

LEASE TO AGENCY

THIS LEASE TO AGENCY ("Lease Agreement"), made as of the 24th day of May, 2021, by and between SVG 26 LLC, a New York limited liability company with an address of 1301 47th Street, Brooklyn, New York 11219 ("Company") and COUNTY OF SULLIVAN INDUSTRIAL DEVELOPMENT AGENCY, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State of New York, having its principal offices at 548 Broadway, Monticello, New York 12701 ("Agency").

RECITALS

WHEREAS, Title 1 of Article 18-A of the General Municipal Law of the State of New York ("Enabling Act") was duly enacted into law as Chapter 1030 of the Laws of 1969 of the State of New York ("State"); and

WHEREAS, the Enabling Act authorizes the creation of industrial development agencies for the benefit of the several counties, cities, villages and towns in the State and empowers such agencies, among other things, to acquire, construct, reconstruct, lease, improve, maintain, equip and sell 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 facilities, in order to advance job opportunities, health, general prosperity and the economic welfare of the people of the State and to improve their standard of living; and

WHEREAS, the Enabling Act further authorizes each such agency to lease any or all of its facilities at such rentals and on such other terms and conditions as it deems advisable; and

WHEREAS, pursuant to and in connection with the provisions of the Enabling Act, Chapter 560 of the Laws of 1970 of the State (collectively referred to as the "Act") created the Agency which is empowered under the Act to undertake the providing, financing and leasing of the facility described below; and

WHEREAS, on or about August 12, 2009, Catskill Distilling Company, Ltd ("CDC"), Redford, LLC ("Redford") and the Agency entered into a sale/leaseback transaction wherein the Agency acquired a fee interest in certain real property in the Town of Bethel ("Town"), County of Sullivan ("County"), State and identified on the Town tax map as Section 26, Block 1, Lot 6 and Section 22, Block 1, Lot 62 ("Project Land") to facilitate the construction and equipping of a distillery, office, barrel storage house and restaurant/saloon ("Project"); and

WHEREAS, the Agency took title to Bethel Section 22, Block 1, Lot 62 by Bargain and Sale Deed from Redford to the Agency dated August 12, 2009, which Deed was recorded in the Office of the Clerk of Sullivan County on August 14, 2009 in Deed Liber 3603 at page 365; and

WHEREAS, the Agency took title to Bethel Section 26, Block 1, Lot 6 by Bargain and Sale Deed from Redford to the Agency dated August 12, 2009, which Deed was recorded in the Office of the Clerk of Sullivan County on August 14, 2009 in Deed Liber 3603 at page 371); and

WHEREAS, on or about May 1, 2018, Redford merged into CDC; and

WHEREAS, on November 19, 2019, CDC filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code, initiating a bankruptcy proceeding in the United States Bankruptcy Court for the Southern District of New York (“Bankruptcy Proceeding”); and

WHEREAS, on July 31, 2020, CDC and the Company entered into an Asset Purchase Agreement pursuant to the terms of which the Land and other assets of CDC were to be acquired by the Company (“APA”); and

WHEREAS, on May 3, 2021, the Company presented an application (“Application”) to the Agency, a copy of which is on file at the office of the Agency, requesting that the Agency consider (i) the continuation of financial assistance to the Company on the same terms as contemplated by the various agreements in place between the Agency and CDC at the time of commencement of the Bankruptcy Proceeding and (ii) the Agency enter into a lease/leaseback involving three (3) additional parcels of property which were required to be mortgaged by the lender providing financing to the Company to complete the transactions contemplated by the APA (“Additional Premises” and together with the Project Land, the “Leased Premises”); and

WHEREAS, by Resolution 16-2021, duly adopted on May 10, 2021, the Agency approved the Company’s application conditioned on the Company and Agency entering into a direct contractual relationship; and

WHEREAS, the Agency and CDC entered into a Project Termination Agreement of even date herewith pursuant to which the prior transaction documents between the Agency and CDC were terminated; and

WHEREAS, on or about May 24, 2021, the Agency transferred the Project Land to CDC and CDC transferred the Leased Premises to the Company; and

WHEREAS, in order to induce the Company to purchase and operate the Project, the Agency is willing to enter into a lease/leaseback transaction involving a lease of the Leased Premises from the Company to the Agency and a leaseback of the Leased Premises from the Agency to the Company.

