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 40 MCMASTER STREET, BALLSTON SPA, NY 12020

COUNTY CLERK'S RECORDING PAGE

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INSTRUMENT #: 2023032612  
 Receipt#: 2023212513455  
 Clerk: AM  
 Rec Date: 12/29/2023 02:36:01 PM  
 Doc Grp: R  
 Descrip: LEASE AGREEMENT W/TP 584  
 Num Pgs: 37

Party1: COUNTY OF SARATOGA INDUSTRIAL  
 DEVELOPMENT AGENCY  
 Party2: MUNTER LAND HOLDINGS LLC  
 Town: SARATOGA SPRINGS

Recording:

Pages	180.00
Cover Sheet Fee	5.00
Recording Fee	20.00
Cultural Ed	14.25
Records Management - Coun	1.00
Records Management - Stat	4.75
Names	0.00
TP 584	5.00

Sub Total: 230.00

Transfer Tax	
Transfer Tax	0.00

Sub Total: 0.00

Total: 230.00

\*\*\*\* NOTICE: THIS IS NOT A BILL \*\*\*\*

\*\*\*\*\* Transfer Tax \*\*\*\*\*  
 Transfer Tax #: 3069  
 Transfer Tax

Total: 0.00

Record and Return To:

LEMERY GREISLER LLC  
 60 RAILROAD PLACE STE 502  
 SARATOGA SPRINGS, NY 12866

This page constitutes the Clerk's endorsement, required by section 316-a (5) & 319 of the Real Property Law of the State of New York with a stamped signature underneath.

Saratoga County Clerk

**RECORD AND RETURN TO:  
LEMERY GREISLER LLC  
60 Railroad PL STE 502  
Saratoga Springs, NY  
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2023032612

12/29/2023 02:36:01 PM  
37 Pages RECORDED  
LEASE AGREEMENT W/TP 584  
Saratoga County Clerk

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COUNTY OF SARATOGA INDUSTRIAL DEVELOPMENT AGENCY

AND

MUNTER LAND HOLDINGS, LLC

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**LEASE AGREEMENT**

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DATED AS OF DECEMBER 21, 2023

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FORM OF BILL OF SALE TO THE COMPANY

## **LEASE AGREEMENT**

THIS LEASE AGREEMENT dated as of December 21, 2023 (“Lease Agreement”) by and between the COUNTY OF SARATOGA INDUSTRIAL DEVELOPMENT AGENCY, a public benefit corporation of the State of New York having its office at Saratoga County Municipal Center, Ballston Spa, New York 12020 (the “Lessor”), as landlord, and MUNTER LAND HOLDINGS, LLC, a limited liability company organized and existing under the laws of the State of New York and having an address of 881 Murray Road, Middle Grove, New York 12850 (the “Company”), as tenant;

### **W I T N E S S E T H:**

WHEREAS, the New York State Industrial Development Agency Act, being Title I of Article 18-A of the General Municipal Law, Chapter 24, of the Consolidated Laws of the State of New York, as amended (the “Enabling Act”), authorizes and provides for the creation of industrial development agencies for the benefit of the several counties, cities, villages and towns in the State of New York and empowers such agencies, among other things, to acquire, construct, reconstruct, lease, improve, maintain, equip and dispose of land and any buildings or other improvements, and all real and personal properties, including, but not limited to, machinery and equipment deemed necessary in connection therewith, whether or not now in existence or under construction, which shall be suitable for, among other things, manufacturing, warehousing, research, commercial or industrial purposes, in order to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York and to improve their recreation opportunities, prosperity and standard of living; and

WHEREAS, the Enabling Act further authorizes each such agency to lease or sell any or all of its facilities; and

WHEREAS, the Lessor was created pursuant to and in accordance with the provisions of the Enabling Act by Chapter 855 of the Laws of 1971 of the State of New York, as amended (said chapter and the Enabling Act being hereinafter collectively referred to as the “Act”), and is empowered under the Act to undertake the Project (as hereinafter defined) in order to so advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York and improve their standard of living; and

WHEREAS, the Agency, by resolution adopted on December 12, 2023 (the “Resolution”), resolved to undertake a project (the “Project”) consisting of (A) (1) the acquisition of an interest in an approximately 37 acre parcel of land constituting tax map parcel 177.-1-67 and located at the west terminus of Duplainville Road west of Freedom Way in the City of Saratoga Springs, New York (the “Land”), (2) the construction on the Land of an approximately 50,000 square foot manufacturing facility (the “Facility”) to be leased to Soleno Properties LLC (the “Tenant”), to be utilized in the manufacturing of storm water and waste water piping and (3) the acquisition and installation in the Facility of certain machinery and equipment (the “Equipment” and together with the Land and the Facility, collectively the “Project Facility”), (B) the lease (with the obligation to purchase) or the sale of the Project Facility to the Applicant or such other person as may be designated by the Applicant and agreed upon by the Agency; and (C) the granting of “Financial Assistance” (as such term is defined in the Act) with respect thereto in the form of exemptions from state and local sales tax and mortgage recording taxes and real property taxes; and;

WHEREAS, the providing of the Project Facility and the lease of the Project Facility to the Company pursuant to this Lease Agreement is for a proper purpose, to wit, to advance the job opportunities,

health, general prosperity and economic welfare of the inhabitants of the State of New York, pursuant to the provisions of the Act (as hereinafter defined); and

WHEREAS, all things necessary to constitute this Lease Agreement a valid and binding agreement by and between the parties hereto in accordance with the terms hereof have been done and performed, and the creation, execution and delivery of this Lease Agreement have in all respects been duly authorized;

NOW, THEREFORE, THE LESSOR AND THE COMPANY HEREBY AGREE AS FOLLOWS:

## ARTICLE I

### DEFINITIONS

SECTION 1.1. DEFINITIONS. The terms defined in this Section 1.1 (except as herein otherwise expressly provided or unless the context otherwise requires) for all purposes of this Lease Agreement and of any agreement supplemental hereto shall have the respective meanings specified in this Section 1.1.

“Act” means Title 1 of Article 18-A of the General Municipal Law of the State, as amended from time to time, together with Chapter 855 of the Laws of 1971 of the State.

“Authorized Representative” means the person or persons at the time designated to act in behalf of the Lessor or the Company, as the case may be, by written certificate furnished to the Company and the Lessor and signed on behalf of (A) the Lessor by an officer thereof and (B) on behalf of the Company by an officer, member or manager thereof.

“Bill of Sale to the Lessor” means the bill of sale from the Company to the Lessor conveying the Company’s interest in the Equipment.

“Bill of Sale to the Company” means the bill of sale from the Lessor to the Company (substantially in the form shown in Exhibit “D” to the Lease Agreement) to be delivered to the Company upon satisfaction of the conditions set forth in the Lease Agreement.

“Business Day” means a day on which banks located in New York City are not required or authorized to remain closed and on which the New York Stock Exchange is not closed.

“Closing Date” means the date of the execution and delivery of the Lease Agreement by the Company and the Lessor.

“Code” means the Internal Revenue Code of 1986, as amended and regulations of the Department of Treasury promulgated thereunder and under the Internal Revenue Code of 1954, as amended.

“Company” means Munter Land Holdings, LLC, a limited liability company organized and existing under the laws of the State of New York, and its successors and permitted assigns.

“Completion Date” means the date which is certified by an Authorized Representative of the Company as the date of completion of the construction of the Facility and the installation of the Equipment pursuant to this Lease Agreement.

“Condemnation” means the taking of title to, or the use of, Property under the exercise of the power of eminent domain by any Governmental Authority.

“Construction Period” means the period (A) beginning on the date of commencement of construction of the Facility and installation of the Equipment, and (B) ending on the Completion Date.

“Equipment” means the materials, machinery, equipment, fixtures or furnishings acquired described in Exhibit “B” attached to this Lease Agreement.

“Event of Default” means any of those events defined as Events of Default by the terms of this Lease Agreement, the Underlying Lease, and/or any other document now or hereafter executed by the Agency and the Company in connection with the Project Facility.

“Facility” means the approximately 50,000 square foot manufacturing facility to be constructed.

“Facility Lease” means the lease between the Company and the Tenant relating to the Facility.

“Governmental Authority” means the United States, the State and any political subdivision thereof, and any agency, department, commission, board, bureau or instrumentality of any of them.

“Land” means a leasehold interest in the approximately 37 acre parcel of land located in the City of Saratoga Springs, County of Saratoga, State of New York as more particularly described on Exhibit “A” to this Lease Agreement.

“Lease Agreement” means this lease agreement, as said lease agreement may be amended or supplemented from time to time in accordance with the terms hereof.

“Lease Term” shall have the meaning assigned to such term in Section 5.2 hereof.

“Leasing Documents” means the Underlying Lease, the Bill of Sale to Lessor, this Lease Agreement, the PILOT Agreement, the Project Agreement, the Mortgage, the Assignment and any other document now or hereafter executed by the Lessor and the Company in connection with the Project Facility, as the same may be amended or supplemented from time to time in accordance with the terms thereof.

“Lender” means The Adirondack Trust Company and its successors and assigns.

“Lessor” means (A) the County of Saratoga Industrial Development Agency and its successors and assigns, and (B) any public benefit corporation or other public corporation resulting from or surviving any consolidation or merger to which the County of Saratoga Industrial Development Agency or its successors or assigns may be a party.

“Lien” means any interest in Property securing an obligation owed to a Person whether such interest is based on the common law, statute or contract, and including but not limited to a security interest arising from a mortgage, encumbrance, pledge, conditional sale or trust receipt or a lease, consignment or bailment for security purposes. The term “Lien” includes reservations, exceptions, encroachments, easements, rights of way, covenants, conditions, restrictions, leases and other similar title exceptions and encumbrances, including but not limited to mechanics’, materialmen’s warehousemen’s and carriers’ liens and other similar encumbrances, affecting real property. For the purposes hereof, a Person shall be deemed to be the owner of Property which it has acquired or holds subject to a conditional sale agreement or other arrangement



pursuant to which title to the Property has been retained by or vested in some other Person for security purposes.

“Lien Law” means the Lien Law of the State.

“Loan” means the loan or loans from the Lender to the Company in the principal amount of \$8,000,000 evidenced by the Note.

“Local Authority” means any Governmental Authority which exercises jurisdiction over the Project Facility.

“Local Requirement” means any law, ordinance, order, rule or regulation of a Governmental Authority or a Local Authority, respectively.

“Mortgage” means the mortgage dated the date hereof in the principal amount of \$8,000,000 from the Company and the Agency in favor of the Lender, as said mortgage may be modified, supplemented, consolidated or amended from time to time.

