



Return After Recording to:
Schop, Powell & Associates
5900 Main Street
Williamsville, New York 14221
(SSCHOP)

LEASEHOLD MORTGAGE, ASSIGNMENT OF RENTS AND SECURITY AGREEMENT

PROPERTY ADDRESS: *335 AVENUE OF THE AMERICAS, TOWN OF NEW WINDSOR
COUNTY OF ORANGE, STATE OF NEW YORK*

BORROWER: *347 AVENUE OF THE AMERICAS, LLC*

BORROWER'S ADDRESS: *80 CURTWRIGHT DRIVE, SUITE 5
WILLIAMSVILLE, NEW YORK 14221*

AGENCY: *ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY*

AGENCY'S ADDRESS: *4 CROTTY LANE, SUITE 100
NEW WINDSOR, NEW YORK 12553*

LENDER: *NORTHWEST SAVINGS BANK*

LENDER'S ADDRESS: *7 WEST THIRD STREET, JAMESTOWN, NEW YORK 14701*

LOAN AMOUNT: *FIVE MILLION THREE HUNDRED FIFTY THOUSAND AND 00/100
DOLLARS (\$5,350,000.00)*

NOTES: That (i) certain Promissory Note of even date herewith made by Borrower, as maker, to Lender, as payee, in the original principal amount of Five Million Forty Thousand and 00/100 Dollars (\$5,040,000.00), and (ii) certain Promissory Note of even date herewith made by Borrower, as maker, to Lender, as payee, in the original principal amount of Three Hundred Ten Thousand and 00/100 Dollars (\$310,000.00), which Notes, in the aggregate, equal the Loan Amount.

MORTGAGED LAND: The lands located at the Property Address specified above as more completely described in Schedule A attached hereto, made a part hereof, and if not so attached, incorporated herein by this reference as if fully set forth herein, together with all improvements, including fixtures, now or hereafter situated thereon.

MORTGAGED PROPERTY: The Real Estate and Personal Property collectively.

REAL ESTATE: The Mortgaged Land, together with all and singular the tenements, hereditaments, and appurtenances thereof, and all easements, rights of way, licenses, permits, privileges, and covenants now existing or hereafter created for the benefit of the Borrower or the Agency or any subsequent owner or tenant of the Mortgaged Land, or any part thereof, as well as all right, title, and interest of the Borrower or the Agency in and to the land lying within any street or roadway adjoining the Mortgaged Land, and all machinery, equipment, appliances, furniture, and other property of every type and nature as are or can by agreement be made a part of the realty as well as all fixtures of every type and nature, whether now owned or which may subsequently be acquired by the Borrower or the Agency.

LAND RECORDS: Clerk of the County of Orange, New York.

LOAN AGREEMENT: That certain Loan Agreement of even date relating to the indebtedness evidenced by the Notes.

LOAN DOCUMENTS: Collectively, this Leasehold Mortgage, Assignment of Rents and Security Agreement (the "Mortgage") as well as each and every other document, instrument, and agreement now or hereafter executed or delivered in connection with the indebtedness evidenced by the Notes, including, without limitation, any note, mortgage, security agreement, loan agreement, guaranty, indemnity, certification, assignment of leases and rents, or pledge agreement, as each may be amended, extended, modified, renewed, or consolidated.

All capitalized words and phrases in this Mortgage which are not otherwise specifically defined hereinabove or elsewhere in this Mortgage shall have the same meaning herein as assigned in the other Loan Documents.

Grant of Mortgage

The Mortgaged Property has been leased by the Town of New Windsor, New York to the Borrower under and in accordance with the terms and conditions of that certain Ground Lease dated June 21, 2013. Further, the Mortgaged Property has been (a) further leased by Borrower to Agency under and in accordance with the terms and conditions of that certain Sublease Agreement dated as of April 1, 2014, as amended by _____ dated as of June 1, 2015, and (b) leased back by Agency to Borrower under and in accordance with the terms and conditions of that certain Sub-Leaseback Agreement dated as of April 1, 2014, as amended by _____ dated June 1, 2015.

The Borrower and the Agency, for consideration paid, hereby mortgages, conveys, transfers, assigns, sets-over, and grants to the Lender their respective leasehold interests in the Mortgaged Property to secure the payment, performance, and discharge of each and every obligation, covenant, and agreement of the Borrower to the Lender contained herein, in the Notes, or in the other Loan Documents (including without limitation, payment of the Loan Amount), as well as the payment, performance, and discharge of each and every covenant, agreement, and obligation of Borrower to Lender now existing or hereafter arising, direct or indirect, absolute or contingent (collectively referred to as the "Obligations").

Grant of Security Interest in Personal Property

This instrument shall also constitute a security agreement under Article 9 of the New York Uniform Commercial Code (the "Uniform Commercial Code"). To secure the Obligations, the Borrower and the Agency hereby grant to the Lender a continuing security interest in all personal property and fixtures now or hereafter owned by the Borrower or the Agency or in which the Borrower or the Agency has an interest (but only to the extent of such interest), situated or to be situated upon or used, or intended for use, in connection with the Real Estate, together with any renewals, replacements, or additions thereto or substitutions therefor, as well as all proceeds thereof, whether now or hereafter existing, including, without limitation the following (collectively, the "Personal Property"):

A. **Fixtures:** All of the Borrower's or the Agency's interest in and to all Fixtures located at, arising from, relating to, or used in connection with the Real Estate;

B. **Proceeds:** All proceeds (including, without limitation, insurance and condemnation proceeds) as well as all interest earned thereon, paid for any damage done to the Real Estate, or any part thereof, or for any portion thereof appropriated or otherwise taken by any governmental authority, agency, or entity;

C. **Rents and Contracts:** All of the Borrower's or the Agency's right, title, and interest in and to all leases or other agreements for the use or occupancy of all or any portion of the Real Estate and all rents, security deposits, guarantees, and other proceeds and benefits of such leases and other agreements, as well as any sales contracts (including any deposit funds paid thereunder), in each case relating to or arising from the Real Estate;

D. **Records and Goodwill:** All of Borrower's trademarks, telephone numbers, goodwill, general intangibles, and other similar property as well as all records and books of account, in each case relating to the ownership or operation of the Real Estate; and

E. **Construction Related Contracts:** All contracts and agreements (the "Improvement Contracts") related in any way to the construction, renovation, rehabilitation, or improvement of the Real Estate.

Unless otherwise provided herein, all capitalized terms in the foregoing subparagraphs shall have the same meanings as defined in the Uniform Commercial Code.

The Lender shall have all of the rights and remedies, in addition to those specified herein, of a secured party under the Uniform Commercial Code. The Borrower and the Agency hereby authorize and empower the Lender to execute and file, on the Borrower's and the Agency's behalf, all Financing Statements and refilings and continuations thereof as the Lender deems necessary or desirable to create, preserve and protect the security interest lien on the Personal Property. Except for the security interest granted hereby, the Borrower and the Agency are, and as to any Personal Property acquired hereafter will be, the sole owners of the Personal Property, free from any adverse lien, security interest, encumbrance, or adverse claims thereon of any kind whatsoever. The Borrower shall notify the Lender of, and will defend the Personal Property against, all claims and demands of all persons at any time claiming the same or any interest therein. All covenants and Obligations of the Borrower and the Agency contained in this Mortgage shall be deemed to apply to the Personal Property, whether or not expressly referred to herein.

This Mortgage is to be filed with the Land Records as a financing statement pursuant to Section 9-502 of the Uniform Commercial Code, and also pursuant to Section 9-313 of the Uniform Commercial Code as a construction mortgage to the extent that it secures an obligation incurred for the construction of an improvement to the Real Estate, including the acquisition cost thereof.

This Mortgage contains uniform promises and agreements that are used in real property security instruments all over the country. It also contains non-uniform promises and agreements that vary to a limited extent in different parts of the country.

UNIFORM COVENANTS

The Borrower and, to the extent (and only to the extent) explicitly stated or provided, the Agency covenant, warrant, represent, and agree with the Lender, its successors and assigns, that:

1. Performance of Obligations. The Borrower and each endorser or guarantor of the Notes will pay the principal of the Notes and interest thereon as the same shall become due and payable and will pay and perform all of the other Obligations.

2. Title; Further Assurances. The Borrower has a leasehold interest in and to the Mortgaged Property under the terms and conditions of the above-referenced Ground Lease, the Agency is a sub-lessee of the Mortgaged Property under the terms and conditions of the above referenced Lease Agreement, the Borrower is also a sub-lessee of the Mortgaged Property under the terms and conditions of the above-referenced Leaseback Agreement, and the Agency and the Borrower have good right, full power, and lawful authority to grant this Mortgage. In addition, the Borrower has further sub-leased the Mortgaged Property to the United States of America under the terms and conditions of that certain U.S. Government Lease for Real Property for occupancy and use by the Federal Bureau of Investigation.

The Mortgaged Property is free and clear of all encumbrances except those enumerated on the leasehold policy of title insurance delivered by the Borrower to the Lender in connection with this loan transaction (the "Permitted Title Exceptions"). The Borrower will make any further assurances of title that the Lender may require. The Borrower shall notify the Lender of, and will defend the Mortgaged Property against, all claims and demands of all persons at any time claiming the same or any interest therein for so long as the Ground Lease remains in force and effect. The Borrower and the Agency agree to execute and deliver on demand such other mortgages and other instruments as the Lender may request in order to perfect its mortgage upon any of the Mortgaged Property. The Borrower will, for itself and for the Agency, perform and observe and not violate nor suffer the violation of any covenants, restrictions, or other agreements of record against the Mortgaged Property.

3. Protection and Maintenance. The Borrower will protect and maintain or cause to be protected and maintained in first class order, repair, and condition at all times (damage by casualty expressly not excepted), the buildings and other structures now standing or hereafter erected on the Mortgaged Property, and any additions and improvements thereto, and the utility services, parking areas, and access roads, and all building fixtures, equipment, and articles of Personal Property now or hereafter acquired and used in connection with the operation of the Real Estate, promptly replacing any of the aforesaid which may become lost, destroyed, or unsuitable for use with other property of similar character and quality.

4. No Waste; Compliance With Law. The Borrower shall not commit or suffer, and the Agency shall not commit or suffer, any stripping or waste of the Mortgaged Property, or any portion thereof, or any violation of any law, rule, regulation, ordinance, license, or permit, or the requirements of any licensing authority affecting the Mortgaged Property or any business conducted thereon, and the Borrower shall not commit or suffer, and the Agency

shall not commit or suffer, any demolition, removal, or material alteration of any of the Mortgaged Property (except for the replacement of fixtures and Personal Property in the ordinary course of business, so long as items of comparable value and quality are installed free and clear of liens in favor of any other party), and the Borrower shall not violate or suffer the violation of, and the Agency shall not violate or suffer the violation of, the covenants and agreements, if any, of record against the Mortgaged Property, and in all respects the Borrower, for itself and for the Agency, shall do all things necessary to comply with, and to keep in full force and effect, all licenses, permits, and other governmental authorizations for the operation of the Mortgaged Property for its intended purposes.

5. Insurance Coverage. The Borrower will keep the buildings, improvements, fixtures, and Personal Property on the Mortgaged Property insured in accordance with the Loan Agreement.

