

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (this "Agreement") is made as of this ____ day of _____ 2013 by and between CENTRAL HUDSON GAS & ELECTRIC CORPORATION ("Seller"), a New York corporation, having its principal office at 284 South Avenue, Poughkeepsie, New York 12601 (hereinafter referred to as "Seller") and SILVER HOLLOW GROUP, LLC., a New York State limited liability company having an address at 721 West Chestnut Street Ext., Kingston, NY 12401 (hereinafter referred to as "Purchaser").

IN CONSIDERATION of the terms and conditions herein contained, the parties hereby agree as follows:

1. Property and Consideration.

- (a) Upon and subject to the terms and conditions contained herein, Seller agrees to convey to Purchaser, and Purchaser agrees to accept from Seller, a portion of a certain parcel of Seller's land located in the Town of Ulster, Ulster County, New York in exchange and consideration for Purchaser granting and conveying to Seller a portion of a certain parcel of Purchaser's land located in the Town of Ulster, Ulster County, New York. The portion being transferred and conveyed by Seller pursuant to this Agreement is a 0.43acre of land which is a portion of that certain parcel identified as Tax Parcel 48.17-1-22.100. A legal description of the 0.43 acre portion being transferred by Seller pursuant to this Agreement is attached hereto as Exhibit A and is depicted as the area labeled Parcel A on the survey map attached hereto as Exhibit C. The 0.43 acre portion being sold and transferred pursuant to this Agreement is hereinafter referred to as the "Seller's Property."
- (b) The Seller's Property shall be transferred and conveyed to Purchaser in consideration for Purchaser conveying to Seller, and Seller agrees to accept from Purchaser, a portion of a certain parcel of Purchaser's land located in the Town of Ulster, Ulster County, NY. The portion being transferred and conveyed by Purchaser pursuant to this Agreement is a 0.42 acre parcel of land that is a portion of that certain parcel identified as Tax Parcel 48.17-1-18.100. A legal description of the 0.42 acre portion being transferred by Purchaser pursuant to this Agreement is attached hereto as Exhibit B and is depicted as the area labeled Parcel B on the survey map attached hereto as Exhibit C. The 0.42 acre portion being sold and transferred pursuant to this Agreement is hereinafter referred to as the "Purchaser's Property."
- (c) Seller's Property and Purchaser's Property when used herein shall be referred to collectively as the "Properties"

2. Title.

(a) Within ten (10) business days after the date hereof, Purchaser and Seller shall undertake the following:

- (i) Title Commitment. Seller shall order commitments for an ALTA Owner's Policy of Title Insurance (the "Commitments") from a title company selected by Seller (the "Title Company") setting forth the state of title to the Properties as of the effective date of the Commitments, the Title Company's requirements to delete the standard printed exceptions on Schedule B of the Title Policy (as hereinafter defined), and the results of a tax search, a municipal search, and a judgment and lien search. The Title Company shall be requested to complete all such matters as promptly as reasonably practicable. The Title Company shall be instructed to deliver copies of the Commitments concurrently to both Purchaser and Seller. Purchaser shall also have the right to order a survey of the Seller's Property, at Purchaser's cost and expense.
- (ii) Title Exceptions. The Commitments shall evidence the Title Company's commitment to issue the Title Policies to Purchaser and Seller in an amount determined by Purchaser as to the Seller's Property and in an amount determined by Seller as to the Purchaser's property, free and clear of all liens, encumbrances, or charges of every kind and character other than (i) taxes and assessments, both general and special, which are a lien but not yet due and payable, (ii) the matters listed in Exhibit D attached hereto (the "Permitted Encumbrances"), and (iii) such other easements, conditions, restrictions, covenants, reservations, limitations, rights of way or other matters of record which are reasonably acceptable to Purchaser and Seller. Within ten (10) days after receipt of the Commitments, Purchaser and/or Seller shall deliver to Seller and/or Purchaser and Title Company written notice of any defect or other matter disclosed in the Commitment that is objectionable to Purchaser and/or Seller (other than the Permitted Encumbrances and other than liens for taxes and assessments, both general and special, which are liens but not yet due and payable, as to which Seller and/or Purchaser may not object). Seller and/or Purchaser shall have a period of thirty (30) days after receipt of Purchaser's and/or Seller's notice in which to cure or remove any defect or other matter objected to by Purchaser and/or Seller. If Seller and/or Purchaser does not cure or remove the defect(s) or other objectionable matter within the thirty (30) day period, then Purchaser and/or Seller, by written notice to Seller and/or Purchaser and the Title Company delivered not later than five (5) business days next following the end of the thirty (30) day cure period, may elect: (i) to waive the defect(s) or other objectionable matter(s), in which event the obligations of Purchaser and Seller hereunder shall not be affected and there shall be no reduction in the consideration provided for herein, or (ii) to terminate this Agreement, in which event this Agreement shall be terminated without further liability of either party and the parties shall return all documents deposited with them to the party who so deposited the same and thereupon the parties shall be released from any further obligations hereunder

each to the other. If Purchaser and/or Seller does not deliver the written notice to Seller and/or Seller and Title Company within the aforesaid five (5) business day period, Purchaser and/or Seller shall be deemed to have elected the action provided for in clause (i).

- (b) Seller and Purchaser shall convey and Purchaser and Seller shall accept fee simple title to the Properties in accordance with the terms of this Agreement subject only to the Permitted Encumbrances, such other easement, conditions, restrictions, covenants, reservations, limitations, right of way and other matters of record which are reasonably acceptable to Purchaser and Seller, and such other matters as any title insurer licensed to do business in the State of New York shall be willing, without special premium, to omit as exceptions to coverage or to except with insurance against collection out of or enforcement against the Premises.

4. Conditions Precedent.

- (a) The following shall be conditions precedent to Purchaser's obligation to purchase the Seller's Property:

- (i) Title Policy. It shall be a condition precedent to Purchaser's obligation to purchase the Seller's Property that the Title Company can and will, effective as of the Closing Date, issue an ALTA fee owner's policy of title insurance (the "Title Policy") to Purchaser, insuring that title to the Seller's Property is vested in Purchaser, free and clear from all liens and encumbrances (except for the Permitted Encumbrances and those matters of record that are not objected to or that are waived or are otherwise referred to pursuant to the provisions of Section 3 or that are otherwise approved by Purchaser). Seller shall deliver to the Title Company such documents and affidavits as are prescribed by Section 14(a)(v) hereof; and,

- (b) The following shall be conditions precedent to Seller's obligation to complete the transaction described in this Agreement:

- (i) Securing the consent or approval of the New York State Public Service Commission (the "PSC") as provided for in Section 70 of the New York Public Service Law; and
- (ii) Lot Line Adjustments: Securing the lot-line adjustments as shown on Exhibit C and having any appeal period related thereto expire without any appeals being file, Seller shall, at Seller's sole expense, apply for and diligently pursue the approvals for the lot-line adjustments as depicted on Exhibit C, from the Town of Ulster or any other governing body, as may be required. Seller shall provide Purchaser with copies of all documents filed or received by Seller relating to such lot-line adjustments and shall otherwise keep Purchaser informed as to the progress of such proceeding. Purchaser agrees to cooperate and coordinate with Seller in applying for and pursuing such lot line adjustments.

5. Closing.

- (a) Closing Date. The closing ("Closing") of the sale of the Properties from Seller to Purchaser and Purchaser to Seller shall be completed as promptly as possible but in no event more than thirty (30) days after the later to occur of (i) Seller's securing of the lot line adjustments referred to in Section 4(a)(ii) above, and the expiration of any appeal period related thereto; (ii) the expiration of the ninety (90) day notification period pursuant to Section 70 of the New York State Public Service Law without any denial, objection, information request or other communication from the PSC; and (iii) June 30, 2014. If the Closing has not occurred by June 30, 2014, then either party may terminate this Agreement by notice to the other party. Upon any such termination, neither party shall have any remaining duties, obligations or liabilities hereunder.
- (b) Conveyance. At Closing, Seller shall execute and deliver to Purchaser a bargain and sale deed ("Purchaser's Deed") conveying to Purchaser marketable title to the Seller's Property in fee simple, with covenant against grantor's acts required by Subdivision 5 of Section 13 of the Lien Law of New York State, free and clear of all liens, claims, and encumbrances except for the Permitted Encumbrances and such other matters described in Section 3. Also at Closing, Purchaser shall execute and deliver to Seller a bargain and sale deed ("Seller's Deed") conveying to Seller marketable title to the Purchaser's Property in fee simple, with covenant against grantor's acts required by Subdivision 5 of Section 13 of the Lien Law of New York State, free and clear of all liens, claims, and encumbrances except for the Permitted Encumbrances and such other matters described in Section 3
- (c) Possession. Possession of the Properties shall be delivered by Seller to Purchaser and Purchaser to Seller upon Closing free and clear of lease or license rights of third parties.

6. Representations and Warranties of Seller.

Seller represents and warrants to Purchaser as follows:

- (a) Seller is the owner of the Seller's Property
- (b) Seller is not a "foreign person" as defined in the Internal Revenue Code Withholding Section.
- (c) Seller is a New York corporation that has been duly organized and is valid and presently existing in good standing under the laws of the state of its formation.
- (d) Seller has taken all necessary actions to authorize the execution, delivery and performance of this Agreement and has the power and authority to execute, deliver and perform this Agreement and consummate the transaction contemplated hereby. Assuming due authorization, execution and delivery by each other party hereto, this Agreement and all obligations of Seller hereunder are the legal, valid and binding obligations of Seller,

enforceable in accordance with the terms of this Agreement, except as such enforcement may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

7. Acknowledgments, Representations and Warranties of Purchaser.

Purchaser represents and acknowledges that:

- (a) Purchaser is the owner of Purchaser's property
- (b) Purchaser has inspected the Seller's Property, is generally familiar with the physical condition and state of repair thereof, and shall accept the Seller's Property "as is" and in its present condition, subject to reasonable use, wear, tear and natural deterioration between now and the Closing Date.
- (c) Purchaser has made such examination of the Seller's Property, the operation, income and expenses thereof and all other matters affecting or relating to this transaction as Purchaser deemed necessary. In entering into this Agreement, Purchaser has not been induced by and has not relied upon any representations, warranties or statements, whether express or implied, made by Seller or any agent, employee or other representative of Seller or by any broker or any other person representing or purporting to represent Seller, which are not expressly set forth in this Agreement, whether or not any such representations, warranties or statements were made in writing or orally.
- (d) Purchaser has taken all necessary action to authorize the execution, delivery and performance of this Agreement and has the power and authority to execute, deliver and perform this Agreement and the transaction contemplated hereby. Assuming due authorization, execution and delivery by each other party hereto, this Agreement and all obligations of Purchaser hereunder are the legal, valid and binding obligations of Purchaser, enforceable in accordance with the terms of this Agreement, except as such enforcement may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).
- (e) The execution and delivery of this Agreement and the performance of its obligations hereunder by Purchaser will not conflict with any provision of any law or regulation to which Purchaser is subject or any agreement or instrument to which Purchaser is a party or by which it is bound or any order or decree applicable to Purchaser or result in the creation or imposition of any lien on any of Purchaser's assets or property which would materially and adversely affect the ability of Purchaser to carry out the terms of this Agreement. Purchaser has obtained any consent, approval, authorization or order of any court or governmental agency or body required for the execution, delivery or performance by Purchaser of this Agreement.

