

NEW YORK BECKNELL INVESTORS TWO LLC

and

GOODRICH CORPORATION, A UTC AEROSPACE COMPANY,  
DOING BUSINESS BY AND THROUGH ITS  
POWER TRANSMISSION SYSTEMS BUSINESS UNIT

and

ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

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PAYMENT-IN-LIEU-OF-TAX AGREEMENT

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Oneida County Industrial Development Agency  
2013 Real Estate Lease  
(Goodrich Corporation Facility)

Oneida County, City of Rome, Rome City School District

Tax Account Nos.: 243.000-1-1.3-1

## PAYMENT-IN-LIEU-OF-TAX AGREEMENT

THIS PAYMENT-IN-LIEU-OF-TAX AGREEMENT, dated as of July 1, 2013, is by and among **NEW YORK BECKNELL INVESTORS TWO LLC**, having its principal office c/o Harrington & Tock, Suite 601, Huntington Towers, 201 W. Springfield Avenue, P.O. Box 1550, Champaign, Illinois 61824-1550 (the "Landlord"); **GOODRICH CORPORATION, a UTC Aerospace Company, doing business by and through its Power Transmission Systems business unit**, a New York corporation having an address of 104 Otis Street, Rome, New York 13441 (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 Company desires to renovate a 110,000± square foot manufacturing facility (the "Improvements") located on a 10.375± acre parcel of land situate at 104 Otis Street, Griffiss Business and Technology Park, City of Rome, Oneida County, New York (the "Land"), including the creation of 14,000± square feet of green space, and acquire and install equipment in the Improvements (the "Equipment"), all to be used for the purpose of designing and manufacturing power transmission products for the aerospace and industrial markets (the Land, the Improvements and the Equipment are referred to collectively as the "Facility"); and

WHEREAS, in order to induce the Company to develop the Facility, the Agency is willing to accept a leasehold interest in the Facility pursuant to a Company Lease dated of even date herewith and lease the Facility back to the Company pursuant to the terms and conditions contained in a Leaseback Agreement dated of even date herewith; and

WHEREAS, the Landlord is the fee owner of the Land and Improvements, and leases the Land and the Improvements to the Company under a Lease Agreement dated April 20, 2001, as amended (the "Lease Agreement") between Landlord and the Company; and

WHEREAS, the Lease Agreement states in part that the Company will have the obligation to pay to the Taxing Authorities (as defined below) all taxes and/or payments-in-lieu-of-taxes assessed to the Landlord with respect to the Facility; and

WHEREAS, the Agency has agreed to accept a leasehold interest in the Facility from the Company 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 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 Facility or the interest therein of the Landlord and/or Company or the occupancy thereof by the Company commencing July 30, 2013, the taxable status date, (the "Exempt Taxes"), because the Agency has a leasehold interest in the Facility and the 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 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 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, the Landlord and the Company deem it necessary and proper to enter into an agreement making provision for payments-in-lieu-of-taxes and such assessments by the Company to the City of Rome, 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, the Rome 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, 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 Company Lease and the 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) 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) sixty-six percent (66%) of such taxes from the first through and including the fifth Exemption Year; and

(ii) seventy percent (70%) of such taxes during the sixth Exemption Year; and

(iii) seventy-six percent (76%) of such taxes during the seventh Exemption Year; and

(iv) eighty-two percent (82%) of such taxes during the eighth Exemption Year; and

(v) eighty-eight percent (88%) of such taxes during the ninth Exemption Year; and

(vi) ninety-four percent (94%) of such taxes during the tenth Exemption Year; and

(viii) one hundred percent of such taxes after the tenth Exemption Year.

provided, however, that all PILOT Payments shall be calculated using the Facility assessment that is in effect on the date of this Agreement.

Anything herein to the contrary, notwithstanding, this Agreement shall terminate on the date on which the Leaseback Agreement shall terminate and the Agency shall terminate its leasehold interest in the Facility pursuant to the Company Lease. The benefits under this Agreement are subject to the terms and conditions of a certain Job Creation and Recapture Agreement dated as of July 1, 2013.

(b) 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, the Company shall henceforth pay as PILOT Payments one hundred (100%) percent of the Exempt Taxes together with interest at the rate of nine (9%) percent per annum on any delinquent PILOT Payments together with expenses of collection, including but not limited to, payment of attorneys' fees; 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.

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 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 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 Agreement shall be binding upon the successors and assigns of the parties.

7. It is the intent of the parties that the Landlord and 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 Landlord and 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, neither the Landlord nor the Company has the right to bring a proceeding to review such assessment under the Real Property Tax Law or any other law, then the Landlord and/or 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 Landlord and/or the Company in all respects in any such proceeding at the sole cost and expense of the Landlord and/or the Company. Notwithstanding anything herein to the contrary, for so long as this Agreement is in effect, the Landlord and the Company each hereby unconditionally and irrevocably waives its respective right, if any, to apply for and/or receive the benefit of any other real property tax exemption with respect to the Facility, including, without limitation, any real property tax exemption that may be available under Section 485-b and Section 485-e of the Real Property Tax Law.

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. In

such event, the parties agree to negotiate a mutually agreeable term or provision to substitute for the unenforceable term or provision.

(b) This 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, the Landlord or the Company, as the case may be, addressed as follows:

To the Agency: Oneida County Industrial Development Agency  
584 Phoenix Drive  
Rome, New York 13441-4105  
Attn.: Chairman

With a Copy To: Bond, Schoeneck & King, PLLC  
501 Main Street  
Rome, New York 13501  
Attn.: Linda E. Romano, Esq.

To the Landlord: New York Becknell Investors Two LLC  
704 Adams St., Suite A  
Carmel, IN 46032

To the Company: Goodrich Corporation  
104 Otis Street  
Rome, New York 13441  
Attn.: Chad L. Sheline, General Manager, Power  
Transmission Systems

With a Copy To: UTC Aerospace Systems  
One Hamilton Road  
Windsor Locks, Connecticut 06096  
Attn.: Diana Morales, Associate General Counsel

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

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

10. Landlord is entering into this Agreement solely in its capacity as owner of the Land and Improvements. Nothing contained in this Agreement should be construed to impose upon or create for Landlord any obligations, either monetary or otherwise, under this Agreement.