NOW THEREFORE, in consideration of the foregoing recitals and the mutual terms, conditions, limitations and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, it is mutually agreed as follows:

ARTICLE I

REPRESENTATIONS AND COVENANTS

- 1.1. Representations and Covenants of the Agency. The Agency makes the following representations and covenants as the basis for the undertakings on its part herein contained:
- (a) The Agency is duly established under the provisions of the Act and has the power to enter into the transaction contemplated by this Lease Agreement and to carry out its obligations hereunder. Based upon the representations of the Company as to the utilization of the Project, the Agency has the authority to take the actions contemplated herein under the Act.
 - (b) The Agency has been duly authorized to execute and deliver this Lease Agreement.
 - (c) The Agency will lease the Leased Premises from the Company pursuant to this Lease Agreement, lease the Leased Premises back to the Company pursuant to the Leaseback Agreement of even date herewith ("Leaseback Agreement") and designate the Company as its agent for purposes of the Project, all for the purpose of promoting the industry, health, welfare, convenience and prosperity of the inhabitants of the State and the County of Sullivan and improving their standard of living.
 - (d) Neither the execution and delivery of this Lease Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the provisions of this Lease Agreement will conflict with or result in a breach of any of the terms, conditions or provisions of the Act or of any corporate restriction or any agreement or instrument to which the Agency is a party or by which it is bound, or will constitute default under any of the foregoing, or result in the creation or imposition of any lien of any nature upon any of the property of the Agency under the terms of any such instrument or agreement.
 - (e) The Agency has been induced to enter into this Lease Agreement by the undertaking of the Company to purchase and operate the Project and create jobs resulting therefrom in the County of Sullivan, New York.
- 1.2. Representations and Covenants of the Company. The Company makes the following representations and covenants as the basis for the undertakings on its part herein contained:
- (a) The Company is a limited liability company duly organized, existing and in good standing under the laws of the State of New York, has the authority to enter into this Lease Agreement and has duly authorized the execution and delivery of this Lease Agreement.

- (b) Neither the execution and delivery of this Lease Agreement, the consummation of the transactions contemplated hereby nor the fulfillment of or compliance with the provisions of this Lease Agreement will conflict with or result in a breach of any of the terms, conditions or provisions of any restriction or any agreement or instrument to which it is bound, or will constitute a default under any of the foregoing, or result in the creation or imposition of any lien of any nature upon any of the property of the Company under the terms of any such instrument or agreement.

ARTICLE II

DEMISING CLAUSES AND RENTAL PROVISIONS

- 2.1. Agreement to Transfer to Agency. The Company has leased and demised or has caused to be leased and demised to the Agency a leasehold interest in the real property, including any buildings, structures or improvements thereon, described in Schedule A attached hereto. The Company agrees the Agency's interest in the Leased Premises resulting from said conveyances will be sufficient for the purposes intended by this Lease Agreement and agrees that it will defend, indemnify and hold the Agency harmless from any expense or liability or loss or damage arising out of the lease or a defect in title or a lien adversely affecting the Leased Premises and will pay all reasonable expenses incurred by the Agency in defending any action respecting the lease or title to or a lien affecting the Leased Premises.
- 2.2. Demise of Leased Premises. The Company hereby demises and leases the Leased Premises to the Agency and the Agency hereby rents and leases the Leased Premises from the Company upon the terms and conditions of this Lease Agreement.
- 2.3. Remedies to be Pursued Against Contractors and Subcontractors and its Sureties. In the event of a default by any contractor, subcontractor or any other person under any contract made by it in connection with the Leased Premises or in the event of a breach of warranty or other liability with respect to any materials, workmanship, or performance, or guaranty, the Company at its expense, either separately or in conjunction with others, may pursue any and all remedies available to them and the Agency, as appropriate, against the contractor, subcontractor, manufacturer, supplier or other person so in default and against such surety for the performance of such contract. The Company in its own name or in the name of the Agency, may prosecute or defend any action or proceeding or take any other action involving any such contractor, subcontractor, manufacturer, supplier or surety or other person which is reasonably necessary, and in such events the Agency, at the Company's expense, hereby agrees to cooperate fully with the Company and to take all action necessary to effect the substitution of the Company for the Agency (including, but not limited to reasonable attorneys' fees) in any such action or proceeding.

