

LEASE TO AGENCY

THIS LEASE TO AGENCY dated as of November 27, 2017 (the "Effective Date") (the "Underlying Lease") by and between 140 CAREY RD LLC, a New York limited liability company having an office for the transaction of business located at 3500 Bleachery Place, PO Box 426, Chadwicks, New York 13319 (the "Company"), as landlord, and the COUNTIES OF WARREN AND WASHINGTON INDUSTRIAL DEVELOPMENT AGENCY, a public benefit corporation organized and existing under the laws of the State of New York having an office for the transaction of business located at 5 Warren Street, Glens Falls, New York, 12801 (the "Agency"), as tenant.

WITNESSETH:

WHEREAS, Title I of Article 18-A of the General Municipal Law of the State of New York was duly enacted into law as Chapter 862 of the Laws of 1971 of the State of New York (the "Act"); and

WHEREAS, the 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 (the "State") and empowers such agencies, among other things, to acquire, construct, reconstruct, lease, improve, maintain, equip and dispose of land and any building or other improvement, and all real and personal properties, including, but not limited to, machinery and equipment deemed necessary in connection therewith, whether or not now in existence or under construction, which shall be suitable for manufacturing, warehousing, research, commercial or industrial purposes, in order to advance the job opportunities, health, general prosperity and economic welfare of the people of the State and to improve their standard of living; and

WHEREAS, the Act further authorizes each such agency to lease or sell any or all of its facilities, for the purpose of carrying out any of its corporate purposes and any agreements made in connection therewith, to mortgage and pledge any or all of its facilities, whether then owned or thereafter acquired, and to pledge the revenues and receipts from the lease or sale thereof; and

WHEREAS, the Agency was created, pursuant to and in accordance with the provisions of 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 and improve their standard of living; and

WHEREAS, the members of the Agency adopted a resolution on November 21, 2016 (the "Inducement Resolution") pursuant to which the Agency agreed to consider undertaking an industrial development project (the "Project") for the benefit of the Company consisting of the following: (i) the acquisition of an interest in a certain commercial parcel or parcels of land located 140 Carey Road, Town of Queensbury, County of Warren, State of New York and referred to as Tax Map Parcel Number 309.13-2-31.114 (the "Land"); (ii) the construction and equipping of a 12,000+/- square foot facility for the servicing and sales and part distribution of

snow grooming equipment, including the warehousing and assembly of said equipment, in addition to office space (the "Facility"); (iii) the acquisition and installation therein of certain furnishings and fixtures (the "Equipment" together with the Land and the Facility, collectively the "Project Facility") to be used in connection with the contemplated uses; and (iv) the lease of the Project Facility to the Company, all pursuant to Title 1 of Article 18-A of the General Municipal Law of the State of New York, Chapter 862 of the Laws of 1971 of the State of New York (collectively, the "Act"), as amended; and

WHEREAS, by further resolution adopted by the members of the Agency October 16, 2017 (the "Closing Resolution"), the Agency determined to grant the financial assistance to the Company and to enter into a lease agreement (the "Lease Agreement") between the Agency and the Company and certain other documents related thereto and to the Project (collectively with the Lease Agreement, the "Basic Documents"); and

WHEREAS, pursuant to the terms of the Lease Agreement, (A) the Company will agree (1) to cause the Project to be undertaken and completed, and (2) as agent of the Agency, to undertake and complete the Project, and (B) the Agency will lease the Project Facility to the Company; and

WHEREAS, the Lease Agreement grants to the Company certain options to acquire the Project Facility from the Agency; and

WHEREAS, the Company desires to convey to the Agency the leasehold interest created pursuant to this Underlying Lease on the terms and conditions set forth in this Underlying Lease; and

WHEREAS, it is the intention of the parties hereto that the leasehold interest created pursuant to this Underlying Lease and the Company's leasehold interest in the Project Facility created by the Lease Agreement shall not merge; and

WHEREAS, all things necessary to constitute this Underlying Lease 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 Underlying Lease have in all respects been duly authorized by the Agency and the Company.

NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE PREMISES AND THE MUTUAL COVENANTS HEREINAFTER CONTAINED, THE PARTIES HERETO HEREBY FORMALLY COVENANT, AGREE AND BIND THEMSELVES AS FOLLOWS, TO WIT:

ARTICLE I DEFINITIONS

SECTION 1.1. DEFINITIONS. The following words and terms used in this Underlying Lease shall have the respective meanings set forth below unless the context or use indicates another or different meaning or intent:

"Act" means Title I of Article 18-A of the General Municipal Law of the State, as amended from time to time, together with Chapter 862 of the 1971 Laws of the State, constituting Section 890-c of the General Municipal Law of the State, as amended from time to time.