6. Insurance Proceeds. The Borrower shall repair that part of the Mortgaged Property damaged by any insured hazard and, provided that an Event of Default shall not then exist, the proceeds of any hazard insurance and rent loss insurance shall be released by Lender to the Borrower upon such conditions as the Lender may prescribe, and the Borrower shall apply all of such proceeds to the repair and restoration of the Mortgaged Property. If, however, an Event of Default shall exist at the time any part of the Mortgaged Property is damaged by any insured hazard then the proceeds of any hazard insurance and rent loss insurance shall, at the discretion of the Lender, be applied to or toward the indebtedness or other Obligations secured hereby in such order as the Lender may determine; or if the Lender shall require repair of the Mortgaged Property so damaged by any insured hazard, then the Lender shall release to the Borrower insurance proceeds paid to it upon such conditions as the Lender may prescribe and the Borrower shall apply all of such proceeds to the repair and restoration of the Mortgaged Property. The Borrower shall promptly notify the Lender upon the occurrence of any loss or claim and, except with respect to amounts less than \$50,000.00, at the Lender's option in each instance, the Lender, to the exclusion of the Borrower, shall have the right and authority following and during the continuation of an Event of Default to file any proofs of claim and negotiate any adjustment or settlement thereof. Each insurance company is hereby directed and authorized to remit all payments (including the return of unearned premiums) directly to Lender alone and not to the Borrower or the Borrower and Lender jointly. Notwithstanding anything in this Section 6 to the contrary, if the insurer denies liability to the Borrower, the Borrower shall not be relieved of any obligation under Section 3 of this Mortgage. However, if the Lender applies insurance proceeds to the Loan Amount and does not release the same to the Borrower, the obligation of the Borrower under Section 3 to repair, restore, or rebuild shall be limited to taking all actions reasonably required to make the Mortgaged Property safe and in compliance with all legal requirements and to restore the undamaged portion to an economically functional unit to the extent that it is reasonably possible to do so.

7. Eminent Domain. The awards of damages on account of any condemnation for public use of or injury to the Mortgaged Property shall be paid to the Lender; provided that an Event of Default shall not then exist, such awards shall be released to the Borrower upon such conditions as the Lender in its judgment may prescribe to be applied to restoration of that part of the Mortgaged Property which remains, but not more than such portion of such awards as may be required to repair such damage or injury and restore the Mortgaged Property to whole shall be so released; and any balance remaining shall be applied by the Lender to or toward the indebtedness and other Obligations secured hereby in such order as the Lender in its discretion shall determine, all without imposition of any prepayment premium or penalty. The Borrower shall promptly notify the Lender upon the occurrence of any such award or condemnation proceeding or claim and, at the Lender's option in each instance, the Lender, to the exclusion of the Borrower, shall have the right and authority to file any proofs of claim and to negotiate any award or settlement thereof. Each governmental body is hereby directed and authorized to remit all payments to the Lender alone and not to the Borrower or the Borrower and Lender jointly. If the Lender applies such awards to the Loan Amount and does not release the same to the Borrower, the obligation of the Borrower under Section 3 to repair, restore, or rebuild shall be limited to the taking of all actions reasonably required to make the Mortgaged Property, or what remains thereof, safe and in compliance with all legal requirements and to restore the remaining portion to an economically functional unit to the extent that it is reasonably possible to do so.

8. Due on Sale; No Other Encumbrances; Transfers of Ownership Interests; Failure to Comply With Permitted Exceptions. Except as otherwise specifically provided for in the Loan Agreement or this Mortgage, it shall be an Event of Default under the Loan Agreement, a breach of the conditions of this Mortgage, and an event permitting the Lender to accelerate all indebtedness secured thereby if, without the Lender's prior written consent in each instance, which consent may be granted, withheld, or conditionally granted in the Lender's reasonable discretion (as more specifically provided by the Loan Agreement): (a) there is any sale, conveyance, transfer, or other encumbrance of all or any portion of the Mortgaged Property; (b) the Borrower incurs any additional indebtedness that is secured by the Mortgaged Property; (c) there is any transfer or assignment of, or grant of any security interest in the ownership interests in the Borrower; or (d) there is a failure to comply with the provisions of, or there is a

default under, any of the Permitted Title Exceptions which is not cured within any applicable grace period provided for therein.

9. Lender's Rights to Deal With Borrower's and Agency's Successors. The Lender may, without notice to any person, deal with any successor in interest of the Borrower or the Agency herein regarding this Mortgage and the debt and other Obligations hereby secured in all respects as it might deal with the Borrower or the Agency herein, without in any way affecting the liability hereunder, or the debt or other Obligations secured hereby, of any predecessor in interest of the person so dealt with; and no sale of all or any part of the Mortgaged Property, nor any forbearance on the part of the Lender, nor any extension by the Lender of the time for payment and performance of the debt and other Obligations hereby secured, shall operate to release, discharge, modify, change, or affect the original liability of any predecessor in interest to the equity owner at the time of such sale, forbearance, or extension.

10. Payment of Taxes. The Borrower will pay before delinquent or before any penalty for nonpayment attaches thereto, all taxes, assessments, and charges of every nature and to whomever assessed that may now or hereafter be levied or assessed upon the Mortgaged Property or any part thereof, or upon the rents, issues, income, or profits thereof or upon the lien or estate hereby created, whether any or all of said taxes, assessments, or charges be levied directly or indirectly or as excise taxes or as income taxes.

11. Tax and Insurance Reserve. The Borrower shall maintain tax and insurance reserves in accordance with the Loan Agreement.

12. No Other Liens. The Borrower will pay all sums which, if unpaid, may result in the acquisition of a lien of superior or inferior priority to this Mortgage and the lien created hereby before such lien may attach (except that real estate taxes need not be paid prior to the due date thereof).

13. Hazardous Materials and Environmental Legal Requirements.

A. Compliance with Agreement. The Borrower and each subsequent owner of the Mortgaged Property shall comply with and not violate any Environmental Legal Requirements and shall also comply with and not violate any and all representations, warranties, covenants, and agreements contained in that certain Hazardous Materials Compliance and Indemnification Agreement of even date executed and delivered in connection herewith.

B. Definitions. As used herein:

(i) The term "Hazardous Materials" shall mean and include asbestos, flammable materials, explosives, radioactive substances, polychlorinated biphenyls ("PCB's"), other carcinogens, oil and other petroleum products, pollutants or contaminants that are detrimental to the environment, and any other hazardous or toxic materials, wastes, and substances which are defined, determined or identified as such under CERCLA, RCRA, or any other present or future federal, state, or local laws, rules, codes, or regulations or any judicial or administrative interpretation thereof; and

(ii) The term "Environmental Legal Requirements" shall mean all present and future federal, state, or local laws, rules, codes or regulations, or any judicial or administrative interpretation thereof, including, without limitation, all orders, decrees, judgments and rulings imposed through any public or private enforcement proceedings, relating to Hazardous Materials or the existence, use, discharge, release, containment, transportation, or disposal thereof.

14. Regarding Leases. The Borrower shall not modify, terminate, extend, cancel, accept a surrender, reduce the rent payable, accept any prepayment of rent (except one month of rent may be required to be prepaid by the terms of any such lease), or amend the above-referenced Ground Lease or the above-referenced U.S. Government Lease for Real Property without having received the Lender's prior written consent in each instance, which consent shall not be unreasonably withheld, delayed or conditioned. The Borrower will perform every obligation of the lessor and, to the extent commercially reasonable, will enforce every material obligation of said Ground Lease and said U.S. Government Lease for Real Property with respect to the Mortgaged Property.

15. Further Assignment by Borrower and Agency. The Borrower and the Agency hereby assign to the Lender as further security for the Obligations the lessor's interests in any and all leases now or hereafter outstanding, all interests in all agreements, contracts, licenses, and permits now or hereafter outstanding with respect to all or any portion of the Mortgaged Property and all documents and contracts executed in connection herewith. In connection therewith, the Borrower agrees to confirm the foregoing assignment from time to time by executing assignments in

form reasonably satisfactory to the Lender and which authorize the Lender in the event of foreclosure, or deed of other transfer in lieu thereof, to sell and assign said interests to the purchaser(s), but no such assignment shall be construed as a consent by the Lender to any lease, agreement, contract, license, or permit so assigned, or to impose upon the Lender any obligations with respect thereto.

16. Lender's Right to Perform Obligations. If the Borrower shall neglect or refuse to satisfy any term or condition of this Mortgage or any other Loan Document, the Lender, at its election in each instance, but without any obligation whatsoever to do so, upon thirty (30) days prior written notice to the Borrower and the Agency (except in the case of an emergency where there is danger to person or property, or required insurance coverage would lapse, in each of which events no notice shall be required), may cause such repairs or replacements to be made, obtain such insurance, or pay said taxes, assessments, charges, and sums, do such acts and incur and pay reasonable amounts in protecting its rights hereunder and the security hereby granted, pay any balance due under any conditional agreement of sale of any property included as a part of the Mortgaged Property, and pay any amounts as the Lender in its reasonable discretion determines to be necessary or appropriate to satisfy any term or condition of this Mortgage which the Borrower shall have failed to satisfy, or to remedy any breach of such term or condition, and any amounts or expenses so paid or incurred, together with interest thereon from the date of payment by the Lender at the rate as provided in the Notes for amounts due after maturity shall be immediately due and payable by the Borrower to the Lender and until paid shall be secured by this Mortgage equally and ratably with the other indebtedness secured hereby and the same may be collected as part of the principal debt secured by this Mortgage in any suit hereon or upon the Notes or any other Loan Document. No such payment or action by the Lender shall relieve the Borrower from any default hereunder or impair any right or remedy of the Lender with respect thereto.

17. Lender's Environmental Access Rights. Without limiting the generality of the foregoing, the Lender shall have the right, at any time this Mortgage is outstanding, with reasonable cause to investigate, inspect, test, or make other inquiry to determine the presence or absence of Hazardous Material on or in the vicinity of the Mortgaged Property and to do all acts which in the Lender's judgment reasonably exercised are or may be necessary or advisable to prevent or respond to the release or threatened release of Hazardous Materials onto or from the Mortgaged Property. The Lender's entry onto the Mortgaged Property for the limited purpose of investigating the presence or absence of Hazardous Materials on or in the vicinity of the Mortgaged Property (including by way of illustration and not limitation, verifying the character, quantity, location, migration, and sources thereof) or containing or remediating any such Hazardous Material shall not be deemed an entry for possession of the Mortgaged Property, and shall create no liabilities or obligations in the Lender related to or arising from the ownership, possession, or operation of the Mortgaged Property. Any sums expended by the Lender in exercising any of the foregoing rights shall be payable, bear interest, and be secured as provided in Section 16 hereof.

18. Legal Expenses. If any action or proceeding is commenced, including an action to foreclose this Mortgage or to collect the debt hereby secured, to which action or proceeding the Lender is made a party by reason of the execution of this Mortgage or by reason of any Obligation which it secures, or by reason of entry or any other action under this Mortgage, or if it becomes necessary in connection with legal proceedings or otherwise to defend or uphold the mortgage hereby granted or the lien hereby created or any act taken under this Mortgage, all reasonable sums, including without limitation attorney fees, paid or incurred by the Lender for the expense of any litigation or otherwise, in connection with any rights created by this Mortgage or any other Loan Document, shall be paid by the Borrower, or may at the discretion of the Lender be added to the Obligations and shall be secured hereby equally and ratably and shall bear interest until paid at the rate of interest provided in the Notes for amounts due after maturity.