“Note” means the promissory note or notes, in the aggregate principal amount of \$8,000,000 executed and delivered by the Company to the Holder, as said promissory note may be amended, modified, supplemented, consolidated or extended.

“Permitted Encumbrances” means and includes: (i) in the case of real properties, easements, restrictions, exceptions, reservations or defects which, in the aggregate, do not interfere with the continued use of such properties for the purposes for which they are used and do not affect the value thereof; (ii) liens, if contested in good faith by appropriate proceedings as allowed pursuant to Section 8.8 of the Lease Agreement; (iii) existing leases by the Company of real and personal property; (iv) mortgage liens and/or security interests granted by the Company from time to time, (v) liens arising out of or created by the Leasing Documents; (vi) liens allowed pursuant to the terms of the Mortgage and (vii) such other encumbrances as may be consented to, from time to time, by the Lessor and the Company.

“Person” shall mean any legal entity, including without limitation an individual, a corporation, a company, a voluntary association, a partnership, a trust, an unincorporated organization or a government, or any agency, instrumentality or political subdivision thereof.

“PILOT Agreement” means the payment in lieu of tax agreement dated the Closing Date by and between the Lessor and the Company, as said payment in lieu of tax agreement may be amended or supplemented from time to time.

“Project” means that project undertaken by the Lessor consisting of (A) the acquisition of the Land, (B) the construction of the Facility and (C) the acquisition and installation in the Facility of the Equipment.

“Project Agreement” means that certain uniform agency project agreement of even date herewith by and between the Company and the Lessor as said uniform agency project agreement may be amended or supplemented from time to time in accordance with the terms thereof.

“Project Facility” means the Land, the Facility and the Equipment.

“Property” means any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible.

“Requirement” means any law, ordinance, order, rule or regulation of a Governmental Authority or a Local Authority, respectively.

“Resolution” means the resolution duly adopted by the Lessor on December 12, 2023 authorizing the execution and delivery of the Leasing Documents to which the Lessor is a party.

“SEQRA” means the New York State Environmental Quality Review Act constituting Article 8 of the New York state Environmental Conservation Law and the regulations promulgated thereunder.

“State” means the State of New York.

“Tenant” means Soleno Properties LLC, a New York limited liability company.

“Unassigned Rights” means (A) the rights of the Lessor granted pursuant to Sections 2.2(D), 3.1, 4.1(C), 5.4, 6.3, 6.4, 6.6, 8.1, 8.2, 8.3, 8.5, 8.7, 8.8, 8.9, 9.1, 9.2, 9.4, 11.3, 12.1(B) and 12.10 of this Lease Agreement, (B) the moneys due and to become due to the Lessor for its own account or the members, officers, agents and employees of the Lessor for their own account pursuant to Sections 2.2(D), 4.1, 5.4, 6.3, 6.4, 6.6, 8.2, 10.2, 10.4 and 12.10 of this Lease Agreement, and (C) the right to enforce the foregoing pursuant to Article X of this Lease Agreement

“Underlying Lease” means that certain underlying lease of even date herewith by and between the Company, as landlord, and the Lessor, as tenant, as said underlying lease may be amended or supplemented from time to time in accordance with the terms thereof.

SECTION 1.2. INTERPRETATION. In this Lease Agreement, unless the context otherwise requires:

(A) the terms “hereby”, “hereof”, “herein”, “hereunder” and any similar terms as used in this Lease Agreement refer to this Lease Agreement, and the term “heretofore” shall mean before, and the term “hereafter” shall mean after, the date of this Lease Agreement;

(B) words of masculine gender shall mean and include correlative words of feminine and neuter genders and words importing the singular number shall mean and include the plural number and vice versa; and

(C) any certificates, letters or opinions required to be given pursuant to this Lease Agreement shall mean a signed document attesting to or acknowledging the circumstances, representations, opinions of law or other matters therein stated or set forth or setting forth matters to be determined pursuant to this Lease Agreement.

## ARTICLE II

### REPRESENTATIONS, WARRANTIES AND COVENANTS

SECTION 2.1. REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE LESSOR. The Lessor makes the following representations, warranties and covenants as the basis for the undertakings on its part herein contained:

(A) The Lessor is duly established under the provisions of the Act and has the power to enter into this Lease Agreement and to carry out its obligations hereunder. Based upon the representations of the Company, the Project constitutes and will constitute a “project” as such quoted term is defined in the Act. By proper official action the Lessor has been duly authorized to execute, deliver and perform this Lease Agreement and the Leasing Documents to which it is a party.

(B) Neither the execution and delivery of this Lease Agreement, the consummation of the transactions contemplated hereby nor the fulfillment of or compliance with the provisions of the other Leasing Documents by the Lessor will conflict with or result in a breach by the Lessor of any of the terms, conditions or provisions of the Act, the by-laws of the Lessor or any order, judgment, restriction, agreement or instrument to which the Lessor is a party or by which it is bound, or will constitute a default by the Lessor under any of the foregoing.

(C) The Lessor has undertaken the Project and will lease the Project Facility to the Company pursuant to this Lease Agreement, all for the purpose of advancing the job opportunities, health, general prosperity and economic welfare of the people of the State and improving their standard of living.

(D) Except as provided herein and in Article IX and Section 10.2(A)(3) hereof, the Lessor, to the extent of its interest therein, shall not sell, assign, transfer, encumber or pledge as security the Project Facility or any part thereof and shall maintain the Project Facility free and clear of all Liens or encumbrances, except as contemplated or allowed by the terms of this Lease Agreement.

SECTION 2.2. REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE COMPANY. The Company makes the following representations, warranties and covenants as the basis for the undertakings on its part herein contained:

(A) The Company is a limited liability company organized and existing and in good standing under the laws of the State of New York, have power to enter into this Lease Agreement and to carry out its obligations hereunder, have been duly authorized to execute this Lease Agreement and is qualified to do business in all jurisdictions in which their operations or ownership of Properties so require.

(B) Neither the execution and delivery of this Lease, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the provisions of this Lease Agreement will (1) result in a breach of or conflict with any of the terms, conditions or provisions of the Company’s articles of organization or operating agreement or any agreement, instrument, order or judgment to which the Company is a party or by which the Company is bound, or will constitute a default under any of the foregoing, or result in the creation or imposition of any Lien of any nature upon the Project Facility under the terms of any such instrument or agreement, other than the Permitted Encumbrances, (2) require consent under (which has not been heretofore received) or result in a breach of or default under any credit agreement, indenture, purchase agreement, mortgage, deed of trust, commitment, guaranty or other agreement or instrument to which the Company is a party or by which it or any of its Property may be bound or affected, or (3) conflict with or violate any existing law, rule, regulation, judgment, order, writ, injunction or decree of any government, governmental instrumentality or court (domestic or foreign), having jurisdiction over the Company or any of the Property of the Company.

(C) The Project will not result in the removal of a facility or plant of the Company or any contemplated occupant of the Project Facility from one area of the State to another area of the State or in the abandonment of one or more plants or facilities of the Company or any contemplated occupant of the Project Facility located within the State except to the extent the foregoing is reasonably necessary to discourage said occupant or occupants from removing such other plant or facility to a location outside the State or to preserve the competitive position of said occupant or occupants in its/their respective industry/industries.

(D) The Company shall cause all notices required by law to be given, and shall comply or cause compliance with all laws, ordinances, municipal rules and regulations and requirements of all Governmental Authorities applying to or affecting the operation of the Facility (the applicability of such laws, ordinances, rules and regulations to be determined as if the Company and not the Lessor were the owner of the Facility), and the Company will defend and save the Lessor and its officers, members, agents and employees harmless from all fines and penalties due to failure to comply therewith.

(E) The acquisition, reconstruction, construction, and installation of the Project Facility will not have a significant impact on the environment within the terms of SEQRA and the statewide and local regulations thereunder. The Company hereby covenants to comply with all mitigation measures, requirements and conditions, if any, enumerated in the negative declaration issued by the City of Saratoga Springs Planning Board under SEQRA with respect to the Project and in any other approvals issued by any other Governmental Authority.

(F) So long as this Lease Agreement shall be in effect, the Project Facility is and will continue to be a "project" as such quoted term is defined in the Act, and the Company will not take any action (or omit to take any action required by the Leasing Documents or which the Lessor, advises the Company in writing should be taken), or allow any action to be taken, which action (or omission) would in any way cause the Project Facility not to constitute a "project" as such quoted term is defined in the Act.

(G) The Company is in possession of all local land use and zoning approvals relating to the construction and operation of the Facility for its intended purpose and the Facility and the operation thereof complies and will comply with all applicable building, zoning, environmental, planning and subdivision laws, ordinances, rules and regulations of Governmental Authority having jurisdiction over the Facility.

(H) The Company as agent of the Lessor will apply the proceeds of the Loan received under the Note towards costs associated with the refinancing, acquisition, construction and equipping of the Project Facility, and incidental costs associated therewith.

(I) Except as provided in Section 9.4 hereof, all items comprising the Equipment shall remain in the Facility at all times during the term of this Lease Agreement.

(J) Not more than 1/3 of the total costs of the Project will be utilized to provide facilities used in making "retail sales" as described in Section 862 of the General Municipal Law of the State.

### ARTICLE III

#### CONVEYANCE AND USE OF PROJECT FACILITY

SECTION 3.1. CONVEYANCE TO THE LESSOR. The Company has conveyed or will convey, or will cause to be conveyed, a leasehold interest in the Land and the Facility and a fee interest in the Equipment to

the Lessor pursuant to the Underlying Lease and the Bill of Sale to Lessor. The Company hereby represents and warrants that it has good and marketable title to the Project Facility, free and clear of all Liens except for Permitted Encumbrances and the Underlying Lease and agrees that it will defend, indemnify and hold the Lessor harmless from any expense or liability due to any defect in title thereto. The Company shall pay all (i) costs, expenses, taxes and charges incurred in connection with such conveyance and transfer, and (ii) taxes, assessments and other charges and impositions of the Project Facility attributable to periods prior to the date of this Lease Agreement.

SECTION 3.2. USE OF PROJECT FACILITY. Subsequent to the Closing Date, the Company shall be entitled to use the Project Facility in any manner not otherwise prohibited by the Leasing Documents, provided that such use (1) causes the Project Facility to qualify or continue to qualify as a "project" under the Act and (2) does not tend, in the reasonable judgment of the Lessor, to bring the Project Facility into disrepute as a public project.

