

LEASE TO AGENCY

THIS LEASE TO AGENCY ("Lease Agreement"), effective as of the 1st day of February, 2026, by and among CATSKILL VETERINARY SERVICES, PLLC, a New York professional service limited liability company with offices located at 230 Rock Hill Drive, P.O. Box 465, Rock Hill, New York 12775 ("Catskill Vet Services"), CATSKILL VET. PROPERTIES LLC, a New York limited liability company with offices located at 230 Rock Hill Drive, P.O. Box 465, Rock Hill, New York 12775 ("Catskill Vet Properties" and together with Catskill Vet Services, collectively, the "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, the Agency was created by Chapter 560 of the Laws of 1970 of the State of New York ("State") pursuant to Title I of Article 18-A of the (General Municipal Law of the State of New York (collectively referred to as the "Enabling Act") as a body corporate and politic and as a public benefit corporation of the 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 its 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, the Agency is empowered under the Enabling Act to undertake the providing of financing and taking of title or a leasehold interest in the Project (as described below); and

WHEREAS, on or about January 12, 2026, the Company presented an application to the Agency ("Application"), a copy of which is on file at the office of the Agency, requesting that the Agency consider undertaking a project consisting of the: (i) acquisition, construction, installation and equipping of an approximately 20,000 +/- square foot building to be used as a veterinary hospital and an approximately 2,592 square foot large animal outbuilding ("Buildings") situate on one (1) parcel of real estate consisting of approximately 16.49 +/- acres of land located at 23 Old Drive In Road in the hamlet of Rock Hill, Town of Thompson ("Town"), County of Sullivan ("County"), State of New York and identified on the Town tax map as Section 32, Block 1, Lot

14.1 ("Land"); (ii) acquisition, construction and installation thereon and therein of certain furniture, fixtures, machinery, equipment and tools ("Equipment"); (iii) construction of improvements to the Building, the Land and the Equipment (collectively, the Buildings, the Land and the Equipment are referred to as the "Project"); and (iv) lease of the Project from the Agency to the Company; and

WHEREAS, by resolution No. 01-26, dated January 21, 2026 ("Resolution"), the Agency authorized the Company to act as its agent for the purposes of acquiring, constructing, installing and equipping the Project; (ii) negotiate and enter into an Agent and Project Agreement, Lease to Agency, Leaseback to Company and Payment in Lieu of Taxation Agreement ("PILOT Agreement") with the Company (collectively, the "Transaction Documents"); (iii) hold a leasehold interest in the Land, the improvements and personal property thereon which constitute the Project; and (iv) provide financial assistance to the Company in the form of (a) sales tax exemption for purchases related to the construction and equipping of the Project; (b) a real property tax abatement on increased value resulting from improvements to the Land through the PILOT Agreement; and (c) a mortgage tax exemption for financing related to the Project; and

WHEREAS, in order to induce the Company to develop the Project, the Agency is willing to enter into a lease/leaseback transaction involving a lease of the Project from the Company to the Agency and a leaseback of the Project from the Agency to the Company; and

WHEREAS, the Company has agreed with the Agency, on behalf of the Agency and as the Agency's agent, to acquire, construct, install and equip the Project in accordance with the plans and specifications presented to the Agency.

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 Enabling 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 Enabling Act.
 - (b) The Agency has been duly authorized to execute and deliver this Lease Agreement.

- (c) The Agency will lease the Land from the Company pursuant to this Lease Agreement and lease the Land back to the Company pursuant to the Leaseback to Company 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 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 Enabling 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 acquire, construct, install and equip the Project and the related jobs resulting therefrom in the County, State.