19. Subrogation. The Lender shall, in addition to all other rights, be subrogated for further security to the lien, whether released of record or taken by the Lender by assignment, of any and all encumbrances on the Mortgaged Property or any part thereof to the extent satisfied or acquired by funds of the Lender, whether paid out of the proceeds of the loan secured by this Mortgage or otherwise.

20. Acceleration of Debt. Upon the occurrence of an Event of Default, at the Lender's discretion, or immediately if so provided by the Loan Documents, the entire indebtedness and all Obligations secured hereby shall become immediately due and payable without further notice or demand and the Lender may foreclose the leasehold interest of this Mortgage, shall be entitled to the appointment of a receiver, without notice, and may invoke any other remedies permitted by applicable law or provided herein.

21. Additional Rights of the Lender Upon Borrower's Default.

(a) **Access for Foreclosure Purposes.** In the event the Lender elects to exercise the right of acceleration hereunder, then during such time as the Borrower remains in possession of the Mortgaged Property, the Borrower and the Agency agree and covenant that the Lender shall have access to the Mortgaged Property, or any portion thereof, during normal business hours for such purposes as the Lender deems necessary or desirable for conducting or planning for the foreclosure sale, including, without limitation, inspections by surveyors, appraisers, and structural, environmental, and other types of engineers or building inspection professionals; presale inspections of the Mortgaged Property by auctioneers and prospective bidders; and the conduct of the actual foreclosure auction itself on the Mortgaged Property. In connection with the exercise of any access rights, the Lender shall not be deemed to have "taken possession" of or otherwise be responsible for the operation or control of the Mortgaged Property, such access rights being limited in scope solely to effectuate the exercise of the right of foreclosure.

(b) **Entry of Possession.** (i) The Borrower and the Agency authorize the Lender, in addition to all other rights granted by law or by this Mortgage, upon an Event of Default, and without notice, to enter and take possession of all or any part of the Mortgaged Property and to use, operate, construct, reconstruct, manage, and control the same and conduct the business thereof, and perform lessor's obligations under any lease or contract of sale affecting all or any part of the Mortgaged Property, and/or use and apply the rents, profits and all receipts of every nature therefrom, as the Lender in its discretion shall deem best.

(ii) Upon every such entry, the Lender may, from time to time, at the expense of Borrower, make all such repairs, replacements, alterations, additions, and improvements to the Mortgaged Property as the Lender may deem proper, but in no event shall the Lender be obligated to do so; and the Lender may, but shall not be obligated to, exercise all rights and powers of the Borrower or the Agency, either in the name of Borrower or the Agency or otherwise as the Lender shall determine. Without limitation express or implied upon the generality of the foregoing, the Lender shall have the right to do all things necessary or desirable in order to keep in full force and effect all licenses, permits, and authorizations which benefit the Mortgaged Property.

(iii) Upon each such entry, the Lender may, at its option, but without obligation to do so, do any one or more of the following: pay and incur all expenses reasonably necessary or deemed by it appropriate for the holding and operation of the Mortgaged Property or the maintenance, repair, replacement, alteration, addition, and improvement of the Mortgaged Property, including, without limitation, payment of taxes, assessments, wages of employees connected with the Mortgaged Property or any business conducted thereon, charges and reasonable compensation for services of the Lender, its attorneys and accountants, and all other persons employed or engaged in connection with the Mortgaged Property or any business conducted thereon; and, in addition, the Lender, at its option, may, but shall not be obligated to, make payments or incur liability with respect to obligations arising prior to the date it takes possession.

(iv) All obligations so paid or incurred by the Lender shall be reimbursed or paid for by the Borrower within five (5) business days after demand and prior to the repayment thereof shall be added to the debt secured hereby and shall bear interest at the rate of interest provided by the Notes with respect to amounts due after maturity, and shall be secured hereby equally and ratably. The Lender may also reimburse itself therefor from the income or receipts of the Mortgaged Property or any business conducted thereon, or from the sale of all or any portion of the Mortgaged Property. The Lender may also apply to any of the Obligations, any tax reserve, deposit, or any sum credited or due to the Borrower from the Lender without first enforcing any other rights of the Lender against the Borrower or against any endorser or guarantor of any Obligations or against the Mortgaged Property. The Borrower hereby irrevocably constitutes and appoints the Lender, or any agent designated by the Lender, for so long as this Mortgage remains undischarged of record, as its attorney-in-fact to execute, acknowledge, seal, and deliver all instruments, agreements, deeds, certificates, and other documents of every nature and description in order to carry out and implement the exercise of the Lender's rights hereunder and under the other Loan Documents.

22. Waiver. The Borrower and the Agency, to the fullest extent that the Borrower and the Agency may do so, hereby: (a) agree that neither the Borrower nor the Agency will at any time insist upon, plead, claim, or take the benefit or advantage of any law now or hereafter in force providing for any appointment, valuation, stay, extension, or redemption, and waive and release all rights of redemption, valuation, appraisement, stay of execution, notice of election to mature or declare due the Obligations; and (b) waive all rights to a marshalling of the assets of the Borrower, including without limitation the Borrower's leasehold interest in the Mortgaged Property, and agree not to assert any right under any statute or rule of law pertaining to the marshalling of assets, sale in inverse order of alienation, or other matters whatever to defeat, reduce or affect the right of the Lender under the terms of this

Mortgage or the Notes or any other Loan Document to a sale of Borrower's leasehold interest in the Mortgaged Property for the collection of the indebtedness evidenced by the Notes and all other Obligations without any prior or different resort for collection, or the right of the Lender to the payment of such indebtedness and other Obligations out of the proceeds of sale of said leasehold interest in the Mortgaged Property in preference to every other claimant whatever.

23. Notices. All notices, demands, and other communications made with respect to this Mortgage shall be in writing and given as provided in the Loan Agreement.

24. Lender Not Obligated; Cumulative Rights. Nothing in this Mortgage shall be construed as obligating the Lender to take any action or incur any liability with respect to the Mortgaged Property or any business conducted thereon, and all powers given to the Lender are for its benefit and shall be exercised in the Lender's discretion, as indicated herein. All of the Lender's rights hereunder are cumulative and in addition to, and not substitution for, the rights of the Lender under all other Loan Documents.

25. Intentionally Omitted.

26. Maximum Amount Secured. The maximum amount secured by this Mortgage shall include, but not be limited to, the total of all the following items which may be outstanding at any time: the Loan Amount; accrued interest, charges, and fees under the Notes; legal fees and costs; collection and foreclosure costs (including appraisals, environmental testing [and remediation, if necessary], brokerage commissions, receiver's fees, eviction costs, management and marketing fees and expenses, registry recording charges, deed transfer stamps and taxes, commercial advertising costs, and auctioneer fees); all taxes, utility payments, insurance premiums, maintenance costs, tenant improvements, rental incentives, or other amounts advanced by the Lender for purpose of protecting or enhancing its security; all other Obligations of the Borrower to the Lender; and all other damages, costs, and expenses to which the holder of a mortgage is entitled under applicable law.

27. Receiver. Whether or not the Borrower is then insolvent and whether or not any deficiency balance is anticipated, any rights of the Lender hereunder may be exercised by a court appointed receiver. In connection therewith, such a receiver shall be appointed upon a petition, motion, or application filed by the Lender with any court of competent jurisdiction and, effective after the occurrence of an Event of Default, the Borrower and the Agency hereby irrevocably consent to and approve, without prior notice or hearing, the immediate appointment of a receiver (in connection with a foreclosure action or otherwise) and waive any right to object thereto without regard to the value of leasehold interest in the Mortgaged Property or the adequacy of any other Collateral.

28. Specific Performance. As the subject matter of this instrument involves real estate which by its nature is unique, the Borrower agrees and acknowledges that its failure to observe the provisions hereof will cause irreparable harm to the Lender for which there is no adequate remedy at law and so the provisions hereof (including, without limitation, Sections 16 and 21) shall be specifically enforceable by the Lender in a court of equity by injunctive relief.

29. Indemnification. With the sole exception of matters caused by the Lender's willful misconduct conducted in bad faith, the Borrower shall and does hereby agree to indemnify the Lender for, and to hold the Lender harmless from, any and all liability, loss, or damage (including, without limitation, reasonable attorneys' fees and costs) which may or might be incurred under or by reason of this Mortgage and from any and all claims and demands whatsoever which may be asserted against the Lender by reason of any alleged obligations or undertakings existing with respect to the Mortgaged Property or the ownership, possession, or operation thereof. Should the Lender incur any such liability, the amount thereof shall be secured hereby, shall bear interest at the rate provided in the Notes for amounts outstanding after maturity, and the Borrower shall reimburse the Lender therefor immediately upon demand and upon the failure of the Borrower to do so, the Lender may, at its option, declare all sums secured hereby immediately due and payable.

This Mortgage shall inure to the benefit of and be binding upon the Borrower, the Agency and the Lender and their respective representatives, successors, and assigns. The terms "Borrower", "Agency" and "Lender" as used herein shall include all subsequent holders of their respective rights, title, and interests under this Mortgage.

THE BORROWER HEREBY ACKNOWLEDGES AND AGREES THAT THE CREDIT TRANSACTION OF WHICH THIS MORTGAGE IS A PART SHALL BE GOVERNED BY THE LOAN AGREEMENT. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, THE LOAN AGREEMENT CONTAINS, AMONG OTHER THINGS, A WAIVER OF THE BORROWER'S RIGHT TO

TRIAL BY JURY AND A PROHIBITION ON NON-WRITTEN WAIVERS OR MODIFICATIONS OF THE LOAN DOCUMENTS, EACH OF WHICH PROVISIONS THE BORROWER HEREBY KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY AGREES TO AND ACCEPT.

NON-UNIFORM COVENANTS - NYS

The Borrower and, to the extent (and only to the extent) explicitly stated or provided, the Agency further covenant, warrant, represent, and agree with Lender, its successors and assigns, that:

30. Trust Fund. The Borrower will receive the advances secured by this Mortgage and will hold the right to receive such advances as a trust fund to be applied first for the purpose of paying the cost of improvement and will apply the same first to the payment of such costs before using any part of the total of same for any other purpose and will comply with Section 13 of the New York Lien Law. The Borrower will indemnify and hold the Lender harmless against any loss or liability, cost or expense, including without limit, any judgment, attorneys' fees, costs of appeal bonds and printing costs, arising out of or relating to any proceeding instituted by any claimant alleging a violation by the Borrower of any applicable lien law, including without limit, any section of Article 3-A of the New York Lien Law.

31. Assignment of Rents. This Mortgage constitutes a present and absolute assignment of all of the rents, profits and receipts of every nature arising from or under any lease or agreement affecting all or any part of the Mortgaged Property, now or hereafter accruing, provided, however, the Lender hereby grants to the Borrower the right and license to collect and receive such rents, profits and receipts as they become due, and not in advance, so long as no Event of Default exists under this Mortgage. Immediately upon the occurrence of any such Event of Default, the foregoing right and license shall be automatically terminated and of no further force or effect. Nothing contained in this Section 31 or elsewhere in this Mortgage shall be construed to make the Lender a mortgagee in possession unless and until the Lender actually takes possession of the Mortgaged Property, nor to obligate the Lender to take any action or incur any expense or discharge any duty or liability under or in respect of any leases or agreements relating to the Mortgaged Property or any part thereof.

