

INDUCEMENT AGREEMENT AND PROJECT AGREEMENT

THIS INDUCEMENT AGREEMENT AND PROJECT AGREEMENT RELATING TO THE **MATT BREWING CO., INC. FACILITY EXPANSION AND MODERNIZATION PROJECT** (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 **MATT BREWING CO., INC.**, a corporation duly organized, validly existing and in good standing under the laws of the State of New York, with offices at 811 Edward Street, Utica, New York 13502 (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, 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 Agency previously provided financial assistance to the Company in connection with (i) demolition of a portion of and renovations to the 15,732± square foot existing second floor of the bottling facility and the construction of a new 25,000± square foot finished goods warehouse facility after the 2008 fire at the Company (collectively, the "2009 Improvements"), all situated on a 7.1± acre parcel of land located at 811 Edwards Street, City of Utica, Oneida County, New York (the "Land"); and the acquisition and installation of equipment in the Improvements (the "2009 Equipment" and together with the Land and the 2009 Improvements, the "2009 Facility") and (ii) construction on the Land of a compact Anaerobic Fluidized Bed Digester system for wastewater treatment and on-site energy generation and a small control building (collectively, the "2012 Improvements"); and the acquisition and installation of equipment in the 2012 Improvements (the "2012 Equipment" and together with the Land and the 2012 Improvements the "2012 Facility"). The 2009 Facility and the 2012 Facility are referred to collectively as the "Existing Facility."

(b) The Company has submitted to the Agency an Application for Financial Assistance dated October 12, 2017, which Application may be amended from time to time prior to closing of the amended lease-leaseback transaction described

below (the "Application") requesting that the Agency assist in a capacity expansion and brewery modernization project consisting of (a) construction of a 15,000± square foot fermenting and aging cellar (the "Aging Cellar") situated on a 1± acre vacant parcel of land located at 806 – 832 (consolidated to 814) Edward Street, City of Utica, New York (the "2017 Land"); (b) construction on the Land of a two-story, 4,800 square foot addition to the existing brew house (the "Brew House Addition"); (c) construction of an overhead pipe bridge over Edward Street to connect the Aging Cellar with the Existing Facility (the "Pipe Bridge"); (d) removal of a portion of the parking lot and restriping of the parking lot (the "Parking Lot" and together with the Aging Cellar, the Brew House Addition and the Pipe Bridge, the "2017 Improvements"); and (d) acquisition and installation of equipment in the 2017 Improvements and the Existing Improvements, including but not limited to a new centrifuge, pad filter, malt cooker, brew kettle, mash filter, and sixteen vertical fermenting and aging tanks (the "2017 Equipment" and together with the 2017 Land and the 2017 Improvements, the "2017 Facility"). The construction, renovation and equipping of the 2017 Facility is referred to as the "Project."

(c) The Company leases the Existing Facility to the Agency pursuant to a Lease Agreement dated July 1, 2009 and a Lease Agreement dated May 1, 2012 (collectively, the "Lease Agreements") and the Agency leases the Existing Facility back to the Company pursuant to a First Amended and Restated Leaseback Agreement dated as of May 1, 2012 (the "First Amended Leaseback Agreement"). The Company will lease the 2017 Facility to the Agency, pursuant to a Lease Agreement (the "2017 Lease Agreement") and the Agency will lease the 2017 Facility back to the Company together with the Existing Facility (the 2017 Facility and the Existing Facility referred to as the "Facility") pursuant to a Second Amended and Restated Leaseback Agreement (the "Second Amended Leaseback Agreement").

1.04. The Company hereby represents to the Agency that the 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 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 in its industry. The Project has not commenced as of October 20, 2017.

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

1.06. On October 20, 2017, the Agency adopted a resolution (the "Resolution" or the "Inducement Resolution") agreeing to undertake the 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 a amended lease-leaseback transaction in connection with the Project.

