

LEASE AGREEMENT

BY AND BETWEEN

SKAD GOSHEN LLC, LANDLORD

AND

ORANGE COUNTY BAGEL BAKERY II LLC, TENANT

151 Greenwich Avenue
Goshen, New York 10924

Dated: December __, 2014

LEASE AGREEMENT

THIS LEASE AGREEMENT ("Lease") is entered into the ____ day of December, 2014, by and between SKAD GOSHEN LLC, a New York limited liability company, having a mailing address of 151 Greenwich Avenue, Goshen, NY 10924 and Orange County Bagel Bakery II LLC, a New York limited liability company, having a mailing address of 24 Dora Drive, Monticello, New York 12701 ("Tenant").

WITNESSETH:

1. PREMISES: The Landlord hereby leases to Tenant a portion of the property known as 151 Greenwich Avenue, Goshen, NY ("Property") consisting of the entire front building of approximately 2,000 square feet of indoor space ("Building"), plus a right of vehicular and pedestrian access to the Building, ("Premises").
2. TERM: The term of this Lease shall be for five (5) years and shall commence on January 5, 2015 ("Commencement Date") and end on January 4, 2020 ("Initial Term"). The Initial Term and the Renewal Term, pursuant to Section 38 hereafter, shall be referred to as the "Term".
3. RENT: The basic rent to be paid during the Term of this Lease ("Basic Rent") shall be \$24,000.00 per annum during the first year, \$25,200.00 per annum during the second year, \$26,400.00 per annum during the third year, \$27,600.00 per annum during the fourth year, and \$28,452.00 per annum during the fifth year with an annual increase of 3% per annum over the prior year's rent for each and every year thereafter in the event this Lease is renewed. Said rent shall be paid in twelve (12) equal monthly installments due and payable on the fifth day of each month. Payment received after the tenth day of the month shall be subject to an additional 5% penalty which shall be considered additional rent.

All payments shall be made at the offices of the Landlord at 151 Greenwich Ave., Goshen, New York, New York or as otherwise directed by the Landlord in writing. Said sums are to be paid in lawful money of the United States, which shall be legal tender in the payment of all debts, public or private, at the time of payment. Additionally, Tenant shall promptly reimburse Landlord for any bad check fee charged to Landlord as a result of Tenant's check, immediately upon demand.

The Basic Rent and additional payments to be made by Tenant under this Lease shall be collectively referred to as "Rent".

4. SECURITY DEPOSIT: Tenant shall deposit Four Thousand and 00/100 (\$4,000.00) Dollars with Landlord as a security deposit ("Security Deposit"). The Security Deposit may be applied by the Landlord in the event the Tenant defaults to make a rental payment as called for hereinabove, but such application shall not excuse the Tenant from the balance of any rental payment due. Landlord may also apply the Security Deposit to

reimburse itself for any cost or expense incurred as a result of the Tenant's failure to maintain, repair or keep the Premises in the condition that is required of Tenant under this Lease. If Landlord applies any part of the Security Deposit to cure any default of Tenant, Tenant, upon demand, shall deposit with Landlord the amount so applied so that Landlord shall have the full deposit on hand at all times during the Term of this Lease and any Renewal Term. Failure of the Tenant to replace the Security Deposit with the Landlord within thirty (30) days after demand shall be considered a breach of this Lease.

If at the end of the Term, repairs are necessary to correct any condition beyond ordinary wear and tear, then said sum, or a portion thereof, may be used by Landlord to make such repairs and the balance shall be returned to Tenant. The Security Deposit or the balance thereof, shall be returned to the Tenant within thirty (30) days after the expiration of this Lease, provided the Tenant has complied with all of the terms and conditions of this Lease required to be performed or complied with by Tenant, the Premises are in good order, repair and condition, "broom clean," except for normal wear and tear and damage by the elements and provided the Rent is paid up to date at the time of the expiration of this Lease.

5. INTENTIONALLY DELETED.

6. USE: The Premises shall be used and occupied only for a retail and wholesale food business. Tenant agrees not to use or permit the Premises to be used for any other purposes without the prior written consent of the Landlord. Tenant shall be prohibited from selling beer, tobacco products and lottery tickets on the demised premises during its tenancy or any extension thereof.

