

If to Tenant:

Orange County Bagel Baker II LLC
24 Dora Drive
Monticello, New York 12701
Attn: Robert Kunis

With a copy to:

Garigliano Law Offices, LLP
449 Broadway, P.O. Drawer 1069
Monticello, New York 12701
Attn: Barbara A. Garigliano, Esq.

35. HVAC: The Tenant shall be responsible for the electric, heating and air conditioning system in the Building and Tenant shall maintain same at its sole cost and expense.
36. NO PERSONAL LIABILITY FOR PRINCIPALS OF LANDLORD: Tenant shall look solely to the then interest of Landlord in the Premises herein including all rents and profits therefrom, for the satisfaction of any remedy of Tenant for failure to perform any of Landlord's obligations hereunder. Neither Landlord nor any disclosed or undisclosed principal of Landlord (or officer, director, stockholder, partner, member or agent of Landlord or of any such principal) shall have any personal liability for any such failure under this Lease or otherwise.
37. ESTOPPEL CERTIFICATES: Tenant shall from time to time, upon request by Landlord, promptly execute and acknowledge a written instrument in form satisfactory to Landlord and Tenant certifying to any person specified by Landlord as to the validity and force and effect of this Lease as then constituted, as to the existence of any default on the part of any party hereunder, as to the dates to which and the amounts in which the Basic Rent, additional Rent and other charges hereunder have been paid, as to the existence of an counterclaims, offsets or defenses hereunder on Tenant's part and as to other matters reasonably requested by Landlord. Tenant shall from time to time, upon request by Landlord, promptly execute and acknowledge a memorandum hereof in a form reasonably requested.
38. OPTION TO RENEW: Subject to the conditions listed below, Tenant is granted the option to renew this Lease for two (2) five-year renewal terms (each a "Renewal Term"). Tenant may exercise a Renewal Term if and only if:
- A. Tenant notifies Landlord in writing, no earlier than eight (8) months and not less than six (6) months prior to the expiration of each Term;

- B. Tenant is not then in default and has timely performed all of its obligations under this Lease, this Lease is in full force and effect, and Tenant is in possession of the Premises.

All of the provision of this Lease shall remain in full force and effect during each Renewal Term, including that Basic Rent shall continue to increase 3% above the prior year's Basic Rent.

39. REALTORS FEE: The parties agree that this Lease was brought about through the efforts of John Olivero, Licensed Real Estate Broker, and further the Tenant shall pay said John Olivero the sum of \$2,000.00 as his commission for said services upon the execution of this Lease by the parties.
40. MECHANICS' LIENS: In the event that any mechanic's lien is filed against the Premises as a result of alterations, additions or improvements made by the Tenant, Tenant shall, within ten (10) days after receiving notice from Landlord, remove said lien or post any bond which may be required, which bond shall be with adequate surety. In the event that Tenant fails to file a bond as set forth above Landlord may, at its option, declare Tenant in default under this Lease in accordance with the provisions hereof and may pay said lien without inquiring into the validity thereof, and Tenant shall forthwith reimburse Landlord for the total expense incurred by Landlord in discharging such lien including reasonable attorneys fees and interest, as additional Rent.
41. QUIET POSSESSION: Tenant, upon paying all Rent and performing all other obligations of Tenant required under this Lease, shall have, hold and enjoy quiet possession of the Premises, subject to the terms of this Lease.
42. RECORDING OF LEASE: Tenant shall NOT record this Lease or a memorandum hereof.
43. RULES AND REGULATIONS: For the proper operation of the building and the Premises, Landlord, from time to time, may establish, and shall promulgate reasonable rules and regulations for the common areas with which the Tenant shall comply.
44. SUCCESSORS AND ASSIGNS: The provisions of this Lease shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. "Landlord" and "Tenant", when used in this Lease, shall be deemed to refer to the holders from time to time of the interests of the lessor and lessee under this Lease without releasing previous holders of the Tenant's interest from financial liability resulting from execution of this Lease or the subsequent assumption of the Tenant's obligations hereunder. Subject to the terms and provisions of Section 13 herein, any person occupying all or any portion of the Premises as a result of an assignment or transfer without Landlord's consent shall be bound by all the obligations of Tenant but shall not be entitled to any benefit of Tenant hereunder.