1.07. In the Resolution, the Agency appointed the Company and its agents and other designees, as its agent for the purposes of acquiring, constructing, renovating and equipping the 2017 Facility, and such appointment includes the following activities as they relate to the acquisition, construction, 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, constructing, 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, constructing, 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) The Agency contemplates that it will provide financial assistance to the Company 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 Facility for a period of ten years, during which time the Company will make fixed PILOT Payments on the Facility at the current rate of taxes applying a 2% annual escalator, in the following amounts:

Year 1	\$168,276.00
Year 2	\$171,641.52
Year 3	\$175,074.35
Year 4	\$178,575.84
Year 5	\$182,147.35
Year 6	\$185,790.30
Year 7	\$189,506.11
Year 8	\$193,296.23
Year 9	\$197,162.15
Year 10	\$201,105.40,

(collectively the "Financial Assistance"), which is 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.

(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	\$550,000.00 (not to exceed)
Mortgage recording tax exemption	\$37,500.00
Real property tax abatement	\$900,000.00 (approximately)

1.09. It is understood and agreed by the parties that the purpose of the Agency's provision of Financial Assistance with respect to the Project is to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of the 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 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 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 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 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 acquisition, construction, renovation and equipping of the 2017 Facility, and (iii) the leasing of the Facility to the Company pursuant to the Second Amended Leaseback Agreement, all as shall be authorized by law and be mutually satisfactory to the Agency and the Company and (B) shall enter into an amended lease-leaseback transaction pursuant to the terms of the Act, as then in force, for the purpose of financing certain costs of the Facility.

2.02. The Second Amended Leaseback Agreement shall be for a ten year term and shall obligate the Company to make aggregate basic payments in the amount of \$500.00 as and when the same shall become due and payable. The Company shall be entitled to terminate the Agency's leasehold interest in the Facility for an aggregate amount of \$1.00, plus such additional amounts as shall be prescribed in the Second Amended Leaseback. Specifically, the Second Amended Leaseback shall contain a provision that will allow the Company to terminate the Second Amended Leaseback 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 Second Amended Leaseback 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 construction, 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 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) construct, equip, repair the 2017 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 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 the existing 114 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 the Employment Obligation for the term of the Second Amended Leaseback and completing the Project substantially as presented to the Agency in the Application, 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 2017 Facility).

3.04. Contemporaneously with the closing of the amended lease-leaseback transaction the Company will enter into the Second Amended Leaseback 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 acquisition, renovation and equipping 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 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 acquisition, construction, renovation and equipping of the 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 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 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 Facility, the acquisition, renovation 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. 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 Project, or are in any manner otherwise payable directly or indirectly in connection with the 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 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 Project is estimated at \$500,000.00. The Company acknowledges that the financial assistance currently authorized by the Agency is limited to \$550,000.00 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 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 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. If the Company does not provide said annual certified statement to the Agency by the stated due date, a \$500.00 late fee will be charged to the Company for each thirty (30) day period the report is late beyond the due date, up until the time the report is submitted.

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 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 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 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 Project is achieving the Employment Obligation and other objectives of the 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 Second Amended Leaseback becomes effective. It is the intent of the Agency and the Company that this AGREEMENT be superseded in its entirety by the Second Amended Leaseback, 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 amended lease-leaseback transaction and the execution of the Second Amended Leaseback 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 Second Amended Leaseback 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 \$90,292.50 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 lease-leaseback transaction or complying with any requests after closing relating to the lease-leaseback transaction, including but not limited to requests under the Freedom of Information Act, requests relating to the 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 acquisition, renovation and equipping of the 2017 Facility;

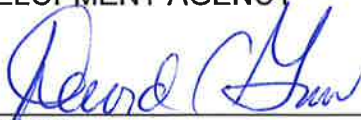
(b) The Company shall assume and be responsible for any contracts for construction or purchase of equipment entered into by the Agency at the request of or as agent for the Company in connection with the Project; and

(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 Project and will pay the reasonable fees of counsel for the Agency and Transaction Counsel for legal services relating to the 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 October 20, 2017.

ONEIDA COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: 
David C. Grow
Chairman


MATT BREWING CO., INC.

By: 
Name: Nicholas O. Matt
Title: Chairman + CEO

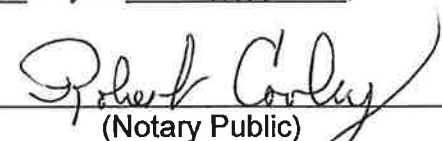
STATE OF NEW YORK)
COUNTY OF ONEIDA) ss.:

Nicholas O. Matt, being first duly sworn, deposes and says:

1. That I am the Chairman + CEO (Corporate Office) of Matt Brewing Co., Inc. 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 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 1ST day of MAR, 2017.