7. GLASS: The Tenant shall be responsible to replace immediately at its own cost and expense any and all broken glass in and about the Premises. Tenant shall maintain, at its expense, and shall keep in full force and effect during the Term an insurance policy insuring for all broken glass at the Premises, under which Tenant is named as the insured and Landlord, and all designees specified by Landlord, are named as additional insureds.

8. SURRENDER OF THE PREMISES: At the expiration date or upon the earlier termination of this Lease in accordance with the terms and provisions hereof, Tenant shall quit and surrender the Premises in "broom clean" condition and in the same condition as the Premises were in upon delivery of possession, reasonable wear and tear, fire and other casualty excepted, and shall surrender all keys for the Premises to the Landlord and shall inform the Landlord of all combinations of locks, safes and vaults, if any, in the Premises. Any alterations, additions, improvements and fixtures and vaults, if any, in the Premises as of the date of execution of this Lease shall remain on the Premises at the termination thereof. Any alterations, additions, improvements and fixtures installed or paid for by the Tenant upon the interior or exterior of the Premises (if approved by Landlord as herein provided) other than moveable trade fixtures and decorations, shall at the expiration date or upon the earlier termination of this Lease in accordance with the terms and provisions hereof, at Landlord's option, become the property of Landlord. If Landlord chooses not to retain such alterations, additions,

improvements and fixtures, then Tenant shall, prior to the expiration date or earlier termination of this Lease, remove such of these as Landlord chooses at Tenant's expense and shall restore the Premises to its condition immediately preceding Tenant's installation of such alterations, additions improvements and fixtures. Should Tenant desire to leave any personal property in the Premises, it shall request permission in writing from Landlord, describing such property, not less than thirty (30) days prior to such surrender; and absent such permission in writing, all such property shall be removed by Tenant. Tenant's obligation to observe or perform the covenants contained in this Section shall survive the expiration or earlier termination of this Lease.

9. REAL ESTATE TAXES AND WATER AND SEWER CHARGES: Real Estate Taxes shall mean any tax, charge, user or utility fee, or other imposition of any and every kind (other than Assessments) imposed by a public or quasi-public authority ("Taxing Authority"), attributable in any manner to the land and/or buildings owned by the Landlord and constituting the property; without limiting the generality of the foregoing, Real Estate Taxes shall include:

- (a) general real estate taxes including but not limited to State/County/and Town taxes, Villages Taxes and School Taxes;
- (b) any sum payable in the future by Landlord as an addition to or substitute for a Real Estate Tax now payable with respect to the property;
- (c) any obligation to pay money required by a taxing authority or attributable to limitations imposed upon taxing authority(s) with respect to the extent of taxation, tax assessment, tax rate or tax payment.

Tenant shall pay to Landlord, as additional rent twenty five (25%) percent of (a) Real Estate Taxes for the Property and (b) 50% of the base of amount of the quarterly water and sewer assessment bill, the base amount being \$750.00 as determined by Landlord. In the event usage of water and sewer exceeds the base amount, Tenant shall be responsible for payment of all excess and additional charges. Tenant's share for Real Estate Taxes and water and sewer which cover other than an entire calendar year shall be pro-rated.

Payment is payable by the first of the month after notice from Landlord together with Landlord's computation of the amount due.

10. COMMON AREA COSTS: Tenant shall pay to Landlord, as additional rent, Tenant's portion of "Common Area Costs" paid or incurred during the Term. The Common Area Costs are expected to be the costs for Landlord's insurance as set forth in Section 31, costs for maintaining landscaping and maintaining of exterior areas, including the entire parking areas and shall include snowplowing, landscaping, garbage pickup, etc. Tenant's share shall be 50% of the cost for said common area maintenance; which share Tenant shall pay by the first of the month after receipt of the bill from Landlord, together with Landlord's computations. All bills from service providers for the Common Areas will be

available at Landlord's office for inspection by Tenant at any reasonable time upon notice. Tenant shall have the right to audit Common Area Costs on an annual basis.

11. UTILITIES: Tenant shall pay all charges for all utilities and services used by it and supplied by Landlord or any public utility, public authority, or any other person, firm or corporation. Landlord shall maintain the necessary mains, conduits, wires and cables to bring water, gas and electricity to the meter and Tenant shall be responsible for all lines from the point they leave the meter and enter the Building located on the Premises and are within the Building.

12. OBLIGATIONS TO REPAIR AND MAINTAIN:

- A. Landlord's Obligations. Landlord shall, at its own expense, make all structural repairs including the floor and foundation, roof and roof membrane and load bearing walls, unless such repairs are necessitated by negligence, acts or omissions of the Tenant, its servants, agents, visitors, licensees or employees, in which event said repairs shall be made by Landlord upon reasonable prior notice to Tenant at Tenant's expense. Landlord shall have no obligation to make repairs, replacements or improvements of any kind to the Premises or to any equipment, furnishings, facilities, personal property or fixtures of any kind contained therein.
- B. Tenant's Obligations. The Tenant shall take good care of the Premises and the fixtures and appurtenances thereto, and at the Tenant's sole cost and expense make, as and when needed, all repairs thereto, which repairs shall be made to preserve the Premises, fixtures and appurtenances in good condition and working order. Subject to the provisions of Section 14 hereof, all damage or injury to the Premises and to the fixtures, appurtenances and equipment thereof or to the Building or to its fixtures, appurtenances and equipment which may be caused by the carelessness, omission (of an affirmative obligation hereunder), neglect, improper conduct or other act of the Tenant, the servants, employees, agents, visitors or licensees of the Tenant, shall be repaired, restored or replaced by the Tenant at its sole cost and expense to the Landlord's satisfaction.

All such repairs, restorations and replacements shall be of a quality and class equal as near as possible to the original work or installations. If the Tenant fails after thirty (30) days' written request from the Landlord to make such repairs, restorations, or replacements, the Tenant shall be deemed to be in default. The Landlord may then, nevertheless, make such repairs, restorations or replacements, and the sum expended by the Landlord may, at the Landlord's option, be added as additional rent with the said sum due on the next ensuing date on which a payment of Basic Rent is due. Reasonable wear and tear shall be excepted from the Tenant's obligation and responsibility to the condition of the Premises. There shall be no diminution or abatement of Rent or other compensation, claimed or allowed, for any inconvenience or discomfort, annoyance or injury to business arising from the Landlord's making, or from failure of the Landlord or others to make, any repairs, alterations, additions or improvements in or to any portion of the building or the Premises, or in and to

fixtures, appurtenances and equipment thereof, in each case otherwise referred to in this paragraph.

Tenant shall be responsible for the general cleaning, including, but not limited to, carpet cleaning and/or floor washing and waxing, trash removal, replacement or cleaning of draperies and cleaning of windows in addition to other janitorial services necessary for the proper maintenance of the building. The Tenant shall supply all replacement bulbs and ballasts and shall maintain the exterior lighting fixtures attached to the Premises.

- C. Tenant shall be solely responsible to clear snow, ice and any debris from the entrance and walkways leading to the Premises.

13. ASSIGNMENT AND SUBLETTING: The Tenant, and its successors, heirs, executors or administrators shall not assign this Lease or Sublet the Premises, or any part thereof, without the Landlord's prior written consent. Any assignment or subletting, whether requiring Landlord's consent or not, shall not relieve the Tenant from the obligations of this Lease nor relieve the Tenant from obtaining the consent of the Landlord in the event of a further assignment or subletting. Nor shall the Tenant occupy, or permit the Premises to be occupied for any business or purpose beyond the scope of a permitted use by any municipal agency or any business or purpose deemed disreputable or extra-hazardous on account of fire, under the penalty of damages and forfeiture, and in the event of a breach thereof and written notice from Landlord and a reasonable opportunity to cure, the Term herein shall immediately cease at the option of the Landlord as if it were the expiration of the Term.

14. DESTRUCTION BY FIRE OR OTHER CASUALTY: Tenant shall give Landlord prompt notice of fire, accident, damage or dangerous or defective condition. In the event of the total destruction of the Buildings by fire, explosion, the elements or otherwise during the Term, or such partial destruction thereof as to render the Building wholly untenable or unfit for occupancy, and in such case the same cannot be repaired within one hundred eighty (180) days from the happening of such damage, then Landlord may cancel this Lease within thirty (30) days after the substantial fire or casualty by giving Tenant notice of Landlord's intention to demolish or rebuild, and Tenant shall immediately surrender possession of the Premises and all Tenant's interest therein to the Landlord, and shall pay Rent to the time of such damage in which event Landlord may re-enter and repossess the Premises thus discharged from this Lease and remove all parties therefrom. If the Landlord does not exercise its option to terminate the Lease, or should the Premises be rendered untenable and unfit for occupancy, but yet be repairable within one hundred eighty (180) days from the happening of such damage, the Landlord shall enter and repair or rebuild the Premises as nearly as possible to its previous condition with reasonable speed. Rent accruing shall cease if the Premises are unusable by Tenant until the repairs are completed. Tenant must deliver the Premises to Landlord on or before the cancellation date in the notice and pay all Rent to the date of the fire or casualty. If the Lease is canceled, Landlord is not required to repair the

Premises or Building. This Section is intended to replace the terms of New York Real Property Law Section 227.

15. LANDLORD'S ENTRY FOR REPAIR: The Landlord and the Landlord's agents and other representatives shall have the right to enter into and upon said Premises, or any part thereof, after reasonable notice, at all reasonable hours for the purpose of examining the same, or making such repairs or alterations therein as may be necessary for the safety and preservation thereof.
16. LANDLORD'S ENTRY TO SELL OR RE-LET: The Tenant also agrees to permit the Landlord or the Landlord's agents to show the Premises to persons wishing to hire or purchase the same; and the Tenant further agrees that at any time within six (6) months preceding the expiration of the Term hereby granted, the Landlord or the Landlord's agents shall have the right to place notices on the front of said Premises, or any part thereof, offering the Premises "To Let" or "For Sale," and the Tenant hereby agrees to permit the same to remain thereon without hindrance or molestation.
17. TENANT'S DEFAULT; LANDLORD'S REMEDIES: If, after written notice and five (5) days opportunity to cure, any default be made in the payment of the Rent or any part thereof, or if, after written notice and thirty (30) days opportunity to cure (or such longer period as may be necessary if cure cannot be completed within said thirty (30) days, so long as cure is begun within thirty (30) days and diligently completed thereafter), any default be made in the performance of any of the covenants herein contained, or if, without the consent of the Landlord the Tenant shall sell, assign, or mortgage this Lease (except as permitted hereunder) or if after written notice and thirty (30) days opportunity to cure (or such longer period as may be necessary if cure cannot be completed within said thirty (30) days, so long as cure is begun within thirty (30) days and diligently completed thereafter) the Tenant shall fail to comply with any of the statutes, ordinances, rules, orders, regulations and requirements of the Federal, State and Local governments or of any and all their departments and bureaus, applicable to said Premises, or if the Tenant shall file or there shall be filed against Tenant, or any person or entity comprising the Tenant, a petition in bankruptcy or arrangement, or Tenant be adjudicated a bankrupt or make an assignment for the benefit of creditors to take advantage of any insolvency act (and any such bankruptcy or creditor proceeding is not stayed or dismissed within thirty (30) days after filing), the Landlord shall have the right to exercise by notice to Tenant one or more of the following remedies:
 - (a) termination of this Lease on a date specified by Landlord;
 - (b) termination of Tenant's right of possession of the Premises without termination of this Lease on a date selected and specified by Landlord;
 - (c) any other remedy permitted under law or equity.

If Landlord exercises a remedy under this Section 17 and Landlord requires Tenant to do so, Tenant shall immediately vacate and surrender the Premises; if Tenant does not vacate

and surrender, Landlord or its representatives may re-enter the said Premises by summary proceedings, and remove all persons therefrom. Any remedies specifically provided for in this Section are in addition to and not exclusive of any other remedy available to Landlord.

Exercise by Landlord of a remedy set forth in this Section or any other remedy available to Landlord, except for termination of the Lease, shall not release Tenant from its obligations under this Lease for the remainder of the then current Term (namely the period between the date Landlord exercises its remedy and the date this Lease would have expired but for the event of default and/or Landlord's exercise of its remedy).