#### ARTICLE IV

##### ACQUISITION, CONSTRUCTION, AND INSTALLATION OF PROJECT FACILITY

SECTION 4.1. SALES TAX PROVISIONS. (A) The Company shall, on behalf of the Lessor, promptly acquire, construct and install the Project Facility.

(B) The Lessor hereby appoints the Company its true and lawful agent during the Construction Period to perform under the following authority in compliance with the terms, purposes and intent of the Leasing Documents, and the Company hereby accepts such agency: (1) acquire, reconstruct, construct, and install the Project Facility, (2) to make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions with any other Persons, and in general to do all things which may be requisite or proper, all for the acquisition, construction, and installation of the Project Facility, with the same powers and with the same validity as the Lessor could do if acting in its own behalf including, but not limited to, the appointment of subagents for such purposes, and (3) to pay all fees, costs and expenses incurred in the acquisition, construction, and installation of the Project Facility.

(C) The Company has given or will give or cause to be given all notices and has complied or will comply or cause compliance with all laws, ordinances, rules, regulations and requirements of all Governmental Authorities applying to or affecting the conduct of work on the Project Facility (the applicability of such laws, ordinances, rules and regulations to be determined as if the Company and not the Lessor were the owner of the Project Facility), and the Company will defend, indemnify and save the Lessor and its officers, members, agents, servants and employees harmless from all fines and penalties due to failure to comply therewith. All permits and licenses necessary for the prosecution of work on the Project Facility shall be procured promptly by the Company.

(D) To the extent required by applicable law, the Company, as agent for the Lessor, will cause (1) compliance with the requirements of Article 8 of the Labor Law of the State, and (2) any contractor, subcontractors and other Persons involved in the acquisition, reconstruction, construction, and installation of the Project Facility to comply with Article 8 of the Labor Law of the State. The covenant in this subsection is not intended as a representation that Article 8 of the Labor Law of the State applies.

(E) The Company agrees to file with the Department of Taxation and Finance of the State in a manner and at the time prescribed thereby, information relating to the extent of exemption from sales and use tax claimed with respect to the acquisition, construction and installation of the Project Facility all in

compliance with Section 874 of the General Municipal Law of the State. THE COMPANY ACKNOWLEDGES THAT THE FAILURE TO COMPLY WITH THE PROVISIONS OF SAID SECTION 874 SHALL RESULT IN A REVOCATION OF ANY SALES TAX ABATEMENT EXTENDED BY THE LESSOR.

(F) The Company acknowledges and agrees that to the extent it (i) utilizes the exemption from New York State and local sales and use tax in a manner inconsistent with the intent of this Agreement and/or (ii) attempts to obtain an exemption from New York State and/or local sales and/or use tax which exceeds the scope of the exemption conferred by the provisions of this Agreement, it will be subject to a recapture of such inconsistent or excessive exemption benefits by the Lessor in accordance with the provisions of Section 875 of the General Municipal Law of the State, the provisions of which are hereby incorporated herein by reference. The Company agrees to cooperate with the efforts of the Lessor to recapture such inconsistent or excessive exemption benefits and any failure to do so shall constitute an Event of Default hereunder.

## ARTICLE V

### LEASE OF PROJECT FACILITY; RENT; CONVEYANCE OF PROJECT FACILITY

SECTION 5.1. LEASE OF PROJECT FACILITY. The Lessor hereby leases the Project Facility to the Company, and the Company hereby leases the Project Facility from the Lessor, for and during the term hereinafter provided and upon and subject to the terms and conditions hereinafter set forth. The Company assumes and agrees to perform and discharge all of the Lessor's obligations under the Lease Documents during the Lease Term, and shall enforce all claims arising under any representation, warranty, covenant, indemnity, guarantee or agreement in the Lease Documents.

SECTION 5.2. DURATION OF TERM. The term of this Lease Agreement shall become effective upon its delivery and shall expire on December 31, 2034, or such earlier date as this Lease Agreement may be terminated as hereinafter provided (the "Lease Term"). The Lessor shall deliver to the Company and the Company shall accept sole and exclusive possession of the Project Facility simultaneously with the execution of this Lease Agreement.

SECTION 5.3. QUIET ENJOYMENT. So long as no Event of Default shall have occurred and be continuing, and except as otherwise expressly provided herein or in the Leasing Documents, the Lessor will not disturb the Company in its peaceful and quiet enjoyment of the Project Facility, which shall be free from any interference, repossession or disturbance by the Lessor.

SECTION 5.4. RENT AND OTHER AMOUNTS PAYABLE. The Company shall pay rent for the Project Facility as follows:

(A) The Company shall remit to the Lessor on the Closing Date its agreed upon administrative fee;

(B) Within seven (7) days after receipt of a demand therefor from the Lessor accompanied by any supporting evidence or documentation therefor reasonably requested by the Company, the Company shall pay to the Lessor the sum of the reasonable and actual expenses of the Lessor and the officers, members, agents and employees thereof incurred by reason of the Lessor's ownership or lease of the Project Facility or in connection with the carrying out of the Lessor's duties and obligations under this Lease Agreement or any of the other Leasing Documents and any other reasonable and actual fee or expense of the Lessor, including

reasonable and actual attorneys' fees, with respect to the Project Facility, the sale of the Project Facility to the Company, any of the other Leasing Documents, the payment of which is not otherwise provided for under this Lease Agreement.

(C) The Company agrees to make the above mentioned payments, without any further notice, in lawful money of the United States of America as, at the time of payment, shall be legal tender for the payment of public and private debts. In the event the Company shall fail to make any payment required by this Section 5.4 for a period of more than thirty (30) days from the date such payment is due, the Company shall pay the same together with interest thereon at a rate equal to two percent (2%) per month or the maximum permitted by law, whichever is less, from the date on which such payment was due until the date on which such payment is made.

SECTION 5.5. NATURE OF OBLIGATIONS OF THE COMPANY HEREUNDER. (A) The obligations of the Company to make the payments required by this Lease Agreement and to perform and observe any and all of the other covenants and agreements on its part contained herein shall be general obligations of the Company and shall be absolute and unconditional irrespective of any defense or any rights of set-off, recoupment or counterclaim the Company may otherwise have against the Lessor. The Company agrees that it will not suspend, discontinue or abate any payment required by, or fail to observe any of its other covenants or agreements contained in this Lease Agreement, or terminate this Lease Agreement for any cause whatsoever, including, without limiting the generality of the foregoing, failure to complete the acquisition of the Land, the reconstruction and construction of the Facility or the installation of the Equipment, any material defect in the title, design, operation, merchantability, fitness or condition of the Project Facility or any part thereof or in the suitability of the Project Facility or any part thereof for the Company's purposes or needs, failure of consideration for, destruction of or damage to, Condemnation of title to or the use of all or any part of the Project Facility, any change in the tax or other laws of the United States of America or of the State or any political subdivision thereof, or any failure of the Lessor to perform and observe any agreement, whether expressed or implied, or any duty, liability or obligation arising out of or in connection with this Lease Agreement.

(B) Nothing contained in this Section 5.5 shall be construed to release the Lessor from the performance of any of the agreements on its part contained in this Lease Agreement, and, in the event the Lessor should fail to perform any such agreement, the Company may institute such action against the Lessor as the Company may deem necessary to compel performance or recover damages for non-performance; provided, however, that the Company shall look solely to the Lessor's estate and interest in the Project Facility (other than the Unassigned Rights), for the satisfaction of any right or remedy of the Company for the collection of a judgment (or other judicial process) requiring the payment of money by the Lessor in the event of any liability on the part of the Lessor, and no other Property or assets of the Lessor or members, officers, agents (other than the Company) or employees of the Lessor shall be subject to levy, execution, attachment or other enforcement procedure for the satisfaction of the Company's remedies under or with respect to this Lease Agreement, the relationship of the Lessor and the Company hereunder or the Company's purchase of and title to the Project Facility, or any other liability of the Lessor to the Company.

## ARTICLE VI

### MAINTENANCE, MODIFICATIONS, TAXES AND INSURANCE

SECTION 6.1. MAINTENANCE AND MODIFICATIONS OF PROJECT FACILITY. The Company agrees that during the period that the Lease Agreement is outstanding it will (1) keep the Project Facility in good condition and repair and preserve the same against waste, loss, damage and depreciation, ordinary wear

and tear excepted, (2) make all repairs and replacements to the Project Facility or any part thereof (whether ordinary or extraordinary, structural or nonstructural, foreseen or unforeseen) deemed necessary by the Company, in the Company's reasonable discretion, and (3) operate the Project Facility in a sound and economic manner.

SECTION 6.2. TAXES, ASSESSMENTS AND UTILITY CHARGES. (A) The Company shall pay or cause to be paid, before the imposition of any penalties, fees or interest for late payment of the same, respectively become, (1) all taxes and governmental charges of any kind whatsoever which may at any time be lawfully assessed or levied against or with respect to the Project Facility, (2) all utility and other charges, including "service charges", incurred or imposed for the operation, maintenance, use, occupancy, upkeep and improvement of the Project Facility, (3) all assessments and charges of any kind whatsoever lawfully made by any Governmental Authority for public improvements, and (4) all payments required under Section 6.6 (B) hereof; provided that, with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the Company shall be obligated hereunder to pay only such installments as are required to be paid during all periods that sums payable by the Company hereunder or under any of the other Leasing Documents are due and owing.

(B) Notwithstanding the provisions of subsection (A) of this Section 6.2 but subject however to the provisions of Section 2.02(B)(3) of the PILOT Agreement, the Company may in good faith actively contest any such taxes, assessments and other charges, provided that the Company shall pay such taxes, assessments and other charges in accordance with the provisions of such subsection (A) and shall not defer, or be deemed entitled to defer such payment by reason of any such contest.

SECTION 6.3. INSURANCE REQUIRED. At all times during the Lease Term and/or that the Lessor is the owner of the Project Facility, the Company shall maintain or, with respect to the insurance required by subsection (E) of this Section 6.3, cause the general contractor to maintain insurance with respect to the Project Facility against such risks and for such amounts as are customarily insured against by businesses of like size and type, paying, as the same become due and payable, all premiums with respect thereto, including, but not necessarily limited to:

(A) (1) During any time when reconstruction or construction of the Project Facility shall take place, builder's "all-risk" (or equivalent coverage) insurance upon any work done or material furnished in connection with the reconstruction and construction of the Project Facility, with extended coverage for floods, vandalism, malicious mischief, debris removal and collapse insurance endorsements, issued to the Company and the Lessor as insureds, as their interests may appear, and written in completed value non-reporting form for the full completed insurable value of the Project Facility, and (2) at such time that builder's risk (or equivalent coverage) insurance is no longer available by virtue of completion of the acquisition, construction and installation of the Project Facility, insurance protecting the interests of the Company and the Lessor as insureds, as their interests may appear, against loss or damage to the Project Facility by fire, lightning, vandalism, malicious mischief, floods and other perils and casualties normally insured against with a uniform extended coverage endorsement, such insurance at all times to be in an amount not less than the full insurable value of the Facility; provided, however, that the Company may insure all or a portion of the Project Facility under a blanket insurance policy or policies covering not only the Project Facility or portions thereof but other Property.