(Notary Public)

ROBERT COOLEY
Notary Public in the State of New York
Appointed in Oneida County
My Commission Expires 03-12-18

EXHIBIT A
PILOT AGREEMENT

Transcript Document No. []

MATT BREWING CO., INC.

and

ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

SECOND AMENDED AND RESTATED
PAYMENT-IN-LIEU-OF-TAX AGREEMENT

Oneida County Industrial Development Agency
2017 Lease Amendment and Restatement
(Matt Brewing Co., Inc. 2017 Facility Expansion and Modernization)

Oneida County, City of Utica, Utica City School District

Tax Account Nos.: 318.040-1-5.1
318.040-1-5.2
318.032-2-38

**SECOND AMENDED AND RESTATED
PAYMENT-IN-LIEU-OF-TAX AGREEMENT**

THIS SECOND AMENDED AND RESTATED PAYMENT-IN-LIEU-OF-TAX AGREEMENT, dated as of _____, is by and between **MATT BREWING CO., INC.**, a corporation duly organized and validly existing under the laws of the State of New York, having an address of 811 Edward Street, Utica, New York 13502 (the "Company") and **ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY**, an industrial development agency and a public benefit corporation of the State of New York having its principal office at 584 Phoenix Drive, Rome, New York 13441 (the "Agency").

W I T N E S S E T H:

WHEREAS, the Agency is authorized and empowered by the provisions of Title 1 of Article 18-A of the General Municipal Law, Chapter 99 of the Consolidated Laws of New York, as amended, (the "Enabling Act"), and Chapter 372 of the Laws of 1970 of the State of New York, as amended, constituting Section 901 of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the "Act") to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of, among others, industrial facilities for the purpose of promoting, attracting and developing economically sound commerce and industry in order to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, the Agency previously provided financial assistance to the Company in connection with (i) demolition of a portion of and renovations to the 15,732± square foot existing second floor of the bottling facility and the construction of a new 25,000± square foot finished goods warehouse facility after the 2008 fire at the Company (collectively, the "2009 Improvements"), all situated on a 7.1± acre parcel of land located at 811 Edwards Street, City of Utica, Oneida County, New York (the "Land"); and the acquisition and installation of equipment in the Improvements (the "2009 Equipment" and together with the Land and the 2009 Improvements, the "2009 Facility") and (ii) construction on the Land of a compact Anaerobic Fluidized Bed Digester system for wastewater treatment and on-site energy generation and a small control building (collectively, the "2012 Improvements"); and the acquisition and installation of equipment in the 2012 Improvements (the "2012 Equipment" and together with the Land and the 2012 Improvements the "2012 Facility"). The 2009 Facility and the 2012 Facility are referred to collectively as the "Existing Facility;" and

WHEREAS, the Company has applied to the Agency to enter into a transaction in which the Agency will assist with a capacity expansion and brewery modernization project consisting of (a) construction of a 15,000± square foot fermenting and aging cellar (the "Aging Cellar") situated on a 1± acre vacant parcel of land located at 806 – 832 (consolidated to 814) Edward

Street, City of Utica, New York (the "2017 Land"); (b) construction on the Land of a two-story, 4,800 square foot addition to the existing brew house (the "Brew House Addition"); (c) construction of an overhead pipe bridge over Edward Street to connect the Aging Cellar with the Existing Facility (the "Pipe Bridge"); (d) removal of a portion of the parking lot and restriping of the parking lot (the "Parking Lot" and together with the Aging Cellar, the Brew House Addition and the Pipe Bridge, the "2017 Improvements"); and (d) acquisition and installation of equipment in the 2017 Improvements and the Existing Improvements, including but not limited to a new centrifuge, pad filter, malt cooker, brew kettle, mash filter, and sixteen vertical fermenting and aging tanks (the "2017 Equipment" and together with the 2017 Land and the 2017 Improvements, the "2017 Facility"); and