"Agency" means (A) the Counties of Warren and Washington 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 Counties of Warren and Washington Industrial Development Agency or its successors or assigns may be a party.

"Preliminary Agreement" means the preliminary agreement dated as of December 12, 2016 between the Agency and the Company with respect to the Project.

"Applicable Laws" means 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 or affect the Project Facility or any part thereof or the conduct of work on the Project Facility or any part thereof or to the operation, use, manner of use or condition of the Project Facility or any part thereof (the applicability of such statutes, codes, laws, acts, ordinances, orders, rules, regulations, directions and requirements to be determined both as if the Agency were the owner of the Project Facility and as if the Company and not the Agency were the owner of the Project Facility), including but not limited to (1) applicable building, zoning, environmental, planning and subdivision laws, ordinances, rules and regulations of Governmental Authorities having jurisdiction over the Project Facility, (2) restrictions, conditions or other requirements applicable to any permits, licenses or other governmental authorizations issued with respect to the foregoing, and (3) judgments, decrees or injunctions issued by any court or other judicial or quasi-judicial Governmental Authority.

"Assignment to Company" means the assignment from the Agency to the Company, which assignment is intended to convey to the Company, upon certain terminations of the Lease Agreement, all title and interest of the Agency in the Project Facility, including the leasehold interest created pursuant to the Underlying Lease.

"Authorized Representative" means the person or persons at the time designated to act in behalf of the Agency or the Company, as the case may be, by written certificate furnished to the Agency or the Company, as the case may be, containing the specimen signature of each such person and signed on behalf of (A) the Agency by its Chairman or Vice-Chairman or such other person as may be authorized by resolution of the members of the Agency to act on behalf of the Agency, and (B) the Company by any officer or such other person as may be authorized in writing by the members of the Company to act on behalf of the Company.

"Basic Documents" means the Underlying Lease, the Lease Agreement, the Payment in Lieu of Tax Agreement, the Agent Agreement, the Mortgage, the Recapture Policy, the Bill of Sale, the Preliminary Agreement and all other instruments and documents related thereto and

executed in connection therewith, and any other instrument or document supplemental thereto, each as amended from time to time.

"Business Day" means a day on which banks located in Warren and Washington Counties, New York are not required or authorized to remain closed and on which the New York Stock Exchange is not closed.

"Closing" means the closing at which the Basic Documents are executed and delivered by the Company and the Agency.

"Closing Date" means the date of the Closing.

"Closing Resolution" means the resolution duly adopted by the Agency on October 16, 2017 authorizing and directing the undertaking and completion of the Project and the execution and delivery of the Basic Documents to which the Agency is a party.

"Company" means 140 Carey Rd LLC, a New York limited liability company, and its successors and assigns.

"Completion Date" means the earlier to occur of (A) June 30, 2019 or (B) such date as shall be certified by the Company to the Agency as the date of completion of the Project pursuant to Section 4.2 of the Lease Agreement, or (C) such date as shall be designated by written communication from the Company to the Agency as the date of completion of the Project, subject to circumstances beyond the Company's reasonable control, whichever is earlier.

"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.

"Event of Default" means, with respect to any particular Basic Document, any event specified as an Event of Default pursuant to the provisions thereof.

"Facility" means a 12,000+/- square foot facility for the servicing and sales and part distribution of snow grooming equipment, including the warehousing and assembly of said equipment, in addition to office space to be constructed on the Land.

"Financial Assistance" shall have the meaning assigned to such term in the recital clauses to the Lease Agreement.

"Governmental Authority" means the United States of America, the State, any other state and any political subdivision thereof, and any agency, department, commission, court, board, bureau or instrumentality of any of them.

"Land" means the parcel(s) of land located at 140 Carey Road, in the Town of Queensbury, County of Warren, State of New York and referred to as Tax Map Parcel Number 309.13-2-31.114, as more particularly described on Exhibit A attached to the Lease Agreement.

"Lease Agreement" means the lease agreement dated as of November 27, 2017 by and between the Agency, as landlord, and the Company, as tenant, pursuant to which, among other things, the Agency has leased the Project Facility to the Company, as said lease agreement may be amended or supplemented from time to time.