[Signature pages follow]



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

**NEW YORK BECKNELL INVESTORS TWO LLC,**

**a Delaware limited liability company**

By: BECKNELL 2004, an Illinois general partnership,  
its sole member

By: BECKNELL INDUSTRIAL OPERATING PARTNERSHIP,  
L.P., its authorized partner

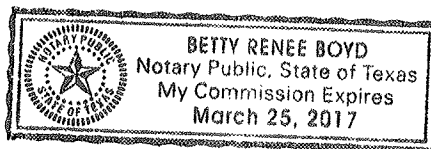
By: BECKNELL INDUSTRIAL OPERATING PARTNERSHIP  
GP, LLC, its general partner

By: *Hugh V. Hudler Jr*  
Authorized Signatory

STATE OF Texas )  
                              ) : ss.:  
COUNTY OF Dallas )


On the 30 day of July 2013 before me, the undersigned a notary public in and for said state, personally appeared Hugh V. Hudler Jr, 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/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

*Betty Renee Boyd*  
Notary Public



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

GOODRICH CORPORATION,  
a UTC Aerospace Company, doing business  
by and through its Power Transmission Systems  
business unit

By:   
Chad L. Sheline  
General Manager, Power Transmission Systems

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

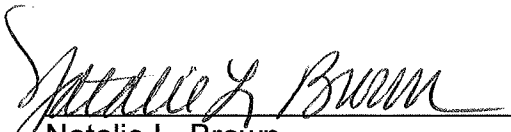
On the 26th day of July 2013 before me, the undersigned a notary public in and for said state, personally appeared **Chad L. Sheline**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged 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

LAURA S. RUBERTO  
Notary Public, State of New York  
Appointed in Oneida County  
Reg. No. 01RU5031396  
Commission Expires August 1, 2014


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

ONEIDA COUNTY INDUSTRIAL  
DEVELOPMENT AGENCY

By:   
Natalie L. Brown  
Vice Chairman

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

On the 26th day of July 2013 before me, the undersigned a notary public in and for said state, personally appeared **Natalie L. Brown**, 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 she executed the same in her capacity, and that by her signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

  
Notary Public

LAURA S. RUBERTO  
Notary Public, State of New York  
Appointed in Oneida County  
Reg. No. 01RU5031396  
Commission Expires August 1, 2014

**SCHEDULE A**

**COUNTY OF ONEIDA**

Receiver of Taxes  
800 Park Avenue  
Rome, New York 13501

**CITY OF ROME**

Receiver of Taxes  
Rome City Hall  
198 North Washington Street  
Rome, New York 13440  
Attn.: City Treasurer

**ROME CITY SCHOOL DISTRICT**

409 Bell Street  
Rome, New York 13440  
Attn.: David Dreidel, District Treasurer

**SCHEDULE B**

**EXEMPTION YEARS**

<b>Exemption Year (Assessment Roll Year)</b>	<b>County/City Taxes</b>	<b>School Taxes</b>
Year One (07/30/2013)	01/01/2014 – 12/31/2014	07/01/2014 – 06/30/2015
Year Two (07/29/2014)	01/01/2015 – 12/31/2015	07/01/2015 – 06/30/2016
Year Three (07/28/2015)	01/01/2016 – 12/31/2016	07/01/2016 – 06/30/2017
Year Four (07/26/2016)	01/01/2017 – 12/31/2017	07/01/2017 – 06/30/2018
Year Five (07/25/2017)	01/01/2018 – 12/31/2018	07/01/2018 – 06/30/2019
Year Six (07/31/2018)	01/01/2019 – 12/31/2019	07/01/2019 – 06/30/2020
Year Seven (07/30/2019)	01/01/2020 – 12/31/2020	07/01/2020 – 06/30/2021
Year Eight (07/28/2020)	01/01/2021 – 12/31/2021	07/01/2021 – 06/30/2022
Year Nine (07/27/2021)	01/01/2022 – 12/31/2022	07/01/2022 – 06/30/2023
Year Ten (07/26/2022)	01/01/2023 – 12/31/2023	07/01/2023 – 06/30/2024

GOODRICH CORPORATION, A UTC AEROSPACE COMPANY,  
DOING BUSINESS BY AND THROUGH ITS  
POWER TRANSMISSION SYSTEMS BUSINESS UNIT

for the benefit of

ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

(ONEIDA COUNTY, NEW YORK)

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ENVIRONMENTAL COMPLIANCE AND INDEMNIFICATION AGREEMENT

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Dated as of July 1, 2013

Oneida County Industrial Development Agency  
2013 Real Estate Lease  
(Goodrich Corporation Facility)

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## ENVIRONMENTAL COMPLIANCE AND INDEMNIFICATION AGREEMENT

THIS ENVIRONMENTAL COMPLIANCE AND INDEMNIFICATION AGREEMENT, dated as of July 1, 2013, is by **GOODRICH CORPORATION, a UTC Aerospace Company, doing business by and through its Power Transmission Systems business unit**, a New York corporation having an address of 104 Otis Street, Rome, New York 13441 (the "Company") for the benefit of the **ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY**, a public benefit corporation of the State of New York having its principal office at 584 Phoenix Drive, Rome, New York 13441 (the "Agency").

