2 McCrea Hill Road LEASE

ARTICLE 1 BASIC LEASE INFORMATION AND DEFINITIONS

In addition to the terms which are defined elsewhere in this *Lease*, the following defined terms are used in this *Lease*:

1.1 TENANT: Core Tech Industrial Corp.

1.2 TENANT'S ADDRESS: 2 McCrea Hill Road, Ballston Spa, NY

1.3 LANDLORD: CTI Properties, LLC

1.4 LANDLORD'S ADDRESS: 2 McCrea Hill Road, Ballston Spa, NY

1.5 BUILDING ADDRESS: 2 McCrea Hill Road Ballston Spa, N.Y. 12020

1.6 COMMENCEMENT DATE: January 1, 2018

1.7 TERM: Five (5) years.

1.8

PREMISES:

Renewal Terms: Three-Five (5) Year renewals.

Approximately 19150 SF of warehouse/office space at 2 McCrea Hill Road, Ballston Spa, New York 12020

ARTICLE 2 AGREEMENT

Landlord leases the Premises to Tenant, and Tenant leases the Premises from Landlord, according to this Lease. Premises are as set forth on the attached Exhibit A.

ARTICLE 3 TERM

- 3.1 Initial Term. The term of the Lease shall commence on January 1, 2018 ("Commencement Date") and shall terminate at 11:59 P.M. on December 31, 2021 (Termination Date) unless the option (s) to renew is exercised, in such event the Lease will expire at 11:59 P.M. on the day immediately preceding the Tenth (10th) anniversary of the Commencement Date or the Fifteen (15th) anniversary of the Commencement Date as the case may be. The five (5) year term shall hereinafter be referred to as the "Initial Term".
- 3.2 Renewal Terms. Tenant is hereby granted three (3) options to extend the term of this Lease for five (5) years (each a "Renewal Term") upon the following terms and conditions:

- (A) At the time of the exercise of the option to renew and at the time of the renewal, the Tenant shall not be in material default in accordance with the terms and provisions of this Lease.
- (B) Notice of the exercise of the option(s) to extend shall be received by the Landlord in writing at least three (3) calendar months before the expiration of the existing Term.
- (C) The Renewal term(s) shall each be for the term of five (5) years commencing at the expiration of the then existing Term, and all of the terms and conditions of this Lease, other than the Base Rent, which will be adjusted as hereinafter set forth, shall apply during any such Renewal Term.

ARTICLE 4 BASE ANNUAL RENT

Throughout the *Initial Term* of this *Lease*, *Tenant* will pay *Base Annual Rent* to *Landlord* as rent for the *Premises*. *Base Annual Rent* will be as follows:

Years 1-5

\$160,000

During any Renewal Term(s) of this Lease, Tenant will pay Base Annual Rent to Landlord as rent for the Premises. Base Annual Rent will be as follows:

Years 6-10	\$170,000
Years 11-15	\$180,000
Years 16-20	\$191,000

and such Annual Rent shall be paid in advance on or before the first day of each calendar month of the *Term*. *Annual Rent* will be paid to *Landlord*, without notice or demand, and without deduction or offset (except as expressly provided herein), at *Landlord's Address*, or to such other place as *Landlord* may from time to time designate in writing.

ARTICLE 5 INSURANCE

- 5.1 Insurance. Tenant shall at Tenant's expense maintain comprehensive public liability and property damage insurance in such amount as agreed upon by the parties issued by a Company or Companies of sound financial responsibility qualified to do business in the State of New York. During the term of this Lease, Landlord shall maintain, at its own expense, fire and extended coverage insurance for the Building along with public liability and property damage insurance in a minimum amount of \$2,000,000 per occurrence and \$4,000,000 in aggregate.
- 5.2 Forms of the Policies. All polices of liability insurance which *Tenant* is obligated to maintain according to this *Lease* will name *Landlord* and such other persons or firms as *Landlord* reasonably specifies from time to time as additional insureds. Certificates of insurance will be delivered to *Landlord* prior to *Tenant's* occupancy of the *Premises* and from time to time within thirty (30) days after request therefore. All such policies maintained by *Tenant* will provide that they may not be terminated or amended except after ten (10) days prior written

notice to Landlord. All public liability, property damage liability and casualty policies maintained by *Tenant* will be written as primary policies, not contributing with and not supplemental to the coverage that *Landlord* may carry.