"Lender(s)" means the Glens Falls National Bank & Trust Company, 250 Glen Street, Glens Falls, New York and its successors and assigns in this capacity.

"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 or a judgment against the Company. The term "Lien" includes reservations, exceptions, encroachments, projections, 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 purposes of the Basic Documents, a Person shall be deemed to be the owner of any 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.

"Loan(s)" means loans in the principal aggregate sum of \$1,559,805.00 to be made by the Lender to the Company and to be secured by, among other things, the Mortgage.

"Mortgage" means the mortgage, security agreement, and assignment of leases and rents dated as of November 27, 2017 from the Company and the Agency to the Glens Falls National Bank & Trust Company to secure the Loan.

"Net Proceeds" means so much of the Gross Proceeds with respect to which that term is used as remain after payment of all fees for services, expenses, costs and taxes (including attorneys' fees) incurred in obtaining such Gross Proceeds.

"Payment in Lieu of Tax Agreement" means the payment in lieu of tax agreement dated as of November 27, 2017 by and between the Agency and the Company, pursuant to which the Company has agreed to make payments in lieu of taxes with respect to the Project Facility, as such agreement may be amended or supplemented from time to time.

"Permitted Encumbrances" means (A) utility, access and other easements, rights of way, restrictions, encroachments and exceptions that exist on the Closing Date and benefit or do not materially impair the utility or the value of the Property affected thereby for the purposes for which it is intended, (B) mechanics', materialmen's, warehousemen's, carriers' and other similar Liens, to the extent permitted by Section 8.7 of the Lease Agreement, (C) Liens for taxes, assessments and utility charges, to the extent permitted by Section 6.2(B) of the Lease Agreement, (D) any Lien on the Project Facility obtained through any Basic Document, (E) the Mortgage; (F) any Lien requested by the Company in writing and consented to by the Agency, which consent of the Agency shall not be unreasonably withheld or delayed, and (G) exceptions to title included in the title commitment for the Project Facility issued by Westcor

Land Title Insurance Company under Title No. EC-760012344-17.

"Person" means an individual, partnership, corporation, limited liability company, trust, unincorporated organization or Governmental Authority.

"Plans and Specifications" means the description of the Project appearing in the recital clauses to the Lease Agreement.

"Premises" means the Property leased to the Agency pursuant to the Underlying Lease.

"Project" means the project undertaken by the Agency consisting of (A) (1) the acquisition of a leasehold interest in the Land, (2) the construction of the Facility to constitute a manufacturing facility to be operated by the Company, (B) the granting of certain Financial Assistance with respect to the foregoing, and (C) the lease of the Project Facility to the Company pursuant to the Lease Agreement.

"Project Facility" means the Land and the Facility.

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

"Real Property Tax Exemption Form" means a New York State Board of Real Property Services Form RP-412-a relating to the Project Facility.

"SEQRA" means Article Eight of the Environmental Conservation Law of the State and the statewide regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York.

"State" means the State of New York.

"Term" means the term of this Underlying Lease as set forth in Section 3.2 herein.

"Termination of Lease Agreement" means a termination of lease agreement by and between the Company, as tenant, and the Agency, as landlord, intended to evidence the termination of the Lease Agreement.

"Unassigned Rights" means (A) the rights of the Agency granted pursuant to Sections 2.2(G), 4.1(F), 5.3, 8.2, and 8.8 of the Lease Agreement, (B) the moneys due and to become due to the Agency for its own account or the members, officers, agents and employees of the Agency for their own account pursuant to Sections 2.2(G), 4.1(F), 5.3, 6.3, 8.2, 10.2(B) and 10.4 of the Lease Agreement, and (C) the right to enforce the foregoing pursuant to Article X of the Lease Agreement.

"Underlying Lease" means this lease to Agency dated as of November 14, 2016 by and between the Company, as landlord, and the Agency, as tenant, pursuant to which the Company is conveying a leasehold interest in the Premises to the Agency, as said lease to Agency may be

amended or supplemented from time to time.

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

(A) The terms "hereby", "hereof", "herein", "hereunder", and any similar terms as used in this Underlying Lease, refer to this Underlying Lease, and the term "heretofore" shall mean before, and the term "hereafter" shall mean after, the date of this Underlying Lease.

(B) Words of masculine gender shall mean and include correlative words of feminine and neuter genders.