### WITNESSETH:

WHEREAS, the Company desires to renovate a 110,000± square foot manufacturing facility (the "Improvements") located on a 10.375± acre parcel of land situate at 104 Otis Street, Griffiss Business and Technology Park, City of Rome, Oneida County, New York (the "Land"), including the creation of 14,000± square feet of green space, and acquire and install equipment in the Improvements (the "Equipment"), all to be used for the purpose of designing and manufacturing power transmission products for the aerospace and industrial markets (the Land, the Improvements and the Equipment are referred to collectively as the "Facility"); and

WHEREAS, New York Becknell Investors Two LLC (the "Landlord") is the fee owner of the Land and Improvements, and leases the Land and the Improvements to the Company under a Lease Agreement dated April 20, 2001, as amended (the "Lease Agreement") between Landlord and the Company; and

WHEREAS, in order to induce the Company to develop the Facility, the Agency is willing to accept a leasehold interest in the Facility from the Company and lease the Facility back to the Company pursuant to the terms and conditions contained in a Leaseback Agreement dated as of July 1, 2013 (the "Leaseback Agreement"); and

WHEREAS, as a condition for it to enter into and perform the transactions contemplated by the Leaseback Agreement, the Agency has required the Landlord and the Company to enter a Payment-in-Lieu-of-Tax Agreement dated as of July 1, 2013 (the "PILOT Agreement") whereby the Company agrees to make certain payments-in-lieu-of-taxes to the Taxing Authorities (as defined therein); and

WHEREAS, for purposes of this Environmental Compliance and Indemnification Agreement, the Facility shall consist of the Land, the Improvements and the Equipment, defined in and more particularly described in the Leaseback Agreement, and leased by the Agency to the Company pursuant to the Leaseback Agreement, together with all additions to and replacements and substitutions of the Facility;

WHEREAS, the Agency requires, as a condition and as an inducement for it to enter into and perform the transactions contemplated by the Leaseback Agreement and the PILOT Agreement, that the Company enter into, execute, deliver and perform this Environmental Compliance and Indemnification Agreement.

NOW THEREFORE, the parties hereto hereby agree as follows:



Section 1. Definitions. All capitalized terms used in this Environmental Compliance and Indemnification Agreement and not hereinafter defined shall have the meanings set forth below or in the Schedule of Definitions attached to the Leaseback Agreement.

(a) "Disposal" has the same meaning as given to that term in the Solid Waste Disposal Act as amended by the Resource Conservation and Recovery Act, (42 U.S.C. Section 6901 et seq.).

(b) "Environment" means any water or water vapor, and land, including land surface or subsurface, air, fish, wildlife, flora, fauna, biota and all other natural resources.

(c) "Environmental Laws" mean all federal, state and local environmental, land use, zoning, health, chemical use, safety and sanitation laws, statutes, ordinances and codes relating to the protection, preservation or remediation of the Environment and/or governing the use, storage, treatment, generation, transportation, processing, handling, production or disposal of Hazardous Substances and the rules, regulations, written and published policies, guidelines, decisions, orders and directives of federal, state and local governmental agencies and authorities with respect thereto.

(d) "Environmental Permits" mean all permits, licenses, approvals, authorizations, consents or registrations required by any applicable Environmental Law in connection with the ownership, construction, renovation, equipping, use and/or operation of the Facility, for the storage, treatment, generation, transportation, processing, handling, production or disposal of Hazardous Substances or the sale, transfer or conveyance of the Facility.

(e) "Hazardous Substance" means, without limitation, any flammable explosives, radon, radioactive materials, asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, petroleum, petroleum constituents, petroleum products, methane, hazardous materials, hazardous wastes, hazardous or toxic substances or related materials, pollutants, toxic pollutants, as defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Sections 9601 et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C. Section 1801, et seq.), the Solid Waste Disposal Act as amended by the Resource Conservation and Recovery Act (42 U.S.C. Sections 6901, et seq.), the Toxic Substances Control Act, as amended (15 U.S.C. Sections 2601, et seq.), the Federal Waters Pollution Control Act, as amended (33 U.S.C. Sections 1251 et seq.), Articles 17 and 27 of the New York State Environmental Conservation Law or any other applicable Environmental Law and the regulations promulgated thereunder.

(f) "Improvements" means the buildings, structures and other improvements (if any) presently located or to be constructed or renovated on the Facility.

(g) "Indemnitee" means the Agency and its successors and assigns.

(h) "Indemnitor" means the Company and its affiliates, successors and assigns.

(i) "Release" has the same meaning as given to that term in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Section 9601, et seq.), and the regulations promulgated thereunder.

Section 2. Representations and Warranties. Except as otherwise shown on Exhibit B attached hereto, the Indemnitor hereby represents and warrants to the Indemnitee that:

(a) Neither the Facility nor, to the best of the Indemnitor's knowledge, any property adjacent to or within the immediate vicinity of the Facility is being or has been used in violation of any applicable Environmental Law for the storage, treatment, generation, transportation, processing, handling, production or disposal of any Hazardous Substance or as a landfill or other waste management or disposal site or for military, manufacturing or industrial purposes or for the storage of petroleum or petroleum based products.

(b) Underground storage tanks are not and, to the best of the Indemnitor's knowledge, have not been located on the Facility.

(c) The soil, subsoil, bedrock, surface water and groundwater of the Facility are free of Hazardous Substances, other than any such substances that occur naturally.

(d) There has been no Release or threat of a Release of any Hazardous Substance on, at or from the Facility or any property adjacent to or within the immediate vicinity of the Facility which through soil, subsoil, bedrock, surface water or groundwater migration could come to be located on or at the Facility, and Indemnitor has not received any form of notice or inquiry from any federal, state or local governmental agency or authority, any operator, tenant, subtenant, licensee or occupant of the Facility or any property adjacent to or within the immediate vicinity of the Facility or any other person with regard to a Release or the threat of a Release of any Hazardous Substance on, at or from the Facility or any property adjacent to or within the immediate vicinity of the Facility.

(e) All Environmental Permits necessary for the renovation, equipping, ownership, use or operation of the Facility have been obtained and are in full force and effect.

(f) No event has occurred with respect to the Facility which, with the passage of time or the giving of notice, or both, would constitute a violation of or non-compliance with, any applicable Environmental Law or Environmental Permit.

(g) There are no agreements, consent orders, decrees, judgments, license or permit conditions or other orders or directives of any federal, state or local court, governmental agency or authority relating to the past, present or future renovation, construction, equipping, ownership, use, operation, sale, transfer or conveyance of the Facility which require any change in the present condition of the Facility or any work, repairs, removal or remedial action or capital expenditures in order for the Facility to be in compliance with any applicable Environmental Law or Environmental Permit.

(h) There are no actions, suits, claims or proceedings, pending or threatened, which could cause the incurrence of expenses or costs of any name or description or which seek money damages, injunctive relief, remedial action or remedy that arise out of, relate to or result from (i) environmental conditions at, on or in the vicinity of the Facility, (ii) a violation or alleged violation of any applicable Environmental Law or non-compliance or alleged non-compliance with any Environmental Permit, (iii) the presence of any Hazardous Substance or a Release or the threat of a Release of any Hazardous Substance on, at or from the Facility

or any property adjacent to or within the immediate vicinity of the Facility or (iv) human exposure to any Hazardous Substance, noises, vibrations or nuisances of whatever kind to the extent the same arise from the condition of the Facility or the acquisition, construction, equipping, ownership, use, operation, sale, transfer or conveyance thereof.

Section 3. Covenants of Indemnitor. Indemnitor hereby covenants and agrees with the Indemnitee as follows:

(a) (i) The Indemnitor shall renovate, equip, use, operate and manage the Facility, in accordance with all applicable Environmental Laws and Environmental Permits, and shall cause all operators, tenants, subtenants, licensees and occupants of the Facility to renovate, equip, use, operate and manage the Facility in accordance with any applicable Environmental Laws and Environmental Permits, and shall not cause, allow or permit the Facility or any part thereof to be operated or used for the storage, treatment, generation, transportation, processing, handling, production, management or disposal of any Hazardous Substances other than in accordance with all applicable Environmental Laws and Environmental Permits.

(ii) The Indemnitor shall comply with the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") as amended by the Superfund Amendments and Reauthorization Act of 1986 ("SARA"), the Federal Clean Air Act, the Federal Water Pollution Control Act and any and all environmental laws, policies, rules or regulations, applicable under the Federal law and the law of the State of New York, all as the same July from time to time be in force and amended.

(b) The Indemnitor shall obtain and comply with, and shall cause all contractors, subcontractors, operators, tenants, subtenants, licensees and occupants of the Facility to obtain and comply with, all Environmental Permits.

(c) The Indemnitor shall not cause or permit any change to be made in the present or intended renovation, equipping, use or operation of the Facility which would (i) involve the storage, treatment, generation, transportation, processing, handling, management, production or disposal of any Hazardous Substance other than in accordance with any applicable Environmental Law, or the renovation, equipping, use or operation of the Facility as a landfill or waste management or disposal site or for manufacturing or industrial purposes or for the storage of petroleum or petroleum based products other than in accordance with any applicable Environmental Law, (ii) violate any applicable Environmental Laws, (iii) constitute a violation or non-compliance with any Environmental Permit or (iv) increase the risk of a Release of any Hazardous Substance.

(d) The Indemnitor shall promptly provide the Indemnitee with a copy of all notifications which Indemnitor gives or receives with respect to environmental conditions at or in the vicinity of the Facility or any past or present Release or the threat of a Release of any Hazardous Substance on, at or from the Facility or any property adjacent to or within the immediate vicinity of the Facility. If Indemnitor receives or becomes aware of any such notification which is not in writing or otherwise capable of being copied, Indemnitor shall promptly advise Indemnitee of such verbal, telephonic or electronic notification and confirm such notice in writing.

(e) The Indemnitor shall undertake and complete all investigations, studies, sampling and testing and all removal or remedial actions necessary to contain, remove and clean up all Hazardous Substances that are or may become present at the Facility and are required to be removed and/or remediated in accordance with all applicable Environmental Laws and all Environmental Permits.

(f) The Indemnitor shall allow the Indemnitee and its officers, members, employees, agents, representatives, contractors and subcontractors reasonable access to the Facility during regular business hours of the Company for the purposes of ascertaining the environmental conditions at, on or in the vicinity of the Facility, including, but not limited to, subsurface conditions.

(g) If at any time the Indemnitee obtains any notice or information that the Indemnitor or the Facility or the renovation, equipping, use or operation of the Facility may be in violation of an Environmental Law or in non-compliance with any Environmental Permit or standard, the Indemnitee may require that a full or supplemental environmental inspection and audit report with respect to the Facility of a scope and level of detail reasonably satisfactory to the Indemnitee be prepared by a professional environmental engineer or other qualified environmental scientist acceptable to the Indemnitee, at the Indemnitor's sole cost and expense. Said audit may, but is not required to or limited to, include a physical inspection of the Facility, a records search, a visual inspection of any property adjacent to or within the immediate vicinity of the Facility, personnel interviews, review of all Environmental Permits and the conduct of a scientific testing. If necessary to determine whether a violation of an Environmental Law exists, such inspection shall also include subsurface testing for the presence of Hazardous Substances in the soil, subsoil, bedrock, surface water and/or groundwater. If said audit report indicates the presence of any Hazardous Substance or a Release or Disposal or the threat of a Release or Disposal of any Hazardous Substance on, at or from the Facility, the Indemnitor shall promptly undertake and diligently pursue to completion all necessary, appropriate investigative, containment, removal, clean up and other remedial actions required by any Environmental Law, using methods recommended by the professional engineer or other environmental scientist who prepared said audit report and acceptable to the appropriate federal, state and local agencies or authorities.

#### Section 4. Indemnification Provisions.

(a) The Indemnitor hereby covenants and agrees, at its sole cost and expense, to indemnify, protect, defend, save and hold harmless the Indemnitee, its officers, directors, members, employees, agents (other than the Company) and representatives acting in their official capacity, from and against any and all damages, losses, liabilities, obligations, penalties, claims, litigation, demands, defenses, judgments, suits, actions, proceedings, costs, disbursements or expenses (including, without limitation, reasonable attorneys' and experts' fees, expenses and disbursements, and attorneys' fees incurred to enforce the terms, conditions and provisions of this agreement) of any kind or nature whatsoever which may at any time be imposed upon, incurred by or asserted or awarded against the Indemnitee relating to, resulting from or arising out of (i) the environmental conditions at, on or in the vicinity of the Facility, (ii) the construction, renovation, equipping, operation or use of the Facility in violation of any applicable Environmental Law for the storage, treatment, generation, transportation, processing, handling, management, production or disposal of any Hazardous Substance or as a landfill or other waste disposal site, or for military, manufacturing or industrial purposes or for the commercial storage of petroleum or petroleum based products, (iii) the presence of any

Hazardous Substance or a Release or Disposal or the threat of a Release or Disposal of any Hazardous Substance or waste on, at or from the Facility, (iv) the failure to promptly undertake and diligently pursue to completion all necessary, appropriate and legally authorized investigative, containment, removal, clean up and other remedial actions with respect to a Release or the threat of a Release of any Hazardous Substance on, at or from the Facility, required by any Environmental Law, (v) human exposure to any Hazardous Substance, noises, vibrations or nuisances of whatever kind to the extent the same arise from the condition of the Facility or the construction, renovation, equipping, ownership, use, sale, operation, conveyance or operation thereof in violation of any Environmental Law, (vi) a violation of any applicable Environmental Law, (vii) non-compliance with any Environmental Permit or (viii) a material misrepresentation or inaccuracy in any representation or warranty or a material breach of or failure to perform any covenant made by the Indemnitor in this Environmental Compliance and Indemnification Agreement (collectively, the "Indemnified Matters").

(b) The liability of the Indemnitor to the Indemnitee hereunder shall in no way be limited, abridged, impaired or otherwise affected by (i) any amendment or modification of any of the Transaction Documents by or for the benefit of the Indemnitee, the Indemnitor or any subsequent owners or users of the Facility, (ii) any extensions of time for payment or performance required by any of the Transaction Documents, (iii) the release of the Indemnitor or any other person from the performance or observance of any of the agreements, covenants, terms or conditions contained in any of the Transaction Documents by operation of law, either by the Indemnitee's voluntary act or otherwise, (iv) the invalidity or unenforceability of any of the terms or provisions of the Transaction Documents, (v) any exculpatory provision contained in any of the Transaction Documents limiting the Indemnitee's recourse to any other security or limiting the Indemnitee's rights to a deficiency judgment against Indemnitor, (vi) any applicable statute of limitations, (vii) any investigation or inquiry conducted by or on the behalf of the Indemnitee or any information which the Indemnitee may have or obtain with respect to the environmental or ecological condition of the Facility, (viii) the sale, assignment, subleasing, transfer or conveyance of all or part of the Land or the Facility or Indemnitor's interests and rights in, to, and under the Leaseback Agreement or the termination of the Leaseback Agreement, but only with respect to a Release that has occurred prior to any such event, (ix) the death, dissolution, termination or legal incapacity of the Indemnitor, (x) the release or discharge, in whole or in part, of the Indemnitor in any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation or similar proceeding, or (xi) any other circumstances which might otherwise constitute a legal or equitable release or discharge, in whole or in part, of the Company under the Leaseback Agreement, or any other Transaction Document, or of the Indemnitor under this Environmental Compliance and Indemnification Agreement.

(c) The indemnification agreement contained herein is wholly independent of and in addition to any indemnification agreement heretofore given to the Indemnitee as part of the application process, and/or contained in any of the Transaction Documents.

Section 5. Survival. Notwithstanding anything to the contrary contained herein, the representations, warranties, covenants and indemnifications of the Indemnitor contained in this Agreement shall continue and remain in full force and effect in perpetuity and shall survive any termination, conveyance, assignment, subleasing or defeasance of any right, title or interest of the Indemnitee in and to the Facility or in, to or under the Leaseback Agreement.

Section 6. Governing Law. This Environmental Compliance and Indemnification Agreement shall be governed by, construed in accordance with and enforceable under the laws of the State of New York, without regard or reference to its conflict of laws and principles.

Section 7. Notices. All notices, certificates and other communications hereunder shall be in writing and shall be either delivered personally or sent by certified mail, postage prepaid, return receipt requested, or by Federal Express, addressed as follows or to such other address as any party may specify in writing to the other:

To the Agency: Oneida County Industrial Development Agency  
584 Phoenix Drive  
Rome, New York 13441-4105  
Attn.: Chairman

With a Copy To: Bond, Schoeneck & King, PLLC  
501 Main Street  
Utica, New York 13501  
Attn.: Linda E. Romano, Esq.

To the Company: Goodrich Corporation  
104 Otis Street  
Rome, New York 13441  
Attn.: Chad L. Sheline, General Manager, Power Transmission Systems

With a Copy To: UTC Aerospace Systems  
One Hamilton Road  
Windsor Locks, Connecticut 06096  
Attn.: Diana Morales, Associate General Counsel

A duplicate copy of each notice, certificate and other written communication given hereunder by any party hereto to any other party hereto shall also be given to every other party hereto, at the addresses herein set forth or provided for. Such notice shall be deemed to have been given upon receipt or upon refusal of the party being notified to accept delivery of such notice.

Section 8. Binding Effect. This Environmental Compliance and Indemnification Agreement shall inure to the benefit of and shall be binding upon the parties and their respective successors and assigns.

Section 9. Severability. In the event any provision of this Environmental Compliance and Indemnification Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof. In such event, the parties agree to negotiate a mutually agreeable term or provision to substitute for the unenforceable term or provision.

Section 10. Amendments, Changes and Modifications. This Environmental Compliance and Indemnification Agreement may not be amended, changed, modified, altered or terminated except in a writing executed by the parties hereto and without the concurring written consent of all of the parties hereto.

Section 11. Execution of Counterparts. This Environmental Compliance and Indemnification Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.


Section 12. Table of Contents and Section Headings not Controlling. The Table of Contents and the headings of the several Sections in this Environmental Compliance and Indemnification Agreement have been prepared for convenience of reference only and shall not control or affect the meaning of or be taken as an interpretation of any provision of this Environmental Compliance and Indemnification Agreement.

Section 13. This Agreement Controlling. In the event there is a conflict between the terms of this Environmental Compliance and Indemnification Agreement and Section 5.8 of the Leaseback Agreement, the terms of this Environmental Compliance and Indemnification Agreement shall be controlling.

[Signature page follows]

IN WITNESS WHEREOF, the Indemnitor has caused this **Environmental Compliance and Indemnification Agreement** to be duly executed as of the day and year first above written.

GOODRICH CORPORATION, a UTC Aerospace Company, doing business by and through its Power Transmission Systems business unit

By:   
Chad L. Sheline  
General Manager, Power Transmission Systems

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

On the 26th day of July 2013 before me, the undersigned a notary public in and for said state, personally appeared **Chad L. Sheline**, 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

LAURA S. RUBERTO  
Notary Public, State of New York  
Appointed in Oneida County  
Reg. No. 01RU5031396  
Commission Expires August 1, 2014



"Exhibit A"

All that Tract, Piece or Parcel of land situate in the City of Rome, County of Oneida and State of New York; as shown on the Map entitled "Property Map Showing Lands to be conveyed to Oneida County Industrial Development Agency"; Prepared by Michael P. Waters, P.L.S. No. 50027, and dated April 17, 2001. Said Parcel and being more particularly described as follows:

Beginning at a point on the proposed easterly street boundary of Otis Street at its intersection with the northerly side of Brooks Road;

Thence through the lands of The United States of America the following five (5) courses and distances;

1. North 80° 24' 48" East, 419.61 feet to a point;
2. North 88° 15' 59" East, 324.33 feet to a point;
3. South 01° 44' 01" East, 629.28 feet to a point;
4. South 88° 26' 06" West, 740.00 feet to the aforementioned proposed easterly street boundary of Otis Street.
5. North 01° 44' 01" West, along said proposed street boundary 569.77 feet to the place of beginning, being 452,944.1± square feet or 10.398 acres, more or less

EXCEPTING and reserving an easement for ingress and egress along the proposed service drive;

Beginning at the southwest corner of the above-described parcel to be conveyed;

Thence North 01° 44' 01" West, 15.00 feet along the aforementioned proposed easterly street boundary of Otis Street to a point;

Thence through the above-described parcel the following four (4) courses and distances;

1. North 88° 26' 06" East, 356.30 feet to a point of curvature;
2. Easterly along a curve to the left having a radius of 40.00 feet, a chord length of 36.71 feet and a chord direction of North 61° 07' 22" East to a point of reverse curvature;
3. Easterly along a curve to the right having a radius of 55.00 feet, a chord length of 99.20 feet and a chord direction of South 82° 47' 15" East to a point;
4. North 88° 26' 06" East, 253.32 feet to its intersection with the proposed easterly division line of the above-described parcel;

thence South 01° 44' 01" East, 15.00 feet along said proposed division line to its intersection with the proposed southerly division line of the above-described parcel;

thence South 88° 26' 06" West, along said proposed division line 740.00 feet to the place of beginning, being 14,310.0± square feet or 0.328 acre, more or less.

ALSO excepting and reserving an easement for ingress and egress and utilities over Brooks Road;

Beginning at the northwest corner of the above-described parcel to be conveyed;

Thence along the proposed northerly division line the following two (2) courses and distances;

1. North 80° 24' 48" East, 419.61 feet to a point;
2. North 88° 15' 59" East, 324.33 feet to its intersection with the proposed easterly division line of the above-described parcel to be conveyed;

thence South 01° 44' 01" East along said proposed division line 40.00 feet to a point;

thence through the above-described parcel to be conveyed the following two (2) courses and distances;

1. South 88° 15' 59" West 284.99 feet to a point;
2. South 80° 24' 48" West, 459.32 feet to its intersection with the proposed easterly street boundary of Otis Street;

thence North 01° 44' 01" West along said proposed street boundary 45.43 feet to the place of beginning, being 31,962.5± square feet or 0.733± acre, more or less.

ALSO excepting and reserving an easement for utilities through the parcel to be conveyed;

Beginning at a point on the proposed easterly street boundary of Otis Street; said point being southerly along said street boundary 45.4± feet from its intersection with the proposed northerly division line of the above-mentioned parcel to be conveyed;

Thence through the above-described parcel to be conveyed the following two (2) courses and distances;

1. North 82°13'54" East, 459.49 feet to a point;
2. North 86°01'34" East 283.27 feet to its intersection with the proposed easterly division line of the above-described parcel to be conveyed;

thence South 01°44'01" East along said proposed division line 20.01 feet to a point; thence through the above-described parcel to be conveyed the following two (2) courses and distances;

1. South 86° 01'34" West 281.81 feet to a point;
2. South 82°13'54" West, 460.95 feet to its intersection with the proposed easterly street boundary of Otis Street;

thence North 01° 44' 01" West along said street boundary 20.11 feet to the place of beginning, being 14,855.2± square feet or 0.341 acre, more or less.

EXHIBIT B

EXCEPTIONS TO REPRESENTATIONS AND  
WARRANTIES OF INDEMNITOR

None

**JOB CREATION AND RECAPTURE AGREEMENT**

THIS AGREEMENT, dated as of July 1, 2013 is made by **GOODRICH CORPORATION, a UTC Aerospace Company, doing business by and through its Power Transmission Systems business unit**, a New York corporation having an address of , Rome, New York 13442 (the "Company"), for the benefit of **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").

**WITNESSETH:**

WHEREAS, Title 1 of Article 18 A of the General Municipal Law of the State of New York (the "Act") was duly enacted into law as Chapter 1030 of the Laws of 1969 of the State of New York (the "State"); and

WHEREAS, the Act authorizes the creation of industrial development agencies for the benefit of the several counties, cities, villages and towns in the State and empowers such agencies, among other things, to acquire, construct, reconstruct, lease, improve, maintain, equip and sell land and any building or other improvement, and all real and personal properties, including, but not limited to, machinery and equipment deemed necessary in connection therewith, whether or not now in existence or under construction, which shall be suitable for manufacturing, warehousing, research, commercial or industrial facilities, including industrial pollution control facilities, in order to advance job opportunities, health, general prosperity and the economic welfare of the people of the State and to improve their standard of living; and

WHEREAS, the Act further authorizes each such industrial development agency to lease any or all of its facilities at such rentals and on such other terms and conditions as it deems advisable, to issue its bonds for the purpose of carrying out any of its corporate purposes and, as security for the payment of the principal and redemption price of, and interest on, any such bonds so issued and any agreements made in connection therewith, to mortgage any or all of its facilities and to pledge the revenues and receipts from the leasing of its facilities; and

WHEREAS, the Company has requested that the Agency (the "Agency") undertake a project (the "Project") consisting of the following: (A) renovate a 110,000± square foot manufacturing facility (the "Improvements") located on a 10.375± acre parcel of land situate at 104 Otis Street, Griffiss Business and Technology Park, City of Rome, Oneida County, New York (the "Land"), including the creation of 14,000± square feet of green space, and acquire and install equipment in the Improvements (the "Equipment"), all to be used for the purpose of designing and manufacturing power transmission products for the aerospace and industrial markets (the Land, the Improvements and the Equipment are referred to collectively as the "Facility"); (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the General Municipal Law) with respect to the foregoing, including potential exemptions from sales taxes and abatement of real estate taxes (collectively, the "Financial Assistance"); and (C) the lease of the Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency; and

WHEREAS, New York Becknell Investors Two LLC (the "Landlord") is the fee owner of the Land and Improvements, and leases the Land and the Improvements to the Company under a Lease Agreement dated April 20, 2001, as amended (the "Lease Agreement") between Landlord and the Company; and

WHEREAS, in order to provide such Financial Assistance to the Company under the Act, the Agency requires, among other things, that the Company and the Agency enter into certain lease/leaseback transactions and other associated agreements, including that certain Payment-in-Lieu-of-Tax Agreement among the Agency, the Landlord and the Company dated of even date herewith (the "PILOT Agreement") (collectively, the "Transaction Documents"), and

WHEREAS, the Agency has appointed the Company and its agents and designees as its agent for the purposes of constructing, renovating and equipping the Facility; and

WHEREAS, pursuant to a Company Lease dated of even date herewith between the Company as Lessor and the Agency as Lessee (the "Company Lease"), the Company has agreed to lease the Facility to the Agency for a period of eleven (11) years commencing July 1, 2013 and ending June 30, 2024 (the "Lease Term"); and

WHEREAS, pursuant to the leaseback agreement dated of even date herewith (the "Leaseback Agreement"), the Agency is leasing the Facility back to the Company for the Lease Term; and

WHEREAS, the Agency wishes to condition the Financial Assistance upon the Company creating or causing to be created certain employment at the Facility.

NOW THEREFORE, for good and valuable consideration and in consideration of the Company entering into the Lease and Leaseback Agreement, the Company hereby covenants and agrees as follows:

1. Definitions.

"Agency" shall mean the Oneida County Industrial Development Agency.

"AER" shall mean the Company's annual report of employment required to be provided to the Agency.

"Benefit" means the amount the Company saved by making payments in lieu of real property taxes in a particular year. For example, if a Company's PILOT payment is equal to 75% of normal real property taxes, then the Company's Benefit for that year would be an amount equal to 25% of normal real property taxes.

"Company" shall mean Goodrich Corporation, a UTC Aerospace Company, doing business by and through its Power Transmission Systems business unit, and its successors and/or assigns.

“Cure Period”	shall mean the period ending June 30 <sup>th</sup> of the year following the Major Shortfall.
“Employment Obligation Term”	shall mean the longer of 1) the period during which the Company is receiving a benefit in the form of lower payment in lieu of taxes than their real estate taxes would be; or, 2) ten (10) years.
“Employment Obligation”	shall mean the creation of five FTEs by the end of the third year of the Lease Term and the retention of 240 FTEs, which is what the Company represented in its Application for Financial Assistance it will retain or cause to be retained at the Facility.
“FTE”	means a full time employee or a long-term independent contractor who has a minimum of thirty (30) scheduled hours per week or any combination of two or more part-time employees or independent contractors that, when combined together, constitute the equivalent of a minimum of thirty (30) scheduled hours per week, and whose workplace location is the Facility. As used herein, the phrase “long-term independent contractor” shall mean an employee of a contractor, joint venture partner or licensee operating under an agreement with the Company for a term of at least six (6) months, performing services for the Company at the Facility.
“Initial Benefit”	means the amount of savings the Company received through the Agency, in the form of exemptions from New York State Sales Tax.
“Major Shortfall”	means any number of FTEs that is less than 50% of the Employment Obligation.
“Per Employee Amount”	means an amount equal to the Benefit for the year after the year of the Shortfall divided by the Employment Obligation.
“Shortfall”	means the difference between the Employment Obligation and the actual number of FTEs per the AER for the applicable year.

2. Representations and Covenants. The Company makes the following representations and covenants as the basis for the undertakings on its part herein contained:

- (a) It has power to enter into and to execute and deliver this Agreement.
- (b) Neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby nor the fulfillment of or compliance with the provisions of this Agreement will conflict with or result in a breach of any of the terms, conditions or provisions of any corporate restriction or any agreement or instrument to which the Company is a party or by which it is bound, or will constitute a default under any of the foregoing, or result in the creation

or imposition of any lien of any nature upon any of the property of the Company under the terms of any such instrument or agreement.

(c) The providing of the Facility by the Agency and the leasing thereof by the Agency to the Company will not result in the removal of a plant facility or another commercial activity of the Company from one area of the State to another area of the State nor result in the abandonment of one or more plants or facilities of the Company located within the State.

(d) The operation of the Facility will conform with all applicable zoning, planning, building and environmental laws and regulations of governmental authorities having jurisdiction over the Facility, and the Company shall defend, indemnify and hold the Agency harmless from any liability or expenses resulting from any failure by the Company to comply with the provisions of this subsection (d).

(e) There is no litigation pending or, to the knowledge of the Company, threatened, in any court, either state or federal, to which the Company is a party, and in which an adverse result would in any way diminish or adversely impact on the ability of the Company to fulfill its obligations under this Agreement.

3. Job Creation and Retention Obligations. The Company's Employment Obligation shall mean that, the Company agrees to create no less than five (5) FTE employees at the Facility before the commencement of the third year of the Lease Term and maintain them for the duration of the Lease Term, and retain 240 full time equivalent jobs for the duration of the Lease Term. After the expiration of the Employment Obligation Term, the Company shall have no further obligation with respect to the Employment Obligation and shall not be liable for any of the payments described below.

4. Events of Default. An Event of Default shall mean either of the following events:

(a) The failure of the Company to satisfy the Employment Obligation as provided in Section 3 above shall constitute a default under this Agreement and shall subject the Company to the applicable remedies of the Agency set forth below. The Company shall be deemed to have failed to satisfy its Employment Obligation if, at such time the Company files its certified annual employment report to the Agency (the "AER"), the total number of FTEs shown on such report for the applicable Lease Year is below the applicable Employment Obligation. The AER shall be filed by the Company to the Agency on or before January 31 of each calendar year during the Employment Obligation Term; provided, however, the Company is not obligated to file its first (1st) AER with the Agency sooner than January 31, 2014.

(b) If the Company shall exercise its option to terminate the Leaseback Agreement as set forth in Section 8.1 of the Leaseback Agreement it shall constitute a default under this Agreement and shall subject the Company to the applicable remedies of the Agency set forth below.

5. Remedies.

(a) Initial Shortfall and Shortfall Payments. If the number of actual FTEs for any calendar year shall be a Shortfall, then the Company shall pay to the Agency an amount equal to (a) the Per Employee Amount multiplied by (b) the Shortfall.

(b) Major Shortfall Payment.



- (1) If the number of actual FTEs for any year shall be a Major Shortfall, then the Company shall pay to the Agency, in addition to the payment referred to in Section 5(a), an amount equal to a percentage (as set forth in the schedule below) of the Initial Benefit.

<b><u>Major Shortfall Occurs:</u></b>	<b><u>Percentage of Initial Benefit</u></b>
Year 1	100%
Year 2	90%
Year 3	80%
Year 4	70%
Year 5	60%
Year 6	50%
Year 7	45%
Year 8	40%
Year 9	35%
Year 10	30%

- (2) Notwithstanding any of the foregoing, the Company shall not be liable for paying a Major Shortfall Payment unless the number of FTEs remains at less than 80% of the Employment Obligation after the expiration of a Cure Period.
- (3) Notwithstanding any of the foregoing, a Major Shortfall shall not apply where the Shortfall is as a result of a major casualty to or condemnation of the facility. In the event of such major casualty or condemnation, the Company shall have no obligation to pay the Major Shortfall Payment.

6. The Agency retains all rights to impose, delay or waive penalties which shall not be a waiver and shall not prevent the Agency from enforcing that provision or any other provision of this Agreement in the future.

7. **Notices.** All notices, certificates and other communications hereunder shall be in writing and shall be sufficiently given and shall be deemed given when delivered and, if delivered by mail, shall be sent by certified mail, postage prepaid, addressed as follows:

To the Agency: ONEIDA COUNTY INDUSTRIAL DEVELOPMENT  
AGENCY  
584 Phoenix Drive  
Rome, New York 13441  
Attention: David Grow

With a Copy to: BOND, SCHOENECK & KING, PLLC  
501 Main Street  
Utica, New York 13501  
Attention: Linda E. Romano, Esq.

To the Company: Goodrich Corporation

104 Otis Street  
Rome, New York 13441  
Attention: Chad L. Sheline, General Manager,  
Power Transmission Systems

With a Copy to:

UTC AEROSPACE SYSTEMS  
One Hamilton Road  
Windsor Locks, Connecticut 06096  
Attn.: Diana Morales, Associate General Counsel

8. Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon the Agency and the Company and their respective successors and permitted assigns.

9. Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof. In such event, the parties agree to negotiate to arrive at a mutually agreeable term or provision to substitute for the unenforceable term or provision.

10. Amendments, Changes and Modifications. This Agreement may not be amended, changed, modified, altered or terminated without the concurring written consent of the parties hereto.

11. Execution of Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

12. Applicable Law. This Agreement shall be governed exclusively by the applicable laws of the State of New York.

13. Survival of Obligations. This Agreement shall survive the performance of the obligations of the Company to make payments required by Section 2.6 of the Leaseback Agreement and all indemnities shall survive any termination or expiration of the Leaseback Agreement as to matters occurring during the period of the Company's occupancy of the Facility.

14. Section Headings Not Controlling. The headings of the several sections in this Agreement have been prepared for convenience of reference only and shall not control, affect the meaning or be taken as an interpretation of any provision of this Agreement.

15. Merger of the Agency.

(a) Nothing contained in this Agreement shall prevent the consolidation of the Agency with, or merger of the Agency into, or assignment by the Agency of its rights and interests hereunder to, any other body corporate and politic and public instrumentality of the State of New York or political subdivision thereof which has the legal authority to perform the obligations of the Agency hereunder, provided that upon any such consolidation, merger or assignment, the due and punctual performance and observance of all the agreements and conditions of this Agreement to be kept and performed by the Agency shall be expressly assumed in writing by the public instrumentality or political subdivision resulting from such consolidation or surviving such merger or to which the Agency's rights and interests hereunder shall be assigned.

(b) As of the date of any such consolidation, merger or assignment, the Agency shall give notice thereof in reasonable detail to the Company. The Agency shall promptly furnish to the Company such additional information with respect to any such consolidation, merger or assignment as the Company reasonably may request.

16. No Assignment. This Agreement may not be assigned by the Company except with the written consent of the Agency, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, no consent from the Agency shall be required if an assignment of this Agreement is made by the Company to the Company's parent, any direct or indirect subsidiary or affiliate of the Company, or a successor to the Company by way of merger, consolidation, corporate reorganization, or the purchase of all or substantially all of the Company's assets.

17. Agreement to Pay Attorneys' Fees and Expenses. In the event the Company should default under any of the provisions of this Agreement and the Agency should employ attorneys or incur other expenses for the collection of amounts payable hereunder or the enforcement of performance or observance of any obligations or agreements on the part of the Company herein contained, the Company shall, on demand therefor, pay to the Agency the reasonable fees of such attorneys and such other expenses so incurred.

18. No Additional Waiver Implied By One Waiver. In the event any agreement contained herein should be breached by any party and thereafter waived by any other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.


19. Inducement Agreement. The Transaction Documents represent the entire agreements of the Agency and the Company and supersede the terms of the Inducement Agreement dated May 17, 2013 between the same parties.

20. Successors and Assigns. The rights and obligations of the Company hereunder shall be binding upon and inure to the benefit of its respective successors and assigns.

[signature page follows]

IN WITNESS WHEREOF, the Company has executed and delivered this Agreement as of the day and year first above written.

GOODRICH CORPORATION, a UTC  
Aerospace Company, doing business by  
and through its Power Transmission  
Systems business unit

By:   
Chad L. Sheline  
General Manager, Power Transmission  
Systems