

## INDUCEMENT AGREEMENT AND PROJECT AGREEMENT

THIS INDUCEMENT AGREEMENT AND PROJECT AGREEMENT RELATING TO THE **CARDINAL GRIFFISS REALTY, LLC FACILITY** (the "AGREEMENT") is between the **ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY**, a public benefit corporation of the State of New York, with offices at 584 Phoenix Drive, Rome, New York 13441 (the "Agency"), and **CARDINAL GRIFFISS REALTY, LLC**, a limited liability company duly organized, validly existing and in good standing under the laws of the State of New York, having an address of 584 Phoenix Drive, Rome, New York 13441 (the "Company").

Article 1. Preliminary Statement. Among the matters of mutual inducement which have resulted in the execution of this AGREEMENT are the following:

1.01. The Agency is authorized and empowered by the provisions of Article 18-A of the General Municipal Law of the State of New York as amended, and Chapter 372 of the Laws of 1970 of the State of New York, as may be amended from time to time (collectively, the "Act") to undertake "Projects" (as defined in the Act) and to lease or sell the same upon such terms and conditions as the Agency may deem advisable.

1.02. The purposes of the Act are (i) to promote industry and develop trade by inducing manufacturing, industrial, warehousing, research, civic, recreation and commercial enterprises to locate or remain in the State and (ii) to encourage and assist in the providing of industrial pollution control facilities and (iii) to promote the economic welfare and prosperity of the inhabitants of the State. The Act vests the Agency with all powers necessary to enable it to accomplish such purposes.

1.03. (a) The Company entered into a transaction with the Agency whereby the Agency assisted the Company with the construction of a 46,500± gross square foot building (the "Improvements") situated on a 7.50± acre parcel of land located at 153 Brooks Road, Griffiss Business and Technology Park, City of Rome, Oneida County, New York (the "Land") and the acquisition and installation of equipment in the Improvements (the "Equipment") all of which is used for the coordination of redevelopment efforts for the recently realigned Griffiss Air Force Base (the Land, the Improvements and the Equipment referred to collectively as the "Facility"). The Company leases the Facility to the Agency, pursuant to the Act and pursuant to a Lease Agreement dated as of August 1, 2010 (the "Lease Agreement"), and the Agency leases the Facility back to the Company pursuant to a Leaseback Agreement dated as of August 1, 2010 (the "Leaseback Agreement"). The Company subleases a ±35,718 square foot portion of the Facility (the "AIS Facility") to Assured Information Security, Inc., a New York business corporation (the "Sublessee") for its operation upon the terms and conditions set forth in a Sublease Agreement, dated as of July 1, 2010 (the "Sublease Agreement") by and between the Company and the Sublessee. The Company retained the ±10,452 square foot balance of the Facility (the "Company Facility") to lease to prospective subtenants, including Sublessee.

(b) The Company has submitted to the Agency an Application for Financial Assistance dated December 8, 2016, which Application may be amended from time to time prior to closing of the sale-leaseback or lease-leaseback transaction described below (the "Application") requesting that the Agency assist in renovations and full build-out of the Company Facility and the acquisition and installation of equipment therein (the "2016 Equipment") to suit the operational needs of the Sublessee and in furtherance of redevelopment efforts for the recently realigned Griffiss Air Force Base (the Company Facility and the 2016 Equipment is referred to as the "2017 Facility" and the renovation and equipping of the 2017 Facility is referred to as the "2017 Project"). The parties will amend the Leaseback Agreement to add and include the 2017 Facility.

1.04. The Company hereby represents to the Agency that the 2017 Project (a) will not result in the removal of an industrial or manufacturing plant from one area of the State to another area of the State or an abandonment of one or more plants of the Company located in the State; (b) is reasonably necessary to discourage the Company and/or the Sublessee from removing such other plant or facility to a location outside the State, or (c) is reasonably necessary to preserve the competitive position of the Company and/or the Sublessee in its industry. The renovation and equipping of the 2017 Facility has not commenced as of December 16, 2016.