45. **HOLDING OVER BY TENANT:** In the event Tenant shall remain in the Premises after expiration of the Term without having executed a new written lease with Landlord, such holding over shall not constitute a renewal or extension of this Lease, except as to the duration thereof (which shall be on a month to month basis, terminable upon thirty (30) days notice), and in that event, the Tenant shall pay Basic Rent in advance at one hundred fifty (150%) percent of the rate provided herein as effective during the last month of the Term for the balance of the holdover period, together with applicable additional rent.
46. **TRIPLE NET LEASE:** This Lease is a triple net lease and except as is expressly set forth herein, this Lease shall yield to Landlord, triple net, the Rent during the Term and any extensions thereof.
47. **ACCORD AND SATISFACTION:** No payment by Tenant or receipt by Landlord of a lesser amount than the Rent stipulated in this Lease shall be deemed to be other than on account of the earliest stipulated Rent, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as Rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such Rent or pursue any other remedy provided in this Lease by law.
48. **NEGOTIATED AGREEMENT:** This is a negotiated Lease, and this Lease shall not be construed against Landlord because this Lease was prepared by Landlord and/or its attorneys.
49. **GOVERNMENT REGULATIONS:**
- A. Subject to the qualification set forth in Section 29 hereof, Tenant shall, at Tenant's sole cost and expense, without notice or demand from Landlord, comply with all the requirements of all county, municipal, state, federal and other applicable governmental authorities, now in force, or which may hereafter be in force, pertaining to Tenant's occupancy of the said Premises including but not limited to, all environmental laws orders, and regulations, and shall faithfully observe in the use of the Premises all governmental requirements now in force or which may hereafter be in force.
 - B. Tenant, its employees, agents, contractors, invitees or representatives shall not process, store, handle, generate, manufacture, bury or treat any Hazardous Materials (as hereinafter defined), except in connection with standard ordinary cleaning and office supplies and as customary in the industry, all of which shall be stored in accordance with applicable law, at the Premises, or permit to be processed, stored, handled, generated, manufactured, buried or treated any Hazardous Materials at the Premises. Tenant shall not (either with or without negligence) cause or permit the escape, disposal, discharge or release of any Hazardous Material. "Hazardous Material" means any hazardous wastes or hazardous substances as defined in any Environmental Law (as hereinafter defined) including, without limitation, any asbestos, PC, toxic, noxious or radioactive substance, methane, volatile hydrocarbons,

industrial solvents or any other material or substance which could cause or constitute a health, safety or other environmental hazard to any person or property. "Environmental Law" means any applicable federal, state or local environmental and cleanup statutes, laws, rules or regulations, ordinances, orders, decrees and interpretations now or hereafter in effect (including, without limitation (1) the comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Sec. 9601 et seq.), as amended by Superfund Amendments and Reauthorization Act; (2) the Toxic Substances Control Act 9, 15 USC Sec. 2601 et seq.); (3) the Resource Conservation and Recover Act 942 US Sec.6901, et seq.); (4) the Clear Air Act (42 USC Sec. 7401 et. seq.); and (5) the Federal Water Pollution Control Act (33 USC Sec 1251 et seq.) which are applicable to the Premises.

- C. Except as stated in subparagraph (B) next preceding, Tenant hereby covenants with Landlord that Tenant's operation does not and will not include the generation, storage, discharge, release, disposal, handling, treatment or manufacturing of any Hazardous Material. Should the agreements of the preceding sentence be breached, Landlord may, after reasonable notice and opportunity to cure, declare this Lease to be in default and, in addition to all other remedies available to Landlord as set forth herein, Landlord may require Tenant to immediately remove all Hazardous Material at Tenant's sole cost and expense or Landlord may do same at Tenant's sole cost and expense, performing all engineering or other tests required to assure Landlord and all interested governmental agencies that the Premises have been restored to a safe condition.
- D. Tenant shall indemnify Landlord, save harmless Landlord from all fines, suits, procedures, claims, actions and costs including reasonable attorneys' fees, of any kind arising out of or in any way connected with any spills or discharges of hazardous substances or wastes caused by or attributable to Tenant at the Premises which occur during the Term of this Lease; and from all fines, suits, procedures, claims and action of any kind arising out of Tenant's failure to provide all information, make all submissions and take all actions legally required by any State, Federal, County, Municipal or other governmental authority. Tenant's obligations under this Section shall continue so long as Landlord remains responsible for any spills or discharges of hazardous substances or wastes at the Premises which occur during the Term of this Lease.

