

FELDMEIER EQUIPMENT, INC.

and

HERKIMER COUNTY INDUSTRIAL DEVELOPMENT AGENCY

PAYMENT-IN-LIEU-OF-TAX AGREEMENT

Herkimer County Industrial Development Agency
2013 Lease/Leaseback Transaction

THIS AGREEMENT is by and between FELDMEIERS EQUIPMENT, INC. (the "Company"), a corporation with offices at 6800 Townline Road, Syracuse, New York 13211 and the HERKIMER COUNTY INDUSTRIAL DEVELOPMENT AGENCY, a public benefit corporation of the State of New York, having its offices at 320 North Prospect Street, Herkimer, New York, 13350 (the "Agency").

WITNESSETH

WHEREAS, the Agency was created pursuant to Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended by Chapter 410 of the Laws of 1970 and Chapter 158 of the Laws of 1981, of the State of New York (collectively, the "Act"), as a body corporate and politic and as a public benefit corporation of the State of New York; and

WHEREAS, the Company has executed and delivered a Lease Agreement, dated of even date herewith, with the Agency to acquire a leasehold interest in certain real property located in the Town and City of Little Falls, New York, more particularly described in Exhibit "A" attached to the Lease Agreement, and to construct and equip a facility thereon (the "Facility"); and

WHEREAS, pursuant to Section 874 of the Act and Section 412-a of the Real Property Tax Law, the Agency is exempt from the payment of general real estate taxes imposed upon real property and improvements owned by it; and

WHEREAS, the Agency and the Company deem it necessary and proper to enter into an agreement making provisions for payments in lieu of taxes by the Company to Herkimer County, the City of Little Falls, and the City of Little Falls School District (collectively the "Taxing Jurisdictions");

NOW, THEREFORE, in consideration of the Agency's acquisition and sale of the Facility and in consideration of the covenants herein contained, it is mutually agreed as follows:

1(a). Pursuant to Section 874 of the General Municipal Law and Section 412-a of the Real Property Tax Law, the parties hereto understand that, after the date hereof, and for so long thereafter as the Agency shall hold a leasehold in the Facility, the Facility shall be assessed by the Taxing Jurisdictions as exempt upon the first assessment rolls of the Taxing Jurisdictions prepared subsequent to the date of this Agreement. The Company shall, promptly following the date hereof, take such action as may be necessary to ensure that the Facility shall be assessed as exempt upon the assessment rolls of the Taxing Jurisdictions prepared subsequent to the date hereof, and, for so long thereafter as the Agency shall hold a leasehold interest in the Facility, the Company shall take such further action as may be necessary to maintain such exempt assessment with respect to each Taxing Jurisdiction.

1(b)The parties hereto understand that the tax exemption extended to the Agency by Section 874 of the General Municipal Law and Section 412-a of the Real Property Tax Law does not entitle the Agency to exemption from special assessments and special ad valorem levies, service charges and improvement district charges or similar tax equivalents. Pursuant to the Lease Agreement and herein, the Company is required to pay all special assessments and special ad valorem levies, service charges and improvement district charges or similar tax equivalents lawfully levied and/or assessed against the Facility.

1(c). In lieu of general real property taxes for the Facility, the Company shall pay the following percentages for the years indicated of the actual real property taxes which would be due on the facility if the facility were fully taxable on the tax rolls of the taxing jurisdictions.

Until the first tax status date after the completion of the Facility, the Company will pay an amount equal to 100% of such taxes. Thereafter the Company will pay according to the following schedule.

Year 1.	33 1/3% of such taxes;
Year 2.	33 1/3% of such taxes;
Year 3.	33 1/3% of such taxes;
Year 4.	33 1/3% of such taxes;
Year 5.	33 1/3% of such taxes;
Year 6.	66 2/3% of such taxes;
Year 7.	66 2/3% of such taxes;
Year 8.	66 2/3% of such taxes;
Year 9.	66 2/3% of such taxes;
Year 10.	66 2/3% of such taxes;
Year 11.	and all years thereafter 100% of such taxes

The years in the above schedule shall be the twelve (12) month period running from the first tax status date after the sooner of a) the date of the completion of the Facility, or b) March 31, 2014 and each twelve (12) month period thereafter.

1(d). Upon receipt of a bill from the Agency, Company shall make payments in lieu of taxes through the Agency based upon calculations of payments due furnished in writing by the Agency to the Company. Payments shall be made to coincide with each individual Taxing Jurisdiction's scheduled due dates for payment of taxes.

2(a). Special district charges, special assessments, and special ad valorem levies, unless otherwise exempt, and pure waters and sewer charges, if any, are to be paid in full by the Company in accordance with normal billing practices.

2(b). If the Company shall fail to make any payment required by this

Agreement when due, its obligation to make the payment so in default shall continue as an obligation of the Company until such payment in default shall have been made in full, and the Company shall pay the same together with interest thereon, to the extent permitted by law, at the same rate per annum as if such amounts were delinquent taxes, until so paid in full. Notwithstanding anything herein or in the Leaseback Agreement to the contrary, if the Company shall fail to make any payment required by this Agreement when due and such payment shall remain in default for a period in excess of sixty days after notice of default is given to the Company by the Agency mailed to Company's above address (or such other address as Company may provide to Agency through written notice thereof) by certified mail return receipt requested then in that event at the election of the Agency Company shall commencing with the next date upon which a payment is otherwise due hereunder and for the balance of the years set forth in paragraph 1(b) make payments in lieu of taxes equal to 100% of the taxes that would be paid if the property were fully taxable and not exempt.

3. In the event that the Facility is transferred from the Agency to the Company, and the Company is ineligible for a continued tax exemption under some other tax incentive program, or the exemption is less than that described in Paragraph 1(b) herein, the Company agrees to pay no later than the next tax lien date (plus any applicable grace period) to the Taxing Jurisdictions an amount equal to the taxes and assessments which would have been levied on the Facility if the Facility had been classified as fully taxable, pro rata for the unexpired portion of the year of transfer.

4. The Company shall have all of the rights and remedies of a taxpayer with respect to any tax, service charge, special benefit, ad valorem levy, assessment, or special assessment or service charge in lieu of which the Company is obligated to make a payment pursuant to this Agreement, as if and to the same extent as if the Company were the owner of the Facility. The Agency shall execute, upon request, at the Company's expense, whatever documents are necessary to effectuate the rights delineated herein.

5. The Company shall have all of the rights and remedies of a taxpayer as if and to the same extent as if the Company were the owner of the Facility with respect to any proposed assessment or change in assessment with respect to the Facility by and of the Taxing Jurisdictions and likewise shall be entitled to protest before and be heard by the appropriate assessors or Board of Assessment Review, and shall 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 tax equivalent provided for herein.

6. To the extent the Facility is declared to be subject to general real property taxation by an amendment to the Act, other legislative change, or by final judgment of a Court of competent jurisdiction, the obligation of the Company hereunder shall, to such extent, be adjusted by way of a credit to the Company against payments due hereunder to the extent of such taxes paid.

7. If the Company enters into any written agreement with any Taxing Jurisdiction providing for payments in lieu of taxes by the Company to any or all of them, so much of this Agreement as relates to the Taxing Jurisdiction with which the Company has entered into said written agreement shall be automatically modified to reflect the terms of any such written agreement, and any such written agreement shall be deemed to be incorporated herein by reference and made a part hereof as an amendment or modification hereof. The Company shall provide a copy of any such agreement and any and all modifications thereof to the Agency promptly after the execution and delivery thereof. Should the Company receive any exemption from any of the Taxing Jurisdictions this Agreement shall automatically be deemed modified to reflect the extent of such exemption.

8. If payments are not made as provided for herein, the Agency and/or the Taxing Jurisdictions, individually or collectively, shall in addition to all other rights set forth herein be entitled to pursue any and all remedies afforded a municipal taxing entity at law or in equity.

9. The rights and obligations of the Company hereunder may not be assigned or transferred without the prior written consent of the Agency, such consent not to be unreasonably withheld.

10. This Agreement and the other agreements between the Company and the Herkimer County Industrial Development Agency are subject to the Uniform Tax Exemption Policy of the Agency established on June 27, 1994 and re-established on March 31, 1999 including, without limitation, the recapture of benefits provision thereof the entirety of which Uniform Tax Exemption Policy is incorporated herein by reference as though set forth in full.

11(a). If there shall be a future addition to the Facility constructed or added in any manner after the date of this Agreement, the Company shall notify the Agency of such future addition ("**Future Addition(s)**"). The notice to the Agency shall contain a copy of the application for a building permit, plans and specifications, and any other relevant evidence that the Agency may thereafter request. Upon the Agency's receipt of the notice, the parties hereto shall use their best efforts to agree upon additional payments in lieu of tax for such Future Additions ("**Additional Payments**") and shall amend this Agreement to provide for such Additional Payments.

11(b). If the parties are unable to agree on such Additional Payments, the value of the Future Additions for purposes of determining the amount of real property taxes owed by the Company shall be determined by the relevant assessor. The assessor shall establish the assessed value of the Future Additions. The Company shall be entitled to prompt written notice of the initial establishment of such assessed value for the Future Additions. If the parties are unable to agree on such Additional Payments, commencing on the first tax year following the date on which any Future

Additions shall be completed, the Company agrees to make Additional Payments to the Agency with respect to such Future Additions, such Additional Payments to be computed by multiplying (x) the assessed value of such Future Additions determined pursuant to subsection (b) above by (y) the tax rate or rates that would be applicable to such Future Additions if the Agency did not hold a leasehold interest in the Future Additions, and (z) reduce the amount so determined by the amounts of any tax exemptions that would be afforded to the Company if the Agency did not hold a leasehold interest in such Future Additions.