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) Catskill Vet Services is a professional service limited liability company duly organized, existing and in good standing under the laws of the State of New York, subject to the completion of the publication requirement of the formation of Catskill Vet Services and the filing of the Certificate of Publication with the New York State Department of State, and has the authority to enter into this Lease Agreement and has duly authorized the execution and delivery of this Lease Agreement.
- (b) Catskill Vet Properties 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.
- (c) 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 or has caused to be leased to the Agency a leasehold interest in the real property, including any buildings, structures or improvements thereon, described in Schedule A attached hereto, and the Company has or will convey to the Agency all of its interest in the Equipment described in Schedule B. The Company agrees the Agency's interest in the Project 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 Project 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 Project.
- 2.2. Demise of Facility. The Company hereby demises and leases the Facility to the Agency and the Agency hereby rents and leases the Facility 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 Project 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 Land and Facility (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 at 11:59 P.M. on February 15, 2047, or on such earlier date as may be permitted by Section 6.1 hereof.
 - (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 Project 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 which the Company as agent of the Agency agrees to undertake and complete the Project. 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 Project 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.
- (b) 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. To the fullest extent permitted by law, 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 Project or arising by reason of or in connection with the occupation or the use thereof or the presence on, in or about the Project or (ii) liability arising from or expense incurred by the Agency and financing of the Project, 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 Project 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 or amendment of this Lease Agreement, subject only to the following:
 - (i) any liens to which the Project 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 in the event of a total, substantial or partial taking by eminent domain or for any public or quasi-public use under statute, with respect to the Project (specifically excluding all rights of the Agency hereunder including its rights to indemnification hereunder).

ARTICLE VII

GENERAL PROVISIONS

- 7.1. Notices. All notices provided for by this Lease 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 date of receipt if transmitted by electronic mail to 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: Executive Director

with a copy to:

Walter F. Garigliano P.C.
449 Broadway
Monticello, New York 12701

If to Catskill Vet Services:

Catskill Veterinary Services, PLLC
P.O. Box 465
Rock Hill, New York 12775
Attn: Joseph D'Abbraccio, Managing Partner

If to Catskill Vet Properties:

Catskill Vet. Properties LLC
P.O. Box 465
Rock Hill, New York 12775
Attn: Joseph D'Abbraccio, Managing Partner

with a copy to:

Lippes Mathias LLP
54 State Street, Suite 1001
Albany, New York 12207
Attn: Matthew L. Hosford, 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. Any electronic notice sent outside of regular hours shall be deemed given on the next business day.

- 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 for contracts to be wholly performed therein. The parties hereby designate a court of proper jurisdiction in Sullivan County, State of 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,

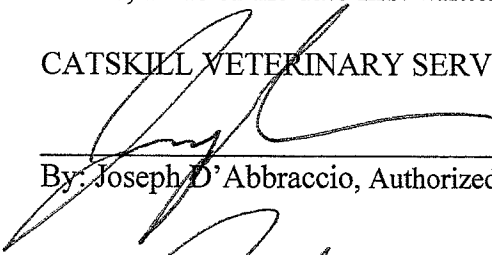
affect the meaning or be taken as an interpretation of any provision of this Lease Agreement.

- 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, State of 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 and the Company contained herein and in any other agreement executed by the Agency and the Company 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 the Company, 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 and the Company 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 of New York, the County of Sullivan, 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 sale of the Agency's interest in the Project.
- 7.9. Counterparts. This Lease Agreement may be executed in any number of counterparts each of which shall be deemed an original but which together shall constitute a single instrument.
- 7.10. Entire Agreement. This Lease Agreement together with the Agent and Project Agreement, Leaseback Agreement and the PILOT 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.

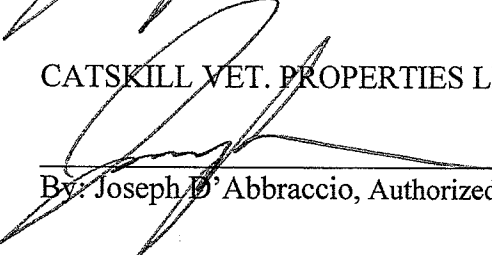
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IN WITNESS WHEREOF, the Company and the Agency have caused this Lease Agreement to be executed in their respective names, all as of the date first written above.

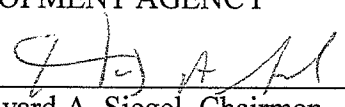
CATSKILL VETERINARY SERVICES, PLLC


By: Joseph D'Abbraccio, Authorized Signatory

CATSKILL VET. PROPERTIES LLC


By: Joseph D'Abbraccio, Authorized Signatory

COUNTY OF SULLIVAN INDUSTRIAL
DEVELOPMENT AGENCY


By: Howard A. Siegel, Chairman

SCHEDULE A DESCRIPTION

ALL that parcel of land as depicted on the Town of Thompson tax map as Schedule 32, Block 1, Lot 14.1, which is further described as follows:

All that certain piece or parcel of land lying and being in the County of Sullivan, State of New York, Town of Thompson and being described as follows:

Beginning at a point on the westerly line of Glen Wild Road at the intersection with the land of N/F 9 Glen Wild Road LLC (32-1-21) and running thence along the northerly line of said 9 Glen Wild Road LLC north 72 degrees 30 minutes 00 seconds west 313.70 feet to a point of intersection with lands N/F Son T Inc (32-1-15) the following five courses and distances; 1) North 56 degrees 16 minutes 00 seconds west 299.18 feet to a point, 2) South 23 degrees 35 minutes 00 seconds west 14.65 feet to a point, 3) south 51 degrees 45 minutes 00 seconds east 25.17 feet to a point, 4) South 29 degrees 49 minutes 00 seconds west 208.60 feet to a point, 5) South 40 degrees 27 minutes 00 seconds west also passing along lands N/F Jasper (32-1-16) 107.60 feet to a point running thence along said Jasper the following two courses and distances; 1) North 49 degrees 33 minutes 00 seconds west 23.00 feet to a point, 2) South 40 degrees 27 minutes 00 seconds west 150.00 feet to a point on the northerly line of Rock Hill Drive running thence along the northerly line of said Rock Hill Drive north 47 degrees 08 minutes 00 seconds west 75.00 feet to a point on the line of lands N/F Conway running thence along the lands of said Conway the following six courses and distances; 1) North 40 degrees 27 minutes 00 seconds east 160.00 feet to a point, 2) South 47 degrees 08 minutes 00 seconds east 50.00 feet to a point, 3) North 40 degrees 27 minutes 00 seconds east 85.00 feet to a point, 4) North 29 degrees 49 minutes 00 seconds east 185.00 feet to a point, 5) North 03 degrees 57 minutes 00 seconds west 44.65 feet to a point, 6) North 51 degrees 45 minutes 15 seconds west passing along other lands N/F Conway (32-1-12) 530.30 feet to a point on the line of lands N/F Glen Wild Land Company LLC (32-1-10) north 16 degrees 33 minutes 25 seconds east passing along or near a stone wall and a barbed wire fence 782.93 feet to an iron rod found at the intersection with lands N/F Gavin (32-1-26.3) running thence along the southerly line of said Gavin south 74 degrees 02 minutes 42 seconds east along a row of trees and wire fence 662.80 feet to an iron rod found at the intersection with lands N/F Rock Hill Fire District running thence along the northerly line of said Rock Hill Fire District south 23 degrees 35 minutes 00 seconds west passing over iron rods found on or near the line at 179.6 feet and 30.8 feet and partially along a solid metal screen wall 639.86 feet to an iron rod found continuing along the southerly line of said Rock Hill Fire Department south 85 degrees 29 minutes 00 seconds east 299.24 feet to a point in a rock retaining wall on the line of Aden Brook Holdings LLC running thence along the northerly line of said Aden Brook Holdings LLC south 21 degrees 57 minutes 00 seconds west passing over a copper weld monument found at 100.2 feet on line 432.76 feet to a point thence along the southerly line of said Aden Brook Holdings LLC south 72 degrees 32 minutes 00 seconds east 301.80 feet to a point on the westerly line of said Glen Wild Road running thence along the westerly line of said Glen Wild Road south 15 degrees 00 minutes 00 seconds west 75.00 feet to a place and point of beginning.

SCHEDULE B

DESCRIPTION OF THE EQUIPMENT

All equipment, furniture, fixtures, machines, building materials and items of personal property and all appurtenances (A) acquired, constructed, installed and equipped and/or intended to be acquired, constructed, installed or equipped in connection with acquisition, construction, installation and equipping of Catskill Veterinary Services, PLLC and Catskill Vet. Properties LLC ("Company") project located on the real property described on Schedule A hereto, said Project to be acquired, constructed, installed and equipped by the Company as agent of the Agency pursuant to the Agent and Project Agreement, dated as of February 1, 2026; and (B) now or hereafter attached to, contained in or used in connection with the Land or placed on any part thereof, though not attached thereto, including but not limited to, pipes, screens, fixtures, heating, lighting, plumbing, ventilation, air conditioning, compacting and elevator plants, telephone and information systems, furniture, rugs, movable partitions, cleaning equipment, maintenance equipment, shelving, signs, waste containers, outdoor benches, drapes, blinds and accessories, sprinkler systems and other fire prevention and extinguishing apparatus.