32. Other Rights. The covenants and conditions contained in this Mortgage, other than those included in the New York Statutory Short Form of Mortgage, shall be construed as affording to the Lender rights additional to, and not exclusive of, the rights conferred under the provisions of Section 254 of the Real Property Law of the State of New York. Further, as respects agreements in this Mortgage restricting the right or power, as against the holder of this Mortgage without such holder's consent, of the owner of the Mortgaged Land to cancel, abridge or otherwise modify tenancies, subtenancies, leases or subleases of the Mortgaged Property, or to accept prepayments of installments of rent to become due thereunder, reference is hereby made to Section 291-f of the Real Property Law of the State of New York for the purpose of obtaining for the Lender the benefits of said Section in connection with this Mortgage.

33. Assignment. Upon payment of all debt and the other Obligations secured by this Mortgage, the Lender shall, without recourse, assign this Mortgage to a party designated by Borrower and Borrower shall be obligated for and shall pay all costs and expenses incurred by Lender in connection with such assignment, including, but not limited to, reasonable fees and disbursements of Lender's attorney.

34. Ground Lease. The Borrower hereby affirms for the benefit of Lender that:

(a) The Ground Lease is in full force and effect and has not been modified or amended in any manner whatsoever; there are no defaults now existing under said Ground Lease; no event has occurred, with the giving of notice or the passage of time or both that would constitute a default under said Ground Lease; and all rents, additional rents and other sums due and payable by Borrower to Town of New Windsor under the terms and conditions of the Ground Lease have been paid in full to the extent payable before the date of this Mortgage. Neither Borrower nor Town of New Windsor has commenced any action or given or received any notice of default under the Ground Lease for the purpose of terminating the Ground Lease. The Borrower now vested with a leasehold interest in the Mortgaged Property as a tenant thereof under the Ground Lease and now enjoys the quiet and peaceful possession of the Mortgaged Property.

(b) The Borrower shall (1) pay to Town of New Windsor all rents, additional rents and all other charges required to be paid by Borrower as a tenant under and pursuant to said Ground Lease as and when such rents, additional rents and all such other charges are payable, (2) diligently perform and observe all of the terms, covenants

and conditions of the Ground Lease on the part of Borrower as tenant thereunder to be performed and observed before the expiration of any applicable grace or cure period therein provided, and (3) promptly notify Lender of the giving of any notice by Town of New Windsor to Borrower of any default by Borrower in the performance or observance of any of the terms, conditions or covenants of the Ground Lease on the part of Borrower as tenant under the Ground Lease to be performed or observed and shall immediately deliver to Lender a true, complete and accurate copy of each such notice.

(c) The Borrower shall not, without the prior written consent of Lender in each instance, surrender the leasehold estate created by the Ground Lease or terminate, cancel, modify, change, supplement, alter or amend the Ground Lease in any manner or respect whatsoever.

(d) Lender may rely on any notice received from Town of New Windsor regarding observance or performance by Borrower of Borrower's obligations as tenant under the Ground Lease, and receipt of any such notice by Lender shall permit Lender to rely on the accuracy and veracity of the contents thereof in exercising any of Lender's rights and remedies under the Loan Documents.

(e) Should Borrower act to terminate the Ground Lease by rejection pursuant to any applicable provision of the United States Bankruptcy Code (the "Code") or any other law affecting creditor's rights generally, then Borrower hereby assigns to Lender its right to reject and/or terminate the Ground Lease under the Code or any comparable federal or state statute in connection with any case, proceeding or other action commenced by Borrower, including the right to seek an extension of time to accept or reject the Ground Lease as provided for under the Code, and Borrower shall, at Lender's request, assign its interest in the Ground Lease to Lender or any designee of Lender in lieu of rejecting the Ground Lease as contemplated above.

35. Agency Special Obligations; Recording. Notwithstanding any other terms or conditions contained in this Mortgage:

(a) This Mortgage is executed by the Agency solely for the purpose of subjecting its leasehold interest in the Mortgaged Property to the lien of this Mortgage and for no other purpose. All representations, covenants and warranties of "the Borrower" and/or "the Agency" herein are hereby deemed to have been made by the Borrower *and not by the Agency*. It is hereby agreed and understood that the Agency has not granted an interest in the Unassigned Rights as defined in Section 6.1 of said Leaseback Agreement.

(b) The obligations and agreements of the Agency contained herein or therein 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. All obligations of the Agency hereunder shall constitute a special obligation payable solely from the revenues and other monies, if any, derived from the Mortgaged Property, and neither the members of the Agency nor any person executing this Mortgage on its behalf shall be liable personally under this Mortgage. No recourse shall be had for the payment of the principal of, or interest on the indebtedness which this Mortgage secures, or for any claim based hereon, or otherwise in respect hereof, or based upon or in respect of this Mortgage, or any mortgage supplemental hereto, against any past, present, or future member, officer, agent, servant, or employee, as such, of the Agency or of any successor or political subdivision, either directly or through the Agency or any such successor, all such liability of such members, officers, agents (other than the Borrower), servants and employees being, to the extent permitted by law, expressly waived and released by the acceptance hereof and as part of the consideration for the execution of this Mortgage and the instruments evidencing the indebtedness it secures. Any judgment or decree shall be enforceable against the Agency only to the extent of its interest in the Mortgaged Property and any such judgment shall not be subject to execution on or by a lien on assets of the Agency other than its interest in the Mortgaged Property.

(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 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. 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 may, at its option, place, in an account with the Agency, an amount or undertaking sufficient to cover such reasonable fees and expenses whereupon the Agency shall agree to comply with such request. 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, directors, servants, agents or employees shall be subject to potential liability, the party seeking such order or decree may, at its option, (1) agree to protect, defend, indemnify and hold harmless the Agency and its members, officers, directors, servants, agents (other than the Borrower) and employees against any liability incurred as a result of its compliance with such demand, and (2) if requested by the Agency, furnish to the Agency reasonably satisfactory security to protect the Agency and its members, officers, directors, servants, agents (other than the Borrower) and employees against all liability reasonably expected to be incurred as a result of compliance with such request whereupon the Agency shall agree to comply with such request. This agreement on the part of the Lender shall not be construed in any way so as to effect or impair the lien of this Mortgage or the Lender's right to foreclose hereunder as provided by law or construed in any way so as to limit or restrict any of the rights or remedies of Lender in any foreclosure proceedings.

(d) The Agency will record or cause this Mortgage to be recorded in the office of the Land Records and will pay, or cause to be paid, all documentary stamp taxes, if any, which may be imposed by the United States of America or any agency thereof or by the State of New York or other governmental authority upon this Mortgage.

EXECUTED and delivered as a sealed instrument effective as of the ___ day of June, 2015.

BORROWER:
347 AVENUE OF THE AMERICAS, LLC,
a Delaware limited liability company

AGENCY
ORANGE COUNTY
INDUSTRIAL DEVELOPMENT AGENCY

By: _____
Name: Michael C. Huntress
Its: Member

By: _____
Name: James R. Petro, Jr.
Its: Executive Director

STATE OF NEW YORK)
) ss:
COUNTY OF ERIE)

On the ___ day of June, in the year 2015, before me, the undersigned, a notary public in and for said state, personally appeared Michael C. Huntress, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

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

On the ___ day of June, in the year 2015, before me, the undersigned, a notary public in and for said state, personally appeared James R. Petro, Jr., personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

**Schedule A
Legal Description**

Mortgaged Land: 335 Avenue of the Americas, Town of New Windsor
County of Orange, State of New York
SBL No.: 3-1-53

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

Beginning at a point at the intersection of the southerly side of Airport Center Drive with the easterly side of Avenue of the Americas, and running; thence

1. Along the southerly side of Airport Center Drive, S. 56°-09'-26" E. 280.42' to a point in lands now or formerly N. Y. S. D. O. T. Aviation Bureau, said point being S. 07°-13'-27" E. 11.01' from a survey iron found; thence
2. Along a chain link fence along lands now or formerly N. Y. S. D. O. T. Aviation Bureau, S. 07°-13'-27" E. 363.19' to a survey iron found in lands now or formerly N. Y. S. D. O. T.; thence
3. Along lands now or formerly N. Y. S. D. O. T., S. 83°-30'-03" W. 235.02' to a mag nail found on the easterly side of Avenue of the Americas; thence
4. Along the easterly side of Avenue of the Americas, N. 06°-28' 33" W. 537.07 to a point, thence
5. On a curve to the right, having an arc length of 22.74', a radius of 10.00', a central angle of 130°-17'-58" and a chord of 18.15', on a course of N. 58°-41'-00" E. to the BEGINNING POINT.



Return After Recording to:
Schop, Powell & Associates
5900 Main Street
Williamsville, New York 14221
(SSCHOP)

COLLATERAL ASSIGNMENT OF LEASES AND RENTS

PROPERTY ADDRESS: *335 AVENUE OF THE AMERICAS, TOWN OF NEW WINDSOR
COUNTY OF ORANGE, STATE OF NEW YORK*

BORROWER: *347 AVENUE OF THE AMERICAS, LLC*

BORROWER'S ADDRESS: *80 CURTWRIGHT DRIVE, SUITE 5
WILLIAMSVILLE, NEW YORK 14221*

AGENCY: *ORANGE COUNTY,
INDUSTRIAL DEVELOPMENT AGENCY*

AGENCY'S ADDRESS: *4 CROTTY LANE, SUITE 100
NEW WINDSOR, NEW YORK 12553*

LENDER: *NORTHWEST SAVINGS BANK*

LENDER'S ADDRESS: *7 WEST THIRD STREET, JAMESTOWN, NEW YORK 14701*

LOAN AMOUNT: *FIVE MILLION THREE HUNDRED FIFTY THOUSAND AND 00/100
DOLLARS (\$5,350,000.00)*

NOTES: That (i) certain Promissory Note of even date herewith made by Borrower, as maker, to Lender, as payee, in the original principal amount of Five Million Forty Thousand and 00/100 Dollars (\$5,040,000.00), and (ii) certain Promissory Note of even date herewith made by Borrower, as maker, to Lender, as payee, in the original principal amount of Three Hundred Ten Thousand and 00/100 Dollars (\$310,000.00), which Notes, in the aggregate, equal the Loan Amount.

MORTGAGED PROPERTY: The lands located at the Property Address specified above as more completely described in Schedule A attached hereto, made a part hereof, and if not so attached, incorporated herein by this reference as if fully set forth herein, together with all improvements, including fixtures, now or hereafter situated thereon.

LAND RECORDS: Clerk of the County of Orange, New York.

LOAN AGREEMENT: That certain Loan Agreement of even date relating to the indebtedness evidenced by the Notes.

LOAN DOCUMENTS: Collectively, this Collateral Assignment as well as each and every other document, instrument and agreement now or hereafter executed or delivered in connection with the indebtedness evidenced by the Notes, including, without limitation, any note, mortgage, security agreement, loan agreement, guaranty, indemnity, certification, assignment of leases and rents, or pledge agreement, as each may be amended, extended, modified, renewed, or consolidated.

All other capitalized words or phrases in this Collateral Assignment which are not otherwise specifically defined hereinabove or elsewhere in this Collateral Assignment shall have the same meaning herein as assigned in the other Loan Documents.

Section 1. Assignment. For valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Borrower and Agency hereby transfer, assign, deliver, and grant to the Lender the entire lessor's right, title, and interest in (a) all leases, subleases, tenancies, and other agreements relative to occupancy of all or any portion of the Mortgaged Property, written or oral, recorded and unrecorded, now in existence and which may exist hereafter during the term of this Collateral Assignment, (b) all rents, income, and profits arising from said leases and any renewals, extensions, or substitutions thereof, (c) all rents, income, and profits otherwise payable for the use and occupation of the Mortgaged Property, (d) all guarantees of said leases, and (e) all proceeds of the foregoing (collectively, the "Leases").

THIS COLLATERAL ASSIGNMENT is made for the purpose of securing the Obligations (as defined in the Leasehold Mortgage, Assignment of Rents and Security Agreement (the "Mortgage") recorded herewith) as well as the prompt and complete payment and performance when due of all obligations and liabilities of the Borrower to the Lender arising out of or in connection with this Collateral Assignment, whether for expenses, fees, or otherwise.

Section 2. Warranty of Title. The Borrower and the Agency warrant that (i) the Borrower is the sole owner of the entire lessor's interest in the Leases with full right and power to assign its interest therein and the rents and profits due thereunder; (ii) each of the Leases now existing is in full force and effect and has not been modified or amended; (iii) there are no defaults under the Leases by either party; (iv) no rent reserved in the Leases has been assigned or anticipated except as assigned herein; (v) no lessee under the Leases has any defense, set-off, or counterclaim against the Borrower; and (vi) no rent for any period subsequent to the date of this Collateral Assignment has been or will be collected in advance except for security deposits and last month's rent taken in the usual course of business.

Section 3. Covenants Regarding Leases. The Borrower and the Agency covenant with the Lender as follows:

(i) to observe and perform all the obligations imposed upon the lessor under every such Lease and not to do or permit to be done anything to impair the security thereof;

(ii) not to collect any of the rent, income, and profits arising or accruing under the Leases or from the Mortgaged Property in advance of the time when the same shall become due, except as provided in Section 2;

(iii) not to execute any other assignment of the lessor's interest in the Leases or assignment of rents arising or accruing from the Leases or from the Mortgaged Property;

(iv) not to reduce the rent or the term, or otherwise alter, modify, or change the terms of the Leases so as to impair their value as security for the Obligations or cancel or terminate the same or accept a surrender thereof, or modify or terminate any guaranties of any Lease, without the prior written consent of the Lender in each instance;

(v) not to subordinate any such Lease to any mortgage or other encumbrance or permit, consent, or agree to such subordination without the Lender's prior written consent in each instance;

(vi) to pay to the Lender forthwith all advance rent or amounts in lieu thereof received by the Borrower or the Agency to be held by the Lender as additional collateral or applied after an Event of Default to the Loan Amount, interest thereon, or any other amount due or to become due hereunder as the Lender in its discretion shall determine; and

(vii) at the Lender's request, to assign and transfer to the Lender any and all subsequent Leases upon all or any part of the Mortgaged Property and to execute and deliver at the Lender's request all such further assurances and assignments in the Mortgaged Property as the Lender shall from time to time require.

Section 4. Terms of Collateral Assignment. This Collateral Assignment is made on the following terms, covenants, and conditions:

(A) **License to Operate.** This Collateral Assignment is an absolute assignment of the Leases from the Borrower and the Agency to the Lender, provided, however, so long as there shall exist no Event of Default under the Loan Documents, the Borrower shall have a license to manage and operate the Mortgaged Property and to collect, at the time provided in the Leases for the payment thereof, all rents, income, and profits arising under the Leases and from the Mortgaged Property and to retain, use, and enjoy the same; provided, however, that all rent, income, and profits accruing by virtue of the Leases shall be received by the Borrower in trust to be used first for the satisfaction of all amounts due under the Loan Documents and all taxes, assessments, insurance premiums, maintenance and utility

charges, and other amounts necessary for the reasonable operation and maintenance of the Mortgaged Property before being used for any other purpose.

(B) After Default. Upon and at any time after and during the continuation of an Event of Default under the Loan Documents, the Lender, without in any way waiving such default, may in its discretion, without notice and without regard to the adequacy of the security for the Obligations secured hereby, terminate the aforesaid license and exercise either or both of the following rights and remedies: (i) in person or by agent, with or without bringing any action or proceedings, or by a receiver appointed by a court, take possession of the Mortgaged Property and hold, manage, lease, and operate the Mortgaged Property in the same manner and to the same extent as the Borrower or the Agency might do for such period of time as the Lender may deem necessary or appropriate in its judgment; always with full power to make from time to time all alterations, renovations, repairs, and replacements to the Mortgaged Property as may seem necessary or appropriate to the Lender in its judgment to preserve their value as security for payment and performance of the Obligations; or (ii) with or without taking possession of the Mortgaged Property, in its own name or the Borrower's or the Agency's name, collect, demand, sue for, and receive all rents, income, and profits of the Mortgaged Property (by legal action if appropriate in the Lender's judgment), including those past due and unpaid, enter into new leases, cancel or surrender existing leases, alter or amend the terms of existing leases, renew existing leases, or make concessions to or deal in any other way with tenants at the Mortgaged Property.

(C) Application of Rents. To the extent received by the Lender, the Lender shall apply the rents, income, and profits from the Leases in such order of priority as the Lender in its sole discretion may determine, to the payment of:

(i) all reasonable expenses of managing the Mortgaged Property including, without limitation, the salaries, fees, and wages of a managing agent and such other employees as the Lender, in its judgment, may deem necessary or desirable; all expenses of operating and maintaining the Mortgaged Property; the cost of all alterations, renovations, repairs, or replacements which the Lender, in its discretion, may deem necessary or desirable; and all expenses incident to taking and retaining possession of the Mortgaged Property (if applicable); and

(ii) all sums which the Borrower is responsible to pay under the Loan Documents, including, without limitation, the Obligations secured hereby, together with all costs, expenses, and attorneys' fees, in such order of priority as the Lender in its discretion may determine.

(D) No Waiver of Default. The exercise by the Lender of the powers granted in Section 4(B) and the collection of the rents, income, and profits and the application thereof as herein provided shall not be considered a waiver by the Lender of any Event of Default under the Loan Documents.

Section 5. Continuing Effect; Direction to Tenants. Upon full payment and performance of all the Obligations secured hereby, this Collateral Assignment shall become and be void and of no effect, but the affidavit, certificate, letter, or statement of any officer, agent or attorney of the Lender showing any part of the Obligations to remain unpaid or unperformed shall be and constitute conclusive evidence to third parties of the validity, effectiveness, and continuing force of this Collateral Assignment and any person is hereby conclusively authorized and directed to rely thereon.

The Borrower and the Agency hereby authorize and direct the tenants named in the Leases and any other or future tenants or occupants of the Mortgaged Property, upon receipt from the Lender of written notice to the effect that the Lender is then the holder of the Notes and that a default exists thereunder, to pay over to the Lender all rents, income, and profits arising or accruing under that lease or from the Mortgaged Property and to continue to do so until otherwise notified in writing by the Lender, and hereby irrevocably waive any claim the Borrower or the Agency might have against any such tenants or occupants for rent or other amounts paid to the Lender, reserving all the Borrower's and Agency's rights therein solely to a claim against the Lender.

Section 6. No Waiver. Nothing in this Collateral Assignment and no act done or omitted by the Lender pursuant to the powers and rights granted the Lender hereunder shall be deemed to be a waiver by the Lender of its rights and remedies under the Notes or any other Loan Document, and this Collateral Assignment is made and accepted without prejudice to any of the rights and remedies possessed by the Lender under the terms of the Notes and all the other Loan Documents.

The Lender's right to collect the Obligations and to enforce any other security therefor held by it may be exercised by the Lender either prior to, simultaneously with, or subsequent to any action taken by it hereunder.

Section 7. Lender Not Liable; Indemnification. This Collateral Assignment is granted solely to secure the payment and performance of all Obligations and shall not operate to place responsibility for the control, management, or repair of the Mortgaged Property on the Lender, nor for the carrying out of any of the terms and conditions of the Leases; nor shall it operate to make the Lender responsible or liable for any waste committed on the Mortgaged Property by tenants or any other parties, or for any dangerous or defective condition of the Mortgaged Property or for any negligence in the management, upkeep, repair or control of the Mortgaged Property resulting in loss, injury, or death to any tenant, licensee, employee, or stranger, or for other loss with respect to the Mortgaged Property suffered by the Borrower or the Agency.

The Lender shall not be liable for any loss sustained by the Borrower or the Agency resulting from the Lender's failure to lease the Mortgaged Property or from any other act or omission of the Lender in managing the Mortgaged Property unless such loss is caused by the willful misconduct of the Lender conducted in bad faith.

With the exception of matters caused by the willful misconduct of the Lender conducted in bad faith, the Borrower shall indemnify and hold the Lender harmless from any and all liability, loss, or damage (including, without limitation, reasonable attorneys' fees and costs) which may or might be incurred under or by reason of this Collateral Assignment or the Lender's exercise of all or any of its rights hereunder.

Should the Lender incur any such liability, the amount thereof, including costs, expenses, and reasonable attorneys' fees, shall be secured hereby and shall bear interest at the rate provided in the Notes for amounts outstanding after the maturity date. The Borrower shall reimburse the Lender therefor immediately upon demand and upon the failure of the Borrower so to do, the Lender may, at its option, declare all sums secured hereby immediately due and payable.

Section 8. Notices. Any notice or other communication in connection with this Collateral Assignment shall be given as provided in the Loan Agreement.

Section 9. Trust Account. Upon the occurrence and during the continuation of an Event of Default under the Loan Documents and until the Lender terminates the Borrower's license to operate and manage the Mortgaged Property, any and all rents, income, and profits received by the Borrower from the Mortgaged Property shall be held in a segregated account in trust for the Lender and shall not be combined with any other funds of the Borrower (the "Trust Fund Account"). Such trust funds may be utilized by the Borrower for reasonable maintenance and repair obligations and utility payments necessary or required under the Leases (but not for capital expenses, improvements, or for payments of any management fees owed to any person or entity owned, controlled, or affiliated with the Borrower).

Upon request by Lender, Borrower shall not later than ten (10) days thereafter deliver to Lender a detailed accounting of all receipts and disbursements made from said Trust Fund Account.

Upon the request of the Lender at any one time or from time to time, the Borrower shall deliver all amounts contained in the Trust Fund Account (i) to the Lender and the same shall be applied to the outstanding Obligations as provided in the Loan Documents, or (ii) to any other party designated by the Lender which has a lien on or claim to the Mortgaged Property, including, without limitation, the applicable municipal taxing authority with respect to unpaid water, sewer, or real estate taxes, any ground lessor, or any other junior or senior lienor.

Alternatively, the Lender may require the Borrower to maintain the Trust Fund Account on deposit with the Lender as a restricted cash collateral account which shall constitute additional collateral for the Obligations.

As another option, the Lender may require the Borrower to account for and pay the Trust Fund Account into court or to a third party escrow agent, which funds shall be released upon the Lender's demand, as provided above, or as a court of competent jurisdiction shall otherwise determine.

In no event shall the exercise of any of the foregoing rights and remedies impair or affect any other rights or remedies which the Lender may have under the Loan Documents or applicable law, whether to take possession of, directly collect the rents, income, and profits from the Mortgaged Property, or otherwise, and the Borrower's Obligations and any existing Event of Default shall remain unmodified thereby.