2.4. Duration of Lease Term; Quiet Enjoyment

- (a) The Company shall deliver to the Agency possession of the Leased Premises (subject to the provisions hereof) and the leasehold estate created hereby shall commence as of the date hereof.
- (b) The leasehold estate created hereby shall terminate the earlier at 11:59 P.M. on February 1, 2030.
- (c) The period commencing on the date described in Section 2.4(a) herein through the date described in Section 2.4(b) herein shall be herein defined as the "Lease Term".

2.5. Rents. The rental under this Lease Agreement shall be One (\$1.00) Dollar and other good and valuable consideration, receipt of which is hereby acknowledged by the Company.

2.6. Use; Lease Agreement.

- (a) The Agency shall hold and use the Leased Premises only for leaseback to the Company under the Leaseback Agreement and otherwise shall not sell or assign its rights hereunder nor the leasehold estate created thereby.
- (b) Contemporaneously with the execution and delivery of this Lease Agreement, the Agency shall enter into the Leaseback Agreement. Pursuant to the Leaseback Agreement, the Company, as tenant of the Agency under the Leaseback Agreement, is required to perform all of the Agency's obligations under this Lease Agreement. Accordingly, and notwithstanding anything to the contrary contained in this Lease Agreement, 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 Agency under the Leaseback Agreement, to perform its corresponding obligations under the Leaseback Agreement.

ARTICLE III

DAMAGE, DESTRUCTION AND CONDEMNATION

3.1. Damage or Destruction.

- (a) If the Leased Premises shall be damaged or destroyed (in whole or in part) at any time during the term of this Lease Agreement:
 - (i) the Agency shall have no obligation to replace, repair, rebuild or restore the Project; and
 - (ii) there shall be no abatement or reduction in the amounts payable by the Company under the Leaseback Agreement.

All such replacements, repairs, rebuilding or restoration made pursuant to this Section 3.1, whether or not requiring the expenditure of the Company's own money, shall automatically become a part of the Project as if the same were specifically described herein.

ARTICLE IV

SPECIAL COVENANTS

- 4.1. Hold Harmless Provisions. The Company hereby releases the Agency from, agrees that the Agency shall not be liable for, and agrees to indemnify, defend and hold harmless the Agency, its chief executive officer, executive director, directors, officers, employees, members, agents (except the Company), representatives, and their respective successors and assigns and personal representatives from and against any and all (i) liability for loss or damage to property or injury to or death of any and all persons that may be occasioned by any cause whatsoever pertaining to the Leased Premises or arising by reason of or in connection with the occupation or the use thereof or the presence on, in or about the Leased Premises or (ii) liability arising from or expense incurred by the Agency's leasehold interest in and financing of the Leased Premises, including without limiting the generality of the foregoing, all causes of action and reasonable attorneys' fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing. The foregoing indemnities shall apply notwithstanding the breach of a statutory obligation or the application of any rule of comparative or apportioned liability. The foregoing obligations of the Company shall remain in full force and effect after the termination of this Lease Agreement.

ARTICLE V

ASSIGNMENTS AND SUBLEASING; MORTGAGE AND PLEDGE OF INTERESTS

- 5.1. Assignment and Subleasing. This Lease Agreement may not be assigned in whole or in part, and the Leased Premises may not be leased, in whole or in part, except that the Agency shall lease the leasehold interest created hereunder to the Company pursuant to the Leaseback Agreement.

ARTICLE VI

TERMINATION

- 6.1 Early Termination of Lease Agreement. The Company shall have the option at any time to terminate this Lease Agreement upon filing with the Agency a certificate signed by an authorized representative of the Company stating the Company's intention to do so pursuant to this Section 6.1 and upon compliance with the requirements set forth in Section 6.2 hereof.

- 6.2. Option to Terminate. Upon termination of this Lease Agreement in accordance with Section 6.1 hereof, the Company shall pay to the Agency all sums due under Sections 2.6, 3.3 and 3.7 of the Leaseback Agreement and all other sums due under the Leaseback Agreement ("Termination Payment").
- 6.3. Termination of Lease Agreement.
- (a) Pursuant to Section 6.2 hereof, the Agency shall deliver to the Company all necessary documents to reflect termination of this Lease Agreement, subject only to the following:
- (i) any liens to which the Leased Premises was subject when leased to the Agency;
 - (ii) any liens created at the request of the Company or to the creation of which the Company consented or in the creation of which the Company acquiesced; and
 - (iii) any liens resulting from the failure of the Company to perform or observe any of the agreements on its part contained in this Lease Agreement.
- (b) The Agency shall release and convey to the Company all of the Agency's rights and interest in and to any rights of action or any net proceeds of insurance or condemnation awards with respect to the Leased Premises (specifically excluding all rights of the Agency hereunder including its rights to indemnification hereunder).

ARTICLE VI

GENERAL PROVISIONS

- 7.1. Notices. All notices provided for by this Agreement shall be made 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 the Agency:

County of Sullivan Industrial Development Agency
548 Broadway
Monticello, New York 12701
Attn: Chief Executive Officer

With a copy to:

GARIGLIANO LAW OFFICES, LLP
449 Broadway
P.O. Drawer 1069
Monticello, New York 12701-1069
Attn: Agency Counsel

To the Company:

SVG 26 LLC
1301 47th Street
Brooklyn, New York 11219
Attn: Solomon Ellner, Managing Member

With a copy to:

Shawn Law Offices, P.C.
30 North Street, Suite 1
Monticello, New York 12701
Attn: Henri Shawn, Esq.

or at such other address and/or addresses as any party may from time to time furnish to the other party by notice given in accordance with the provisions of this Section. All notices shall be deemed given when mailed or personally delivered in the manner provided in this Section.

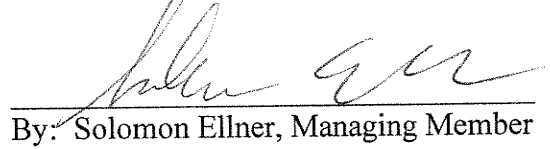
- 7.2. Binding Effect. This Lease Agreement shall inure to the benefit of and shall be binding upon the Agency, the Company and its respective permitted successors and assigns.
- 7.3. Waiver. No waiver of any of the provisions of this Lease Agreement shall be deemed to or shall constitute a waiver or any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver.
- 7.4. Severability. If any provision of this Lease Agreement shall be determined to be illegal and unenforceable by any court of law or any competent governmental or other authority, the remaining provisions shall be severable and enforceable in accordance with its terms so long as this Lease Agreement without such terms or provisions does not fail of its essential purpose or purposes. The parties will negotiate in good faith to replace any such illegal or unenforceable provision or provisions with suitable substitute provisions which will maintain the economic purposes and intentions of this Lease Agreement.
- 7.5. Governing Law, Venue. This Lease Agreement shall be governed, construed and enforced in accordance with the laws of the State of New York for contracts to be wholly performed therein. The parties hereby designate a court of proper jurisdiction in Sullivan County, New York as the exclusive venue for resolution of any disputes which may arise under or by reason of this Lease Agreement.