(B) To the extent applicable, workers' compensation insurance, disability benefits insurance and such other forms of insurance which the Company is required by law to provide, covering loss resulting from injury, sickness, disability or death of employees of the Company who are located at or assigned to the Project Facility, including, but not limited to, all contractors and subcontractors.



(C) Insurance protecting the Company and the Lessor against loss or losses from liabilities imposed by law or assumed in any written contract (including, without limitation, the contractual liability assumed by the Company under Section 8.2 of this Lease Agreement) and arising from personal injury or death or damage to the property of others caused by any accident or occurrence, with limits of not less than \$1,000,000 per person per accident or occurrence on account of personal injury, including death resulting therefrom, and \$1,000,000 per accident or occurrence on account of damage to the property of others, excluding liability imposed upon the Company by any applicable workers' compensation law, and a separate commercial umbrella liability policy in excess of the basic coverage stated above protecting the Company and the Lessor with a limit of not less than \$4,000,000.

(D) During any period of construction or reconstruction, the general contractor and any subcontractor constructing, installing and equipping the Project Facility shall be required to carry workers' compensation and general comprehensive liability insurance containing coverages for premises operations, products and completed operations, explosion, collapse and underground damage hazard, contractor's protective, owner's protective and coverage for all owned, non-owned and hired vehicles with non-ownership protection from the general contractor or subcontractor's employees providing the following minimum limits:

- (a) Workers' compensation and employer's liability - in accordance with applicable law, covering loss resulting from injury, sickness, disability and death of employees located at or assigned to the Facility or who are responsible for the construction of the Facility.
- (b) Comprehensive general liability:
  - (i) Bodily injury liability in an amount not less than \$1,000,000 for each accident and not less than \$2,000,000 for injuries sustained by two or more persons in any one accident.
  - (ii) Property damage liability in an amount not less than \$1,000,000 for each accident and not less than \$2,000,000 in the aggregate for each year of the policy period.
- (c) Comprehensive automobile liability:
  - (i) Bodily injury liability in an amount not less than \$1,000,000 for each accident and not less than \$3,000,000 for injuries sustained by two or more persons in any one accident.

(E) Other insurance coverage required by any Governmental Authority in connection with any Requirement.

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

SECTION 6.4. ADDITIONAL PROVISIONS RESPECTING INSURANCE. All insurance required by Section 6.3 hereof shall be procured and maintained in financially sound and generally recognized responsible insurance companies selected by the Company and authorized to write such insurance in the State and reasonably satisfactory to the Lessor. The company or companies issuing the policies required by Sections 6.3(A) shall be rated "A" or better by A.M. Best Co., Inc. in the most recent edition of Best's Key Rating Guide. Such insurance may be written with deductible amounts comparable to those on similar

policies carried by other companies engaged in businesses similar in size, character and other respects to those in which the Company is engaged. All policies evidencing such insurance shall name the Company and the Lessor as insureds, as their interests may appear, and provide for at least thirty (30) days' written notice to the Company and the Lessor prior to cancellation, lapse, reduction in policy limits or material change in coverage thereof. All insurance required hereunder shall be in form, content and coverage satisfactory to the Lessor. Certificates satisfactory in form and substance to the Lessor to evidence all insurance required hereby shall be delivered to the Lessor on or before the Closing Date. The Company shall deliver to the Lessor on or before the first Business Day of each calendar year thereafter a certificate dated not earlier than the immediately preceding December 1 reciting that there is in full force and effect, with a term covering at least the next succeeding calendar year, insurance in the amounts and of the types required by Sections 6.3 and 6.4 hereof. At least thirty (30) days prior to the expiration of any such policy, the Company shall furnish to the Lessor evidence that the policy has been renewed or replaced or is no longer required by this Lease Agreement.

(B) All premiums with respect to the insurance required by Section 6.3 hereof shall be paid by the Company; provided, however, that if the premiums are not timely paid, the Lessor may pay such premiums and the Company shall pay immediately upon demand all sums so expended by the Lessor, together with interest, to the extent permitted by law, at a rate equal to two percent (2%) per month from the date on which such payment was due until the date on which the payment is made.

(C) (1) The Company shall not take out separate insurance concurrent in form or contributing in the event of loss with that required to be maintained under Section 6.3 unless the Lessor is included therein as a named insured.

(2) Each of the policies required pursuant to Section 6.3 hereof shall, to the extent commercially available, waive (a) any right of subrogation against any Person insured under such policy, and (b) any right of the insurers to any set-off or counterclaim or any other deduction, whether by attachment or otherwise, in respect of any liability of any Person insured under such policy.

SECTION 6.5. APPLICATION OF NET PROCEEDS OF INSURANCE. The Net Proceeds of the insurance carried pursuant to the provisions of Section 6.3 hereof shall be applied as follows: (A) the Net Proceeds of the insurance required by Section 6.3(A) hereof shall be applied as provided in Section 7.1 hereof and (B) the Net Proceeds of the insurance required by Section 6.3(B), 6.3(C), 6.3(D) and 6.3(E) hereof shall be applied toward extinguishment or satisfaction of the liability with respect to which such insurance proceeds may be paid.

SECTION 6.6. PAYMENTS IN LIEU OF TAXES. (A) It is recognized that, under the provisions of the Act, the Lessor is required to pay no taxes or assessments upon any of the property acquired by it or under its jurisdiction, control or supervision or upon its activities. It is not the intention, however, of the parties hereto that the Project Facility be treated as exempt from real property taxation. Accordingly, the parties acknowledge that a Payment In Lieu of Tax Agreement (the "PILOT Agreement") has been executed with respect to the Project Facility. Until the expiration date of the PILOT Agreement, the Lessor and the Company hereby agree that the Company shall be required to make or cause to be made payments in lieu of real estate taxes in the amounts and in the manner set forth in the PILOT Agreement.

(B) In the event that (1) the Project Facility would be subject to real property taxation if owned by the Company but shall be deemed exempt from real property taxation due to the involvement of the Lessor therewith, and (2) the PILOT Agreement shall not have been entered into by the Lessor and the Company, or, if entered into, the PILOT Agreement shall for any reason no longer be in effect, the Lessor and the Company

hereby agree that the Company, or any subsequent user of the Project Facility under this Lease Agreement, shall in such event be required to make or cause to be made payments in lieu of taxes to the school district or school districts, city, town, county, village and other political units wherein the Project Facility is located having taxing powers (such political units are hereinafter collectively referred to as the "Taxing Entities") in such amounts as would result from taxes being levied on the Project Facility by the Taxing Entities if the Project Facility were privately owned by the Company and not deemed owned by or under the jurisdiction, control or supervision of the Lessor, but with appropriate reductions similar to the real property tax exemptions and credits, if any, which would be afforded to the Company if it were the owner of the Project Facility. It is agreed that the Company, in cooperation with the Lessor, (a) shall cause the Project Facility to be valued for purposes of determining the amounts due hereunder as if owned by the Company as aforesaid by the appropriate officer or officers of any of the Taxing Entities as may from time to time be charged with responsibility for making such valuations, (b) shall cause to be appropriately applied to the valuation or valuations so determined the respective tax rate or rates of the Taxing Entities that would be applicable to the Project Facility if so privately owned, (c) shall cause the appropriate officer or officers of the Taxing Entities charged with the duty of levying and collecting such taxes to submit to the Company, when the respective levies are made for purposes of such taxes upon Property privately owned as aforesaid, statements specifying the amounts and due dates of such taxes which the Taxing Entities would receive if such Property were so privately owned by the Company and not deemed owned by or under the jurisdiction, control or supervision of the Lessor, and (d) shall file with the appropriate officer or officers any accounts or tax returns furnished to the Lessor by the Company for the purpose of such filing.

(C) The Company shall pay or cause to be paid to the Taxing Entities when due all such payments in lieu of taxes with respect to the Project Facility required by Section 6.6(B) of this Lease Agreement, subject in each case to the Company's right to (a) obtain exemptions and credits, if any, which would be afforded to a private owner of the Project Facility, including any available exemption under Section 485-b of the New York Real Property Tax Law with respect to the Project Facility, (b) contest valuations of the Project Facility made for the purpose of determining such payments therefrom (provided, however, no such contest shall entitle the Company to defer payments in lieu of taxes by reason of any such contest), and (c) seek to obtain a refund of any such payments made. In the event the Company shall fail to make or cause to be made any such payments in lieu of taxes, the amount or amounts so in default shall continue as an obligation of the Company until fully paid, and the Company hereby agrees to pay or cause to be paid the same, together with late charges and interest thereon as provided for in subsection (5) of Section 874 of the General Municipal Law of the State (or any successor provision).

(D) The Lessor acknowledges and agrees that pursuant to the Mortgage, the Company may be required to remit to the Lender in advance funds representing payments due to the Lessor under this Section 6.6 and that in such event the Lender will remit such funds to the Lessor in satisfaction of the amounts due hereunder.

## ARTICLE VII

### DAMAGE, DESTRUCTION AND CONDEMNATION

SECTION 7.1. DAMAGE OR DESTRUCTION. If the Project Facility shall be damaged or destroyed, in whole or in part, the Company shall give the Lessor prompt written notice thereof. As between the Lessor and the Company, the Company shall have sole right to and control over the use of the Net Proceeds of any insurance settlement. The Company shall not be obligated to replace, repair, rebuild or restore the Project Facility, and the Net Proceeds of any insurance settlement shall not be applied to replace, repair, rebuild or restore the Project Facility if the Company shall notify the Lessor that, in the Company's sole judgment, the

Company does not deem it practical or desirable to so replace, repair, rebuild or restore the Project Facility. The Lessor shall have no obligation to rebuild or restore the Project Facility, and upon payment of all payments due pursuant to Section 5.4 hereof, the term of this Lease Agreement shall end and the obligations of the Company hereunder (other than any such obligations expressed herein as surviving termination of this Lease Agreement) shall terminate as of the date of such payment and the Lessor shall transfer to the Company, without recourse or warranty, all right, title and interest of the Lessor in and to the Project Facility.