(C) Words importing the singular number shall mean and include the plural number, and vice versa.

(D) Any headings preceding the texts of the several Articles and Sections of this Underlying Lease, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall neither constitute a part of this Underlying Lease nor affect its meaning, construction or effect.

(E) Any certificates, letters or opinions required to be given pursuant to this Underlying Lease 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 Underlying Lease.

ARTICLE II REPRESENTATIONS AND WARRANTIES

SECTION 2.1. REPRESENTATIONS AND WARRANTIES OF THE AGENCY. The Agency makes the following representations and warranties as the basis for the undertakings on its part herein contained:

(A) The Agency has been duly established under the provisions of the Act and has the power to enter into this Underlying Lease and to carry out its obligations hereunder.

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

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

(A) The Company is a limited liability company duly organized and validly existing under

the laws of the State of New York is qualified to do business in the State and all other jurisdictions in which its operations or ownership of Properties so require, and has the power to enter into this Underlying Lease and carry out its obligations hereunder and has been duly authorized to execute this Underlying Lease. This Underlying Lease and the transactions contemplated hereby have been duly authorized by all necessary action on the part of the shareholders and directors of the Company.

(B) Neither the execution and delivery of this Underlying Lease, the consummation of the transactions contemplated hereby nor the fulfillment of or compliance with the provisions of this Underlying Lease will (1) conflict with or result in a breach of any of the terms, conditions or provisions of the certificate of incorporation or by-laws of the Company or any order, judgment, agreement or instrument to which the Company is a party or by which the Company is bound, or constitute a default under any of the foregoing, or (2) result in the creation or imposition of any Lien of any nature upon any Property of the Company other than pursuant to the Basic Documents, or (3) require consent (which has not been heretofore received) under any restriction, agreement or instrument to which the Company is a party or by which the Company or any of its Property may be bound or affected, or (4) to the best of the Company's knowledge, require consent (which has not been heretofore received) under, 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.

ARTICLE III LEASE PROVISIONS

SECTION 3.1. LEASE. (A) The Company hereby demises and leases to the Agency, and the Agency hereby hires and takes leases from the Company, the Land, as said Land is more particularly described on Exhibit A attached hereto, and the improvements hereafter located thereon, including the Facility, (the Land and the Facility being sometimes collectively referred to as the "Premises") for the term set forth in Section 3.2 hereof. The Premises are intended to include all buildings and improvements located on the Land but not to include any personal property or equipment, fixtures, furnishings, machines, building materials, or items of personal property or appurtenances thereto.

(B) It is the intention of the Company and the Agency that the Agency shall hold leasehold title to Premises. Accordingly, leasehold title to any improvements hereinafter constructed by the Company on the Land that constitute real property shall vest in the Agency or its successors and assigns as and when the same are constructed thereon.

SECTION 3.2. TERM. (A) The term of this Underlying Lease (the "Term") shall commence as of the date hereof and shall expire on the earlier to occur (1) the date upon which the PILOT Agreement terminates pursuant to its terms, including, but not limited to an event of default or (2) upon the termination by the Agency pursuant to Article X thereof, the termination of the term of the Lease Agreement.

(B) So long as neither the Lease Agreement nor the Company's right of possession as

lessee thereunder shall have been terminated by the Agency pursuant to Article X thereof, upon any termination of this Underlying Lease, the Company shall prepare and the Agency will execute and deliver to the Company such instruments as the Company shall deem appropriate to evidence the release and discharge of this Underlying Lease.

SECTION 3.3. RENT. The rent payable by the Agency under this Underlying Lease shall be one dollar (\$1.00), and other good and valuable consideration, receipt of which is hereby acknowledged by the Company.

SECTION 3.4. USE; LEASE AGREEMENT; NON-MERGER. (A) So long as neither the Lease Agreement nor the Company's right of possession as lessee thereunder have been terminated by the Agency pursuant to Article X thereof, the Agency shall (1) hold and use the Premises only for lease to the Company under the Lease Agreement and (2) shall not sell or assign its rights hereunder nor the leasehold estate hereby created, except as provided in the Lease Agreement.

(B) Contemporaneously with the execution and delivery of this Underlying Lease, the Agency is entering into the Lease Agreement, pursuant to which the Company as agent of the Agency agrees to undertake and complete the Project and the Agency agrees to lease the Project Facility to the Company. Pursuant to the Lease Agreement, the Company, as tenant of the Project Facility under the Lease Agreement, is required to perform all of the Agency's obligations under this Underlying Lease. Accordingly, and notwithstanding anything to the contrary contained in this Underlying Lease, the Company shall not be entitled to declare a default hereunder or exercise any rights or remedies hereunder if any asserted default by the Agency hereunder relates to a failure by the Company, as tenant of the Project Facility under the Lease Agreement, to perform its corresponding obligations under the Lease Agreement.

(C) Notwithstanding the lease of the Project Facility by the Agency to the Company pursuant to the Lease Agreement, during the Term of this Underlying Lease, there shall be no merger of this Underlying Lease nor of the leasehold estate created by this Underlying Lease with the fee estate in the Premises or any part thereof by reason of the fact that the same person, firm, corporation or other entity may acquire or own or hold, directly or indirectly, (1) this Underlying Lease or the leasehold estate created by this Underlying Lease or any interest in this Underlying Lease or in any such leasehold estate and (2) the fee estate in the Premises or any part thereof or any interest in such fee estate, and no such merger shall occur unless and until all corporations, firms and other entities, including any mortgagee having any interest in (a) this Underlying Lease or the leasehold estate created by this Underlying Lease and (b) the fee estate in the Premises or any part thereof or any interest in such fee estate, shall join in a written instrument effecting such merger and shall duly record the same.

(D) Upon any termination of the Lease Agreement or the Company's rights of possession as lessee thereunder pursuant to Article X thereof, the Agency shall have the remedies set forth in the Lease Agreement.

SECTION 3.5. ADDITIONS, ALTERATIONS AND IMPROVEMENTS (Subject to the provisions of the Lease Agreement, the Company shall have the right, from time to time, to make such changes, additions, improvements and alterations, demolition or new construction,

structural or otherwise, to the Premises as the Company shall deem necessary or desirable. Leasehold title to improvements that constitute real property now located or hereafter constructed upon the Premises, and any modifications, additions, restrictions, repairs and replacements, thereof, shall be in the Agency during the term of this Underlying Lease, except as otherwise provided in the Lease Agreement.

SECTION 3.6. ASSIGNMENT. So long as neither the Lease Agreement nor the Company's right of possession as lessee thereunder shall have been terminated by the Agency pursuant to Article X thereof, neither the Agency nor the Company shall assign or transfer this Underlying Lease, nor sublease the whole or any part of the Property leased hereby, except that the Agency may lease the leasehold interest created hereunder to the Company pursuant to the Lease Agreement. The Agency may enter into the Lease Agreement on the terms provided therein.

SECTION 3.7. POSSESSION; QUIET ENJOYMENT. (A) Pursuant to the terms of the Lease Agreement, except as otherwise provided therein after the occurrence of an Event of Default thereunder, the Company has the exclusive right to possess and make improvements to the Premises leased hereby.

(A) The Agency, upon paying the rent and observing and keeping all covenants, warranties, agreements and conditions of this Underlying Lease on the Agency's part to be kept, shall quietly have, hold and enjoy the Premises during the Term of this Underlying Lease, subject to the terms of the Lease Agreement.

SECTION 3.8. LIENS. The Agency shall not, directly or indirectly, create or permit to be created, any mortgage, lien, encumbrance or other charge upon, or pledge of, the Premises or the Agency's interest therein (except for Permitted Encumbrances) without the Company's prior written consent.

SECTION 3.9 TAXES. (A) It is recognized that, under the provisions of the Act, the Agency is required to pay no taxes upon any property acquired by it or under its jurisdiction or control or supervision. Pursuant to the Lease Agreement, the Company has agreed to pay all special assessments levied against the Premises and to make payments in lieu of taxes under the terms of a Payment in Lieu of Tax Agreement, dated November 27, 2017.

(B) In the event that the Agency's leasehold interest in the Premises shall be terminated, but the Premises continues to be assessed as exempt upon the assessment roll of any one or more of any taxing entities, and the fact of obtaining title to the Agency's interest in the Premises does not immediately obligate the Company to make pro rata tax payments pursuant to legislation similar to Chapter 635 of the 1978 Laws of the State (codified as subsection 3 of Section 302 of the Real Property Tax Law and Section 520 of the Real Property Tax Law); then, under those circumstances, the Company shall be obligated to make payments in lieu of taxes to the respective receivers of taxes in amounts equal to those amounts which would be due from the Company as real property taxes with respect to the Premises if the Premises were owned by the Company and not the Agency until the first tax year in which the Company shall appear on the tax rolls of the various taxing entities having jurisdiction over the Premises as the legal owner of record of the Agency's interest in the Premises.