- 7.6. Section Headings Not Controlling. The headings of the several sections in this Lease Agreement have been prepared for convenience of reference only and shall not control, affect the meaning or be taken as an interpretation of any provision of this Lease Agreement.
- 7.7. Recording and Filing. This Lease Agreement, or a memorandum thereof, shall be recorded or filed, as the case may be, in the Office of the Clerk of Sullivan County, New York, or in such other office as may at the time be provided by law as the proper place for the recordation or filing thereof.
- 7.8. No Recourse; Special Obligation. Notwithstanding anything to the contrary contained herein, the obligations and agreements of the Agency contained herein and in any other agreement executed by the Agency and in any other instrument or document supplemental thereto executed in connection herewith or therewith shall be deemed the obligation and agreements of the Agency, and not of any chief executive officer, executive director, director, officer, employee, member, agent (except the Company), representative, or their respective successors and assigns and personal representatives in his or her individual capacity, and the chief executive officer, executive director, directors, officers, employees, members, agents (except the Company), representatives, and their respective successors and assigns and personal representatives of the Agency shall not be liable personally thereon or be subject to any personal liability or accountability based upon or in respect hereof or thereof or of any transaction contemplated hereby or thereby. The obligations and agreements of the Agency contained herein or therein shall not constitute or give rise to an obligation of the State of New York, the County of Sullivan, or any of the taxing jurisdictions and neither the State, the County, or any of the taxing jurisdictions shall be liable thereon, and, further, such obligations and agreements shall not constitute or give rise to a general obligation of the Agency, but rather shall constitute a limited obligation of the Agency payable solely from revenues derived from the Agency's interest in the Project.
- 7.9. Entire Agreement. This Lease Agreement together with the Leaseback Agreement and the Payment In Lieu of Tax Agreement sets forth the entire agreement and understanding between the parties relating to the subject matter hereof and supersedes all prior discussions and negotiations between them. This Lease Agreement may not be amended in any respect except by a written amendment expressly referring to this Lease Agreement and executed by the parties to be bound thereby.

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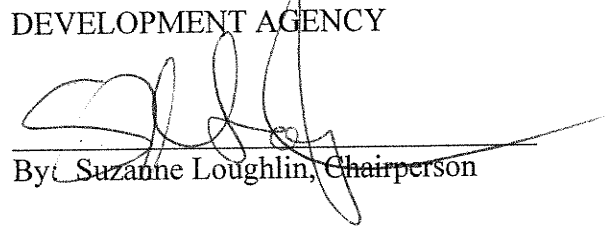
IN WITNESS WHEREOF, the Company and the Agency have caused this Lease Agreement to be executed in their respective names, all as of the date first above written.

SVG 26 LLC



By: Solomon Ellner, Managing Member

COUNTY OF SULLIVAN INDUSTRIAL
DEVELOPMENT AGENCY



By: Suzanne Loughlin, Chairperson

SCHEDULE A

Project Land

22.-1-62

26.-1-6

Additional Premises

22.-1-56

22.-1-59

22.-1-60

COMMITMENT
LEGAL DESCRIPTION

File Number: 20UAOR-3036

SCHEDULE A

Parcels identified for information purposes only as Bethel 22.-1-56; 22.-1-59; and 22.-1-60:

All that tract or parcel of land situate in the Town of Bethel, County of Sullivan, State of New York being bounded and described as follows:

Beginning at a point in the center of traveled way of New York State Route 17B at the southeasterly corner of lands of the County of Sullivan Industrial Development Agency (IDA) as described in Volume 3603 at Page 365 and running thence from said place of beginning North 18°-00' East 641.61 feet leaving said road and passing along the easterly boundary of said IDA parcel to an iron pin set at the northeast corner of said IDA parcel; thence North 72°-04' West 35.61 feet passing along the north boundary of said IDA parcel to an iron pin set; thence North 17°-19' East 2363.20 feet passing along the easterly boundary of lands of The Bethel Performing Arts Center, LLC (See Volume 3271 at Page 436 and Volume 3271 at Page 431), said course passing thru several iron pins set on line, to an iron pin found at the southwest corner of lands of West Shore Road, LLC (See Volume 3224 at Page 133); thence South 67°-53' East 330.41 feet passing along the south bounds of said West Shore Road, LLC parcel to an iron pin found at the northwest corner of lands of Pachter and Taublib (See Liber 861 of Deeds at Page 233 & Liber 926 of Deeds at Page 173); thence South 17°-17' West 1774.28 feet passing along the west boundary of said Pachter and Taublib parcel, said course passing thru several irons on line, to an iron pin set in the center of a small drainage ditch; thence the following four (4) courses and distances downstream along the center of said drainage ditch, it being the south boundary of said Pachter and Taublib parcel:

- 1.) South 78°-27' East 65.13 feet;
- 2.) North 85°-29' East 58.48 feet;
- 3.) North 71°-16' East 57.19 feet; and

4.) North 55°-17' East 42.72 feet to an iron found in the center of said ditch; thence leaving said ditch and running South 82°-19' East 112.79 feet continuing along said south boundary and passing thru an iron pin set to a point in the center of traveled way of Whitmore Road-Town Road No. 55; thence the following three (3) courses and distances passing along the center of traveled way of said road:

- 1.) South 15°-04' West 53.47 feet;
- 2.) South 7°-23' West 78.16 feet; and

3.) South 8°-08' West 30.51 feet to a point in the center of traveled way of said road at the northeast corner of lands of Klass (See Volume 3353 at Page 38); thence leaving said road and running North 71°-26' West 323.30 feet passing along the north boundary of said Klass parcel, said course passing thru an iron pin set on line, to an iron pin set; thence South 17°-17' West 525.85 feet passing along the west bounds of said Klass parcel to and along the west bounds of lands of Baer (See Volume 2984 at Page 574) to an iron found on the north boundary

COMMITMENT
LEGAL DESCRIPTION
(continued)

File Number: 20UAOR-3036

Parcels identified for information purposes only as Bethel 22.-1-56; 22.-1-59; and 22.-1-60 – Continued

of lands of Parker and Bakos (See Volume 3307 at Page 303); thence North 72°-04' West 209.03 feet passing along said north boundary to an iron found; thence South 18°-20' West 662.20 feet passing along the west boundary of said Parker and Bakos parcel to a point in the center of traveled way of said New York State Route 17B; thence North 57°-57' West 84.34 feet passing along the center of traveled way of said road to the point or place of beginning containing 19.77 acres of land.

Subject to easements of record to public utilities and highway use-dedication of record.

COMMITMENT
LEGAL DESCRIPTION
(continued)

File Number: 20UAOR-3036

Parcel identified for information purposes only as Bethel 22.-1-62:

All that tract or parcel of land situate in the Town of Bethel, County of Sullivan, State of New York being part of Farm Lots 36 and 37 in Great Lot Number 16 of the Hardenburgh Patent being bounded and described as follows:

Beginning at a point in the center of traveled way of New York State Route 17B, formerly the Newburgh/ Cohecton Turnpike at a southwesterly corner of lands of Redford LLC as described in Instrument Number 2011-3565 and running thence from said point of beginning the following two (2) courses and distances passing along the center of traveled way of said Route 17B: North 59°-23' West 143.37 feet and North 59°-58' West 147.52 feet to a point in the center of traveled way of said road; thence North 18°-22' East 584.77 feet leaving said road and passing through several concrete highway monuments found on line passing to and along an easterly boundary of lands of The Bethel Performing Arts Center, LLC (see Volume 3271 at Page 436) to an iron found; thence South 70°-46' East 244.89 feet continuing along a southerly boundary of said Bethel Performing Arts parcel to an iron found in a stone row at a southwesterly corner of lands of Redford LLC as described in Instrument Number 2011-3565; thence the following two (2) courses and distances passing along the southerly and westerly boundaries of said Redford LLC parcel: South 72°-04' East 35.61 feet passing generally along a stone row to an iron found in a corner of stone rows and South 18°-00' West 641.61 feet passing generally along a stone row part of the way to the point or place of beginning containing 3.97 acres of land.

Subject to easements of record to public utilities and highway use-dedication of record.