1.05. The Agency has determined that the renovation and equipping of the 2017 Facility, as described in the Company's Application will promote and further the purposes of the Act.

1.06. On December 16, 2016, the Agency adopted a resolution (the "Resolution" or the "Inducement Resolution") agreeing to undertake the 2017 Project in order to assist the Company and to effectuate the purposes of the Act and, subject to the happening of all acts, conditions and things required precedent to such undertaking and the satisfactory completion of such additional acts and reviews as the Agency may deem appropriate, to undertake an amended lease-leaseback transaction in connection with the 2017 Project.

1.07. In the Resolution, the Agency appointed the Company and its agents and other designees, as its agent for the purposes of renovating and equipping the 2017 Facility, and such appointment includes the following activities as they relate to the renovation and equipping of the 2017 Facility, whether or not the materials, services or supplies described below are incorporated into or become an integral part of the 2017 Facility: (i) all purchases, leases, rentals and other uses of tools, machinery and equipment in connection with acquiring, renovating and equipping the 2017 Facility, (ii) all purchases, rentals, uses or consumption of supplies, materials and services of every kind and description used in connection with acquiring, renovating and equipping the 2017 Facility, and (iii) all purchases, leases, rentals and uses of equipment, machinery, and other tangible personal property (including installation costs with respect thereto), installed or placed in, upon or under the 2017 Facility, including all repairs and replacements of such property. Such agency appointment includes the

power to make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions, as the stated agent for the Agency, and in general to do all things which may be requisite or proper for completing the 2017 Facility, all with the same powers and with the same validity as the Agency could do if acting on its own behalf.

1.08. (a) In the Resolution, the Agency contemplates that it will (i) provide financial assistance to the Company relating to the 2017 Project in the form of exemptions from sales and use taxes on materials and/or equipment used or incorporated in the 2017 Facility, exemptions from mortgage recording taxes and abatement of real property taxes on the 2017 Facility for a period of ten (10) years, during which time the Company will make a fixed PILOT Payment; and (ii) amend the PILOT Agreement to convert all PILOT Payments to fixed amounts for the remaining ten (10) years, all of which represents a deviation from the Agency's Uniform Tax Exemption Policy, to be more particularly described in a Final Authorizing Resolution to be adopted by the Agency prior to the closing of the transactions described herein (collectively, the "Financial Assistance").

(b) Based upon representations made by the Company in the Application, the value of the Financial Assistance is described as follows:

Sales and use tax exemption	\$25,380.00 (not to exceed \$27,918.00)
Mortgage recording tax exemption	\$4,875.00
Real property tax abatement	\$149,405.00 (approximately)

1.09. It is understood and agreed by the parties that the purpose of the Agency's provision of Financial Assistance is to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of the Facility together with the 2017 Project facility to advance job opportunities, health, general prosperity and economic welfare of the people of Oneida County and to otherwise accomplish the public purpose of the Act.

1.10. Attached as Exhibit A to this Agreement is a copy of the Second Amended and Restated PILOT Agreement that reflects the Financial Assistance currently contemplated by the Agency in the Resolution. The Company acknowledges that the Agency (a) reserves all rights to amend the Second Amended and Restated PILOT Agreement to reflect the terms of the Financial Assistance for which the Agency grants final approval as it authorizes in the final authorizing resolution and (b) is under no obligation to enter into the Second Amended and Restated PILOT Agreement unless all conditions described in Section 4.02 hereof are met to the satisfaction of the Agency.