WHEREAS, the Company leases the Existing Facility to the Agency pursuant to a Lease Agreement dated July 1, 2009 and a Lease Agreement dated May 1, 2012 (collectively, the "Lease Agreements") and the Agency leases the Existing Facility back to the Company pursuant to a First Amended and Restated Leaseback Agreement dated as of May 1, 2012 (the "First Amended Leaseback Agreement"); and

WHEREAS, in order to induce the Company to develop the 2017 Facility, the Agency is willing to accept a leasehold interest in the 2017 Facility pursuant to a Lease Agreement dated of even date herewith (the "2017 Lease Agreement") and lease the 2017 Facility back to the Company together with the Existing Facility (the 2017 Facility and the Existing Facility referred to as the "Facility") pursuant to the terms and conditions contained in a Second Amended and Restated Leaseback Agreement dated of even date herewith (the "Second Amended Leaseback Agreement"); and

WHEREAS, the Agency has agreed to accept a leasehold interest to the 2017 Facility and maintain its leasehold interest in the Existing Facility in order to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York; and

WHEREAS, the Existing Facility is exempt from real property taxes, general property taxes, general school district taxes, general assessments, service charges or other governmental charges of a similar nature levied and/or assessed upon the Existing Facility or the interest therein of the Company or the occupancy thereof by the Company commencing August 1, 2009, the taxable status date, (the "Exempt Taxes"), because the Agency has a leasehold interest in the Existing Facility and the Existing Facility is used for a purpose within the meaning of the applicable Constitutional and statutory provisions, including the Enabling Act, provided, however, such exemption does not extend to special assessments or ad valorem levies; and

WHEREAS, the 2017 Facility is exempt from real property taxes, general property taxes, general school district taxes, general assessments, service charges or other governmental charges of a similar nature levied and/or assessed upon the 2017 Facility or the interest therein of the Company or the occupancy thereof by the Company commencing August 1, 2018, the taxable status date, (the "Exempt Taxes"), because the Agency has a leasehold interest in the 2017 Facility and the 2017 Facility is used for a purpose within the meaning of

the applicable Constitutional and statutory provisions, including the Enabling Act, provided, however, such exemption does not extend to special assessments or ad valorem levies; and

WHEREAS, the Company understands that it, as lessee of the Facility leased by the Agency, will, in fact, have Exempt Taxes to pay under the provisions of the Second Amended and Restated Leaseback Agreement from the first date of the Exemption Term (as that date is determined by the parties and described herein) through the term of the Second Amended and Restated Leaseback Agreement (the "Exemption Term"); and

WHEREAS, each year of the Exemption Term is more particularly set forth on Schedule B attached hereto (each year being referred to as an "Exemption Year"); and

WHEREAS, the Agency and the Company deem it necessary and proper to enter into an amended and restated agreement making provision for payments-in-lieu-of-taxes and such assessments by the Company to the City of Utica, or any existing incorporated village or any village which may be incorporated after the date hereof, within which the Facility is or may be, wholly or partially located, Oneida County, Utica City School District and appropriate special districts (hereinafter each a "Taxing Authority" and collectively the "Taxing Authorities") in which any part of the Facility is or is to be located; and

WHEREAS, the PILOT Payments (as defined below) represent a deviation from the Agency's Uniform Tax Exemption Policy (the "Policy"); and

WHEREAS, pursuant to Section 874 of the Act, the Agency sent a notice to the chief executive officer of each Taxing Authority providing a description of the PILOT Payments, the Agency's reasons for deviating from the Policy as well as the time and location of the meeting during which the Agency would consider a resolution approving the deviation from its Policy and the PILOT Payments; and

WHEREAS, all defined terms herein as indicated by the capitalization of the first letter thereof and not otherwise defined herein shall have the meanings ascribed to such terms as set forth in the Leaseback Agreement.

NOW, THEREFORE, to provide for certain payments to the Taxing Authorities, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. The Company shall pay to each Taxing Authority:
 - (a) all taxes that are due with respect to the Facility prior to the Exemption Term, no later than the last day during which such payments may be made without penalty; and
 - (b) all special assessments and ad valorem taxes coming due and payable during the term of the Lease Agreement and the Second Amended and Restated

Leaseback Agreement for which the Facility is not exempt, no later than the last day during which such payments may be made without penalty.