SECTION 7.2. CONDEMNATION. If title to, or the use of, the Project Facility shall be taken by Condemnation, the Company shall give the Lessor prompt written notice thereof. As between the Lessor and the Company, the Company shall have sole right to and control over the use of the Net Proceeds of any insurance settlement. The Net Proceeds of any Condemnation award shall not be applied to restore the Project Facility if the Company shall notify the Lessor that, in the Company's sole judgment, the Company does not deem it practical or desirable to restore the Project Facility. The Lessor shall have no obligation to restore the Project Facility, and upon payment of all payments due pursuant to Section 5.4 hereof, the term of this Lease Agreement shall end and the obligations of the Company hereunder (other than any such obligations expressed herein as surviving termination of this Lease Agreement) shall terminate as of the date of such payment and the Lessor shall transfer to the Company, without recourse or warranty, all right, title and interest of the Lessor in and to the Project Facility.

SECTION 7.3. ADDITIONS TO THE PROJECT FACILITY. All replacements, repairs, rebuilding or restoration made pursuant to Sections 7.1 or 7.2 hereof, whether or not requiring the expenditure of the Company's own moneys shall automatically become part of the Project Facility and subject to the Leasing Documents as if the same were specifically described herein.

## ARTICLE VIII

### SPECIAL COVENANTS

SECTION 8.1. NO WARRANTY OF CONDITION OR SUITABILITY BY LESSOR; ACCEPTANCE "AS IS". THE LESSOR MAKES NO WARRANTY, EITHER EXPRESS OR IMPLIED, AS TO THE CONDITION, TITLE, DESIGN, OPERATION, MERCHANTABILITY OR FITNESS OF THE PROJECT FACILITY OR ANY PART THEREOF OR AS TO THE SUITABILITY OF THE PROJECT FACILITY OR ANY PART THEREOF FOR THE COMPANY'S PURPOSES OR NEEDS. THE COMPANY SHALL ACCEPT POSSESSION OF THE PROJECT FACILITY "AS IS", WITHOUT RECOURSE OF ANY NATURE AGAINST THE LESSOR FOR ANY CONDITION NOW, HERETOFORE OR HEREAFTER EXISTING. NO WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE OR MERCHANTABILITY ARE MADE. IN THE EVENT OF ANY DEFECT OR DEFICIENCY OF ANY NATURE, WHETHER PATENT OR LATENT, THE LESSOR SHALL HAVE NO RESPONSIBILITY OR LIABILITY WITH RESPECT THERETO.

SECTION 8.2. HOLD HARMLESS PROVISIONS. (A) The Company hereby (i) releases the Lessor and its members, officers, agents (other than the Company) and employees from, (ii) agrees that the Lessor and its members, officers, agents (other than the Company) and employees shall not be liable for, and (iii) agrees to indemnify, defend and hold the Lessor and its members, officers, agents (other than the Company) and employees harmless from and against: any and all claims, causes of action, judgments, liabilities, damages, losses, costs and expenses arising as a result of the Lessor's undertaking the acquisition, construction, and installation of the Project Facility, including, but not limited to, (1) liability for loss or damage to Property or bodily injury to or death of any and all Persons that may be occasioned, directly or indirectly, by any cause whatsoever pertaining to the Project Facility or arising by reason of or in connection with the use thereof or

the presence of any Person or Property on, in or about the Project Facility, (2) liability arising from or expense incurred by the Lessor's financing, acquiring, constructing, installing, owning or selling the Project Facility, including, without limiting the generality of the foregoing, any sales or use taxes which may be payable with respect to goods supplied or services rendered with respect to the Project Facility and any and all claims for brokerage, leasing, finders or similar fees which may be made relating to the Project Facility, all liabilities or claims arising as a result of the Lessor's obligations under this Lease Agreement or any of the other Leasing Documents or the enforcement of or defense of validity of any provision of any Leasing Documents, and all liabilities or claims arising out of environmental matters with respect to the Project Facility, and (3) all causes of action and attorneys' fees and other expenses incurred in connection with any suits or actions which may arise as a result of any of the foregoing; provided that any such claims, causes of action, judgments, liabilities, damages, losses, costs or expenses of the Lessor are not incurred or do not result from the intentional wrongdoing of the Lessor or any of its members, officers, agents (other than the Company) or employees. The foregoing indemnities shall apply notwithstanding the fault or negligence in part of the Lessor or any of its officers, members, agents or employees and notwithstanding the breach of any statutory obligation or any rule of comparative or apportioned liability.

(B) In the event of any claim against the Lessor or its members, officers, agents (other than the Company) or employees by any employee of the Company or any contractor of the Company or anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, the obligations of the Company hereunder shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for the Company or such contractor under workers' compensation laws, disability benefits laws or other employee benefit laws.

(C) To effectuate the provisions of this Section 8.2, the Company agrees to provide for and insure, in the liability policies required by Section 6.3(C) of this Lease Agreement, its liabilities assumed pursuant to this Section 8.2.

(D) Notwithstanding any other provisions of this Lease Agreement, the obligations of the Company pursuant to this Section 8.2 shall remain in full force and effect after the termination of this Lease Agreement until the expiration of the period stated in the applicable statute of limitations during which a claim, cause of action or prosecution relating to the matters herein described may be brought and the payment in full or the satisfaction of such claim, cause of action or prosecution and the payment of all expenses, charges and costs incurred by the Lessor, or its officers, members, agents (other than the Company) or employees, relating thereto.

**SECTION 8.3. RIGHT OF ACCESS TO PROJECT FACILITY.** The Company agrees that the Lessor and its authorized agents shall have the right at all reasonable times and upon prior reasonable notice to enter upon the Land and to examine and inspect the Project Facility for the sole purpose of ensuring compliance with the provisions of the Act.

**SECTION 8.4. THE COMPANY NOT TO TERMINATE EXISTENCE OR DISPOSE OF ASSETS.** The Company agrees that, so long as this Lease Agreement is in effect, it will maintain its existence and will not dissolve or otherwise dispose of all or substantially all of its assets.

**SECTION 8.5. AGREEMENT TO PROVIDE INFORMATION.** The Company agrees, whenever requested by the Lessor, to provide and certify or cause to be provided and certified such information concerning the Company, its finances and other topics as the Lessor from time to time reasonably consider necessary or appropriate, including, but not limited to, (i) such information as to enable the Lessor to make any reports required by law or governmental regulation, and (ii) within thirty (30) days of receipt by the Company of

written request therefor, a complete and accurate listing of all items of personalty which were acquired or leased by the Company based upon an exemption from sales or use tax provided by the Lessor.

**SECTION 8.6. BOOKS OF RECORD AND ACCOUNT; FINANCIAL STATEMENTS; COMPLIANCE CERTIFICATES.** The Company agrees to maintain proper accounts, records and books in which full and correct entries shall be made, in accordance with generally accepted accounting principles, of all business and affairs of the Company.

**SECTION 8.7. COMPLIANCE WITH ORDERS, ORDINANCES, ETC.** (A) The Company agrees that it will, during any period in which this Lease Agreement is in effect, promptly comply with all statutes, codes, laws, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorizations, directions and requirements of all Governmental Authorities, foreseen or unforeseen, ordinary or extraordinary, which now or at any time hereafter may be applicable to the Project Facility or any part thereof, or to any use, manner of use or condition of the Project Facility or any part thereof (the applicability of such laws, ordinances, rules and regulations to be determined as if the Company and not the Lessor were the owner of the Project Facility).

(B) Notwithstanding the provisions of subsection (A) of this Section 8.7, the Company may in good faith actively contest the validity or the applicability of any requirement of the nature referred to in such subsection (A), provided that the Company (1) first shall have notified the Lessor in writing of such contest, (2) is not in default under any of the Leasing Documents, (3) shall have set aside adequate reserves for any such requirement, and (4) demonstrates to the reasonable satisfaction of the Lessor that noncompliance with such requirement will not materially endanger the Project Facility or any part thereof to loss or forfeiture. Otherwise, the Company shall promptly take such action with respect thereto as shall be satisfactory to the Lessor.

(C) Notwithstanding the provisions of subsection (B) of this Section 8.7, if the Lessor or any of its members, officers, agents, servants or employees may be liable for prosecution for failure to comply therewith, the Company shall promptly take such action with respect thereto as shall be satisfactory to the Lessor.

**SECTION 8.8. DISCHARGE OF LIENS AND ENCUMBRANCES.** (A) The Company agrees not to create or suffer to be created any other Lien or security interest, except for Permitted Encumbrances, on the Project Facility or any part thereof.

(B) Notwithstanding the provisions of subsection (A) of this Section 8.8, and except as provided for taxes, assessments and utility charges under Section 6.2, the Company may in good faith actively contest any such Lien or security interest, provided that the Company (1) first shall have notified the Lessor in writing of such contest, (2) is not in default hereunder, (3) shall have set aside adequate reserves for the discharge of any such Lien or security interest, and (4) demonstrates to the reasonable satisfaction of the Lessor that the failure to discharge any such Lien or security interest will not subject the Project Facility or any part thereof to loss or forfeiture. Otherwise such Lien or security interest shall be removed promptly by the Company or secured by the Company's posting a bond in form and substance satisfactory to the Lessor.

**SECTION 8.9. PERFORMANCE BY LESSOR OF COMPANY'S OBLIGATIONS.** Should the Company fail to make any payment or to do any act as herein provided, the Lessor may, but need not, without notice to or demand on the Company and without releasing the Company from any obligation herein, make or do the same, including, without limitation, appearing in and defending any action purporting to affect the rights or powers of the Company or the Lessor, and paying all expenses, including, without limitation, reasonable

attorneys' fees; and the Company shall pay immediately upon demand all sums so expended by the Lessor under the authority hereof, together with interest thereon at the rate of two percent (2%) per month or the maximum permitted by law, whichever is less.

**SECTION 8.10. DEPRECIATION DEDUCTIONS AND TAX CREDITS.** The parties agree that as between them the Company shall be entitled to all depreciation deductions and accelerated cost recovery system deductions with respect to any portion of the Project Facility pursuant to Sections 167 and 168 of the Internal Revenue Code of 1986, as amended (the "Code"), and to any investment credit pursuant to Section 38 of the Code with respect to any portion of the Project Facility which constitutes "Section 38 Property" and to all other state and/or federal income tax deductions and credits which may be available with respect to the Project Facility.