Article 2. Undertakings on the Part of the Agency. Based upon the statements, representations and undertakings of the Company regarding the Facility and the 2017

Facility and subject to the conditions set forth herein, the Agency hereby confirms and acknowledges:

2.01. Upon satisfactory completion of the conditions precedent set forth herein and in the Resolution and the satisfactory completion of such additional acts and reviews as the Agency may deem appropriate, the Agency will (A) adopt, or cause to be adopted, such proceedings and authorize the execution of such documents as may be necessary or advisable for (i) an amended lease-leaseback transaction, (ii) the renovation and equipping of the 2017 Facility, and (iii) the leasing of the 2017 Facility to the Company pursuant to the amended Leaseback Agreement, all as shall be authorized by law and be mutually satisfactory to the Agency and the Company and (B) shall amend the existing lease-leaseback transaction pursuant to the terms of the Act, as then in force, for the purpose of financing certain costs of the 2017 Facility.

2.02. The Leaseback Agreement is for a fifteen (15) year term and obligates the Company to make aggregate basic payments in the amount of \$500.00 as and when the same shall become due and payable. The Agency's leasehold interest in the Facility shall automatically terminate at the end of the Lease Term. The Leaseback Agreement contains a provision that will allow the Company to terminate the Leaseback Agreement at any time upon written notice to the Agency and upon payment by the Company of all applicable fees, penalties and recapture of benefits, if applicable. The Leaseback Agreement, as amended, shall contain all provisions required by law and such other provisions as shall be mutually acceptable to the Agency and the Company.

2.03. That all services, costs and expenses of whatever nature incurred in connection with the renovation, equipping, installation, replacement, rebuilding, restoration, repair, maintenance and operation of the 2017 Facility have been and will continue to be undertaken by the Company as agent for the Agency, regardless of whether such services, costs and expenses were undertaken and/or paid in its own name or in the name of the Agency, and the Agency shall furnish to the Company an appropriate letter on Agency letterhead evidencing the authority of the Company to act as agent of the Agency.

2.04. That, in connection with any lease by the Agency to the Company that is, in turn, subleased or leased by the Company, it is the intent of all parties to the transactions that any sublease or lease is undertaken by the Company as agent for the Agency.

2.05. That, at the request of the Company, and subject to the agreement between the Agency and the Company, any future transfers of fee or leasehold interest of any portion of real property upon which the Facility is located and not owned by the Agency, are hereby authorized, such transfers to be from the Company to the Agency, and there shall be no need for any further official action on behalf of the Agency other than the execution of the appropriate documents evidencing such transfer.

2.06. The Agency will take or cause to be taken such other acts and adopt such further proceedings as may be required to implement the aforesaid undertakings or as it may deem appropriate in pursuance thereof.

Article 3. Undertakings on the Part of the Company. Based upon the statements, representations and undertakings of the Agency herein and in the Resolution and subject to the conditions set forth herein and in the Resolution, the Company agrees as follows:

3.01. The Company hereby accepts the appointment made by the Agency in the Resolution to be the true and lawful agent of the Agency to (i) renovate, equip, repair and maintain the 2017 Facility and (ii) make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions, as the stated agent of the Agency, and in general to do all things which may be requisite or proper for completing the 2017 Facility, all with the same powers and the same validity as the Agency could do if acting on its own behalf, including the authority to delegate such Agency appointment, as described in the Resolution.

3.02. In the Application, the Company represented that it will retain (or cause the Sublessee to retain) the existing 135 full time equivalent positions at the Facility and maintain all for the duration of the Lease Term as a result of undertaking the 2017 Facility (the "Employment Obligation"). The Company acknowledges that the Financial Assistance is conditioned upon the Company maintaining (or causing the Sublessee to maintain) the Employment Obligation for the full term of the Leaseback Agreement and failure to do so may result in the termination or recapture of Financial Assistance.

3.03. The Company will, to the extent deemed by it to be necessary or desirable, enter into a contract or contracts for the acquisition, renovation and equipping of the 2017 Facility (including any necessary contracts for the acquisition of real property necessary or useful in said Facility).

3.04. Contemporaneously with the closing of the amended lease-leaseback transaction the Company will enter into the Amendment to (or Amended and Restated) Leaseback Agreement with the Agency containing, among other things, the terms and conditions described in Section 2.02 hereof.