2. (a) With respect to the Existing Facility, the Company shall pay to each Taxing Authority as set forth on Schedule A attached hereto and made a part hereof an amount in lieu of the Exempt Taxes (the "PILOT Payments") during each Exemption Year as follows:

(i) the sum of one hundred thousand dollars (\$100,000.00) through and including the first Exemption Year;

(ii) a sum equal to the 2008 taxes paid by the Company from the second through and including the fifth Exemption Year; and

(iii) a sum equal to the greater of (a) 2008 taxes paid by the Company or (b) two-thirds of Exempt Taxes, from the sixth through and including the ninth Exemption Year.

(b) Beginning with the tenth Exemption Year, the Company shall make fixed PILOT Payments on the entire Facility in the following aggregate amounts:

Year 10	\$168,276.00
Year 11	\$171,641.52
Year 12	\$175,074.35
Year 13	\$178,575.84
Year 14	\$182,147.35
Year 15	\$185,790.30
Year 16	\$189,506.11
Year 17	\$193,296.23
Year 18	\$197,162.15
Year 19	\$201,105.40

Such PILOT Payments shall be allocated among the Taxing Authorities in the same proportion as taxes would have been allocated but for the Agency's involvement, unless the Taxing Authorities have consented in writing to a specific allocation. For the purposes of preparing a PILOT bill, each Taxing Authority shall use the tax rate for the prior Exemption Year.

(c) With respect to the 2012 Equipment and the 2017 Equipment, whether attached to the Improvements or not, the Company shall pay as PILOT Payments no Exempt Taxes from the fourth through and including the nineteenth Exemption Year.

Anything herein to the contrary, notwithstanding, this Second Amended and Restated PILOT Agreement shall terminate on the date on which the Second Amended and Restated Leaseback Agreement shall terminate and the Agency shall terminate its leasehold interest in the Facility pursuant to the Second Amended and Restated Leaseback Agreement.

Anything herein to the contrary, notwithstanding, upon the failure of the Company in making any payment when due hereunder and upon failure to cure such default within thirty (30) days of receipt of notice as herein provided, such failure shall constitute an Event of Default under Section 7.1(a)(vi) of the Leaseback Agreement, and the Agency may take any one or all remedial steps afforded it in Section 7.2 of the Leaseback Agreement; provided, however, nothing herein contained shall be deemed to limit any other rights and remedies the Agency may have hereunder or under any other Transaction Document. PILOT Payments which are late under this Agreement shall be subject to a late payment penalty of five percent (5%) of the amount due which shall be paid by the Company to the affected Taxing Authority at the time the PILOT Payment is paid. For each month, or part thereof, that the PILOT Payment is delinquent beyond the first month, interest shall accrue to and be paid to the affected Taxing Authority on the total amount due plus a late payment penalty in the amount of one percent (1%) per month until the PILOT Payment is made.

3. The Company will make PILOT Payments to each Taxing Authority hereunder for each Exemption Year by making the required payment to such Taxing Authority no later than the last day during which such Exempt Taxes could otherwise be made without penalty as if the Agency did not have a leasehold or other interest in the Facility.

4. The PILOT Payments to be made by the Company pursuant to this Second Amended and Restated PILOT Agreement are intended to be in lieu of all Exempt Taxes that would have to be paid on the Facility leased to the Company by the Second Amended and Restated Leaseback Agreement if the Agency did not have a leasehold or other interest in the Facility.

5. If by reason of a change in the Constitution or laws of the State of New York, or an interpretation of the Constitution or the laws of the State of New York by the Court of Appeals (or such lower court from which the time to appeal has expired) of the State of New York, or for any other reason, the Company is required to pay any tax which the payments specified herein are intended to be in lieu of, the Company may deduct the aggregate of any such payments made by it from the amount herein agreed to be paid in lieu of such taxes and need only pay the difference. Furthermore, inasmuch as the PILOT Payments herein agreed to be made by the Company are intended to be in lieu of all Exempt Taxes, it is agreed that said payments shall not, as to any Exemption Year, be in an amount greater than would be payable for such year for such Exempt Taxes, in the aggregate, by a private corporation on account of its ownership of the Facility.