**SECTION 8.11. ENVIRONMENTAL WARRANTIES AND COVENANTS.** (A) Warranties. The Company makes the following representations and warranties relating to the Project Facility to the best of its knowledge: (i) the Company (or the present owner of the Project Facility, if different) is in compliance in all respects with all applicable federal, state and local laws and regulations, including, without limitation, those relating to toxic and hazardous substances and other environmental matters (the "Laws"), (ii) no portion of the Project Facility is being used or has been used at any previous time, for the disposal, storage, treatment, processing or other handling of any hazardous or toxic substances, in a manner not in compliance with the Laws, (iii) the soil and any surface water and ground water which are a part of the Project Facility are free from any solid wastes, toxic or hazardous substance or contaminant and any discharge of sewage or effluent; and (iv) neither the federal government nor the State Department of Environmental Conservation or any other governmental or quasi-governmental entity has filed a lien on the Project Facility, nor are there any governmental, judicial or administrative actions with respect to environmental matters pending, or threatened in writing, which involve the Project Facility.

(B) Agreement to Comply. If any environmental contamination is found at the Project Facility for which any removal or remedial action is required pursuant to Law, ordinance, order, rule, regulation or governmental action, the Company agrees that it will at its sole cost and expense take such removal or remedial action promptly and to the Lessor's reasonable satisfaction.

(C) Indemnification. The Company agrees to defend, indemnify and hold harmless the Lessor and its employees, agents, officers and directors, from and against any claims, actions, demand, penalties, fines, liabilities, settlements, damages, costs or expenses (including, without limitation, reasonable and actual attorney and consultant fees, investigations and laboratory fees, court costs and litigation expenses) of whatever kind or nature, known or unknown, contingent or otherwise arising out of or in any way related to: (i) the past or present disposal, release or threatened release of any hazardous or toxic substances on the Project Facility; (ii) any personal injury (including wrongful death or property damage, real or personal) arising out of or related to such hazardous or toxic substances; (iii) any lawsuit brought or threatened, settlement reached or government order given relating to such hazardous or toxic substances; and/or (iv) any violation of any Law, order, regulation, requirement, or demand of any government authority, or any policies or requirements of the Lessor, which are based upon or in any way related to such hazardous or toxic substances.

(D) Other Sites. The Company knows of no on-site or off-site locations where hazardous or toxic substances from the operation of the Facility on the Land have been, except in compliance with the Laws, stored, treated, recycled or disposed of.

(E) Leases. The Company agrees not to lease or permit the lease of the Project Facility to a tenant or subtenant whose operations will knowingly result in contamination of the Project Facility with hazardous or toxic substances in violation of any Law.

(F) Non-Operation by the Lessor. The Company acknowledges that the Lessor does not intend to be involved in the operations of the Project Facility.

(G) Compliance Determinations. The Company acknowledges that any determinations made by the Lessor under this Section regarding the compliance with environmental laws shall be made for the Lessor's benefit only and are not intended to be relied upon by any other party.

(H) Survival of Conditions. The provisions of this Section shall be in addition to any other obligations and liabilities the Company may have to the Lessor at common law, and shall survive the transactions contemplated herein.

(I) Definitions. The term "hazardous substance" shall include, without limit, any substance or material defined in 42 U.S.C. Section 9601 (as the same may be amended from time to time), the Hazardous Materials Transportation Act (as amended from time to time), and the New York Environmental Conservation Law or the Resource Conservation and Recovery Act (as each may be amended from time to time) and in any regulations adopted or publications promulgated pursuant to any of the foregoing.

(J) Further Indemnification. The Company further agrees to indemnify and hold the Lessor harmless from and against any loss, liability, damage, cost or expense (including reasonable and actual attorneys' fees) incurred by the Lessor resulting from (i) the Company's failure to comply with any order, decree, settlement, judgment or verdict (whether arising as a result of the manufacture, holding, handling, transportation, spilling, leaking or dumping of toxic or hazardous wastes or waste products prior to, or during, the Company's ownership of the Land), (ii) the Company's failure to comply with any such statute, rule or regulation, or (iii) the Company's failure to conduct an appropriate inquiry into previous uses and ownership of any portion of the Land, as described in the Superfund Amendment and Reauthorization Act of 1986.

## ARTICLE IX

### ASSIGNMENTS; MERGER OF LESSOR

SECTION 9.1. RESTRICTION ON TRANSFER OF LESSOR'S INTEREST HEREUNDER. Except as otherwise specifically provided in this Article IX hereof, neither the Lessor nor the Company shall sell, assign or otherwise dispose of any of their rights under this Lease Agreement, without the prior written consent of the Company or the Lessor, as the case may be.

SECTION 9.2. ASSIGNMENT OF THIS LEASE AGREEMENT. Except for any assignment under any of the Leasing Documents, this Lease Agreement may not be assigned by the Company, in whole or in part, absent the prior written consent of the Lessor (which consent shall not be unreasonably withheld, delayed or conditioned), and provided that in any event:

(a) the assignee shall be qualified to transact business in the State of New York and shall assume the obligations of the Company hereunder to the extent of the interest assigned;



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

(c) the Project Facility shall continue to constitute a “project” as such quoted term is defined in the Act;

In accordance with its policies and procedures, the Lessor reserves the right to receive and review financial information concerning any prospective assignee.

**SECTION 9.3. MERGER OF THE LESSOR.** Nothing contained in this Lease Agreement shall prevent the consolidation of the Lessor with, or merger of the Lessor into, or assignment by the Lessor of its rights and interests hereunder (provided that the Agency’s rights and interests under the Leasing Documents are simultaneously transferred to such Person) to, any other public benefit corporation of the State or political subdivision thereof which has the legal authority to perform the obligations of the Lessor hereunder and the other Leasing Documents, provided that upon any such consolidation, merger or assignment, the due and punctual performance and observance of all of the agreements and conditions of this Lease Agreement and the other Leasing Documents to be kept and performed by the Lessor shall be expressly assumed in writing by the public benefit corporation or political subdivision resulting from such consolidation or surviving such merger or to which the Lessor’s rights and interests hereunder or under this Lease Agreement and the other Leasing Documents shall be assigned.

**SECTION 9.4. SALE OR LEASE OF PROJECT FACILITY.** Except for (i) the leasing of the Facility to the Tenant pursuant to the Facility Lease and (ii) the sale or disposition of worn or obsolete items comprising a portion of the Equipment or the sale of other items in the ordinary course of the Company’s business, the Company may not otherwise sell, lease, transfer, convey or otherwise dispose of the Project Facility or any part thereof without the prior written consent of the Lessor, which consent shall not be unreasonably withheld, conditioned or delayed.

## ARTICLE X

### EVENTS OF DEFAULT AND REMEDIES

**SECTION 10.1. EVENTS OF DEFAULT DEFINED.** The following shall be “Events of Default” under this Lease Agreement, and the terms “Event of Default” or “Default” shall mean, whenever they are used in this Lease Agreement, any one or more of the following events:

(a) A default by the Company in the due and punctual payment of the amounts specified to be paid pursuant to Section 5.4 (B) hereof, and the continuance thereof for a period of thirty (30) days after written notice thereof.

(b) A default in the performance or observance of any other of the covenants, conditions or agreements on the part of the Company in this Lease Agreement and the continuance thereof for a period of thirty (30) days after written notice is given by the Lessor to the Company; provided, however, that if such default cannot reasonably be cured within said thirty (30) day period and the Lessor or the Company shall have commenced action to cure the breach of covenant within said thirty (30) day period, and thereafter diligently and expeditiously proceeds to cure the same, such thirty (30) day period shall be extended for so long as the Lessor or the Company shall require, in the exercise of due diligence, to cure such default, it being agreed that no such extension shall be

for a period in excess of ninety (90) days provided that the Lessor agrees to consider a request from the Company for an additional extension if such cure cannot be accomplished within said ninety (90) period. If any conflict shall exist between the provisions of this Subsection (b) and the immediately following Subsection (c) as to when an Event of Default has occurred, the provisions of such Subsection (c) shall govern.

(c) Any representation or warranty made by the Company herein proves to have been false in any material manner at the time it was made.

(d) The Company shall conceal, remove or permit to be concealed or removed any part of its Property, with intent to hinder, delay or defraud its creditors, or any one of them, or shall make or suffer a transfer of any of its Property which is fraudulent under any bankruptcy, fraudulent conveyance or similar law, or shall make any transfer of its Property to or for the benefit of a creditor at a time when other creditors similarly situated have not been paid, or shall suffer or permit, while insolvent, any creditor to obtain a Lien upon any of its Property through legal proceedings or distraint which is not vacated within thirty (30) days from the date thereof.

(e) (a) The filing by the Company or the Tenant (as debtor) of a voluntary petition under Title 11 of the United States Code or any other federal or state bankruptcy statute, (b) the failure by the Company or the Tenant within one hundred twenty (120) days to lift any execution, garnishment or attachment of such consequence as will impair the Company's or the Tenant's as applicable, ability to carry out its obligations hereunder, (c) the commencement of a case under Title 11 of the United States Code against the Company or the Tenant as the debtor or commencement under any other federal or state bankruptcy statute of a case, action or proceeding against the Company and continuation of such case, action or proceeding without dismissal for a period of one hundred twenty (120) days, (d) the entry of an order for relief by a court of competent jurisdiction under Title 11 of the United States Code or any other federal or state bankruptcy statute with respect to the debts of the Company or the Tenant, or (e) in connection with any insolvency or bankruptcy case, action or proceeding, appointment by final order, judgment or decree of a court of competent jurisdiction of a receiver or trustee of the whole or a substantial portion of the Property of the Company or the Tenant, unless such order, judgment or decree is vacated, dismissed or dissolved within one hundred twenty (120) days of such appointment.

(f) If by order of a court of competent jurisdiction, a trustee, receiver or liquidator of the Company, the Tenant or the Project Facility or any part thereof, shall be appointed and such order shall not be discharged or dismissed within one hundred twenty (120) days after such appointment.

(g) The dissolution of the Company or the Tenant.

(h) The occurrence of an Event of Default under the PILOT Agreement.

(i) The failure by the Company to maintain the insurance required by Section 6.3 (C) hereof.

**SECTION 10.2. REMEDIES ON DEFAULT.** (A) Whenever any Event of Default shall have occurred, the Lessor may, to the extent permitted by law, take any one or more of the following remedial steps:

(1) Declare, by written notice to the Company, (a) all unpaid payments payable pursuant to Section 5.4(B) hereof, and (b) all other payments due under this Lease Agreement.

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

(3) In the event of (i) a default beyond all applicable cure periods by the Company in the payment of any amounts due and owing hereunder and/or under the PILOT Agreement and upon forty-five (45) days' prior written notice to the Company or (ii) the occurrence of an Event of Default described in Section 10.1(e), Section 10.1(f), Section 10.1 (g), or Section 10.1(i) hereof, terminate the Lease Agreement and reconvey the Project Facility to the Company. The Company hereby consents to said reconveyance and appoints the Lessor its attorney-in-fact, which appointment is coupled with an interest and is irrevocable, to execute any and all instruments and documents in its name as may be necessary, in the sole discretion of the Lessor, to effectuate such transfer.