Section 10. Receiver. Whether or not the Borrower is then insolvent and whether or not any deficiency balance is anticipated, any rights of the Lender hereunder may be exercised by a court appointed receiver. In connection therewith, such a receiver shall be appointed upon a petition, motion, or application filed by the Lender with any court

of competent jurisdiction and, effective after the occurrence of an Event of Default, the Borrower and the Agency hereby irrevocably consent to and approve, without prior notice or hearing, the immediate appointment of a receiver (in connection with a foreclosure action or otherwise) and waive any right to object thereto without regard to the value of the Mortgaged Property or the adequacy of any other Collateral.

Section 11. Specific Performance. As the subject matter of this instrument involves real estate which by its nature is unique, the Borrower agree and acknowledge that its failure to observe the provisions hereof may cause irreparable harm to the Lender for which there is no adequate remedy at law and so the provisions hereof (including, without limitation, those of Section 9) shall be specifically enforceable by the Lender in a court of equity by injunctive relief.

Section 12. Upon Termination of Lease in Bankruptcy. In the event any tenant under any of the Leases is the subject of any proceeding under the Federal Bankruptcy Code, as amended from time to time, or any other federal, state, or local statute which provides for the possible termination or rejection of any Lease assigned hereby, the Borrower covenants and agrees that if any of the Leases are so terminated or rejected, no settlement for damages shall be made without the prior written consent of the Lender, in each instance, and any check and payment for termination or rejection of any such Lease will be made payable both to the Borrower and the Lender. The Borrower hereby assigns any such payment to the Lender and further covenants and agrees that, upon the request of the Lender after an Event of Default, the Borrower will duly endorse to the order of the Lender any such check, the proceeds of which will be applied to the Obligations secured by this Collateral Assignment.

Section 13. Rights Contained in Mortgage. This Collateral Assignment is intended to be supplementary to, and not in substitution for, or in derogation of, any assignment of rents or other provisions contained in the Mortgage or in any other Loan Document.

Section 14. Termination. Unless the instrument of discharge provides otherwise, the discharge of the Mortgage at the Land Records shall also constitute a discharge of this Collateral Assignment and a release of the Lender's interests in the Leases assigned hereby and shall automatically cause the reassignment thereof (without recourse to the Lender) to the Borrower and all those claiming of record by, through, or under the Borrower.

Section 15. Orange County Industrial Development Agency Special Obligations; Recording. Notwithstanding any other terms or condition contained in this Assignment:

(a) This Collateral Assignment is executed by the Agency solely for the purpose of subjecting its rights under the Leases to the rights of Lender and for no other purpose. All representations, covenants, and warranties of the Agency and the Borrower herein are hereby deemed to have been made by Borrower and not by Agency. It is hereby agreed and understood that the Agency has not granted an interest in the Unassigned Rights as defined in Section 6.1 of that certain Leaseback Agreement, dated as of February 1, 2014, by and between the Agency and the Borrower.

(b) The obligations and agreements of the Agency contained herein or therein 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. All obligations of the Agency hereunder shall constitute a special obligation payable solely from the revenues and other monies, if any, derived from the Mortgaged Property by means of this Collateral Assignment or any other Loan Documents. Neither the members of the Agency, nor any person executing this Assignment on its behalf, shall be liable personally under this Collateral Assignment. No recourse shall be had for the payment of the principal or interest on the Loan Amount or for any claim based on the Mortgage, or otherwise in respect hereof, or based upon or in respect of this Collateral Assignment, or any modification thereto or supplement thereof, against any past, present, or future member, officer, agent, servant, or employee, as such, of the Agency or of any successor or political subdivision, either directly or through the Agency or any such successor, all such liability of such members, officers, agents (except for the Borrower), servants and employees being, to the extent permitted by law, expressly waived and released by the acceptance hereof and as part of the consideration for the execution of this Collateral Assignment. Any judgment or decree shall be enforceable against the Agency only to the extent of its interest in the Mortgaged Property and any such judgment shall not be subject to execution on or by a lien on assets of the Agency other than its interest in the Mortgaged Property.

(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 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. 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 may, at its option, place in an account with the Agency an amount or undertaking sufficient to cover such reasonable fees and expenses whereupon the Agency shall agree to comply with such request. 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, directors, servants, agents (other than the Borrower) or employees shall be subject to potential liability, the party seeking such order or decree may, at its option (1) agree to protect, defend, indemnify and hold harmless the Agency and its members, officers, directors, servants, agents (other than the Borrower) and employees against any liability incurred as a result of its compliance with such demand, and (2) if requested by the Agency, furnish to the Agency reasonably satisfactory security to protect the Agency and its members, officers, directors, servants, agents (other than the Borrower) and employees against all liability reasonably expected to be incurred as a result of compliance with such request whereupon the Agency shall agree to comply with such request. The agreement on the part of the Lender shall not be construed in any way so as to effect or impair the lien of this Collateral Assignment or the Lender's right to foreclose hereunder as provided by law or construed in any way so as to limit or restrict any of the rights or remedies of the Lender in any foreclosure proceedings.

(d) The Agency will record or cause this Collateral Assignment to be recorded in the office of the Land Records and will pay, or cause to be paid, all documentary stamp taxes, if any, which may be imposed by the United States of America or any agency thereof or by the State of New York or other governmental authority upon this Assignment.

Section 16. Rights to Assume Leases. Without in any way limiting the rights of the Lender to elect whether to affect a tenant's interest in the Mortgaged Property by joining any such tenant as a defendant in a judicial foreclosure action (if applicable), in the event the Mortgage is foreclosed, the Lender shall have the right, in its discretion, to be exercised by written notice to the applicable tenant within thirty (30) days of the date title vests in the party who acquires title as a result of the foreclosure of the Mortgage (the "Continuation Notice"), to elect (under the privity of contract established by this Collateral Assignment) to assume some or all of those Leases which are subordinate to the Mortgage and thereupon such Leases shall remain in full force and effect and such tenant shall attorn to the owner of the Mortgaged Property notwithstanding the foreclosure of the superior Mortgage lien. In the event that the Lender does not timely send the Continuation Notice as provided above and no recognition or non-disturbance agreement has previously been executed by the Lender in favor of the applicable tenant(s), then the Lender shall retain its rights under applicable law to treat such subordinate leases as terminated by virtue of the foreclosure of the superior Mortgage lien. The Lender's rights hereunder shall automatically be transferred to and may be exercised by any party acquiring title as a result of the foreclosure of the Mortgage, as well as their successors and assigns.

THE BORROWER HEREBY ACKNOWLEDGES AND AGREES THAT THE CREDIT TRANSACTION OF WHICH THIS COLLATERAL ASSIGNMENT IS A PART SHALL BE GOVERNED BY THE LOAN AGREEMENT. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, THE LOAN AGREEMENT CONTAINS, AMONG OTHER THINGS, A WAIVER OF THE BORROWER'S RIGHT TO TRIAL BY JURY AND A PROHIBITION ON NON-WRITTEN WAIVERS OR MODIFICATIONS OF THE LOAN DOCUMENTS, EACH OF WHICH PROVISIONS THE BORROWER HEREBY KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY AGREE TO AND ACCEPT.

EXECUTED and delivered as a sealed instrument effective as of the ____ day of June, 2015.

BORROWER:
347 AVENUE OF THE AMERICAS, LLC,
a Delaware limited liability company

AGENCY:
ORANGE COUNTY
INDUSTRIAL DEVELOPMENT AGENCY

By: _____
Name: Michael C. Huntress
Its: Member

By: _____
Name: James R. Petro, Jr.
Its: Executive Director

STATE OF NEW YORK)
) ss:
COUNTY OF ERIE)

On the ____ day of June, in the year 2015, before me, the undersigned, a notary public in and for said state, personally appeared Michael C. Huntress, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

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

On the ____ day of June, in the year 2015, before me, the undersigned, a notary public in and for said state, personally appeared James R. Petro, Jr., personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

**Schedule A
Legal Description**

Mortgaged Property: 335 Avenue of the Americas, Town of New Windsor
County of Orange, State of New York
SBL No.: 3-1-53

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

Beginning at a point at the intersection of the southerly side of Airport Center Drive with the easterly side of Avenue of the Americas, and running; thence

1. Along the southerly side of Airport Center Drive, S. 56°-09'-26" E. 280.42' to a point in lands now or formerly N. Y. S. D. O. T. Aviation Bureau, said point being S. 07°-13'-27" E. 11.01' from a survey iron found; thence
2. Along a chain link fence along lands now or formerly N. Y. S. D. O. T. Aviation Bureau, S. 07°-13'-27" E. 363.19' to a survey iron found in lands now or formerly N. Y. S. D. O. T.; thence
3. Along lands now or formerly N. Y. S. D. O. T., S. 83°-30'-03" W. 235.02' to a mag nail found on the easterly side of Avenue of the Americas; thence
4. Along the easterly side of Avenue of the Americas, N. 06°-28' 33" W. 537.07 to a point, thence
5. On a curve to the right, having an arc length of 22.74', a radius of 10.00', a central angle of 130°-17'-58" and a chord of 18.15', on a course of N. 58°-41'-00" E. to the BEGINNING POINT.



SECURITY AGREEMENT

347 AVENUE OF THE AMERICAS, LLC, a Delaware limited liability company, having a chief place of business and executive office located at 80 Curtwright Drive, Suite 5, Williamsville, New York 14221 (the "Debtor"), **ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY**, having a chief place of business and executive office located at 4 Crotty Lane, Suite 100, New Windsor, New York 12553 (the "Agency"), and **NORTHWEST SAVINGS BANK**, with its principal office located at 7 West Third Street, Jamestown, New York 14701 (the "Secured Party"), agree as follows:

I. DEFINITIONS.

Each reference herein to:

- a. **"Accounts", "Chattel Paper", "Consumer Goods", "Documents", "Equipment", "Farm Products", "Fixtures", "Furniture", "General Intangibles", "Goods", "Instruments", "Inventory", "Money", "Machinery" and "Securities"** shall have the meaning assigned to each in the Uniform Commercial Code from time to time in effect in the State (the "UCC").
- b. **"Books and Records"** shall mean all books, correspondence, credit files, records and other documents relating directly or indirectly to the Obligations and the Collateral, including, without limitation, all tapes, cards, runs, data bases, software programs, diskettes, and other papers and documents in the possession or control of the Debtor, any computer service bureau, or other agent or independent contractor.
- c. **"Notes"** shall mean (i) that certain Promissory Note of even date herewith made by Borrower, as maker, to Lender, as payee, in the original principal amount of Five Million Forty Thousand and 00/100 Dollars (\$5,040,000.00), and (ii) that certain Promissory Note of even date herewith made by Borrower, as maker, to Lender, as payee, in the original principal amount of Three Hundred Ten Thousand and 00/100 Dollars (\$310,000.00).
- d. **"Person"** shall mean an individual, a corporation, a government or governmental subdivision or agency, business trust, estate, trust, partnership or association, limited liability company, two or more persons having a joint or common interest, or any other legal or commercial entity.
- e. **"State"** shall mean the State of New York.

II. GRANT OF SECURITY INTEREST.

Security Interest; Collateral; Obligations. The Debtor and the Agency each hereby grants to the Secured Party, as security for any and all obligations whatsoever of the Debtor to the Secured Party, whether direct, indirect, absolute or contingent, due or to become due, and whether now existing or hereafter arising and howsoever evidenced or acquired (collectively, the "Obligations"), including without limitation (i) all expenditures incurred, and fees paid, by the Secured Party in accordance with the provisions of this Security Agreement (the "Agreement"), (ii) all principal, interest, default interest, late charges, and fees from time to time payable by the Debtor to the Secured Party under the terms and conditions of the Notes, and (iii) all indebtedness and liabilities evidenced by any other promissory notes, checking account overdrafts, letter of credit reimbursement agreements, acceptance agreements, and guaranty instruments pertaining to obligations of Debtor to the Secured Party (excluding, however, indebtedness incurred primarily for personal, family or household purposes), a first lien on, and, security interest in and agrees and acknowledges that the Secured Party has and will continue to have a first lien on, and a perfected security interest in all of the Collateral described below, both presently owned and after acquired, together with all proceeds and products thereof, additions and accessions thereto, and all replacements and substitutions therefor (collectively, the "Collateral"): Accounts, Inventory, Equipment, Fixtures, Furniture, Books and Records, Chattel Paper, Documents, General Intangibles and Instruments.

III. REPRESENTATIONS, WARRANTIES AND COVENANTS.

Debtor and Agency each hereby represents, warrants and covenants that:

1. **Organization and Powers.** If a corporation, partnership, limited liability company or trust, the Debtor is duly organized, validly existing and in good standing. The Debtor has the power and authority to own its properties and to carry on its business as now being conducted, and, if a corporation, partnership, limited liability company or trust, it is qualified to do business in every jurisdiction where such qualification is necessary. The Debtor and the Agency each have the power to execute and perform this Agreement and to grant the security interests in the Collateral to the Secured Party. The execution and performance by the Debtor and the Agency of the terms and provisions of this Agreement, and any and all other documents referenced herein or hereby have been duly authorized by all requisite action.
2. **Title; Adverse Liens.** Except for prior security interests disclosed on Exhibit A-1 (if any) and except for the security interest granted hereby, the Debtor and/or the Agency are the owners of presently owned Collateral and will be the owners of the Collateral hereafter acquired free from any lien or encumbrance (other than those in favor of the secured party), and Debtor will defend the Collateral against the claims and demands of all Persons at any time claiming the same or any interest therein.
3. **Financing Statements.** Except for financing statements evidencing the security interests which may be listed on Exhibit A-1, no financing statements covering any Collateral are on file in any public office. At the request of the Secured Party, the Debtor and the Agency will execute one or more (i) financing statements pursuant to the UCC; (ii) title certificate lien application forms; and (iii) other documents necessary or advisable to perfect the security interests evidenced hereby, all in form satisfactory to the Secured Party. Where allowed by law, the Debtor and the Agency each hereby irrevocably authorizes the Secured Party to file financing statements and amendments without the signature of the Debtor or the Agency. The Debtor will pay the cost of filing the aforesaid documents or filing or recording this Agreement in all public offices wherever filing or recording is deemed by the Secured Party to be necessary or desirable.
4. **Adverse Liens.** The Debtor will keep the Collateral free from any future liens or encumbrances (other than those in favor of the Secured Party or as disclosed on Exhibit A-1). The Debtor shall not otherwise encumber, pledge or use in any manner the Collateral as security or other collateral for any other lending accommodation.
5. **Equipment.** If the Debtor and/or the Agency has granted a security interest in Equipment, such Equipment is used primarily for business purposes. The Equipment will be kept at the location listed on affixed Exhibit A-2. Debtor will promptly notify Secured Party of any change in the location of the Equipment, and Debtor will not remove the Equipment from such location without the prior written consent of the Secured Party.
6. **Inventory.** If the Debtor and/or the Agency has granted a security interest in Inventory, such Inventory is acquired for business purposes. In the absence of an Event of Default hereunder, the Debtor may sell the Inventory in the ordinary course of its business upon terms not exceeding thirty (30) days, or upon such further terms as the Secured Party may from time to time approve. The Debtor shall not without the consent of the Secured Party sell the Inventory to any supplier or employee of the Debtor or to any person to whom the Debtor is indebted or under circumstances which would otherwise create an adverse lien, including a right of set-off, against the Account resulting from such sale. Inventory will be kept at the location listed on affixed Exhibit A-2. The Debtor will promptly notify Secured Party of any change in the location of the Inventory, and the Debtor will not remove the Inventory from such location without the prior written consent of the Secured Party.
7. **Accounts.** If the Debtor and/or the Agency has granted a security interest in Accounts:
 - i. The Debtor will upon demand render to the Secured Party a statement indicating the total dollar value of the Accounts.
 - ii. The only offices where the Debtor keeps Books and Records concerning any Accounts is at the location listed on affixed Exhibit A-2. The Debtor will not remove any of such Books and Records from said offices without the prior written consent of the Secured Party.
 - iii. During the five years immediately preceding the grant of the security interest hereby to the Secured Party, Debtor has maintained its chief executive office at the address(es) set forth on Exhibit A-2. Without the prior written consent of the Secured Party, Debtor will not change its executive offices.
 - iv. The Debtor will at all times keep accurate and complete Books and Records of its Accounts, and the Secured Party or any of its agents shall have the right to inspect the Debtor's Books and Records relating to said Accounts or to any other transactions to which the Debtor is a party and from which an Account might arise and to make extracts from said Books and Records, all at the Debtor's expense. The Secured Party may in its own name or in the names of others, communicate with account debtors in order to verify with them, to the Secured Party's satisfaction, the existence,

amount and terms of any Accounts. The Debtor shall immediately notify the Secured Party of any event causing loss or depreciation in value of any of the Accounts and the amount of such loss or depreciation.

- v. If any of the Debtor's Accounts arise out of contracts with the United States or any department, agency or instrumentality thereof, the Debtor will immediately notify the Secured Party thereof in writing and execute any instruments and take any steps required by the Secured Party in order that all monies due and to become due under such contracts shall be assigned to the Secured Party and notice thereof given to the government under the Federal Assignment of Claims Act.
 - vi. If any of the Debtor's Accounts should be evidenced by Instruments, the Debtor will immediately deliver such Instruments to the Secured Party, appropriately endorsed to the Secured Party's order and, regardless of the form of such endorsement, the Debtor hereby waives presentment, demand or notice of any kind with respect thereto.
8. **Supplemental Assignments.** This Agreement may, but need not, be supplemented by separate assignments of Accounts to the Secured Party, and if such assignments are given, the rights given thereby shall be in addition to and not in limitation of the rights and security interests given by this Agreement.
 9. **Fixtures.** If the Debtor and/or the Agency has granted a security interest in Fixtures, there is affixed hereto as Exhibit A-3 a description of the applicable real estate and name(s) of the record owner.
 10. **Taxes.** The Debtor will pay promptly when due all taxes and assessments upon the Collateral or for its use or operation or upon this Agreement.
 11. **Insurance.** With respect to all acquired insurance policies and coverage, the Secured Party may act either in its name or as attorney for the Debtor and/or the Agency (for that purpose by these presents duly authorized and appointed with full power of substitution and revocation) in obtaining, adjusting, settling and canceling such insurance and endorsing any drafts in payment of any loss. The Debtor will furnish evidence of fire and extended coverage insurance, liability insurance, and such other insurance and in such amounts and issued by such companies as the Secured Party may require.
 12. **Preservation of Collateral.** The Secured Party may, at its election, discharge taxes and liens levied or placed on the Collateral, pay for insurance on the Collateral and pay for the maintenance and preservation of the Collateral. The Debtor agrees to reimburse Secured Party on demand for any payment made, or any expense incurred by the Secured Party pursuant to the foregoing authorization, and in any event all such payments and expenses shall constitute an Obligation hereunder.
 13. **Possession and Use.** With respect to Collateral in which the Secured Party's security interest is perfected by the Secured Party's possession thereof, such as instruments, documents, cash, bank accounts, etc., so long as any of the Obligations remain outstanding and unpaid such Collateral shall remain in the possession of the Secured Party.
 14. **Power of Attorney.** The Debtor and the Agency irrevocably designate and appoint the Secured Party as their true and lawful attorney with full power of substitution and revocation to execute, deliver, and record in the name of the Debtor and the Agency all financing statements, amendments, continuation statements, title certificate lien applications and other documents deemed by the Secured Party to be necessary or advisable to perfect or to continue the perfection of the security interests granted hereunder.
 15. **Reproduction as Financing Statement.** A carbon, photographic, or other reproduction of a security agreement or a financing statement is sufficient as a financing statement.
 16. **Remedies.** If an Event of Default occurs and is continuing the Secured Party shall have the rights and remedies provided in this Agreement, including without limitation those provided in Part IV hereof. In addition, the Secured Party may exercise and shall have any and all rights and remedies accorded it by the UCC. The Secured Party may require the Debtor to assemble the Collateral and make it available to the Secured Party at a place to be designated by the Secured Party which is reasonably convenient to both parties. The requirement of reasonable notice shall be met, if notice is mailed, postage prepaid, to the Debtor and the Agency or other Person entitled thereto at least ten (10) days (including non-business days) before the time of sale or disposition of the Collateral. The Secured Party at its option may have a receiver appointed to take possession of the Collateral, to use and operate the Collateral, to collect the profits and proceeds therefrom, and to apply the same as the court may direct. The Debtor and the Agency agree that the Secured Party's legal remedies are inadequate and that the Secured Party shall be entitled to obtain equitable relief upon the occurrence of an Event of Default. The Debtor shall pay to the Secured Party on demand all expenses, including legal expenses and attorney's fees, incurred or paid by the Secured Party in protecting or enforcing any rights of the Secured Party hereunder, including its right to take possession of the Collateral, storing and disposing of the same or in collecting the proceeds thereof.

17. **Notification of Account Debtors.** The Secured Party shall have the right to demand from the Debtor a list of all Accounts and to notify any and all account debtors to make payment thereof directly to the Secured Party. The Debtor irrevocably designates and appoints the Secured Party its true and lawful attorney with full power of substitution and revocation in its own name or in the name of the Debtor to demand, collect, receive, receipt for, and sue for all amounts due and to become due on the Accounts and to endorse the name of the Debtor on all commercial paper given in payment or part-payment thereof and in its discretion to file any claim or take any other action which the Secured Party may deem necessary or appropriate to protect and preserve and realize upon the security interest of the Secured Party in the Accounts or the proceeds thereof. The Secured Party shall also have the right to (i) open all mail addressed to the Debtor; (ii) change the Post Office box or mailing address of Debtor; and (iii) use the Debtor's stationery and billing forms or facsimiles thereof, for the purpose of collecting Accounts and realizing upon the Collateral.
18. **No Prior Hearing.** The Debtor and the Agency agree that the Secured Party may exercise its rights hereunder without affording Debtor an opportunity for a pre seizure hearing before the Secured Party, through judicial process or otherwise, takes possession of the Collateral upon the occurrence of an Event of Default, and the Debtor and the Agency expressly waive their constitutional right, if any, to such prior hearing.
19. **Inspection and Appraisal.** The Secured Party and its agents and representatives (including without limitation appraisers, engineers, and other professionals) shall, upon reasonable advance notice, have access to the Debtor's premises for the purpose of inspecting and appraising the Collateral and/or performing environmental site assessments. All fees and expenses incurred by the Secured Party in connection with such inspections, appraisals and site inspections shall be payable by the Debtor to the Secured Party upon demand, and until paid in full, shall be secured by the Secured Party's security interests.