6. This Second Amended and Restated PILOT Agreement shall be binding upon the successors and assigns of the parties.

7. It is the intent of the parties that the Company will have all the rights and remedies of a taxpayer with respect to any real property or other tax, service charge, special benefit, ad valorem levy, assessment or special assessment or service charge because of which, or in lieu of which, the Company is obligated to make a payment hereunder, as if and to the same extent as if the Agency did not have a leasehold or other interest in the Facility. It is the further intent of the parties that the Company will have all of the rights and remedies of a

taxpayer as if and to the same extent as if the Agency did not have a leasehold or other interest in the Facility with respect to any proposed assessment or change in assessment concerning the property, or any portion thereof, whether through an assessor, board of assessment review, court of law, or otherwise and likewise will be entitled to protest before and be heard by such assessor, board of assessment review, court of law or otherwise and will be entitled to take any and all appropriate appeals or initiate any proceedings to review the validity or amount of any assessment or the validity or amount of any taxes that would have been payable but for the provisions hereof. In the event, however, that a court of competent jurisdiction shall enter an order or judgment determining or declaring that, by reason of the Agency's interest in the Facility, the Company does not have the right to bring a proceeding to review such assessment under the Real Property Tax Law or any other law, then the Company shall have the right to contest such assessment in the name and as the agent of the Agency, and the Agency agrees to cooperate with the Company in all respects in any such proceeding at the sole cost and expense of the Company.

8. All amounts payable by the Company hereunder will be paid to the respective Taxing Authority and will be payable in such lawful money of the United States of America as at the time of payment is legal tender for the payment of public and private debts, including a check payable in such money.

9. (a) If any term or provision hereof should be for any reason held or adjudged to be invalid, illegal or unenforceable by any court of competent jurisdiction, such term or provision will be deemed separate and independent and the remainder hereof will remain in full force and effect and will not be invalidated, impaired or otherwise affected by such holding or adjudication.

(b) This Second Amended and Restated PILOT Agreement may not be effectively amended, changed, modified, altered or terminated except by an instrument in writing executed by the parties hereto.

(c) All notices, certificates or other communications hereunder shall be in writing and shall be sufficiently given and shall be deemed given when mailed by United States registered or certified mail, postage prepaid, return receipt requested, to the Agency or the Company, as the case may be, addressed as follows:

If to the Agency:

Oneida County Industrial Development Agency
584 Phoenix Drive
Rome, New York 13441
Attn.: Executive Director

With a Copy to:

Bond, Schoeneck & King, PLLC
501 Main Street

Utica NY 13501
Attn.: Linda E. Romano, Esq.

If to the Company:

Matt Brewing Co., Inc.
811 Edward Street
Utica NY 13502
Attn.: Nicholas O. Matt, Chairman and CEO

With a Copy to:

Matt Law Firm, PLC
1701 Genesee Street
Utica NY 13501
Attn.: F.X. Matt, Esq.

provided, that the Agency or the Company may, by notice given hereunder to the other, designate any further or different addresses to which subsequent notices, certificates or other communications to them shall be sent.

(e) This Second Amended and Restated PILOT Agreement shall be governed by and construed in accordance with the laws of the State of New York.

[Signature page follows]

IN WITNESS WHEREOF, the parties have executed this **Second Amended and Restated PILOT Agreement** as of the date first above written.

MATT BREWING CO., INC.

By: _____
Nicholas O. Matt
Chairman and CEO

ONEIDA COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: _____
David C. Grow
Chairman

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

On the ___ day of _____, 2017 before me, the undersigned a notary public in and for said state, personally appeared **Nicholas O. Matt**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

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

On the ___ day of _____ 2017 before me, the undersigned a notary public in and for said state, personally appeared **David C. Grow**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

SCHEDULE A

COUNTY OF ONEIDA
Receiver of Taxes
800 Park Avenue
Utica, New York 13501

CITY OF UTICA
Receiver of Taxes
City Hall
One Kennedy Plaza
Utica, New York 13502
Attn.: City Treasurer

UTICA CITY SCHOOL DISTRICT
Receiver of Taxes
106 Memorial Parkway
Utica, New York 13501