SECTION 3.10. MAINTENANCE. Pursuant to the Lease Agreement, during the term of this Underlying Lease, the Company has agreed, at the Company's sole cost and expense, to keep and maintain or cause to be kept and maintained the Premises and all improvements now or hereafter located thereon in good order and condition, subject to reasonable wear and tear, and make or cause to be made all repairs thereto, interior and exterior, structural and non-structural, ordinary and extraordinary, and foreseen and unforeseen. The Agency will have no responsibility with respect to the foregoing.

SECTION 3.11. CONDEMNATION. Subject to the provisions of the Lease Agreement, in the event of a total, substantial or partial taking by eminent domain or for any public or quasi public use under any statute (or voluntary transfer or conveyance to the condemning agency under threat of condemnation), the Agency shall be entitled to its costs and expenses incurred with respect to the Premises (including any unpaid amounts due pursuant to the Basic Documents and the costs of participating in such condemnation proceeding or transfer), and thereafter the Agency shall not participate further in any condemnation award.

SECTION 3.12. SPECIAL COVENANTS. **NO WARRANTY OF CONDITION OR SUITABILITY BY THE AGENCY; ACCEPTANCE "AS IS"**. THE COMPANY 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 THAT THE PROJECT FACILITY OR ANY PART THEREOF IS OR WILL BE SUITABLE FOR THE AGENCY'S PURPOSES OR NEEDS. THE AGENCY SHALL ACCEPT LEASEHOLD TITLE TO THE PROJECT FACILITY "AS IS" WITHOUT RECOURSE OF ANY NATURE AGAINST THE COMPANY FOR ANY CONDITION NOW 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 COMPANY SHALL HAVE NO RESPONSIBILITY OR LIABILITY WITH RESPECT THERETO.

SECTION 3.13 SUBORDINATION. This Lease Agreement and all the rights of the Company hereunder are and shall be subject and subordinate to the lien of the Mortgage, as defined herein, which may now or hereafter affect the Project Facility and to all renewals, modifications, consolidations, replacements and extensions thereof, and advances thereunder.

ARTICLE IV EVENTS OF DEFAULT AND REMEDIES

SECTION 4.1 DEFAULT. (A) Any one or more of the following events shall constitute an "Event of Default" under this Underlying Lease:

- (1) The failure of the Agency (or the Company on behalf of the Agency) to pay the rent due pursuant to this Underlying Lease within fifteen (15) days after written notice to the Agency specifying the nature of such default; or

(2) The failure of the Agency (or the Company on behalf of the Agency) to observe and perform any covenant, condition or agreement on its part to be performed (other than as referred to in paragraph (1) above) and continuance of such failure for a period of thirty (30) days after written notice to the Agency specifying the nature of such default; provided that if by reason of the nature of such default the same cannot be remedied within thirty (30) days, failure of the Agency (or the Company on behalf of the Agency), to proceed promptly to cure the same and thereafter prosecute the curing of such default with due diligence.

(B) Notwithstanding the provisions of Section 4.1(A) hereof, if by reason of force majeure (as hereinafter defined) either party hereto shall be unable, in whole or in part, to carry out its obligations under this Underlying Lease and if such party shall give notice and full particulars of such force majeure in writing to the other party within a reasonable time after the occurrence of the event or cause relied upon the obligations under this Underlying Lease of the party giving such notice so far as they are affected by such force majeure, shall be suspended during the continuance of the inability, which shall include a reasonable time for the removal of the effect thereof. The suspension of such obligations for such period pursuant to this subsection (B) shall not be deemed an event of default under this Section. The term "force majeure" as used herein shall include, without limitation, acts of God, strikes, lockouts or other industrial disturbances, acts of public enemies, orders of any kind of government authority or any civil or military authority, hurricanes, storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, breakage or accident to machinery, transmission pipes or canals, partial or entire failure of utilities. It is agreed that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the party having difficulty and the party having difficulty shall not be required to settle any strike, lockout or other industrial disturbances by acceding to the demands of the opposing party or parties.