Landlord shall indemnify and save harmless Tenant from all fines suits, procedures, claims, actions and costs, including reasonable attorneys' fees of any kind arising out of or in any way connected with any spills or discharges of hazardous substances or wastes caused by or attributable to Landlord at the Premises or in the common areas or which occurred prior to the Term of this Lease; and from all fines, suits, procedures, claims and action of any kind arising out of Landlord's failure to provide all information, make all submissions and take all actions legally required by any State, Federal, County, Municipal or other governmental authority. Landlord's obligations under this Section shall continue so long as Landlord remains responsible

for any spills or discharges of hazardous substances or wastes at the Premises which occurred prior to the Term of this Lease.

- E. During the Term of this Lease, Tenant shall not permit any hazardous substances and wastes defined under any federal or state environmental law, except as may be used by Tenant in the ordinary course of business, and stored and used in accordance with all applicable law, on the Premises without the prior written consent of Landlord. If Landlord gives his consent, Tenant shall at all times handle such substances and waste in such a fashion as to avoid any discharge of hazardous substances or wastes on the site of the Premises.
 - F. Notwithstanding the foregoing, in the event that Tenant's compliance hereunder shall extend beyond the time which this Lease is otherwise set to expire or beyond the time which this Lease is for any reason terminated, Tenant shall be deemed to be a holdover Tenant (except that the Basic Rent shall remain the same as the Basic Rent for the last month of the Term of the original or extended Lease as applicable) for so long as it shall take for Tenant to satisfactorily discharge its obligations under this Section 48.
 - G. The provisions of this Section 48 shall survive the expiration or termination for any reason of this Lease.
50. FAILURE TO CONSENT: No consent or waiver, express or implied, by the Landlord or Tenant, to or of any breach or default in performance by the Landlord or Tenant of Landlord's or Tenant's obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance by the Landlord or Tenant of the same or any other obligations of the Landlord or Tenant hereunder. Failure on the part of Landlord or Tenant to complain of any act or failure to act of the Landlord or Tenant or to declare the Landlord or Tenant in default, irrespective of how long such act or failure continues, shall not constitute a waiver by the Landlord or Tenant of its rights hereunder.
51. LANDLORD'S WORK: Prior to the Commencement Date, Landlord shall complete the following work at the Premises:
- a. Rough plumbing services including sanitary and domestic water into the building;
 - b. New electrical service and main panel into the building;
 - c. HVAC for the building, duct work to be similar to what is used in the adjoining building operated by Beerworld, Inc.
 - d. Exterior finishes glazing and doorways
 - e. Complete all site improvements and landscaping in accordance with the approved site plans which is attached hereto as Schedule A.
 - f. Provide all outside lighting
 - g. Provide final concrete floor to trowel finish after all interior plumbing and electric is complete.

- h. All interior finishes including plumbing fixtures.

52. TENANT'S CONSTRUCTION, INSTALLATIONS AND ALTERATIONS:

- A. All work or equipment at the Premises shall be performed by Tenant at its own cost and expense and Tenant shall, without limitation, fully equip the Premises with all trade equipment, furniture, operating equipment, furnishings, fixtures and exterior signs and any other equipment necessary for the proper operation of Tenant's business.
- B. Tenant may not perform any major repairs, renovations, remodeling or alterations to the Premises without first having received the Landlord's written consent thereto. Tenant shall, before performing any major repairs, renovations, remodeling or alterations to the Premises, submit complete architectural and engineering plans and specifications of the building, prepared by architects and engineers previously approved in writing by Landlord describing all of the major repairs, renovations, remodeling or alterations which Tenant proposes. Upon approval by Landlord of Tenant's final plans and specifications therefore, Tenant shall employ a contractor and sub-contractors, approved in writing by Landlord, to perform the repairs, renovations, remodeling or alterations in accordance with the said approved plans and specifications and in accordance with the other terms and provisions of this Lease.