8. Disclaimer of Warranties: Property Conveyed "AS IS".

(a) Purchaser understands and agrees, except as expressly set forth in this Agreement:

(i) Disclaimer of Representations and Warranties by Seller. It is understood and agreed that Seller has not made and is not now making any warranties, representations, or guaranties of any kind or character, including without limitation, any statutory, express or implied warranties except as expressly set forth in this Agreement. It is expressly understood and agreed that Seller specifically disclaims any warranties, representations, or guaranties of any kind or character not expressly set forth in this Agreement, express or implied, oral or written, past, present or future, with respect to the Premises.

(ii) Sale "AS IS". Purchaser has not relied upon and will not rely upon, either directly or indirectly, any representation or warranty of Seller or of any of Seller's or Purchaser's respective agents and acknowledges that, except as expressly set forth in this Agreement, no such representations have been made. Purchaser represents that it is a knowledgeable, experienced and sophisticated purchaser of real estate and that it is relying solely on its own expertise and that of Purchaser's consultants in purchasing the Seller's Property. Purchaser has conducted such inspections and investigations of Seller's Property as Purchaser deemed necessary and shall rely upon the same. Upon Closing, Purchaser shall assume the risk that adverse matters, including, but not limited to, adverse physical and environmental conditions, may not have been revealed by Purchaser's inspections and investigations. Purchaser acknowledges and agrees that upon Closing, Seller shall sell and convey to Purchaser and Purchaser shall accept the Seller's Property "AS IS WHERE IS, WITH ALL FAULTS". Purchaser further acknowledges and agrees that, except as expressly set forth in this Agreement, there are no oral agreements, warranties or representations, collateral to or affecting the Seller's Property, by Seller, any agent of Seller, or any third party. Purchaser acknowledges that the consideration set forth herein reflects the "as is" nature of this sale and any faults, liabilities, defects, or other adverse matters that may be associated with the Seller's Property.

9. Responsibility for Violations.

- (a) All notes or notices of violations of law or governmental ordinances, orders or requirements which were noted or issued prior to the date of this Agreement by any governmental department, agency or bureau having jurisdiction as to conditions affecting the Properties and all liens which have attached to the Properties prior to the Closing, shall be removed or complied with by Seller as to Seller's Property and/or Purchaser as to Purchaser's Property, subject to the provision of Section 9(c).
- (b) If required, Seller and/or Purchaser, upon written request by Purchaser and/or Seller, shall promptly furnish to Purchaser and/or Seller written authorizations to make any necessary searches for the purposes of determining whether notes or notices of violations have been noted or issued with respect to the Properties or liens have attached thereto.
- (c) Seller or Purchaser have not received written notice from any governmental authority and, to the best of Seller's and Purchaser's knowledge, Seller or Purchaser are not currently in violation of any ordinance, law, regulation or order of any government or any agency, body or subdivision thereof, and no investigation has been commenced, or is contemplated, regarding any such possible violation and no such written notice has been issued. If Seller

and/or Purchaser receives such a notice prior to Closing, it shall promptly notify the other party and shall promptly cure any violation, *provided, however*, that in the event any such violation or series of violations shall in the reasonable estimate of Seller, as to Seller's Property, and /or Purchaser, as to Purchaser's Property, cost more than \$2,000 to cure, Seller and/or Purchaser, as the case may be, shall have the option to cure, or to notify the other party that it elects not to cure and elects to cancel this Agreement and upon the exercise of such option to terminate, this Agreement shall be null and void and of no further force and effect, except for any indemnification or other obligations recited herein to survive the termination of this Agreement.

10. Destruction, Damage or Condemnation. If and to the extent there is any damage to the Properties caused by fire or any other damage and destruction between the date hereof and the Closing (including any loss, destruction, or damage arising out of any act or omission of Purchaser and/or Seller or any of Purchaser's and/or Seller's employees, agents, contractors, subcontractors, or materialmen), Purchaser and/or Seller shall have no right to terminate this Agreement and the Closing shall be held as and when described herein, there shall be no adjustment in the consideration provided for herein, and Purchaser and/or Seller shall be entitled to retain and use any insurance proceeds received by either Seller or Purchaser as result of any such fire, damage or destruction.

11. Limitations on Survival of Representations, Warranties, Covenants and other Obligations.

- (a) Except as otherwise provided in this Agreement, no representations, warranties, covenants or other obligations of Seller and/or Purchaser set forth in this Agreement shall survive the Closing, and no action based thereon shall be commenced after the Closing.
- (b) The delivery of the deeds by Seller and Purchaser, and the acceptances thereof by Purchaser and Seller, shall be deemed the full performance and discharge of every obligation on the part of Seller and Purchaser to be performed hereunder, except those obligations of Seller and Purchaser which are expressly stated in this Agreement to survive the Closing.

12. Prorations. All real estate taxes and assessments (both general and special) for the Properties shall be prorated and adjusted between Seller and Purchaser as of the Closing Date, with Seller and Purchaser charged for the Closing Date and the days prior thereto. Accordingly, taxes and assessments for the Properties shall be prorated in proportion to the number of acres comprising the Properties in relation to the number of acres comprising the larger tax parcel.

13. Costs and Expenses.

- (a) Costs to be Paid by Seller. Seller shall pay or be charged with the following costs and expenses in connection with this transaction:
 - (i) any and all state and local transfer taxes and conveyance fees on the sale and transfer of the Properties;

- (ii) the cost of recording the Deeds;
 - (iii) the cost of examining the title to the Property and the premium for the Title Policy, if any;
 - (iv) Seller's share of all items to be prorated;
 - (v) Seller's legal fees and disbursements relating to this transaction, including but not limited to the cost of preparing this Agreement, the costs for obtaining and securing the lot-line adjustment, the costs of preparing all Closing Documents, and the costs of attending and handling the Closing; and
 - (vi) the cost of any land surveys.
- (b) Costs to be Paid by Purchaser. Purchaser shall pay the following costs and expenses in connection with this transaction:
- (i) Purchaser's share of all items to be prorated;
 - (ii) Purchaser's legal fees and disbursements relating to this transaction and Purchaser's costs of attending and handling the Closing.

14. Closing Documents.

- (a) Seller. Seller shall deliver the following documents at Closing:
- (i) the Deed for the Seller's Property in a form reasonably acceptable to Purchaser;
 - (ii) New York State Transfer Tax Returns on Forms TP-584 and RP-5217;
 - (iii) a FIRPTA affidavit;
 - (iv) a certification confirming that the representations and warranties set forth in Section 6 are true and correct as of the Closing Date; and
 - (v) such other documents as the Title Company or Purchaser shall reasonably require in order to consummate the transaction contemplated by this Agreement.
- (b) Purchaser. Purchaser shall deliver the following documents or items at Closing:
- (i) the Deed for the Purchaser's Property in a form reasonably acceptable to Seller;
 - (ii) New York State Transfer Tax Returns on Forms TP-584 and RP-5217;

- (iii) such documents as the Title Company may reasonably require in order to consummate the transaction contemplated by this Agreement; and
- (iv) a certification confirming that the representations and warranties set forth in Section 7 are true and correct as of the Closing Date;

15. Default and Remedies.

- (a) Default by Seller. If Seller shall fail to fulfill Seller's obligations hereunder or fail to proceed to Closing for any reason, except for Purchaser's default or a termination or cancellation of this Agreement by Purchaser or Seller pursuant to a right to do so under the terms and provisions hereof, then Purchaser may, as Purchaser's sole remedy, terminate this Agreement by notifying Seller of such termination.
- (b) Default by Purchaser. If Purchaser shall fail to fulfill its obligations hereunder or fail to proceed to Closing for any reason, except for Seller's default or the termination or cancellation of this Agreement by Purchaser or Seller pursuant to a right to do so under the terms and provisions hereof, then Seller may either (i) terminate this Agreement by notifying Purchaser of such termination, or (ii) pursue any and all rights and remedies available at law or in equity, including, but not limited to, specific performance.