After re-entering the Premises, Landlord shall make good faith efforts to lease all or part of the Premises to third parties. Except upon Landlord's election to terminate this lease, any re-letting shall not release Tenant from its obligations under this Lease for the remainder of the then current Term, except that Rent collected from a third party for all or part of the Premises for any month of the then current Term shall be applied to Tenant's obligations under this Lease for the month for which payable under the third party lease. The third party lease shall be such period, at such rent and upon such terms as Landlord, in its sole discretion, shall determine. Landlord shall have the right to alter, add to, repair, decorate and/or make leasehold improvements in the Premises for purposes of re-letting the same. The reasonable cost of such work, plus any broker's commission or other cost of re-letting, payable with respect to a third party lease for all or part of the Premises shall be payable by Tenant to Landlord upon demand as part of Landlord's damages resulting from Tenant's default.

If pursuant to Section 17, Landlord shall terminate this Lease or recover possession of the Premises without such termination, the Basic Rent, Tenant's share of Real Estate Taxes and Assessments, and other items of Rent payable under this Lease for the remainder of the then current Term shall at once, at Landlord's option, become due and payable.

It is mutually agreed between Landlord and Tenant that the respective parties hereto shall and hereby do waive trial by jury in any action, proceeding or counterclaim brought by either of the parties against the other on any matters whatsoever arising out of or in any way connected with this Lease, the Tenant's use or occupancy of the Premises, and/or any claim of injury or damage.

18. COSTS INCURRED BY REASON OF TENANT'S DEFAULT: Tenant shall pay to Landlord, upon demand, the costs, charges, expenses, including reasonable attorney's fees and disbursements, incurred by Landlord as a result of Tenant's failure to perform one or more of its obligations under this Lease.
19. NO OBSTRUCTIONS: The Tenant shall neither encumber nor obstruct the parking area, common driveway area, sidewalk in front of, entrance to, or halls and stairs of said Premises, nor allow the same to be obstructed or encumbered in any manner.

20. TENANT'S SIGNAGE: The Tenant shall neither place nor cause or allow to be placed, any sign or signs of any kind whatsoever at, in or about the entrance to the Premises or any other part of same, except in or at such place or places as may be indicated by the Landlord and consented to by the Landlord in writing and as further allowed under any applicable municipal laws or ordinances.

21. LIMITATIONS OF LANDLORD'S LIABILITY: The Landlord shall be exempt from any and all liability for any damage or injury to person or property caused by or resulting from electric wiring, plumbing, water, gas, steam or other pipes, or sewerage, or the breaking of any electric wire, the bursting, leaking or running of water from any tank, washstand, water closet or wastepipe, sprinkler system, radiator, or any other pipe in said Building or Premises, or which may at any time hereafter be placed therein; or for any damage occasioned by fire, explosion, falling plaster, electricity, smoke or water, snow or ice being upon or coming through or from the street, roof, sub-surface, skylight, trap-door, windows or otherwise, or for any damages or injuries to person or property arising from acts or neglect of any Tenant or occupant of the Building or from any other cause whatsoever, or for the loss or theft of any property of the Tenant however occurring or from any damage or injury resulting or arising from any other cause or happening whatsoever unless, in each of the cases enumerated above in this Section 21, said damage or injury is caused by or be due to the sole negligence of the Landlord.

The Landlord shall not be liable for any damage or injury to the Premises, or any person therein, or to goods, wares, merchandise or property of the Tenant, or of any other person contained therein, done or occasioned by or from, unless the aforesaid occurs as a result of the negligence of the Landlord its agents or assigns

22. SUBORDINATION: This Lease is and shall be subject and subordinate to any mortgage, deed of trust, underlying leasehold estate or other arrangement or right to possession that may now or hereafter be placed upon or affect the Premises or the land of which the Premises is a part, to any and all advances to be made thereunder, to the interest payable thereon, and to all renewal, replacements, modifications, consolidations and extensions thereof. This paragraph shall be self-operative and no further instrument of subordination shall be required. In confirmation of such subordination, Tenant shall promptly execute and deliver a form prepared by Landlord reasonably acceptable to Tenant memorializing such subordination, in recordable form if required by landlord. Upon any failure by Tenant to execute and deliver such instrument, within ten (10) days of a request by Landlord, Tenant hereby constitutes and appoints Landlord its attorney-in fact to execute any such instrument for and on behalf of Tenant.

23. NON-WAIVER OF RIGHTS: The failure of either party to insist upon a strict performance of any of the terms, conditions and covenants herein shall not be deemed a waiver of any rights or remedies that a party may have, and shall not be deemed a waiver of any subsequent breach or default in the terms, conditions and covenants herein contained. This instrument may not be changed, modified, discharged or terminated orally.

24. EMINENT DOMAIN: If the whole or a substantial part of the Premises (i.e. 40% or more) be acquired or condemned by Eminent Domain for any public or quasi public use or purpose, then and in that event, the Term of this Lease shall cease and terminate from the date of title vesting in such proceeding and Tenant shall have no claim against Landlord for the value of any unexpired Term of said Lease. No part of any award made to Landlord shall belong to the Tenant, provided that Tenant may apply for any separate award available at law or equity for its moving expenses, personal property damage and similar matters.
25. ABANDONMENT OF FIXTURES: If after default in payment of Rent or violation of any other provisions of this Lease or upon the expiration of this Lease, the Tenant moves out or is dispossessed and fails to remove any trade fixtures or other property prior to such said default, removal, expiration of lease, or prior to the issuance of the final order or execution of the warrant, then and in that event, the said fixtures and property shall be deemed abandoned by the Tenant and shall become the property of the Landlord.
26. REDEMPTION: The Tenant waives all rights to redeem any portion of its leasehold estate under any law of the State of New York.
27. DELAY OR INABILITY TO PERFORM WORK: Except as otherwise provided herein, this Lease and the obligation of Tenant to pay Rent hereunder and perform all of the other covenants and agreements hereunder on part of Tenant to be performed shall not be affected, impaired or excused because Landlord is unable to supply or is delayed in supplying any service expressly or impliedly to be supplied or is unable to make, or is delayed in making any repairs, additions, alterations or decorations or is unable to supply or is delayed in supplying any equipment or fixtures if Landlord is prevented or delayed from so doing by reason of governmental preemption in connection with a National Emergency or in connection with any rule, order or regulation of any department or subdivision thereof of any governmental agency or by reason of the condition of supply and demand which have been or are affected by war or other emergency.
28. LIMITATIONS ON LANDLORD'S OBLIGATIONS: No diminution or abatement of Rent, or other compensation, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Premises or to its appliances, nor for any space taken to comply with any law, ordinance or order of a governmental authority. In respect to the various "services" if any, herein expressly or impliedly agreed to be furnished by the Landlord to the Tenant, it is agreed that there shall be no diminution or abatement of the Rent, or any other compensation, for interruption or curtailment of such "service" when such interruption or curtailment shall be due to accident, alterations or repairs desirable or necessary to be made, nor shall the inability or difficulty in securing supplies or labor for the maintenance of such "service" shall be deemed a constructive eviction. The Landlord shall not be required to furnish, and the Tenant shall not be entitled to receive, any of such "services" during any period wherein the Tenant shall be in default in respect to the terms of the Lease.

29. TENANT'S OBLIGATION TO COMPLY WITH LAWS, ETC.: The Tenant shall, at Tenant's sole expense, comply with all laws, orders, ordinances and regulations of federal, state, county and municipal authorities, and with any direction made pursuant to law of any public officer or officers which shall impose any violations, order or duty upon the Landlord or the Tenant regarding Tenant's obligations with respect to the Premises or Tenant's use or occupation thereof or for the correction, prevention and abatement of nuisances or other grievances, in, upon or connected with said Premises during said Term and, in each such case, caused by Tenant. Tenant's legal compliance obligations under the preceding sentence are conditioned upon the Premises being in full compliance with all referenced laws on the date of delivery of the Premises. The Tenant shall not do or permit to be done any act or thing upon the Premises which will invalidate or be in conflict with the fire insurance policies covering the building and the fixtures and property therein, and shall not do or permit to be done any act or thing upon said Premises which shall or may subject the Landlord to any liability or responsibility for injury to any person or persons or to property by reason of any business or operation being carried on upon the Premises, or for any other reason; and the Tenant shall, at the Tenant's sole expense, comply with all rules, orders, regulations, or requirements of the New York Board of Fire Underwriters or any other similar body (conditioned upon the Premises being in full compliance with such referenced requirements on the date of delivery of the Premises), and shall not do or permit anything to be done on or upon the Premises, or bring or keep anything therein or use the same in a manner which increases the rate of fire insurance upon the building or upon the property or equipment located therein over the rate in effect prior to the delivery of the Premises. If, by reason of any failure of the Tenant to comply with the provisions of this paragraph, the fire insurance rate shall, at the beginning of the Term hereby granted, or at any time thereafter, be higher than it otherwise would be, the Tenant shall reimburse the Landlord as additional rent hereunder for that part of all fire insurance premiums thereafter paid by the Landlord which shall have been charged because of such failure or use by the Tenant, and shall make such reimbursement on the first day of the month, following such payment by the Landlord. Tenant is specifically obligated (i) to maintain the quality of the air in its Premises; (ii) to regularly exterminate the Premises to prevent infestation of vermin or rodents; and (iii) to prevent excessive noise which disturbs neighboring properties. Any breach of these provisions by Tenant after written notice from Landlord and a reasonable time to cure shall be deemed an event of default under this Lease.

30. INTENTIONALLY DELETED

31. INSURANCE:

- A. Tenant's Insurance. Tenant shall obtain at its own expense and keep in full force and effect during the Term, a policy of commercial general liability insurance (including, without limitation, insurance covering tenant's contractual liability under this Lease), under which Tenant is named as the insured, and Landlord, the present and any future mortgagee of the Premises or the building and/or such other designees specified by Landlord, from time to time, are named as additional insureds. Such policy shall contain (i) a provision that no act or omission of Tenant shall affect or limit the

obligation of the insurance company to pay the amount of any loss sustained, (ii) a waiver of subrogation against Landlord or a consent to a waiver of right of recovery against Landlord and (iii) an agreement by the insurer that it will not make any claim against or seek to recover from Landlord for any loss, damage or claim whether or not covered under such policy. Such policy shall also contain a provision which provides the insurance company will not cancel or refuse to renew the policy, or change in any material way the nature or extent of the coverage provided by such policy, without first giving Landlord at least thirty (30) days written notice by certified mail, return receipt requested, which notice shall contain the policy number and the names of the insureds and policy holder. The minimum limits of liability shall be a combined single limit with respect to each occurrence in an amount of not less than \$2,000,000.00 for injury (or death) and damage to property or such greater amount as Landlord may, from time to time, reasonably require. Tenant shall also maintain at its own expense during the Term a policy of workers' compensation insurance providing statutory benefits for Tenant's employees and employer's liability. Tenant shall provide to Landlord upon execution of this Lease and at least thirty (30) days prior to the termination of any existing policy, a certificate evidencing the effectiveness of the insurance policies required to be maintained hereunder which shall include the named insured, additional insured, carrier, policy number, limits of liability, effective date, the name of the insurance agent and its telephone number. Tenant shall provide Landlord with a complete copy of any such policy upon written request of Landlord. Each policy required hereunder shall contain a clause that the policy and the coverage evidenced thereby shall be primary with respect to any policies carried by Landlord, and that any coverage carried by Landlord shall be excess insurance. The limits of the insurance required under this subsection shall not limit the liability of Tenant under this Lease. All insurance required to be carried by Tenant pursuant to the terms of this Lease shall be effected under valid and enforceable policies issued by reputable and independent insurers permitted to do business in the State of New York, and rated in Best's Insurance Guide, or any successor thereto (or if there be none, an organization having a national reputation) as having a general policyholder rating of "A" and having a Best's financial performance rating of at least VII. In the event that Tenant fails to continuously maintain insurance as required by this subsection, Landlord may, at its option and without relieving Tenant of any obligation hereunder, order such insurance and pay for the same at the expense of Tenant. In such event, Tenant shall repay the amount expended by Landlord, with interest thereon, immediately upon Landlord's written demand therefor.

B. Property Insurance.

- (i) During the Term, Landlord shall maintain commercial property insurance, insuring the Premises against fire and other casualty covering the Property and the Premises sufficient to provide full replacement value as such value may change from time to time. On any such policy, Landlord shall be named as loss payee, as its interest may appear. All insurance required to be carried by Landlord pursuant to the terms of this Lease shall be effected under valid and

enforceable policies issued by reputable and independent insurers permitted to do business in the State of New York, and rated in Best's Insurance Guide, or any successor thereto (or if there be none, an organization having a national reputation) as having a general policyholder rating of "A" and having a Best's financial performance rating of at least VII. The premium costs paid by Landlord for the Premises shall be paid by Landlord and included for reimbursement by Tenant in the Common Area Costs set forth in Point 10.