SECTION 4.2 REMEDIES ON DEFAULT. Whenever any Event of Default hereunder by one party hereto shall have occurred and be continuing for more than fifteen (15) days after written notice of default by the other party the other party may enforce the provisions of this Underlying Lease and may enforce and protect its right by a suit or suits in equity or at law for (1) the specific performance of any covenant or agreement contained herein or (2) any other appropriate legal or equitable remedy.

SECTION 4.3. REMEDIES CUMULATIVE. No remedy herein conferred upon or reserved to the Agency is intended to be exclusive of any other available remedy, but each and every such remedy shall be cumulative and in addition to every other remedy given under this Underlying Lease 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 Agency to exercise any remedy reserved to it in this Article IV, it shall not be necessary to give any notice, other than such notice as may be herein expressly required.

SECTION 4.4. AGREEMENT TO PAY ATTORNEYS' FEES AND EXPENSES. In the event either party should default under any of the provisions of this Underlying Lease and the other

party should employ attorneys or incur other expenses for the collection of amounts payable hereunder or the enforcement of performance or observance of any obligations or agreements on the part of the defaulting party herein contained, the defaulting party shall, on demand therefor, pay to the other party the reasonable fees of such attorneys and such other expenses so incurred, whether an action is commenced or not.

SECTION 4.5. 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 V MISCELLANEOUS

SECTION 5.1. SURRENDER. (A) The Agency shall, on the last day of the Term of this Underlying Lease or on the last day of any earlier termination of the Term of this Underlying Lease, surrender and deliver the Premises and all buildings, improvements, alterations, equipment and fixtures located thereon to the possession and use of the Company without delay and in good order, condition and repair, except for reasonable wear and tear.

(B) On the last day of the Term of this Underlying Lease or on the last day of any earlier termination of the Term of this Underlying Lease, title to all buildings, improvements and alterations located on the Premises shall automatically, and without the need of any further or additional instrument, vest in the Company, subject to no liens being created by the Agency or consented to by the Agency, except for Permitted Encumbrances. Notwithstanding the foregoing, upon the reasonable request of the Company, the Agency shall execute and deliver to the Company a Memorandum of Lease to be recorded to confirm this vesting of title.

SECTION 5.2. NOTICES. (A) All notices, certificates and other communications hereunder shall be in writing and shall be sufficiently given and shall be deemed given when (1) sent to the applicable address stated below by registered or certified mail, return receipt requested, or by such other means as shall provide the sender with documentary evidence of such delivery, or (2) delivery is refused by the addressee, as evidenced by an affidavit of the Person who attempted to effect such delivery.

(B) The addresses to which notices, certificates and other communications hereunder shall be delivered are as follows:

To the Agency:

Counties of Warren and Washington
Industrial Development Agency
5 Warren Street
Glens Falls, New York 12801
Attention: Chairman

With Copy to:

FitzGerald Morris Baker Firth P.C.
P.O. Box 2017
16 Pearl Street
Glens Falls, NY 12801-2017
Attention: Robert C. Morris, Esq.
Kara I. Lais, Esq.

To the Company/Operator:

140 Carey Rd LLC
Mohawk Industrial Werks, LLC
3500 Bleachery Place
PO Box 426
Chadwicks, New York 13319
Attention: William Brandt

With Copy to:

Glens Falls National Bank & Trust Company
250 Glen Street
Glens Falls, New York 12801
Attention: J. Chad Richards

With Copy to:

McPhillips Fitzgerald & Cullum LLP
288 Glen Street
PO Box 299
Glens Falls, New York 12801
Attention: William Fitzgerald, Esq.

(C) The Agency or the Company may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates and other communications to the Agency or the Company, as the case may be, shall be sent.

SECTION 5.3. APPLICABLE LAW. This Underlying Lease shall be governed exclusively by the applicable laws of the State.

SECTION 5.4. BINDING EFFECT. This Underlying Lease shall inure to the benefit of, and shall be binding upon, the Agency and the Company and their respective successors and assigns; provided, that, except as provided elsewhere herein, the interest of the Agency in this Underlying Lease may not be assigned, sublet or otherwise transferred without the prior written consent of the Company.

SECTION 5.5. SEVERABILITY. If any one or more of the covenants or agreements provided herein on the part of the Agency 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 provisions hereof and shall in no way affect the validity of the other provisions of this Underlying Lease.

SECTION 5.6. AMENDMENTS, CHANGES AND MODIFICATIONS. This Underlying Lease may not be amended, changed, modified, altered or terminated, except by an instrument in writing signed by the parties hereto.

SECTION 5.7. EXECUTION OF COUNTERPARTS. This Underlying Lease 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 5.8. TABLE OF CONTENTS AND SECTION HEADINGS NOT CONTROLLING. The Table of Contents and the headings of the several Sections in this Underlying Lease 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 Underlying Lease.

SECTION 5.9. NO RECOURSE; SPECIAL OBLIGATION. (A) The obligations and agreements of the Agency contained herein and in the other Basic Documents shall be deemed the obligations and agreements of the Agency, and not of any member, officer, agent (other than the Company) or employee of the Agency in his individual capacity, and the members, officers, agents (other than the Company) and employees of the Agency shall not be liable personally hereon or thereon or be subject to any personal liability or accountability based upon or in respect hereof or thereof or of any transaction contemplated hereby or thereby.

(B) The obligations and agreements of the Agency contained herein and in the other Basic Documents shall not constitute or give rise to an obligation of the State of New York or the Counties of Warren and Washington, New York, and neither the State of New York nor the Counties of Warren and Washington, New York shall be liable hereon or thereon and, further, such obligations and agreements shall not constitute or give rise to a general obligation of the Agency, but rather shall constitute limited obligations of the Agency payable solely from the revenues of the Agency derived and to be derived from the lease, sale or other disposition of the Project Facility.

(C) No order or decree of specific performance with respect to any of the obligations of the Agency hereunder or under the other Basic Documents shall be sought or enforced against the Agency unless (1) the party seeking such order or decree shall first have requested the Agency in writing to take the action sought in such order or decree of specific performance, and ten (10) days shall have elapsed from the date of receipt of such request, and the Agency shall have refused to comply with such request (or, if compliance therewith would reasonably be

expected to take longer than ten (10) days, shall have failed to institute and diligently pursue action to cause compliance with such request) or failed to respond within such notice period, (2) if the Agency refuses to comply with such request and the Agency's refusal to comply is based on its reasonable expectation that it will incur fees and expenses, the party seeking such order or decree shall have placed in an account with the Agency an amount or undertaking sufficient to cover such reasonable fees and expenses, and (3) if the Agency refuses to comply with such request and the Agency's refusal to comply is based on its reasonable expectation that it or any of its members, officers, agents (other than the Company) or employees shall be subject to potential liability, the party seeking such order or decree shall (a) agree to indemnify and hold harmless the Agency 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 (b) if requested by the Agency, furnish to the Agency satisfactory security to protect the Agency and its members, officers, agents (other than the Company) and employees against all liability expected to be incurred as a result of compliance with such request.

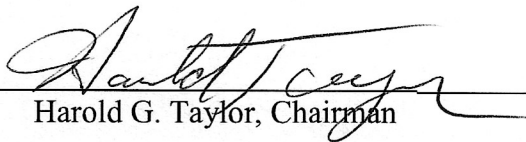
SECTION 5.10. RECORDING. The Agency and the Company agree that this Underlying Lease (or a memorandum thereof) shall be recorded by the Agency in the appropriate office of the County Clerk of Warren County, New York.

SECTION 5.11. STATEMENT OF INTENT. Notwithstanding anything in this Underlying Lease to the contrary, it is the intention of the parties that the Company shall retain title to all equipment, fixtures, furnishings, machines, building materials and items of personal property or appurtenances thereto at the Project Facility.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the Agency and the Company have caused this Underlying Lease to be executed in their respective names by their respective duly authorized officers and to be dated as of the day and year first above written.

COUNTIES OF WARREN AND WASHINGTON
INDUSTRIAL DEVELOPMENT AGENCY

BY: 
Harold G. Taylor, Chairman

140 CAREY RD LLC

BY: 
William Brandt, Authorized Member

SCHEDULE "A"

DESCRIPTION OF THE LAND

ALL THAT CERTAIN LOT, PIECE OR PARCEL OF LAND, situate in the Town of Queensbury, County of Warren and State of New York, shown on a map entitled Northern Distributing Subdivision, Town of Queensbury, Phase 2, made by Rist-Frost Associates, P.C., dated February, 1989, filed in the Office of the County Clerk of the County of Warren on October 3, 1989 in the Oversize Map Cabinet as Map E-3, as Lot Number 14.

SOURCE OF TITLE

By deed from Carey Real Estate Development Corporation dated December 29, 2016 and recorded on December 20, 2016 in Book 5485 of Deeds and Page 169 in the Warren County Clerk's Office.