SECTION 10.3. REMEDIES CUMULATIVE. No remedy herein conferred upon or reserved to the Lessor is intended to be exclusive of any other available remedy, but each and every such remedy shall be cumulative and in addition to every other remedy given under this Lease Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Lessor to exercise any remedy reserved to it in this Article X, it shall not be necessary to give any notice, other than such notice as may be herein expressly required.

SECTION 10.4. AGREEMENT TO PAY ATTORNEYS' FEES AND EXPENSES. In the event the Company should default under any of the provisions of this Lease Agreement and the Lessor should reasonably attorneys or incur other expenses for the collection of amounts payable hereunder or the enforcement of performance or observance of any obligations or agreements on the part of the Company herein contained, the Company shall, on demand therefor, pay to the Lessor the reasonable and actual fees of such attorneys and such other expenses so incurred, whether an action is commenced or not.

SECTION 10.5. NO ADDITIONAL WAIVER IMPLIED BY ONE WAIVER. In the event any agreement contained herein should be breached by either party and thereafter such breach be waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

## ARTICLE XI

### EARLY TERMINATION OF LEASE AGREEMENT

SECTION 11.1 OPTION TO TERMINATE LEASE AGREEMENT. The Company shall have, if there exists no Event of Default hereunder with respect to any amounts due and owing to the Lessor hereunder or under the other Leasing Documents, the option to cancel or terminate this Lease Agreement, subject to the survival of those obligations of the Company which are intended to survive the term of this Lease Agreement, upon payment of all payments currently due and owing pursuant to Section 5.4 hereof for which a written payment request with respect to has been provided to the Company by the Lessor, and by giving the Lessor notice in writing of such termination and thereupon such termination shall forthwith become effective.

SECTION 11.2. OBLIGATION TO SELL AND PURCHASE THE PROJECT FACILITY. Upon termination of this Lease Agreement in accordance with Section 5.2 or 11.1 hereof or expiration of this lease

Agreement in accordance with Section 5.2 hereof, the Lessor shall be obligated to sell to the Company, and the Company shall be obligated to purchase the Project Facility from the Lessor for the purchase price of One Dollar (\$1.00) plus payment of all sums due and payable to the Lessor hereunder.

SECTION 11.3. CONVEYANCE OF PROJECT FACILITY UPON PURCHASE. (A) At the closing of any purchase of the Project Facility pursuant to Section 11.2 hereof, the Project Facility shall be conveyed from the Lessor to the Company subject to Permitted Encumbrances. The Company agrees to prepare a termination of this Lease Agreement together with all gains tax affidavits, equalization and assessment forms and other necessary documentation and to forward same to the Lessor at least fifteen (15) days prior to the date that the Project Facility is to be conveyed to the Company. The Company will pay all expenses and taxes, if any, applicable to or arising from such transfers of title.

(B) The sale and conveyance of the Lessor's right, title and interest, if any, in and to the Land and the Facility shall be effected by the execution, delivery and recording by the Lessor of a termination of this Lease Agreement and a Bill of Sale to Company (in substantially the form attached hereto as Exhibit "C" and by this reference made a part hereof).

(C) The Company hereby agrees to pay all expenses, filing and recording fees and taxes, if any, and the reasonable and actual attorneys' fees of the Lessor applicable to or arising from the transfers contemplated by this Section 11.3.

## ARTICLE XII

### MISCELLANEOUS

SECTION 12.1. SUBORDINATION TO MORTGAGE . This Lease Agreement and all rights of the Company and the Lessor hereunder are and shall be subordinate to the Lien of the Mortgage on the Project Facility. The subordination of this Lease Agreement to the Mortgage shall be automatic, without the execution of any further subordination agreement by the Company or the Lessor. Nonetheless, if the Lender requires a further written subordination agreement, the Company and the Lessor agree to execute, acknowledge and deliver the same.

SECTION 12.2. NOTICES. All notices, certificates and other communications hereunder shall be in writing and shall be sufficiently given and shall be deemed given when (A) sent to the applicable address stated below by registered or certified mail, return receipt requested, or by such other means (including overnight delivery) as shall provide the sender with documentary evidence of such delivery, or (B) delivery is refused by the addressee, as evidenced by the affidavit of the person who attempted to effect such delivery. The addresses to which notices, certificates and other communications hereunder shall be delivered are as follows:

IF TO THE COMPANY:

Munter Land Holdings, LLC  
881 Murray Road  
Middle Grove, New York 12850  
Attention: John Munter, Member

IF TO THE LESSOR

County of Saratoga Industrial Development Agency  
Saratoga County Municipal Center  
50 West High Street  
Ballston Spa, New York 12020  
Attention: Executive Director

WITH A COPY TO:

Lemery Greisler LLC  
60 Railroad Place, Suite 502  
Saratoga Springs, New York 12866  
Attention: James A. Carminucci, Esq.

IF TO THE LENDER:

The Adirondack Trust Company  
473 Broadway  
Saratoga Springs, New York 12866

The Lessor and the Company and the Lender may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates and other communications shall be sent.

SECTION 12.3. BINDING EFFECT. This Lease Agreement shall inure to the benefit of the Lessor and the Company, and shall be binding upon the Lessor, the Company and, their respective successors and assigns permitted hereunder, provided, however that except as provided elsewhere herein or in the other Leasing Documents, the interest of the Lessor in this Lease Agreement may not be mortgaged, encumbered, sold, assigned, transferred, conveyed, pledged, sublet or subjected to any lien or otherwise transferred without the prior written consent of the Company.

SECTION 12.4. SEVERABILITY. If any one or more of the covenants or agreements provided herein on the part of the Lessor or the Company to be performed shall, for any reason, be held or shall, in fact, be inoperative, unenforceable or contrary to law in any particular case, such circumstance shall not render the provision in question inoperative or unenforceable in any other case or circumstance. Further, if any one or more of the phrases, sentences, clauses, paragraphs or sections herein shall be contrary to law, then such covenant or covenants or agreement or agreements shall be deemed separable from the remaining covenants and agreements hereof and shall in no way affect the validity of the other provisions of this Lease Agreement.

SECTION 12.5. AMENDMENTS, CHANGES AND MODIFICATIONS. This Lease Agreement may not be amended, changed, modified, altered or terminated, except by an instrument in writing signed by the parties hereto.

SECTION 12.6. EXECUTION OF COUNTERPARTS. This Lease Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 12.7. APPLICABLE LAW. This Lease Agreement shall be governed exclusively by the applicable laws of the State.

SECTION 12.8. SURVIVAL OF OBLIGATIONS. (A) The obligations of the Company to make the payments required by Section 5.4(B) hereof and to provide the indemnity required by Section 8.2 hereof shall survive the termination of this Lease Agreement, and all such payments after such termination shall be made upon demand of the party to whom such payment is due.

(B) The obligations of the Company with respect to the Unassigned Rights shall survive the termination of this Lease Agreement until the expiration of the period stated in the applicable statute of limitations during which a claim, cause of action or prosecution relating to the Unassigned Rights may be brought and the payment in full or the satisfaction of such claim, cause of action or prosecution and the payment of all expenses and charges incurred by the Lessor, or its officers, members, agents or employees, relating thereto.

SECTION 12.9. TABLE OF CONTENTS AND SECTION HEADINGS NOT CONTROLLING. The table of contents and the headings of the several sections in this Lease Agreement have been prepared for convenience of reference only and shall not control, affect the meaning of or be taken as an interpretation of any provision of this Lease Agreement.

SECTION 12.10. NO RECOURSE; SPECIAL OBLIGATION. The obligations and agreements of the Lessor contained herein and in the other Leasing Documents and any other instruments or documents executed in connection therewith or herewith, and any other instrument or document supplemental thereto or hereto, shall be deemed the obligations and agreements of the Lessor, and not of any member, officer, agent (other than the Company) or employee of the Lessor in his or her individual capacity, and the members, officers, agents (other than the Company) and employees of the Lessor shall not be liable personally hereon or thereon or be subject to any personal liability or accountability based upon or in respect hereof or thereof or of any transaction contemplated hereby or thereby. The obligations and agreements of the Lessor contained herein and therein shall not constitute or give rise to an obligation of the State of New York or the County of Saratoga, New York, and neither the State of New York nor the County of Saratoga, New York shall be liable hereon or thereon, and, further, such obligations and agreements shall not constitute or give rise to a general obligation of the Lessor, but rather shall constitute limited, special obligations of the Lessor payable solely from the revenues of the Lessor derived and to be derived from the sale or other disposition of the Project Facility (except for revenues derived by the Lessor with respect to the Unassigned Rights). No order or decree of specific performance with respect to any of the obligations of the Lessor hereunder shall be sought or enforced against the Lessor unless (A) the party seeking such order or decree shall first have requested the Lessor 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 Lessor 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, (B) if the Lessor refuses to comply with such request and the Lessor's refusal to comply is based on its reasonable expectation that it will incur fees and expenses, the party seeking such order or decree shall have placed in an account with the Lessor an amount or undertaking sufficient to cover such reasonable fees and expenses, and (C) if the Lessor refuses to comply with such request and the Lessor's refusal to comply is based on its reasonable expectation that it or any of its members, officers, agents (other than the Company) or employees shall be subject to potential liability, the party seeking such order or decree shall (1) agree to indemnify, hold harmless and defend the Lessor and its members, officers, agents (other than the Company) and employees against any liability incurred as a result of its compliance with such demand, and (2) if requested by the Lessor, furnish to the Lessor satisfactory security

to protect the Lessor and its members, officers, agents (other than the Company) and employees against all liability expected to be incurred as a result of compliance with such request. Any failure to provide the indemnity required in this Section 12.10 shall not affect the full force and effect of an Event of Default under any of the Leasing Documents.

SECTION 12.11. SUBMISSION TO JURISDICTION. The Company hereby irrevocably and unconditionally agrees that any suit, action or proceeding arising out of or relating to this Lease Agreement shall be brought in the state courts of the State of New York or federal district court for the Northern District of New York and waives any right to object to jurisdiction within either of the foregoing forums by the Lessor. Nothing contained herein shall prevent the Lessor from bringing any suit, action or proceeding or exercising any rights against any security and against the Company personally, and against any property of the Company, within any other jurisdiction and the initiation of such suit, action or proceeding or taking of such action in any such other jurisdiction shall in no event constitute a waiver of the agreements contained herein with respect to the laws of the State of New York governing the rights and obligations of the parties hereto or the agreement of the Company to submit to personal jurisdiction within the State of New York.