16. Prior Agreements. This Agreement supersedes any and all prior agreements or understandings between the parties hereto regarding the Property. Neither Purchaser nor Seller shall be bound by any understanding, agreement, promise, representation or stipulation, express or implied, not specified herein.

17. Brokers. Seller and Purchaser each represent and warrant that they have not dealt with any real estate brokers in connection with this transaction, and each party hereby agrees to indemnify and hold harmless the other party from and against and claims by any brokers with whom such indemnifying party may have dealt or discussed the Property.

18. Miscellaneous.

- (a) Counterparts. This Agreement may be executed in counterparts, each of which shall constitute an original and all of which shall constitute a single agreement binding on all parties notwithstanding that all parties may not have signed a particular counterpart.
- (b) Section Headings. The section headings used herein are for convenience only and are not intended to and shall not be construed to limit, enlarge or affect the scope or intent of this Agreement, nor the meaning of any provisions hereof.
- (c) Assignment. Neither party may assign this Agreement or its rights hereunder or delegate its duties hereunder without the prior written consent of the other party, which consent may be withheld or delayed for any reason or no reason.

(d) Notices. Any notice, statement, certificate, request or demand required or permitted to be given or delivered hereunder shall be in writing, sent by an overnight express delivery service (such as Federal Express or UPS) designated for "next day delivery," or sent by registered or certified mail, postage prepaid, return receipt requested, addressed, as the case may be, to the addresses shown at the beginning of this Agreement, or to such other addresses as Seller or Purchaser shall designate in the manner herein provided. Any such notice, statement, certificate, request or demand shall be deemed to have been given on the date received or refused by the addressee, and attorneys for the parties are authorized to give and receive notices on their client's behalf.

Any notices to Seller shall be sent to the attention of "Director – Special Services."

If notice is provided to Purchaser, then an additional copy of the notice shall also be sent to Purchaser's attorney at the following address:

(No Purchaser attorney has been hired by Purchaser as of the execution date of this agreement)

If notice is provided to Seller, then an additional copy of the notice shall also be sent to Purchaser's attorney at the following address:

George J. Walsh III, Esq.
Thompson Hine LLP
335 Madison Avenue, 12th Floor
New York, New York 10017
Telephone: (212) 344-5680

(e) Successors and Assigns. The terms and provisions of this Agreement are binding on and shall inure to the benefit of the parties hereto and their personal representatives, successors and permitted assigns.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the day and year first above written.

CENTRAL HUDSON GAS & ELECTRIC
CORP.

SILVER HOLLOW GROUP, LLC

By: _____
Name Anthony Campagiorni
Title: Vice President-Business Development &
Governmental Affairs
Fed Tax ID No. 14-0555980

By _____
Name: Frank S. Falatyn
Title: Managing Partner
Fed Tax ID No. 14-1836840

EXHIBIT A

[Legal description of the 0.43 acre parcel being transferred by Seller to Purchaser]
To be Provided Upon Planning Board Approval

EXHIBIT B

[Legal description of the 0.42 acre parcel being transferred by Purchaser to Seller]
To be Provided Upon Planning Board Approval

Exhibit C
[Site Plan or Survey]

EXHIBIT D

PERMITTED ENCUMBRANCES

1. Real estate taxes not yet due and payable, and assessments of record.
2. Any state of facts that an accurate survey or physical inspection of the Property may disclose.
3. Easements, covenants and restrictions contained in the public records.
4. Laws, rules, regulations and zoning and building codes by all applicable state, county and local governmental authorities.
5. The standard printed exceptions contained in the form of the fee title insurance policy of the Title Company.
6. The easement specifically reserved by Seller as provided for in Section 1 of this Agreement.