COMMITMENT
LEGAL DESCRIPTION
(continued)

File Number: 20UAOR-3036

Parcel identified for information purposes only as Bethel 26.-1-6:

ALL THAT TRACT OR PARCEL OF LAND, with the buildings and improvements thereon, situate in the Town of Bethel, County of Sullivan and State of New York, being a part of Lot No. 36 of the second division of Great Lot No. 16 of the Hardenburgh Patent and is more particularly bounded and described as follows:

BEGINNING at a concrete monument on the south taking line of State Route 17B opposite the end of a fence line on the east line of Murray Gruber; thence S 6° -17' W along said fence line at Gruber and partially along a stone wall on Gruber's east line 428.0 feet to an iron pipe corner; thence S 76° -18' E along a fence line at Hofstee 564.3 feet to a stake at the fence at the lands formerly of Stella Tobin and now of Gruber and Tobin; thence N 15° -51' E along Gruber and Tobin 400.5 feet to a concrete monument on the south taking line of State Route 17B; thence N 71° -35' W along said taking line 68.44 feet to a concrete monument; thence S 77° -26' W along said taking line 57.95 feet to a concrete monument; thence N 71° -23' W along said taking line 516.25 feet to the place of beginning.

CONTAINING 5.5 ACRES of land as surveyed by Joseph C. Woods, P.L.S., in July, 1970.

EXCEPTING AND RESERVING from the foregoing all that portion of the afore premises acquired by the State of New York for highway purposes, also a permanent drainage easement in the westerly part of the aforescribed premises, said easement being 50 feet wide and known and designated as P.E.M. 231 P. 301, and in addition thereto all further rights or claims against the State of New York which the party of the first part may have for that portion of the premises which lies between the bounds of the lot as it originally existed and the outbounds of the 6 rod road as claimed and contended by the State.

COMMITMENT
LEGAL DESCRIPTION
(continued)

File Number: 20UAOR-3036

Parcel identified for information purposes only as Bethel 26.-1-6 - Continued

The premises described above are more particularly described after a field survey by George H. Fulton, P.L.S. on January 19, 2009 as follows:

All that tract or parcel of land with buildings and improvements thereon situate in the Town of Bethel, County of Sullivan, State of New York being bounded and described as follows:

Beginning at an iron pin set on the south bounds of New York State Route 17B, said point of beginning being the southwest corner of Parcel Number 300 as shown on Map No. 231 of the Fosterdale-Mongaup Valley State Highway Number 985, said point of beginning being further described as South 17° -27' West 20.2 feet from an iron pin found on said highway boundary at the northeast corner of lands of The Bethel Performing Arts Center, LLC as described in Volume 2997 at Page 231 and running thence from said place of beginning the following three (3) courses and distances passing along the south bounds of said highway:

- 1.) South 60° -01' East 516.83 feet passing thru the remains of several concrete highway monuments marking a permanent drainage easement passing within the herein described parcel to an iron pin set;
- 2.) North 89° -11' East 57.80 feet to the remains of a concrete highway monument;
and
- 3.) South 60° -15' East 68.83 feet passing along the 6 rod highway boundary of said highway as claimed by the State of New York to the remains of a concrete highway monument found; thence South 30° -45' West 401.24 feet passing thru a concrete highway monument found at the northwest corner of lands of Gruber (See Land Record Liber 2901 at Page 648), said course leaving said highway bounds as it passes along the west boundary of said Gruber parcel, to an iron pin set on the north bounds of lands of Hofstee (See Liber 712 of Deeds at Page 205); thence North 64° -58' West 539.04 feet passing along said north bounds to an iron pin found at a southeast corner on the east boundary of said Bethel Performing Arts Center, LLC parcel; thence North 17° -27' East 428.08 feet passing along said east boundary, said course passing in part along the west bounds of a highway drainage easement, to the point or place of beginning containing 5.40 acres of land.

Subject to a permanent drainage easement passing thru the above described parcel, said easement being set forth on Map Number 231 as Parcel No. 301 of said State Highway.

Subject to utility easements of record.