3.05. (a) The Company shall not permit to stand, and will, at its own expense, take all steps reasonably necessary to remove (or bond the same if acceptable to the Agency and its counsel), any mechanics' or other liens against the Facility for labor or materials furnished in connection with the renovation and equipping of the 2017 Facility. The Company shall forever defend, indemnify and hold the Agency, its members, officers, employees, and agents, and anyone for whose acts or omissions the Agency or any of them may be liable, harmless from and against all costs, losses, expenses, claims, damages and liabilities of whatever kind or nature arising, directly or indirectly, out of or based on labor, services, materials and supplies, including equipment, ordered

or used in connection with the renovation and equipping of the 2017 Facility or arising out of any contract or other arrangement therefor (and including any expenses incurred by the Agency in defending any claims, suits or actions which may arise as a result of any of the foregoing), whether such claims or liabilities arise as a result of the Company acting as agent for the Agency pursuant to this AGREEMENT or otherwise.

(b) The Company shall forever defend, indemnify and hold harmless the Agency, its members, officers, employees and agents, and anyone for whose acts or omissions the Agency or any of them may be liable, from and against all claims, causes of action, liabilities and expenses (including without limitation attorneys' fees) howsoever arising for loss or damage to property or any injury to or death of any person (including, without limitation, death of or injury to any employee of the Company or any sublessee) that may occur subsequent to the date hereof by any cause whatsoever in relation to the 2017 Facility including the failure to comply with the provisions of Article 3.05 hereof, or arising, directly or indirectly, out of the ownership, renovation, equipping, acquisition, operation, maintenance, repair or financing of the 2017 Facility, and including, without limitation, any expenses incurred by the Agency in defending any claims, suits or actions which may arise as a result of the foregoing.

(c) The defense and indemnities provided for in this Article 3 shall apply whether or not the claim, liability, cause of action or expense is caused or alleged to be caused, in whole or in part, by the activities, acts, fault or negligence of the Agency, its members, officers, employees and agents, anyone under the direction and control of any of them, or anyone for whose acts or omissions the Agency or any of them may be liable, and whether or not based upon the breach of a statutory duty or obligation or any theory or rule of comparative or apportioned liability, subject only to any specific prohibition relating to the scope of indemnities imposed by law. Without limiting the generality of the foregoing, the foregoing indemnifications shall apply to and encompass any action (or alleged failure to act) of the Agency pursuant to the SEQR Act.

(d) The Company shall provide and carry workers' compensation and disability insurance as required by law and comprehensive liability insurance with such coverages (including, without limitation, owner's protective for the benefit of the Agency and contractual coverage covering the indemnities herein provided for), with such limits and with such companies as may be approved by the Agency. Upon the request of the Agency, the Company shall provide certificates of insurance in form satisfactory to the Agency evidencing such insurance.

3.06. With the exception of the authorizations required to be adopted by the Agency for the Agency to enter into the amended lease-leaseback transaction, the Company agrees that, as agent for the Agency or otherwise, it will comply with all the requirements of all federal, state and local laws, rules and regulations of whatever kind and howsoever denominated applicable to the Agency and/or the Company with respect to the 2017 Facility, the renovation and equipping thereof, the operation and

maintenance of the 2017 Facility and the financing thereof. Every provision required by law to be inserted herein shall be deemed to be set forth herein as if set forth in full; and upon the request of either party, this AGREEMENT shall be amended to specifically set forth any such provision or provisions. The Company certifies, under penalty of perjury, that it is in substantial compliance with all local, state and federal tax, worker protection and environmental laws, rules and regulations.

3.07. The Company will take such further action and adopt such further proceedings as may be required to implement its aforesaid undertakings or as it may deem appropriate in pursuance thereof.

3.08. If it should be determined that any State or local sales or compensatory use taxes or similar taxes however denominated are payable with respect to the acquisition, purchase or rental of machinery or equipment, materials or supplies in connection with the 2017 Project, or are in any manner otherwise payable directly or indirectly in connection with the 2017 Project, the Company shall pay the same and defend and indemnify the Agency from and against any liability, expenses and penalties arising out of, directly or indirectly, the imposition of any such taxes.