IV. **EVENTS OF DEFAULT.**

The occurrence of any Event of Default as that term is defined in that certain Loan Agreement of even date herewith by and between the Debtor, Michael C. Huntress and the Secured Party shall be a default under the terms and conditions of this Agreement.

V. **MISCELLANEOUS.**

1. **Fees and Expenses.** Any and all reasonable out of pocket fees, costs and expenses, of whatever kind or nature, including reasonable attorneys' fees and legal expenses and other reasonable professional fees and expenses (including, without limitation, accounting, engineering and appraisal fees) incurred by the Secured Party, in connection with the consummation of this transaction, the filing or recording of financial statements and other documents (including all taxes in connection herewith) in public offices, the payment or discharge of any taxes, liens, security interests or encumbrances, insurance premiums, or otherwise protecting, maintaining or preserving the Collateral, the release or partial release of Collateral from the security interest of this Agreement, in attempting to collect the Obligations, or the enforcing, foreclosing, retaking, holding, storing, processing, selling or otherwise protecting, maintaining, preserving or realizing upon the Collateral and the Secured Party's security interest therein, whether through judicial proceedings or otherwise, or in defending or prosecuting any actions or proceedings arising out of or related to the transaction to which this Agreement relates, shall be deemed Obligations hereunder and shall, together with interest thereon at the highest rate then charged on the Obligations, be borne and paid by the Debtor on demand to the Secured Party.
2. **Course of Dealing; Waiver.** No course of dealing between the Debtor and the Secured Party, nor any failure to exercise, nor any delay in exercising, on the part of the Secured Party, any right, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.
3. **Choice of Law; Unenforceability.** This Agreement shall be construed in accordance with and governed by the local laws (excluding the conflict of laws rules, so-called) of the State. The provisions of this Agreement are severable, and if any clause or provision shall be held invalid or unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.
4. **Modification.** This Agreement is subject to modification only by a writing signed by the Secured Party, the Debtor and the Agency.
5. **Successors and Assigns.** The benefits and burdens of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the Debtor, the Agency and the Secured Party;

- provided, however, that the rights and obligations of the Debtor under this Agreement shall not be assigned or delegated without the prior written consent of the Secured Party, and any purported assignment or delegation without such consent shall be void.
6. **WAIVER OF JURY TRIAL, ETC.** THE DEBTOR AND THE AGENCY HEREBY WAIVE ANY RIGHTS THEY MAY HAVE TO A TRIAL BY JURY OF ANY DISPUTE ARISING UNDER OR RELATING TO THIS AGREEMENT, ANY DOCUMENT EVIDENCING THE OBLIGATIONS, AND THE COLLATERAL OR ANY OTHER CLAIM OR DISPUTE RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY, AND AGREE THAT ANY SUCH DISPUTE SHALL BE TRIED BEFORE A JUDGE SITTING WITHOUT A JURY. The Debtor hereby waives the right to interpose any setoff or counterclaim or crossclaim in connection with any such litigation, irrespective of the nature of such setoff, counterclaim or crossclaim, unless such setoff, counterclaim or crossclaim could not, by reason of any applicable Federal or State procedural laws, be interposed, plead or alleged in any other action.
 7. **Jurisdiction and Venue.** The Debtor and the Agency hereby irrevocably consent that any legal action or proceeding against them or any of their property with respect to any matter arising under or relating to this Agreement may be brought in any court of the State, or any Federal Court of the United States of America located in the State, as the Secured Party may elect, and by execution and delivery of this Agreement the Debtor and the Agency hereby submit to and accept with regard to any such action or proceeding, for themselves and in respect of their property, generally and unconditionally, the jurisdiction of the aforesaid courts. The Debtor and the Agency further irrevocably consent to the service of process in any such action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, return receipt requested, to the Debtor and the Agency at their respective address set forth herein. The foregoing, however, shall not limit the Secured Party's rights to serve process in any other manner permitted by law or to bring any legal action or proceeding or to obtain execution of judgment in any other jurisdiction. The Debtor and the Agency hereby irrevocably waive any objection which they may now or hereafter have to the laying of the venue of any suit, action or proceeding arising out of or relating to this Agreement, and hereby further irrevocably waive any claim that the State is not a convenient forum for any such suit, action or proceeding.
 8. **Notices.** Except as otherwise specifically provided for herein, any notice, demand or communication hereunder shall be given in writing (including facsimile transmission or telex) and mailed or delivered to each party at its address set forth above, or, as to each party, at such other address as shall be designated by such party by a prior notice to the other party in accordance with the terms of this provision. All notices hereunder shall be effective upon the earliest to occur of (i) five (5) business days after such notice is mailed, by registered or certified mail, postage prepaid (return receipt requested), (ii) upon delivery by hand, (iii) upon delivery if delivered by overnight courier (such delivery to be evidenced by the courier's records), and (iv) in the case of any notice or communication by telex or telecopy, on the date when sent.
 9. **Assignments and Participations.** The Debtor agrees that the Secured Party shall have the right to sell or assign all or any portion of the Obligations and all related documents, including without limitation this Agreement, and to participate all or any portion of the aforesaid. In connection therewith, the Debtor authorizes the Secured Party to deliver to any such purchaser or participant and any prospective purchaser or participant the originals and/or copies of all documents, including without limitation this Agreement, financial statements relative to the Debtor, and all subsidiaries, affiliates, and guarantors, and any and all other credit or other information from time to time in the Secured Party's possession.
 10. **Joint and Several Obligations.** In the event this Agreement is signed by more than one Debtor, the obligations and duties of each Debtor hereunder are joint and several.
 11. **Counterparts.** This Agreement may be executed by the parties hereto individually or in any combination, in one or more counterparts, each of which shall be an original and all of which shall together constitute one and the same agreement.
 12. **Descriptive Headings; Context.** The captions in this Agreement are for convenience of reference only and shall not define or limit any provision. Whenever the context requires, reference in this Agreement to the neuter gender shall include the masculine and/or feminine gender, and the singular number shall include the plural, and, in each case, vice versa.
 13. **Orange County Industrial Development Agency Special Obligations.** Notwithstanding any other term or condition contained in this Agreement:
(a) This Security Agreement is executed by the Agency solely for the purpose of subjecting its leasehold interest in the Collateral to the lien of this Agreement and for no other purpose. All representations, covenants and warranties of the Debtor herein are hereby deemed to have been made by the Debtor *and not by the Agency*. It is hereby agreed and understood that the Agency has not granted an interest in the

Unassigned Rights as defined in Section 6.1 of the Leaseback Agreement dated as of February 1, 2014, by and between the Agency and the Debtor.

(b) The obligations and agreements of the Agency contained herein or therein 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. All obligations of the Agency hereunder shall constitute a special obligation payable solely from the revenues and other monies, if any, derived from the Collateral, and neither the members of the Agency nor any person executing this Agreement on its behalf, shall be liable personally under this Agreement. No recourse shall be had for the payment of the principal of, or interest on the indebtedness which this Agreement secures, or for any claim based hereon, or otherwise in respect hereof, or based upon or in respect of this Agreement, or any security agreement supplemental hereto, against any past, present, or future member, officer, agent (other than the Debtor), servant, or employee, as such, of the Agency or of any successor or political subdivision, either directly or through the Agency or any such successor, all such liability of such members, officers, agents (other than the Debtor), servants and employees being, to the extent permitted by law, expressly waived and released by the acceptance hereof and as part of the consideration for the execution of this Agreement and the instruments evidencing the indebtedness it secures. Any judgment or decree shall be enforceable against the Agency only to the extent of its interest in the Collateral and any such judgment shall not be subject to execution on or by a lien on assets of the Agency other than its interest in the Collateral.

(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 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. 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 may, at its option, place in an account with the Agency an amount or undertaking sufficient to cover such reasonable fees and expenses whereupon the Agency shall agree to comply with such request. 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, directors, servants, agents (other than the Debtor) or employees shall be subject to potential liability, the party seeking such order or decree may, at its option (1) agree to protect, defend, indemnify and hold harmless the Agency and its members, officers, directors, servants, agents (other than the Debtor) and employees against any liability incurred as a result of its compliance with such demand, and (2) if requested by the Agency, furnish to the Agency reasonably satisfactory security to protect the Agency and its members, officers, directors, servants, agents (other than the Debtor) and employees against all liability reasonably expected to be incurred as a result of compliance with such request whereupon the Agency shall agree to comply with such request. The agreement on the part of the Secured Party shall not be construed in any way so as to effect or impair the lien of this Mortgage or the Lender's right to foreclose hereunder as provided by law or construed in any way so as to limit or restrict any of the rights or remedies of the Lender in any foreclosure proceedings.

IN WITNESS WHEREOF, the Debtor, the Agency and the Secured Party have executed this Agreement effective as of the ____ day of June, 2015.

WITNESS:

**SECURED PARTY:
NORTHWEST SAVINGS BANK**

By: _____
Name: Karen Cummings
Title: Vice President

BORROWER:
347 AVENUE OF THE AMERICAS, LLC,
a Delaware limited liability company

By: _____
Name: Michael C. Huntress
Its: Member

AGENCY:
ORANGE COUNTY
INDUSTRIAL DEVELOPMENT AGENCY

By: _____
Name: James R. Petro, Jr.
Its: Executive Director

EXHIBIT A-1

Prior Liens, Security Interests and Encumbrances

None

EXHIBIT A-2

Address of Debtor's Chief Place of Business

80 Curtwright Drive, Suite 5, Williamsville, New York 14221

335 Avenue of the Americas, New Windsor, New York 12553

Addresses Where Debtor Maintains its Books and Records

80 Curtwright Drive, Suite 5, Williamsville, New York 14221

335 Avenue of the Americas, New Windsor, New York 12553

Locations of Equipment, Fixtures and Inventory

335 Avenue of the Americas, New Windsor, New York 12553

EXHIBIT A-3

Legal Description of Real Estate

335 Avenue of the Americas, Town of New Windsor
County of Orange, State of New York
SBL No.: 3-1-53

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

Beginning at a point at the intersection of the southerly side of Airport Center Drive with the easterly side of Avenue of the Americas, and running; thence

1. Along the southerly side of Airport Center Drive, S. 56°-09'-26" E. 280.42' to a point in lands now or formerly N. Y. S. D. O. T. Aviation Bureau, said point being S. 07°-13'-27" E. 11.01' from a survey iron found; thence
2. Along a chain link fence along lands now or formerly N. Y. S. D. O. T. Aviation Bureau, S. 07°-13'-27" E. 363.19' to a survey iron found in lands now or formerly N. Y. S. D. O. T.; thence
3. Along lands now or formerly N. Y. S. D. O. T., S. 83°-30'-03" W. 235.02' to a mag nail found on the easterly side of Avenue of the Americas; thence
4. Along the easterly side of Avenue of the Americas, N. 06°-28' 33" W. 537.07 to a point, thence
5. On a curve to the right, having an arc length of 22.74', a radius of 10.00', a central angle of 130°-17'-58" and a chord of 18.15', on a course of N. 58°-41'-00" E. to the BEGINNING POINT.