SCHEDULE B

EXEMPTION YEARS

Exemption Year (Assessment Roll Year)	County Taxes	City Taxes	School Taxes
Year One (08/01/2009)	01/01/2010 – 12/31/2010	04/01/2010 – 03/31/2011	07/01/2010 – 06/30/2011
Year Two (08/01/2010)	01/01/2011 – 12/31/2011	04/01/2011 – 03/31/2012	07/01/2011 – 06/30/2012
Year Three (08/01/2011)	01/01/2012 – 12/31/2012	04/01/2012 – 03/31/2013	07/01/2012 – 06/30/2013
Year Four (08/01/2012)	01/01/2013 – 12/31/2013	04/01/2013 – 03/31/2014	07/01/2013 – 06/30/2014
Year Five (08/01/2013)	01/01/2014 – 12/31/2014	04/01/2014 – 03/31/2015	07/01/2014 – 06/30/2015
Year Six (08/01/2014)	01/01/2015 – 12/31/2015	04/01/2015 – 03/31/2016	07/01/2015 – 06/30/2016
Year Seven (08/01/2015)	01/01/2016 – 12/31/2016	04/01/2016 – 03/31/2017	07/01/2016 – 06/30/2017
Year Eight (08/01/2016)	01/01/2017 – 12/31/2017	04/01/2017 – 03/31/2018	07/01/2017 – 06/30/2018
Year Nine (08/01/2017)	01/01/2018 – 12/31/2018	04/01/2018 – 03/31/2019	07/01/2018 – 06/30/2019
Year Ten (08/01/2018)	01/01/2019 – 12/31/2019	04/01/2019 – 03/31/2020	07/01/2019 – 06/30/2020
Year Eleven (08/01/2019)	01/01/2020 – 12/31/2020	04/01/2020 – 03/31/2021	07/01/2020 – 06/30/2021
Year Twelve (08/01/2020)	01/01/2021 – 12/31/2021	04/01/2021 – 03/31/2022	07/01/2021 – 06/30/2022
Year Thirteen (08/01/2021)	01/01/2022 – 12/31/2022	04/01/2022 – 03/31/2023	07/01/2022 – 06/30/2023
Year Fourteen (08/01/2022)	01/01/2023 – 12/31/2023	04/01/2023 – 03/31/2024	07/01/2023 – 06/30/2024
Year Fifteen (08/01/2023)	01/01/2024 – 12/31/2024	04/01/2024 – 03/31/2025	07/01/2024 – 06/30/2025
Year Sixteen (08/01/2024)	01/01/2025 – 12/31/2025	04/01/2025 – 03/31/2026	07/01/2025 – 06/30/2026
Year Seventeen (08/01/2025)	01/01/2026 – 12/31/2026	04/01/2026 – 03/31/2027	07/01/2026 – 06/30/2027
Year Eighteen (08/01/2026)	01/01/2027 – 12/31/2027	04/01/2027 – 03/31/2028	07/01/2027 – 06/30/2028
Year Nineteen (08/01/2027)	01/01/2028 – 12/31/2028	04/01/2028 – 03/31/2029	07/01/2028 – 06/30/2029

EXHIBIT B
FORM OF ANNUAL REPORT TO AGENCY

Project Code: * Project Code Fund Type: * Project Type Project Name: * Project Name

2017 Schedule of Supplemental Information (Bonds/Notes or Straight Lease)

Project Owner and Address:
 First Name Last Name
 * Project Name (* Address Line 1, * City, State * Postal Code)
 * Address Line 1
 * City, State * Postal Code

DATE
 Total Project/Lease Amount: \$* Total Project Amount Straight Lease End Date: LEASE/PILLOT EXPIRATION
 Bonded/Note Amount: \$ Total
 Bonds/Notes Outstanding Beginning of Fiscal Year
 Non-profit? Is the applicant a Not for Profit corporation?
 if no exemptions granted: New tax revenues

Please check box if applicable:
 Not all data is reported. Letter of explanation attached.

