

INDUCEMENT AGREEMENT

THIS INDUCEMENT AGREEMENT (the "Agreement") is between the Oneida County Industrial Development Agency (the "Agency") and Ryan Companies US, Inc., ("Ryan") and The Hartford Fire Insurance Company ("Hartford") on behalf of themselves and/or the principals and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, 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 and sell the same upon such terms and conditions as the Agency may deem advisable.

1.02 The purposes of this Act are (i) to promote industry and develop trade by inducing manufacturing, industrial, warehousing, research, civic, recreation and commercial enterprises to locate and 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 The Company has requested that the Agency enter into a transaction in which the Agency will assist in the acquisition and construction and equipping of a multi story, 122,760± square foot office building to be located westerly of Middle Settlement Road in the Town of New Hartford, New York, Oneida County on property shown on Tax Map No. 316.000.2-41.1 including as they relate to the acquisition of the land and construction of the building and equipping thereof: (i) all purchases, leases, rentals and other uses of tools, machinery and equipment in connection with the acquisition, and (ii) purchases, rentals, uses and consumption of supplies, materials and services of every kind and description used in connection with the acquisition, 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 such building (the "Facility"); and, to enter into a sale-leaseback transaction in connection with the Facility.

1.04 The Company hereby represents to the Agency that the financing of the Facility through a sale-or lease-leaseback transaction (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 facilities of the

Hartford located in the State; (b) is reasonably necessary to discourage the Hartford from removing such other facility to a location outside the State, or (c) is reasonably necessary to preserve the competitive position of the Hartford in its industry. The acquisition, construction, renovation and equipping of the Facility has not commenced as of the date hereof.

1.05 The Agency has determined that the acquisition and construction and equipping of the Facility and the leasing or sale thereof ultimately to the Company will promote and further the purposes of the Act.

1.06 On September 27, 2007, the Agency adopted a resolution (the "Resolution" or the "Inducement Resolution") agreeing to undertake the Facility 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 a sale-leaseback transaction in connection with the Facility.

1.07 In the Resolution, the Agency appointed the Company and its agents and other designees, as its agent for the purposes of acquiring land and constructing and equipping the Facility, and such appointment includes the following activities as they relate to the acquisition of land and construction of the Facility, whether or not the materials, services or supplies described below are incorporated into or become an integral part of the Facility: (i) all purchases, leases, rentals and other uses of tools, machinery and equipment in connection with the acquiring, constructing, and renovating the Facility, and (ii) all purchases, rentals, uses and consumption of supplies, materials and services of every kind and description used in connection with the acquiring, constructing, and renovating the 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 "Facility", including all repairs and replacements to 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 Facility, all with the same powers and with the same validity as the Agency could do if acting on its own behalf.

Article 2. Undertakings on the Part of the Agency. Based upon the statements, representations and undertakings of the Company regarding the 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) a sale-or lease-leaseback transaction, (ii) the acquisition of the land and construction and equipping of the Facility, and (ii) the leasing or sale of the Facility to the Agency, all as shall be authorized by law and be mutually satisfactory to the Agency and the Company and (B) shall enter into a sale-lease-leaseback transaction pursuant to the terms of the Act, as then in force, all for the purpose of providing financial assistance to the Company in connection with the Facility.

2.02 The Agency will enter into an agreement to lease or sell the Facility to the Company (the "Lease Agreement"). The Lease Agreement shall obligate the Company to make aggregate basic payments (in the case of the sale-leaseback transaction, \$500) as and when the same shall be due and payable plus such additional amounts as shall be prescribed in the Lease Agreement. The Lease Agreement shall contain all provisions required by law and such other provisions as shall be mutually acceptable to the Agency and the Company.