3.09. The Company shall file with the New York State Department of Taxation and Finance an annual statement of the value of all sales and use tax exemptions claimed in connection with the 2017 Facility, in compliance with Section 874(8) of the New York State General Municipal Law. The Company shall provide the Agency with a copy of such annual statement at the time of filing with the State Department of Taxation and Finance. Based upon representations made by the Company in the Application, the value of the sales tax to be abated relating to the 2017 Project is estimated at estimated at \$25,380.00 not to exceed \$27,918.00. The Company acknowledges that the financial assistance currently authorized by the Agency is limited to \$27,918.00 and the Agency is required by law to recapture the New York State portion of sales tax of any exemptions claimed by the Company that exceed this amount.

3.10. If the Facility is leased to another party by the Agency and subleased to the Company, then in such event, the Company guarantees all of the covenants, undertakings and indemnities of such other party as set forth in this Article 3.

3.11. The Company shall provide annually, to the Agency, a certified statement and documentation: (i) enumerating the full time equivalent jobs retained and the full time equivalent jobs created by the Sublessee as a result of the Financial Assistance, by category, including full time equivalent independent contractors or employees of independent contractors that work at the Facility, and (ii) indicating that the salary and fringe benefit averages or ranges for categories of jobs retained and jobs created by the Sublessee that was provided in the application for Financial Assistance is still accurate and if it is not still accurate, providing a revised list of salary and fringe benefit averages or ranges for categories of jobs retained and jobs created. Exhibit C contains

the form of annual certification as well as additional Project assessment information that the Agency requires, on an annual basis, to be submitted to the Agency by the Company.

3.12. In accordance with Section 875(3) of the General Municipal Law, the policies of the Agency, and the Resolution, the Company covenants and agrees that it may be subject to recapture of any and all Financial Assistance if it is determined by the Agency that:

(a) the Company or its subagents, if any, authorized to make purchases for the benefit of the 2017 Project is not entitled to the sales and use tax exemption benefits; or

(b) the sales and use tax exemption benefits are in excess of the amounts authorized by the Agency to be taken by the Company or its subagents, if any; or

(c) the sales and use tax exemption benefits are for property or services not authorized by the Agency as part of the 2017 Project; or

(d) the Company has made a material false or misleading statement, or omitted any information which, if included, would have rendered any information in the application or supporting documentation false or misleading in any material respect, on its application for Financial Assistance; or

(e) the Company (or the Sublessee) fails to meet and maintain the Employment Obligation; or

(f) the Company failed to submit to the Agency its annual report so that the Agency can confirm that the 2017 Project is achieving the Employment Obligation and other objectives of the 2017 Project.

If the Agency determines to recapture any Financial Assistance, the Company agrees and covenants that it will (i) cooperate with the Agency in its efforts to recover or recapture any or all Financial Assistance obtained by the Company and (ii) promptly pay over any or all such amounts to the Agency that the Agency demands in connection therewith. Upon receipt of such amounts, the Agency shall then redistribute such amounts to the appropriate affected tax jurisdiction(s), unless agreed to otherwise by any tax jurisdiction(s). The Company further understands and agrees that in the event that the Company fails to pay over such amounts to the Agency, the New York State Tax Commissioner may assess and determine the New York State and local sales and use tax due from the Company, together with any relevant penalties and interest due on such amounts.

#### Article 4. General Provisions.



4.01. This AGREEMENT sets forth the terms and conditions under which Financial Assistance shall be provided to the Company; no Financial Assistance shall be provided to the Company prior to the effective date of this Agreement. This AGREEMENT shall remain in effect until the amended Leaseback Agreement becomes effective. It is the intent of the Agency and the Company that this AGREEMENT be superseded in its entirety by the amended Leaseback Agreement, except for the indemnities and guarantee of indemnities contained herein, which shall survive.