Was your project completed In 2017?
 YES NO
If YES, what was the final project cost? _____

2017 Tax Exemptions - Amounts that would have been payable, AS FULL TAXES, without IDA exemptions.

Sales Tax (ST)	Real Property Tax (RPT)	Mortgage Recording Tax (MR)	Total Tax Exemptions (Sum of ST, RPT and MRT)
State: \$	County: \$		\$
Local: \$	Local (sum of city/town/village): \$		
	School: \$		

2017 Payments in Lieu of Taxes (PILOTS) PAID. DO NOT INCLUDE SPECIAL DISTRICT ASSESSMENT PAYMENTS (ie: sewer, water, lighting, etc. districts)

County	Local (sum of city/town/village)	School District	Total PILOTS Paid	Code
\$	\$	\$		* Project Code

Straight Lease: Identify method of financial assistance utilized by project, other than tax exemptions claimed by project. Identify by amount and type:

FORM CONTINUED ON NEXT PAGE

Project Code: * Project Code Fund Type: * Project Type Project Name: * Project Name

Schedule of Supplemental Information Continues (Bonds/Notes or Straight Lease)

Full-Time Equivalent (FTE) Jobs Created and Retained – As of December 31, 2017

# FTE Employees at Project Location Prior to IDA Status	* # of FTEs before IDA status	* Original estimate of jobs to be created	* Original estimate of jobs to be retained	# Current FTE Employees	# FTE Jobs Created During Fiscal Year	# FTE Jobs Retained During Fiscal Year	# FTE Construction Jobs Created during Fiscal Year

FOR PROJECTS CLOSED AFTER JULY 2016 ONLY. If the salary and fringe benefit averages or ranges for categories of jobs retained and jobs created, that was provided in the original project application is still accurate, please check this box: If the information is no longer accurate, complete chart below.

Salary and Fringe Benefits for Jobs to be Retained and Created:

Category of Jobs to be Retained and Created	# CURRENT FTE Per Category	Average Annual Salary or Range of Salary	Average Annual Fringe Benefits or Range of Fringe Benefits
Management			
Administrative			
Production			
Independent Contractor			
Other			

*Contact Name (if different from page 1): _____
 *Contact Address (if different from page 1): _____

 *Contact Telephone: _____
 *Contact Fax: _____
 *Contact Email: _____
 *Person Completing Form: _____ * Required

I certify that to the best of my knowledge and belief all of the information on this form is correct. I also understand that failure to report completely and accurately may result in enforcement of provisions of my agreement, including but not limited to avoidance of the agreement and potential claw back of benefits.

Signed: _____ (authorized company representative)
 Date: _____

PROJECT CODE: * Project Code

Bonds and Notes Related to Project*

(*If you do not have a Bond, please skip this section)

Type of Debt:	Bond(s) <input checked="" type="checkbox"/> Note(s) <input type="checkbox"/>	Bond(s) <input checked="" type="checkbox"/> Note(s) <input type="checkbox"/>	Bond(s) <input checked="" type="checkbox"/> Note(s) <input type="checkbox"/>	Bond(s) <input checked="" type="checkbox"/> Note(s) <input type="checkbox"/>	Total
Date of Issue:					
Interest Rate:					
<ul style="list-style-type: none"> At issuance If variable, applicable range 					
Outstanding Beginning of Fiscal Year:	Total Bonds/Notes Outstanding End of Fiscal Year				
Issued During Fiscal Year:					
Paid During Fiscal Year:					
Outstanding End of Fiscal Year:					
Final Maturity Date:	LEASE/PILOT EXPIRATION DATE				Final maturity date of last outstanding bond:

Project Code: * Project Code Fund Type: * Project Type Project Name: * Project Name

Questions for Housing Projects ONLY

(1) Describe the housing project constructed or renovated in detail (type of housing, number of units, etc.):

If construction or renovation is incomplete, when is the issuance of a Certificate of Occupancy anticipated? _____
If available, please attach copy of Certificate of Occupancy.

(2) Describe how you changed the pre-Project use of the facility or property being utilized, for the Project.

(3) Did the project have any impact on the existing infrastructure or upgrades to the current infrastructure (water, sewer, electrical, gas, etc.)? If yes please provide detail and who you are working with at the applicable organization(s).

(4) If your project is a multi-use facility please provide details of the project, project square footage breakdown of non-housing to housing usage: detail the job creation and retention associated with the non-housing component.

(5) Does the project provide a community benefit? If yes, provide detail substantiating (reference the IDA policy).