2.03 All services, costs and expenses of whatever nature incurred in connection with the acquisition of the land and construction of the building, renovation, equipping, installation, replacement, rebuilding, restoration, repair, maintenance and operation of the 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 the 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 any portion of real property upon which the Facility is located and not owned by the Agency, are hereby authorized, such transactions 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) acquire, construct, equip, repair, and maintain the 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 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 The Company will, to the extent deemed by it to be necessary or desirable, enter into a contract or contracts for the renovation, construction, and equipping of the Facility (including any necessary contracts for the acquisition of real property necessary or useful in said Facility) and, on the terms and conditions set forth in the Lease Agreement, it will transfer to the Agency, or cause to be transferred to the Agency, title to the Facility.

3.03 Contemporaneously with the closing of the sale-leaseback transaction the Company will enter into the Lease Agreement with the Agency, containing among other things, the terms and conditions described in Section 2.02 hereof and such other financing agreements, indentures, guarantees, and related agreements as shall be necessary or appropriate.

3.04 (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 acquisition, construction, equipping and refinancing of the 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 services, materials, and supplies, including equipment, ordered or used in connection with the construction, and equipping of the Facility or arising out of any contract or other arrangement therefore (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) that may occur subsequent to the date hereto by any cause whatsoever in relation to the Facility including the failure to comply with the provisions of Article 3.04 hereof, or arising, directly or indirectly, out of the ownership, acquisition, operation, maintenance, repair or financing of the 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 or 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 worker's 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.

3.05 With the exception of the authorizations required to be adopted by the Agency to enter into the sale-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 Facility, the acquisition, construction, and equipping thereof, the operation and maintenance of the 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.

3.06 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.

3.07 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 Facility, 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 such taxes.

3.08 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 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.

3.09 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.

Article 4. General Provisions.

4.01 This Agreement shall take effect on the date of execution hereof by the Agency and the Company and shall remain in effect until the Lease Agreement becomes effective. It is the intent of the Agency and the Company that this Agreement be superseded in its entirety by the Lease 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 entering into the sale-leaseback transaction and the execution of the Lease Agreement and related documents are subject to (i) obtaining all necessary governmental approvals, (ii) approval of the Board of 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 for the Bonds and for the sale and delivery thereof and mutually acceptable terms and conditions for the Lease Agreement and other documentation usual and customary to transactions of this nature; (vii) payment by the Company of the Agency's sale-leaseback transaction fee and the fees and disbursements of its counsel Kernan and Kernan, P.C.

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.

4.04 If for any reason the sale-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 3.04, 3.05, 3.06, and 3.07 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 are authorized by the Company and incurred by the Agency in connection with the acquisition, construction, and equipping of the Facility.
- (b) the Company shall assume the responsibility for any contracts for construction or purchase of equipment entered into by the Agency at the request of or as agent for the Company in connection with the Facility; and
- (c) The Company will pay out-of-pocket expenses of members of the Agency, counsel for the Agency incurred in connection with the Facility and will pay the reasonable fees of counsel for the Agency for legal services relating to the Facility or the proposed financing thereof.

4.05

- (a) The transaction contemplated in this document includes a coordinated effort by Ryan and Hartford to complete the Facility. It is anticipated that Ryan will acquire the real property upon which the Facility is to be constructed and will undertake the construction of the same. Hartford will participate in the equipping of the Facility which when completed will provide office space for the Hartford's business. It is further anticipated that in order for the tax benefits being provided to induce the project in Oneida County that Ryan will sell or lease the Facility to the Agency which will in turn lease the Facility back to Ryan. Ryan will then sublease the Facility to Hartford. Hartford will undertake the obligations of creating and maintaining permanent job positions at the Facility in Oneida County. Both Ryan and Hartford shall be appointed agents of the Agency for the acquisition, completion and equipping of the Facility.

Notwithstanding any other provisions in this document to the contrary each provision shall be read and construed so as to effect the structure and intentions described in this paragraph.

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement as of the ____ day of October, 2007.

ONEIDA COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: _____
Name:
Title:

RYAN COMPANIES US, INC.

By: _____
Name:
Title:

HARTFORD FIRE INSURANCE COMPANY

By: _____
Name:
Title: