

INDUCEMENT AGREEMENT

THIS INDUCEMENT AGREEMENT RELATING TO THE **CRANE-BALLOU LLC FACILITY** (the "AGREEMENT") is between the Oneida County Industrial Development Agency (the "Agency"), and Crane-Ballou LLC (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. The Company has requested that the Agency assist in the (i) acquisition of an 8,400± square foot, single-story brick building and a 10,500± square foot, two-story concrete block building (collectively, the "Improvements") situated on a 1.3± acre parcel of land situated at 316 and 326 Broad Street, City of Utica, Oneida County, New York (collectively, the "Land"); (ii) partial demolition and renovation of the Improvements and (iii) acquisition and installation of equipment in the Improvements (the "Equipment"), all for the purpose of redeveloping the Improvements to be used by Mohawk Valley Community College Foundation and Mohawk Valley Community College (collectively, the "Sublessee") for educational and public purposes (the Land, the Improvements and the Equipment are referred to collectively as the "Facility" and the demolition, renovation and equipping of the Facility is referred to as the "Project"). The Company will lease the Facility to the Agency and the Agency will lease the Facility back to the Company pursuant to a Leaseback Agreement (the "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 construction and equipping of the Facility has not/did not commence(d) as of July 17, 2015.

1.05. The Agency has determined that the acquisition, demolition, renovation and equipping of the Facility, as described in the Company's application to the Agency dated July 12, 2015, which Application may be amended from time to time prior to closing of the sale-leaseback or lease-leaseback transaction (the "Application") will promote and further the purposes of the Act.

1.06. On July 17, 2015, 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 sale-leaseback or 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, demolishing, renovating and equipping the Facility, and such appointment includes the following activities as they relate to the acquisition, demolition, renovation and equipping 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 acquiring, demolishing, renovating and equipping the Facility, (ii) all purchases, rentals, uses or consumption of supplies, materials and services of every kind and description used in connection with acquiring, demolishing, renovating and equipping 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 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 Facility, all with the same powers and with the same validity as the Agency could do if acting on its own behalf.

1.08. In the Resolution, the Agency contemplates that it will provide financial assistance to the Company in the form of:

- Exemptions from mortgage recording taxes, the value of which is estimated at \$7,000 but will not exceed \$7,700;
- Exemptions from sales and use taxes on materials and/or equipment acquired and installed in connection with the Project, the value of which is estimated at \$25,000 but will not exceed \$27,500; and

- 100% abatement of real property taxes for a period of ten (10) years, only with respect to that portion of the Facility occupied by the Sublessee and used by the Sublessee for educational and public purposes,

(the "Financial Assistance"), 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.

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-leaseback or lease-leaseback transaction, (ii) the acquisition, demolition, renovation and equipping of the Facility, and (iii) the leasing of the Facility to the Company pursuant to the Lease (or Leaseback) Agreement, all as shall be authorized by law and be mutually satisfactory to the Agency and the Company and (B) shall enter into a sale-leaseback or 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 Lease (or 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 acquire from the Agency title to the Facility for an aggregate amount of \$500.00, plus such additional amounts as shall be prescribed in the Lease (or Leaseback) Agreement. Specifically, the Lease (or Leaseback) Agreement shall contain a provision that will allow the Company to terminate the Lease (or Leaseback) Agreement at any time upon written notice to the Agency and upon payment by the Company of all applicable fees, penalties and reimbursement of benefits. The Lease (or Leaseback) 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. That all services, costs and expenses of whatever nature incurred in connection with the acquisition, demolition, 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 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) acquire, demolish, renovate, 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. (a) In the Application, the Company projected that the Sublessee will retain the existing six (6) full time equivalent positions at the Facility and maintain all for the duration of the Lease Term as a result of undertaking the Facility (the "Employment Obligation"). The Company acknowledges that the financial assistance granted by the Agency in connection with the Facility is conditioned upon the Sublessee achieving the Employment Obligation.

(b) Based upon representations made by the Company in the Application, the value of the sales tax to be abated relating to the construction and equipping of the Facility is currently estimated at \$25,000.00 but shall not exceed \$27,500.00. The Company acknowledges that the financial assistance granted by the Agency is limited to \$27,500.00, and any exemptions claimed by the Company that exceed this amount may be subject to recapture by New York State.

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, demolition, renovation and equipping of the 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 sale-leaseback or lease-leaseback transaction the Company will enter into the Lease (or 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 acquisition, demolition, 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, demolition, 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, demolition, 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 sale-leaseback or 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, demolition, 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.

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.

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.

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 (or Leaseback) Agreement becomes effective. It is the intent of the Agency and the Company that this AGREEMENT be superseded in its entirety by the Lease (or 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 entering into the sale-leaseback or lease-leaseback transaction and the execution of the Lease (or 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 Lease (or 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 sale-leaseback or lease-leaseback transaction, (vii) receipt by the Agency of a letter from the City of Utica indicating its support of the Project and the proposed Financial Assistance; and (viii) 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 \$5,000.00, 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 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 sale-leaseback or 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, demolition, renovation and equipping of the Facility;

(b) The Company shall assume and be responsible for any contracts for demolition and renovation 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 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.

[Remainder of page left blank intentionally]

IN WITNESS WHEREOF, the parties hereto have entered into this AGREEMENT to be effective as of the 17th day of July 2015.

ONEIDA COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: _____
David C. Grow
Chairman

CRANE-BALLOU LLC

By: Gay Thurstun
Name: Gay Thurstun
Title: Member.

August 5, 2015

Gary V. Thurston, Member
Crane-Ballou LLC
4828 Cedarville Road
Syracuse, New York 13215

Re: *Oneida County Industrial Development Agency
2015 Lease-Leaseback Transaction (Crane-Ballou LLC Facility)*

Dear Mr. Thurston:

Our office would be pleased to act as transaction counsel and agency counsel in connection with the above-referenced lease. We estimate our fee will be between \$9,500.00 and \$12,500.00, plus disbursements, for which we expect payment on the date of closing.

This figure assumes that this transaction closes within ninety (90) days from the date of this letter, that there will be no unusual questions of law or prolonged negotiations regarding the documents, and that the involvement or assistance from other agencies will not require substantial modifications to the typical structure and documentation of transactions such as this. Crane-Ballou LLC (the "Company") is responsible for all real estate matters.

Our fee quote assumes that closing will take place by mail and will not necessitate attending meetings with the Company and any lender, or attending closing. The above fee quote also assumes that our firm will be called upon to coordinate with one commercial lender, as the Agency is not issuing bonds but is granting exemptions from mortgage recording tax. In order to enable us to maintain our fee quote, it is vital that the transaction generally keeps to its proposed timetable that is decided at the onset of the deal, without undue acceleration of the timetable or extensive delay of it. In the event the facts do not bear out the foregoing assumptions, we would expect to charge for our extraordinary services on an hourly basis. In the event that the transaction does not close, we would expect to charge for services rendered to the date of termination on an hourly basis. Adjournment of scheduled closings or a material change in the structure of the transaction caused by a party other than transaction counsel will, in most cases, result in an increase of our fee based upon the additional time spent.

Our statement for services, in addition to our fee, will also include our direct, out-of-pocket disbursements that vary considerably from deal to deal. Disbursements for such items as photocopying, mailings, express deliveries, conference calls, travel, telecopies, preparing closing books, etc. will vary depending upon the circumstances such as how many drafts of documents are circulated, the frequency and duration of conference calls and the demands

Gary Thurston
August 10, 2015
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of the parties for overnight deliveries and telecopies. In the past, disbursements for real estate transfers have ranged from approximately \$300 to \$700.

In addition to our fee as transaction counsel and agency counsel, the IDA assesses a one-time closing fee calculated in accordance with the size of the project. Based upon the projections in your Application for Financial Assistance, the closing fee for this project is estimated at \$5,000.00, which will be payable in full at closing.

Attached is a list of documents to be delivered by the Company as a precondition to the closing of this real estate lease. In order that we may review these documents prior to the closing, it would be appreciated if copies could be sent to us at the Company's earliest convenience.

I hope the information set out above will be helpful to you. If you are in agreement with the terms of this engagement, please sign below and return this letter to our offices together with the signed Inducement Agreements. You should be aware that our services will not commence and the IDA will not issue any benefits until this signed letter and the Inducement Agreements are returned.

Please feel free to call me if you have any questions regarding the content of this letter or otherwise.

Very truly yours,

BOND, SCHOENECK & KING, PLLC

Linda E. Romano /s/

Linda E. Romano

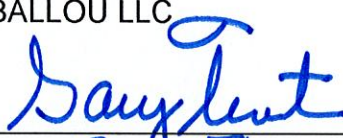
Enclosures

cc: John Kenealy, Esq.
Shawna M. Papale

ACKNOWLEDGED AND AGREED:

CRANE-BALLOU LLC

By:


Name: Gary Thurston
Title: Member

**Oneida County Industrial Development Agency
2015 Lease-Leaseback Transaction
(Crane-Ballou LLC Facility)**

List of Materials Required Prior to Closing

1. Copies of the Articles of Organization and Operating Agreement for Crane-Ballou LLC (the "Company") with all amendments
2. Certificate of Good Standing for the Company, certified by the Secretary of State of the State of New York
3. Name and title of officers of the Company executing the required documents
4. Legal description for the Land (Exhibit A to the Leaseback Agreement)
5. List of the equipment and other personal property to be acquired and installed in the Facility (Exhibit B to Leaseback Agreement)
6. Certificates of Insurance evidencing the insurance required by the Leaseback Agreement