4.02. It is understood and agreed by the Agency and the Company that amending the existing lease-leaseback transaction and the execution of the amendment to the Leaseback Agreement and related documents are subject to (i) obtaining all necessary governmental approvals, (ii) approval of the directors of the Company, (iii) approval of the members of the Agency, (iv) satisfactory completion of the environmental review of the Facility by the Agency in compliance with the State Environmental Quality Review Act, (v) agreement by the Agency and the Company upon mutually acceptable terms and conditions for the amendment to Leaseback Agreement and other documentation usual and customary to transactions of this nature, (vi) the condition that there are no changes in New York State Law which prohibit or limit the Agency from fulfilling its obligation and commitment as herein set forth to enter into the amended lease-leaseback transaction and (vii) payment by the Company of the Agency's transaction fee and the fees and disbursements of bond counsel or transaction counsel. The Agency's transaction fee is calculated based upon the size of the project; based upon the projections in the Company's Application, the transaction fee for this project is estimated at \$6,000.00, which will be payable in full at closing.

4.03. The Company agrees that it will reimburse the Agency for all reasonable and necessary direct out-of-pocket expenses that the Agency may incur as a consequence of executing this AGREEMENT or performing its obligations hereunder. Examples of such expenses include, but are not limited to, photocopies, phone and fax charges, postage and other shipping charges incurred in connection with closing the amended lease-leaseback transaction or complying with any requests after closing relating to the amended lease-leaseback transaction, including but not limited to requests under the Freedom of Information Act, requests relating to the 2017 Project.

4.04. If for any reason the amended lease-leaseback transaction does not close on or before twelve (12) months from the execution hereof, the provisions of this AGREEMENT (other than the provisions of Articles 3.05, 3.06, 3.07 and 3.08 above, which shall survive) shall, unless extended by agreement of the Agency and the Company (whether before or after such original expiration date), terminate and be of no further force or effect, and following such termination neither party shall have any rights against the other party except:

(a) The Company shall pay the Agency for all expenses which were authorized by the Company and incurred by the Agency in connection with the renovation and equipping of the 2017 Facility;

(b) The Company shall assume and be responsible for any contracts for renovation or purchase of equipment entered into by the Agency at the request of or as agent for the Company in connection with the 2017 Project; and

(c) The Company will pay the out-of-pocket expenses of members of the Agency, counsel for the Agency and Transaction Counsel incurred in connection with the 2017 Project and will pay the reasonable fees of counsel for the Agency and Transaction Counsel for legal services relating to the 2017 Project or the proposed financing thereof.

[signature page follows]

IN WITNESS WHEREOF, the parties hereto have entered into this AGREEMENT to be effective as of December 16, 2016.

ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

By:   
David C. Grow  
Chairman

CARDINAL GRIFFISS REALTY, LLC

By:   
Peter Zawko  
Manager

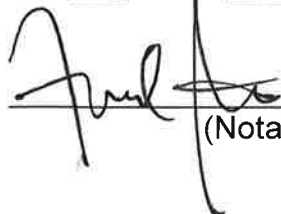
STATE OF NEW YORK )  
COUNTY OF ONEIDA ) ss.:

Peter Zawko, being first duly sworn, deposes and says:

1. That I am the Manager of Cardinal Griffiss Realty, LLC and that I am duly authorized on behalf of the Company to bind the Company and to execute this Agreement.
2. That the Company confirms and acknowledges that the owner, occupant, or operator receiving Financial Assistance for the 2017 Project is in substantial compliance with all applicable local, state and federal tax, worker protection and environmental laws, rules and regulations.

  
(Signature of Officer)

Subscribed and affirmed to me under penalties of perjury this 20 day of February, 2017.

  
(Notary Public)

**FREDERICK J ARCURI**  
Notary Public, State of New York  
No. 02AR6108720  
Qualified in Oneida County  
Commission Expires April 19, 2018

EXHIBIT A  
PILOT AGREEMENT

EXHIBIT B  
FORM OF ANNUAL REPORT TO AGENCY