(ii) During the Term, Tenant shall maintain commercial property insurance with a special form endorsement providing coverage on a full replacement cost basis for Tenant's trade fixtures, equipment and inventory in the Premises. Tenant shall use the proceeds from any such policy or policies of insurance for the repair or replacement of the insured property. All insurance required to be carried by Tenant pursuant to the terms of this Lease shall be effected under valid and enforceable policies issued by reputable and independent insurers permitted to do business in the State of New York, and rated in Best's Insurance Guide, or any successor thereto (or if there be none, an organization having a national reputation) as having a general policyholder rating of "A" and having a Best's financial performance rating of at least VII. In the event that Tenant fails to continuously maintain insurance as required by this subsection, Landlord may, at its option and without relieving Tenant of any obligation hereunder, order such insurance and pay for the same at the expense of Tenant. In such event, Tenant shall repay the amount expended by Landlord, with interest thereon, immediately upon Landlord's written demand therefor.

C. Waiver of Subrogation. The parties hereto shall procure an appropriate clause in, or endorsement on, any "commercial" property insurance covering the Premises and the building, including its respective alterations, construction and other improvements as well as personal property, fixtures, furniture, inventory and equipment located thereon or therein, pursuant to which the insurance companies waive subrogation or consent to a waiver of right of recovery, and each party hereby agrees that it will not make any claim against or seek to recover from the other for any loss or damage to its property or the property of others resulting from fire or other hazards covered by such "all-risk" property insurance policies to the extent that such loss or damage is actually recoverable under such policies exclusive of any deductibles. Such waiver will not apply should any loss or damage result from one of the parties' gross negligence or willful misconduct. If the payment of an additional premium is required for the inclusion of such waiver of subrogation provision, each party shall advise the other of the amount of any such additional premiums and the other party shall pay the same. It is expressly understood and agreed that Landlord will not carry insurance on Tenant's fixtures, furnishings, equipment, personal property or inventory located in the Premises or insurance against interruption of Tenant's business.

D. Landlord's Insurance. In addition to the property insurance to be maintained by Landlord as set forth in Section 31(B)(i), Landlord shall procure and maintain rent

and/or business interruption insurance in an amount not less than Tenant's annual Basic Rent plus estimated annual taxes, utilities, and assessments, together with annual premiums required for other insurance required in this Section. The premium costs paid by Landlord for property insurance and for the rent and/or business interruption insurance shall be paid by Landlord and included for reimbursement by Tenant in the Common Area Costs set forth in Point 10.

32. LIMITATIONS OF OFFSETS AND COUNTERCLAIMS: The Rent hereunder provided to be paid by the Tenant shall become due and payable to the Landlord without demand therefor, and without offset or defense of any kind whatsoever, except as otherwise provided herein. If the Tenant shall allege or claim any damages resulting from any breach or alleged breach by the Landlord under the terms of this Lease, or any claim of any kind whatsoever arising in favor of the Tenant against the Landlord, such claim shall not be asserted against the Landlord as a counterclaim, a set off or defense in any action or proceeding brought by the Landlord against the Tenant for the payment of Rent or the recovery of possession of the Premises, unless the assertion of such claim is necessary to avoid waiver by Tenant under any applicable compulsory counterclaim rule or statute.
33. PERMITS: The Tenant agrees, at its own cost and expense, to apply for and obtain any and all permits for the installation of any equipment or changes to be installed by the Tenant on the Premises, if consented by Landlord, and also to procure and maintain, at its cost and expense, any and all permits, consents and licenses for the conduct of the business permitted to be conducted on the Premises.
34. NOTICES: All notices shall be addressed as follows: All notices provided for by this Lease shall be in writing, and shall be deemed to have been given on the date of delivery if personally served on the party to whom notice is to be given, or on the next day after mailing if mailed to the party to whom notice is to be given by overnight courier of national reputation providing evidence of receipt and properly addressed, or on the third day after mailing if mailed to the party to whom notice shall be given by First Class, Certified mail, postage prepaid and properly addressed to the following:

If to Landlord:

SKAD Goshen LLC
151 Greenwich Avenue
Goshen, New York 10924
Attn: Harshad Patel

With a copy to:

Law Offices of Jeffrey Albanese, Esq. PLLC
PO Box 119
155 Main Street
Goshen, N.Y. 10924