53. WAIVER OF TRIAL BY JURY: THE PARTIES HEREBY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THE PARTIES HERETO AGAINST THE OTHER ON ANY MATTERS WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS LEASE, THE RELATIONSHIP OF LANDLORD AND TENANT, TENANT'S USE OR OCCUPANCY OF THE PREMISES, AND/OR ANY CLAIM OF INJURY OR DAMAGE. IN THE EVENT LANDLORD COMMENCES ANY PROCEEDINGS FOR DISPOSSESS OR POSSESSION OF THE PREMISES OR FOR NON-PAYMENT OF BASIC RENT, OR ADDITIONAL RENT OR ANY OTHER SUM DUE FROM TENANT HEREUNDER, TENANT WILL NOT INTERPOSE ANY COUNTERCLAIM OR CROSSCLAIM OF WHATEVER NATURE OR DESCRIPTION IN ANY SUCH PROCEEDINGS, UNLESS REQUIRED TO DO SO UNDER ANY COMPULSORY COUNTERCLAIM STATUTE OR RULE. THIS SHALL NOT, HOWEVER, BE CONSTRUED AS A WAIVER OF TENANT'S RIGHT TO ASSERT SUCH CLAIMS IN ANY SEPARATE ACTION BROUGHT BY TENANT, HOWEVER, TENANT SHALL NOT MOVE TO CONSOLIDATE ANY SUCH ACTION WITH ANY ACTION BROUGHT BY LANDLORD AGAINST TENANT FOR DISPOSSESS OR POSSESSION OF THE PREMISES OR FOR NON-PAYMENT OF RENT.

54. NO WAIVER: The rights and remedies given to Landlord in this Lease are distinct, separate and cumulative remedies, and the exercise of any of them shall not be deemed to exclude Landlord's right to exercise any or all of the others. The waiver by Landlord or Tenant of any breach or of the strict and/or prompt performance of any term, covenant or condition herein contained, shall not be deemed to be a waiver of any subsequent breach

of the same or any other term, covenant or condition herein contained or of Landlord's right to strictly enforce same in the future. The subsequent acceptance of Rent hereunder by Landlord shall not be deemed to be a waiver of any preceding breach by Tenant of any terms, covenants or conditions of this Lease regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such Rent. No covenant, term or condition of this Lease shall be deemed to have been waived by Landlord unless such waiver be in writing by Landlord. No waiver by Landlord in respect to other tenants shall be deemed to constitute a waiver in favor of Tenant.

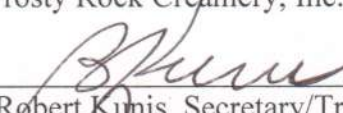
55. MERGER: Tenant expressly waives any right of defense which it may have to claim a merger and neither the commencement of any action or proceedings nor the settlement thereof or entering of judgment therein shall bar Landlord from bringing subsequent actions or proceedings from time to time.
56. PARTIAL INVALIDITY: If any provision of this Lease or the application thereof to any person or circumstance shall to any extent be invalid, the remainder of this Lease or the application of such provision to persons or circumstances other than those as to which it is held invalid shall not be affected thereby and each provision of this Lease shall be valid and enforced to the fullest extent permitted by law.
57. APPLICABLE LAW: The Lease and the rights and obligations of the parties arising hereunder, shall be construed in accordance with the laws of the State of New York.
58. FORCE MAJEURE: Either party shall be excused for the period of any delay in the performance of any obligations hereunder when prevented from doing so by a cause or causes beyond such party's control which shall include, without limitation, all labor disputes, riots, civil commotion, war, war-like operations, invasion, rebellion, hostilities, military or usurped power, sabotage, governmental regulations or controls, fire or other casualty, inability to obtain any material, services or financing (other than because of Landlord's financial condition) or through actions of God.
59. EXECUTION IN COUNTERPARTS: This Lease may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.
60. ENTIRE AGREEMENT: This instrument constitutes the entire agreement between the parties. No representative or agent of Landlord or Tenant is authorized to make any representations or to alter or modify this Lease or any of the options in this Lease contained or provided for in any way. Any additions, alterations, changes or modifications to or in this agreement or any other agreements hereafter made or conditions created, to be binding upon the parties hereto, must be in writing and signed by the parties. It is agreed that none of the provisions of this Lease, including this provision, can be waived, except by writing duly signed by the parties hereto.

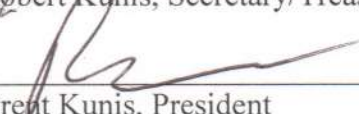
IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the date and year first above written.

LANDLORD:
SKAD Goshen LLC


By: Harshad Patel, Sole Member

TENANT:
Orange County Bagel Bakery II LLC
By Frosty Rock Creamery, Inc. its sole member


By: Robert Kunis, Secretary/Treasurer


By: Brent Kunis, President