5.3 Waiver of Subrogation. Landlord and Tenant each waive any and all rights to recover against the other, or against the officers, directors, shareholders, partners, joint ventures, employees, agents, customers, invitees or business visitors of the other party for any loss or damage to such waiving party arising from any cause covered by any insurance required to be carried by such party pursuant to this Article 5 or any other insurance actually carried by such party.

ARTICLE 6 USE

The *Premises* will be used as the Tenant's corporate headquarters and warehouse and for no other purpose.

ARTICLE 7 HAZARDOUS MATERIALS

- 7.1 General. Tenant, at its expense, will comply with all applicable governmental laws, orders and regulations, and with any direction of any public officer or officers, according to law, which will impose any violation, order or duty upon Landlord or Tenant with respect to Tenant's use and occupation of the Premises.
- 7.2 Hazardous Materials. The term "Hazardous Substances", as used in this Lease, shall include, without limitation, flammables, explosives, radioactive materials, asbestos, polychlorinated biphenyls (PCBs), chemicals known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, toxic substances or related materials, petroleum and petroleum products, and substances declared to be hazardous or toxic under any law or regulation now or hereafter enacted or promulgated governmental authority, other than those used in normal office use and quantities.
- 7.3 Tenant shall not cause or permit to occur any violation of any federal, state, or local law, ordinance, or regulation now or hereafter enacted, related to environmental conditions on, under, or about the *Premises*, or arising from *Tenant's* use or occupancy of the *Premises*, including, but not limited to, soil and ground water conditions or the use, generation, release, manufacture, refining, production, processing, storage, or disposal of any *Hazardous Substance* on, under, or about the *Premises*, or the transportation to or from the *Premises* of any *Hazardous Substance*.
- 7.4 Tenant shall indemnify, defend, and hold harmless Landlord, and its agents, and employees from all fines, suits, procedures, claims, and actions of every kind, and all costs associated therewith (including attorneys, and consultants, fees) arising out of or in any way connected with any deposit, spill, discharge, or other release of Hazardous Substances which arises from or relates to the Tenant or its employees, invitees, contractors or licenses use, presence or occupancy of the Premises.
- 7.5 Tenant's obligations and liabilities hereunder shall survive the expiration of this Lease.

ARTICLE 8 ASSIGNMENT AND SUBLETTING

- 8.1 Assignment. Tenant shall not assign this Lease without the prior written consent of Landlord, which shall not be unreasonably withheld by Landlord.
- 8.2 Sublease. *Tenant* shall not have the right to sublet all or any portion of the *Premises* without the prior written consent of *Landlord* which shall not be unreasonably withheld by *Landlord*.

ARTICLE 9 RULES AND REGULATIONS

Tenant and its employees, agents, licensees and visitors will at all times observe faithfully, and comply strictly with, reasonable rules and regulations as may be adopted by *Landlord* to the extent the same are enforced in a non-discriminatory manner and to the extend such rules and regulations do not prevent *Tenant's* approved use of the Premises.

ARTICLE 10 REPAIR AND MAINTENANCE; UTILITIES; TAXES

- 10.1 Repair. Tenant shall take good care of the Premises and shall, at the **Tenant's** own costs and expenses make all repairs including, but not limited to repairs for electrical, heating, plumbing, natural gas, refrigeration, air conditioning, or furnace services, and at the end or other expiration of the term shall deliver up the leased premises in good order or condition, reasonable wear and tear excepted.
- 10.2 Landlord agrees to keep, repair and maintain all structural parts of the Leased Premises in good condition and without limiting the foregoing (including the roof, exterior walls, and foundation) in good repair at all times.
- 10.3 All repairs, restorations, alterations, additions or payments (other than Rental Payments) agreed upon in this Lease to be made shall be completed within reasonable time.
- 10.4 Utility Services. Tenant shall be responsible for paying all utility costs associated with the Premises.
- 10.5 Taxes. Tenant shall be responsible for payment of Tenant's Proportional Share of the real property taxes. For purposes of this paragraph, "property taxes" shall include without limitation any and all property tax, school tax, sewer and water rents, special assessments and any similar tax related to or arising from the ownership of the building. Tenant's Proportional Share of the real property taxes shall be 70.9%. (19150sg.ft/2700sq.ft) Taxes shall be treated as Additional Rent which shall be payable to Landlord within ten (10) days of Tenant's receipt of a tax bill from Landlord.

ARTICLE 11 ALTERATIONS

- 11.1 During the term, *Tenant* will not make or allow to be made any alterations, additions, or improvements to or of the *Premises* or any part of the *Premises*, or attach any fixtures or equipment to the *Premises*, without first obtaining *Landlord's* written consent, which consent shall not be unreasonably withheld.
- 11.2 Fit-Up. Tenant is accepting the premises "as is" and shall be responsible for any fit-up required. Tenant shall be responsible for obtaining any required governmental approvals or any fit-up completed. Any fit-up shall receive Landlord's prior written approval.

ARTICLE 12 END OF TERM

At the end of this *Lease* or any extension thereof, *Tenant* will promptly quit and surrender the *Premises* broom-clean, in good order and repair, ordinary wear and tear loss by casualty or condemnation, and other losses not required to be repaired by Tenant excepted. *Tenant* will fully repair any damage occasioned by the removal of any trade fixtures, equipment, furniture, alterations, additions and improvements. All trade fixtures, equipment, furniture, inventory, effects, alterations, additions and improvements not removed at the expiration of the term will be deemed conclusively to have been abandoned and may be disposed of by *Landlord* without notice to *Tenant* or any other person and without obligation to account for them. Tenant will pay *Landlord* for all expenses incurred in connection with the handling of such property. *Tenant's* obligation to observe and perform this covenant will survive the expiration or other termination of this *Lease*.

ARTICLE 13 DAMAGE AND DESTRUCTION

- 13.1 If the *Premises* or the *Building* is damaged by fire or other insured casualty, *Landlord* will give *Tenant* notice of the time which will be needed to repair such damage, as determined by *Landlord* in its sole discretion, and the election (if any) which *Landlord* has made according to this Article 13. Such notice will be given before the fifteenth (15th) day (the "Notice Date") after the fire or other insured casualty.
- 13.2 If the *Premises* or the *Building* is damaged by fire or other insured casualty to an extent which may be repaired within ninety (90) days after the commencement of repair, as determined by *Landlord*, *Landlord* will repair the damage within ninety (90) days after the *Notice Date*. In that event this *Lease* will continue in full force and effect except that *Rent* will be abated on a pro rata basis from the date of the fire or other insured casualty until the date of the completion of such repairs (the "Repair Period") based on the percentage of the *Premises* of whose use *Tenant* is deprived during the Repair Period.
- 13.3 If the *Premises* or the *Building* are damaged by fire or other insured casualty to an extent

which may not be repaired within ninety (90) days after the commencement of repair, as determined by *Landlord*, *Landlord* shall timely deliver notice of such fact to Tenant, then:

- a. Landlord may cancel this Lease as of the date of such damage by written notice given to on or before the Notice Date, or
- b. Tenant may cancel this Lease as of the date of such damage by written notice given to Landlord within ten (10) days after Landlord's delivery of a notice that the repairs cannot be made within such ninety (90) day period. If neither Landlord nor Tenant so elects to cancel this Lease, Landlord will repair the Building and Premises and Rent will be abated on a pro rata basis during the Repair Period based on the percentage of the Premises of whose use Tenant is deprived during the Repair Period. Tenant shall be deemed deprived from the use of the Premises when such damages negatively impair Tenant from successfully conducting its business.

ARTICLE 14 SUBORDINATION AND ATTORNMENT

- 14.1 Subordination. This lease and the *Tenant's* rights under this *Lease* are subject and subordinate to any ground or underlying lease, mortgage, indenture, or other lien encumbrance (each a "superior lien"), together with any renewals, extensions, modifications, consolidations, and replacements of such superior lien, now or hereafter placed, charged or enforced against the land, the building, or all or any portion of the Premises. This provision will be self-operative and no further instrument of subordination will be required in order to affect it. In the event a current or future mortgage holder requires a separate subordination agreement and/or estopel statement to be executed, the *Tenant* will, upon *Landlord's* request, execute the same within ten (10) business days after request therefore.
- 14.2 Attornment. *Tenant* will, upon request of any person or party succeeding to the interest of *Landlord*, automatically become the *Tenant* of and attorn to such successor in interest without change in the terms or provisions of this *Lease*.

ARTICLE 15 ENTRY BY LANDLORD

15.1 Tenant will permit the Landlord, its agents, employees, and contractors to enter the Premises at any time during reasonable business hours (and at all hours in an emergency situation) upon reasonable notice for the purpose of inspecting the same. Said inspections shall be carried out in a manner so as not to interfere with Tenant's business. The Tenant agrees to permit the Landlord or his agents to show the premises to persons wishing to purchase or lease the Premises. Tenant further agrees to allow Landlord, during the last 180 days of the Lease Term, the right to place notices on the front of said Premises, or any part thereof, offering the Premises "To Let" or "For Sale" and the Tenant herby agrees to permit the same to remain thereon without hindrance or molestation.

ARTICLE 16 INDEMNIFICATION

16.1 Indemnification by Tenant. Tenant will neither hold nor attempt to hold Landlord or its employees or agents liable for, and Tenant will indemnify and hold harmless

Landlord, its employees and agents from and against, any and all demands, claims, causes of action, fines, penalties, damages, liabilities, judgments, and expenses (including, without limitation, attorneys' fees) incurred in connection with or arising from:

- a. Any breach, violation or nonperformance by *Tenant* of any term, covenant or provision of this *Lease* or any law, ordinance or governmental requirement of any kind;
- b. Any injury or damage to the person, property or business of *Tenant*, its employees, agents, contractors, invitees or visitors of *Tenant* except for any injury or damage to persons or property on the *Premises* which is proximately caused by or results proximately from the negligence or deliberate act of *Landlord* or its employees.

ARTICLE 17 QUIET ENJOYMENT

Landlord covenants and agrees with Tenant that so long as Tenant pays the Rent and observes and performs all the terms, covenants and conditions of this Lease on Tenant's part to be observed and performed, Tenant may peaceably and quietly enjoy the Premises subject, nevertheless, to the terms and conditions of this Lease.

ARTICLE 18 DEFAULT

- 18.1 Events of Default. The following events are referred to collectively as "Events of Default," or individually as an "Event of Default":
- a. *Tenant* defaults in the due and punctual payment of *Rent*, and such default continues for ten (10) days from the date the *Rent* is required to be paid; or
- b. This *Lease* or the *Premises* or any part of the *Premises* are taken upon execution or by other process of law directed against *Tenant*, or are taken upon or subject to any attachment at the instance of any creditor or claimant against *Tenant*, and the attachment is not discharged or disposed of within fifteen (15) days after its levy;
- c. Tenant files a petition in bankruptcy or insolvency or for reorganization or arrangement under the bankruptcy laws of the United States or under any insolvency act of any state, or admits the material allegations of any such petition by answer or otherwise, or is dissolved or makes an assignment for the benefit of creditors;
- d. Involuntary proceedings under any such bankruptcy law or insolvency act or for the dissolution of *Tenant* are instituted against *Tenant*, or a receiver or trustee is appointed for all or substantially all of the property of *Tenant*, and such proceeding is not dismissed or such receivership or trusteeship vacated within sixty (60) days after such institution or appointment;
- e. *Tenant* breaches any of the other agreements, terms, covenants or conditions which this *Lease* requires *Tenant* to perform, and such breach continues for a period of thirty (30) days after notice from *Landlord* to *Tenant*; or if such breach cannot be cured reasonably within such thirty (30) day period and *Tenant* fails to commence and proceed diligently to cure such breach within a reasonable time period.
- 18.2 Landlord's Remedies. If any one or more Events of Default set forth in Article 18.1

occurs then Landlord has the right, at its election:

- a. to give *Tenant* written notice of *Landlord's* intention to terminate this *Lease* on the earliest date permitted by law or on any later date specified in such notice, in which case *Tenant's* right to possession of the *Premises* will cease and this *Lease* will be terminated, except as to *Tenant's* liability, as if the expiration of the term fixed in such notice were the end of the *Term*; or
- b. the *Landlord* may elect, if the *Tenant* is in default as set forth above, without further demand or notice, to reenter and take possession of the *Premises* or any part of the *Premises*, repossess the same, expel *Tenant* and those claiming through or under *Tenant*, and remove the effects of both or either, using such reasonable force for such purposes as may be necessary, without being liable for prosecution, without being deemed guilty of any manner of trespass, and without prejudice to any remedies for arrears of *Annual Rent* or other amounts payable under this *Lease* or as a result of any preceding breach of covenants or conditions; or
- c. the *Landlord* may elect, if the *Tenant* is in default as set forth above, without further demand or notice, to cure any *Event of Default* and to charge *Tenant* for the cost of effecting such cure, including, without limitation, attorneys' fees and interest on the amount so advanced provided that *Landlord* will have no obligation to cure any such *Event of Default* of *Tenant*.

Should Landlord elect to reenter, or should Landlord take possession pursuant to legal proceedings or pursuant to any notice provided by law, Landlord may, from time to time, without terminating this Lease, relet the Premises or any part of the Premises in Landlord's or Tenant's name, but for the account of Tenant, for such term or terms (which may be greater or less than the period which would otherwise have constituted the balance of the Term) and on such conditions and upon such other terms (which may include concessions of free rent and alteration and repair of the Premises) as Landlord, in its sole discretion, may determine, and Landlord may collect and receive the rent. Landlord shall make a good faith effort to relet the Premises. Landlord will in no way be responsible or liable for any failure to relet the Premises or any part of the Premises, or for any failure to collect any rent due upon such reletting. No such reentry or taking possession of the Premises by Landlord will be construed as an election on Landlord's part to terminate this Lease unless a written notice of such intention is given to Tenant. Landlord reserves the right following any such reentry or reletting to exercise its right to terminate this Lease by giving Tenant such written notice, in which event this Lease will terminate as specified in such notice.

- 18.3 Certain Damages. In the event that Landlord does not elect to terminate this Lease, but elects to take possession, Tenant will pay to Landlord:
- a. *Rent* and other sums as provided in this *Lease*, which would be payable under this *Lease* if such repossession had not occurred, less
- b. the net proceeds, if any, of any reletting of the *Premises* after deducting all *Landlord's* reasonable expenses in connection with such reletting, including, without limitation, all repossession costs, brokerage commissions, attorneys' fees, expenses of employees, alteration and repair costs and expenses of preparation for such reletting.

If, in connection with any reletting, the new lease term extends beyond the existing *Term*, or the premises covered by such new lease include other premises not part of the *Premises*, a fair apportionment of the rent received from such reletting and the expenses incurred in connection with such reletting as provided in this Article 18 will be made in determining the net proceeds

from such reletting, and any rent concessions will be equally apportioned over the term of the new lease. *Tenant* will pay such rent and other sums to *Landlord* monthly on the day on which the *Rent* would have been payable under this *Lease* if possession had not been retaken, and *Landlord* will be entitled to receive such rent and other sums from *Tenant* on each such day.

18.4 Tenant Remedies. Landlord shall reimburse and compensate Tenant for reasonable costs incurred, including reasonable attorneys' fees, damages or fines incurred by Tenant due to Landlord's actual breach of any material term, covenant or condition of this Lease, and Landlord shall also be responsible for attorneys' fees or costs expended by Tenant to enforce its rights and remedies hereunder, including but not limited to, the commencement of litigation, in the event of an actual breach of any material term, covenant or condition of this Lease.

ARTICLE 19 MISCELLANEOUS

- 19.1 No Construction Against Drafting Party. Landlord and Tenant acknowledge that each of them and their counsel have had an opportunity to review this Lease and that this Lease will not be construed against Landlord merely because Landlord has prepared it.
- 19.2 No Waiver. The waiver by either party of any agreement, condition or provision contained in this *Lease* will not be deemed to be a waiver of any subsequent breach of the same or any other agreement, condition or provision contained in this *Lease*
- 19.3 Notices. Any notice, request, demand, consent, approval or other communication required or permitted under this *Lease* must be in writing and will be deemed to have been given when personally delivered or deposited in any depository regularly maintained by the United States Postal Service, postage prepaid, certified mail, return receipt requested, addressed to the party for whom it is intended at its address set forth in Article 1.
- 19.4 Severability. If any provision of this *Lease* proves to be illegal, invalid or unenforceable, the remainder of this *Lease* will not be affected by such finding, and in lieu of each provision of this *Lease* that is illegal, invalid or unenforceable, a provision will be added as a part of this *Lease* as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.
- 19.5 Entire Agreement. This *Lease* contains the entire agreement between *Landlord* and *Tenant* and may be amended only by subsequent written agreement signed by both parties.
- 19.6 Governing Law. This *Lease* will be governed by and construed pursuant to the laws of the State of New York.
- 19.7 Late Payments. Any payment of *Rent*, including *Base Annual Rent*, which is not received within ten (10) days after it is due will be subject to a late charge equal to five percent (5%) of the unpaid payment. This amount is in compensation of *Landlord's* additional cost of processing late payments.

ARTICLE 20 SIGNS

The *Tenant* shall neither place, nor cause or allow to be placed, any sign or signs of any kind whatsoever at, in, on or about the outside of the *Building*, or any windows or glass therein, without the written approval of the *Landlord* and necessary municipal authorities.

ARTICLE 21 PARKING LOT

Tenant shall have use of the paved parking lot for its customers and clients during business hours. *Tenant* shall, at its own expense, be responsible for maintenance and snow and ice clearing of said parking lot. *Tenant* shall also be responsible for snow and ice removal of the walkways leading to the *Premises*.

ARTICLE 23 CONDEMNATION

If the whole *Premises* shall be acquired or condemned by Eminent Domain for any public or quasi-public use or purpose, then in that event, the term of this *Lease* shall cease and terminate from the date of title vesting in such proceeding and *Tenant* shall have no claim against *Landlord* for the value of any unexpired term of said *Lease*. No part of any award shall belong to the *Tenant*. In the event of a partial taking by Eminent Domain, which has a negative impact on tenant's ability to carry on its business, *Tenant*, at its option, may cancel this *Lease* on written notice to *Landord* and upon receipt of such notice, this Lease shall be deemed canceled.

LANDLORD AND TENANT have executed this Lease as of the day and year set forth below.

Dated: 1/1/18

Dated: 1/1/18

LANDLORD: CTI PROPERTIES, LLC

George/Hubschmitt

TENANT: CORE TECH INDULSTRIAL CORP.

Kerry Moriarty

SCHEDULE A PREMISES