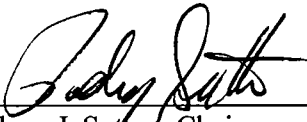
SECTION 12.12. RECORDING. The Lessor and the Company agree that this Lease Agreement shall be recorded in the office of the Clerk of Saratoga County, New York by the Lessor at the expense of the Company.

SECTION 12.13. JOINT AND SEVERAL LIABILITY. In the event that this Lease Agreement is executed by more than one lessee, the liability of such parties is joint and several. A separate action or actions may be brought and prosecuted against each lessee, whether or not action is brought against any other person or whether or not any other person is joined in such action or actions.

SECTION 12.14 COOPERATION CONCERNING SUBDIVISION. In the event the Company elects to subdivide the Land the Agency agrees to cooperate with the Company with respect thereto including entering into necessary modifications to the Leasing Documents, all at no cost or expense to the Agency.

IN WITNESS WHEREOF, the Lessor and the Company have caused this Lease Agreement to be executed in their respective names by their respective Authorized Representatives, all as of the day and year first above written.

COUNTY OF SARATOGA INDUSTRIAL DEVELOPMENT AGENCY

By:   
Rodney J. Sutton, Chairman

~~MUNTER LAND HOLDINGS, LLC~~  
By: ~~John Munter~~  
~~John Munter, Member~~

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

On this 12th day of December, 2023, before me, the undersigned, a Notary Public in and for said State, personally appeared **Rodney J. Sutton**, 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 on behalf of which the individual acted, executed the instrument.

~~JAMES A. CARMINUCCI~~  
NOTARY PUBLIC STATE OF NEW YORK  
REG. NO. 02CA4864025  
QUALIFIED IN SARATOGA COUNTY  
COMMISSION EXPIRES JUN 9, 2026

STATE OF NEW YORK     )  
  )SS.:  
COUNTY OF \_\_\_\_\_    )

On this \_\_\_\_ day of December, 2023, before me, the undersigned, a Notary Public in and for said State, personally appeared **John Munter**, 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 on behalf of which the individual acted, executed the instrument.

\_\_\_\_\_  
Notary Public



IN WITNESS WHEREOF, the Lessor and the Company have caused this Lease Agreement to be executed in their respective names by their respective Authorized Representatives, all as of the day and year first above written.

COUNTY OF SARATOGA INDUSTRIAL  
DEVELOPMENT AGENCY

By: \_\_\_\_\_  
Rodney J. Sutton, Chairman

MUNTER LAND HOLDINGS, LLC

By: Red Barn 1933, LLC, its Sole Member

By:  \_\_\_\_\_  
Michael Munter, Member

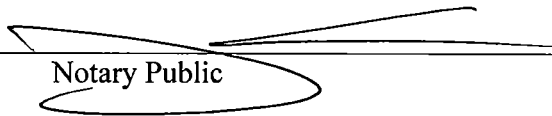
STATE OF NEW YORK     )  
  )SS.:  
COUNTY OF SARATOGA    )

On this 12th day of December, 2023, before me, the undersigned, a Notary Public in and for said State, personally appeared **Rodney J. Sutton**, 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 on behalf of which the individual acted, executed the instrument.

\_\_\_\_\_  
JAMES A. CARMINUCCI  
NOTARY PUBLIC STATE OF NEW YORK  
REG. NO. 02CA4864025  
QUALIFIED IN SARATOGA COUNTY  
COMMISSION EXPIRES JUN 9, 2026

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

On this 21st day of December, 2023, before me, the undersigned, a Notary Public in and for said State, personally appeared **Michael Munter**, 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 on behalf of which the individual acted, executed the instrument.

\_\_\_\_\_  
  
Notary Public

JAMES A. CARMINUCCI  
Notary Public, State of New York  
Reg. No. 4864025-Saratoga County  
Commission Expires 6/9/2026

## EXHIBIT "A"

### DESCRIPTION OF THE LAND

All that certain tract, piece or parcel of land situate in the City of Saratoga Springs, County of Saratoga, State of New York lying along the southerly and westerly lines of Duplainville Road, being a portion of Lot 3B as shown on a map entitled, "Subdivision Of Lot 3B W. J. Grande Industrial Park Subdivision" dated July 8, 2014 prepared by Gilbert VanGuilder Land Surveyor, PLLC and filed in the Saratoga County Clerk's Office as Map M2015010, being further bounded and described as follows:

Beginning at the point of intersection of the common division line between Lot 3B to the West and Lot 5A to the East with the southerly line of Duplainville Road, all as shown on said filed map, thence from said point of beginning along said common division line, and through said Lot 3B the following four (4) courses: 1.) South 15° 04' 30" East, 45.00 feet to a point, thence 2.) South 20° 29' 40" West, 185.42 feet to a point, thence 3.) South 15° 04' 30" East, 469.16 feet to a point, thence 4.) North 74° 55' 30" East, 360.00 feet to a point in the westerly line of Freedom Way, 60' Wide Ingress/Egress Easement, thence along said westerly line, and thence continuing through aforesaid Lot 3B the following two (2) courses: 1.) South 15° 04' 30" East, 498.73 feet to a point, thence 2.) North 74° 55' 30" East, 480.00 feet to a point in the westerly line of lands of Quad/Graphics, Inc. as described in Instrument Number 2010023058, thence along said westerly line, South 15° 04' 30" East, 475.87 feet to a point in the northerly line of Adams Road, thence along said northerly line the following eight (8) courses: 1.) along a curve to the left having a radius of 4,305.00 feet, an arc length of 39.80 feet, and a chord of South 74° 18' 50" West, 39.80 feet to a point, thence 2.) South 74° 03' 00" West, 275.55 feet to a point of curvature, thence 3.) along a curve to the right having a radius of 416.00 feet, an arc length of 147.04 feet, and a chord of South 84° 10' 30" West, 146.28 feet to a point, thence 4.) North 85° 42' 00" West, 301.35 feet to a point of curvature, thence 5.) along a curve to the left having a radius of 1,396.00 feet, an arc length of 229.62 feet, and a chord of South 89° 35' 20" West, 229.36 feet to a point, thence 6.) South 84° 52' 40" West, 108.13 feet to a point of curvature, thence 7.) along a curve to the right having a radius of 700.00 feet, an arc length of 268.42 feet, and a chord of North 84° 08' 20" West, 266.78 feet to a point of reverse curvature, thence 8.) along a curve to the left having a radius of 1,399.00 feet, an arc length of 185.88 feet, and a chord of North 76° 57' 30" West, 185.74 feet to the point of intersection of said northerly line with the easterly line of lands of Cerone as described in Book 1622 of Deeds at Page 369, thence along said easterly line, and the easterly line of lands of Bokan as described in Book 1533 of Deeds at Page 169 the following two (2) courses: 1.) North 16° 18' 50" West, 330.42 feet to a point, thence 2.) North 16° 43' 50" West, 961.20 feet to a point in the southerly line of Lot 2 as shown on said filed map, thence along said southerly line, North 74° 55' 30" East, 728.12 feet to a point in the westerly line of aforesaid Duplainville Road, thence along the westerly and southerly lines of said Duplainville Road the following two (2) courses: 1.) South 15° 04' 30" East, 30.00 feet to a point, thence 2.) North 74° 55' 30" East, 60.00 feet to the point of beginning.

FOR INFORMATION ONLY, NOT INSURED: Containing 34.58± acres of land.

## EXHIBIT "B"

### DESCRIPTION OF EQUIPMENT

All articles of personal property currently owned by the Company and purchased by the Company in its capacity as agent of the Lessor, or through any sub-agent of the Agency appointed by the Company, and its subcontractors and vendors, incorporated into the 50,000 square foot manufacturing facility located on Freedom Way in the City of Saratoga Springs, County of Saratoga, New York or used in connection with the constructing or equipping of said facility, all of which articles of personal property are exempt from sales or use tax imposed by the State of New York or any governmental instrumentality located within the State of New York by virtue of the Agency's status as a public benefit corporation.

EXHIBIT "C"

FORM OF BILL OF SALE TO THE COMPANY

COUNTY OF SARATOGA INDUSTRIAL DEVELOPMENT AGENCY, a public benefit corporation of the State of New York (the "State") having its office at Saratoga County Municipal Center, 50 West High Street, Ballston Spa, New York 12020 (the "Grantor"), for the consideration of One Dollar (\$1.00), cash in hand paid, and other good and valuable consideration received by the Grantor MUNTER LAND HOLDINGS, LLC, a limited liability company organized and existing under the laws of the State of New York and having an address of 881 Murray Road, Middle Grove, New York 12850 (the "Grantee"), the receipt of which is hereby acknowledged by the Grantor, hereby sells, transfers and delivers unto the Grantee, and its successors and assigns, all those materials, machinery, equipment, fixtures or furnishings which are described in Schedule "A" attached hereto and by this reference made a part hereof, now owned or hereafter acquired by the Grantor, and such additions thereto and substitutions therefor as may be made from time to time.

TO HAVE AND TO HOLD the same unto the Grantee, and its successors and assigns, forever.

THE GRANTOR MAKES NO WARRANTY, EITHER EXPRESS OR IMPLIED, AS TO THE CONDITION, TITLE, DESIGN, OPERATION, MERCHANTABILITY OR FITNESS OF ANY OF THE EQUIPMENT DESCRIBED ABOVE. THE GRANTEE ACCEPTS TITLE TO SUCH EQUIPMENT "AS IS", WITHOUT RECOURSE AGAINST THE GRANTOR FOR ANY CONDITION NOW OR HEREAFTER EXISTING. IN THE EVENT OF A DEFICIENCY OR DEFAULT OF ANY NATURE, WHETHER PATENT OR LATENT, THE GRANTOR SHALL HAVE NO RESPONSIBILITY OR LIABILITY WHATSOEVER WITH RESPECT THERETO.

IN WITNESS WHEREOF, the Grantor has caused this bill of sale to be executed in its name by its duly authorized officer on the date indicated beneath the signature of such officer and dated as of the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

COUNTY OF SARATOGA INDUSTRIAL  
DEVELOPMENT AGENCY

By: \_\_\_\_\_  
\_\_\_\_\_

SCHEDULE "A"

DESCRIPTION OF EQUIPMENT

All articles of personal property owned by the Grantor and previously conveyed to the Grantor by the Grantee pursuant to the terms of that certain bill of sale dated December 21, 2023 from the Grantee in favor of the Grantor.