies to the transferor(s)/seller(s), that transferor(s)/seller(s) is not required to pay estimated personal income tax to New York State under Tax Law, section 663. **Each** nonresident transferor/seller who qualifies under one of the exemptions below must sign in the space provided. If more space is needed, please photocopy this Schedule D and submit as many schedules as necessary to accommodate all nonresident transferors/sellers.

If none of these exemption statements apply, you must complete Form IT-2663, *Nonresident Real Property Estimated Income Tax Payment Form*, or Form IT-2664, *Nonresident Cooperative Unit Estimated Income Tax Payment Form*. For more information, see *Payment of estimated personal income tax*, on page 1 of Form TP-584-I.

Exemption for nonresident transferor(s)/seller(s)

This is to certify that at the time of the sale or transfer of the real property or cooperative unit, the transferor(s)/seller(s) (grantor) of this real property or cooperative unit was a nonresident of New York State, but is not required to pay estimated personal income tax under Tax Law, section 663 due to one of the following exemptions:

- ☐ The real property or cooperative unit being sold or transferred qualifies in total as the transferor's/seller's principal residence (within the meaning of Internal Revenue Code, section 121) from _____ Date to _____ Date (see instructions).
- ☐ The transferor/seller is a mortgagor conveying the mortgaged property to a mortgagee in foreclosure, or in lieu of foreclosure with no additional consideration.
- ☐ The transferor or transferee is an agency or authority of the United States of America, an agency or authority of the state of New York, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Government National Mortgage Association, or a private mortgage insurance company.

Signature	Print full name	Date
Signature	Print full name	Date
Signature	Print full name	Date
Signature	Print full name	Date