11(c). If the Company shall disagree with the determination of assessed value for any Future Additions, the Company shall have such rights, remedies and recourses available to it as would lawfully be available to the Company if the Agency did not hold a leasehold interest in the Facility and therefore not exempt upon the assessment rolls of the Taxing Jurisdictions. If a lesser assessed value is determined by a court of competent jurisdiction and the Additional Payment is thereby reduced, any excess payment shall be refunded to the Company or, in the Agency's reasonable discretion, such excess payment shall be applied as a credit against the next succeeding Additional Payment.

12. NO RECOURSE; SPECIAL OBLIGATION. (A) The obligations and agreements of the Agency contained herein and in the other Basic Documents and any other instrument or document executed in connection herewith or therewith, and any other instrument or document supplemental thereto or hereto, shall be deemed the obligations and agreements of the Agency, and not of any member, officer, agent (other than the Company) or employee of the Agency in his individual capacity, and the members, officers, agents (other than the Company) and employees of the Agency shall not be liable personally hereon or thereon or be subject to any personal liability or accountability based upon or in respect hereof or thereof or of any transaction contemplated hereby or thereby.


(B) The obligations and agreements of the Agency contained herein and therein shall not constitute or give rise to an obligation of the State of New York or the County of Herkimer, New York, and neither the State of New York nor the County of Herkimer shall be liable hereon or thereon, and, further, such obligations and agreements shall not constitute or give rise to a general obligation of the Agency, but rather shall constitute limited obligations of the Agency payable solely from the revenues of the Agency derived and to be derived from the lease, sale or other disposition of the Project Facility (except for revenues derived by the Agency with respect to the Unassigned Rights).

(C) No order or decree of specific performance with respect to any of the obligations of the Agency hereunder shall be sought or enforced against the Agency unless (1) the party seeking such order or decree shall first have requested the Agency in writing to take the action sought in such order or decree of specific performance, and ten (10) days shall have elapsed from the date of receipt of such request, and the

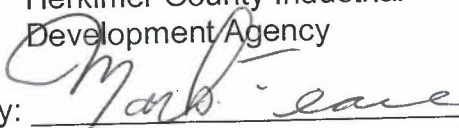
Agency shall have refused to comply with such request (or, if compliance therewith would reasonably be expected to take longer than ten days, shall have failed to institute and diligently pursue action to cause compliance with such request within such ten day period) or failed to respond within such notice period, (2) if the Agency refuses to comply with such request and the Agency's refusal to comply is based on its reasonable expectation that it will incur fees and expenses, the party seeking such order or decree shall have placed in an account with the Agency an amount or undertaking sufficient to cover such reasonable fees and expenses, and (3) if the Agency refuses to comply with such request and the Agency's refusal to comply is based on its reasonable expectation that it or any of its members, officers, agents (other than the Company) or employees shall be subject to potential liability, the party seeking such order or decree shall (a) agree to indemnify, defend and hold harmless the Agency and its members, officers, agents (other than the Company) and employees against any liability incurred as a result of its compliance with such demand, and (b) if requested by the Agency, furnish to the Agency satisfactory security to protect the Agency and its members, officers, agents (other than the Company) and employees against all liability expected to be incurred as a result of compliance with such request.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the 20th day of December, 2013.

Feldmeier Equipment, Inc.

By: 
Name: ROBERT E FELDMIEIER
Title: PRESIDENT

Herkimer County Industrial
Development Agency

By: 
Mark Feane
Executive Director

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

On the 2nd day of December, 2013 before me, the undersigned a notary public in and for said state, personally appeared Robert E. Feldmeier 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.

[Signature]
Notary Public

NOTARY PUBLIC
Notary Public, State of New York
Qualified to Perform Not. ... 1307577
My Commission Expires 3/28/14

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

On the 6th day of December, 2013 before me, the undersigned a notary public in and for said state, personally appeared Mark Feane, 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.

[Signature]
Notary Public

LILLIAN A. ORAM
NOTARY PUBLIC, STATE OF NEW YORK
QUALIFIED IN HERKIMER COUNTY
REG.#010R4719707
MY COMM. EXPIRES 5/31/ 2014

SCHEDULE A

All that tract or parcel of land situate in the Town of Little Falls, County of Herkimer and State of New York, bounded and described as follows:

BEGINNING at a point in the Riverside Industrial Park Road which marks the northwesterly corner of premises conveyed by grantor herein to Allegro Shoe Corporation by deed dated November 2, 1997 and recorded in the Herkimer County Clerk's Office in Book 654 of Deeds at Page 380 and from said point of beginning.

RUNNING THENCE the following courses:

1. South 45 degrees 32 minutes 32 seconds east 261.37 feet along the westerly boundary of the aforementioned Allegro Shoe Corporation parcel;
2. South 30 degrees 54 minutes 53 seconds west 70.97 feet;
3. South 20 degrees 14 minutes 52 seconds west 315.28 feet;
4. South 33 degrees 31 minutes 09 seconds west 300.12 feet;
5. South 54 degrees 11 minutes 01 seconds west 129.68 feet to a point which marks the southeasterly corner of premises conveyed by the grantor herein to Little Falls Color and Converting Corp. by deed dated October 7, 1972 and recorded in the Herkimer County Clerk's Office in Book 653 at Deeds Page 915;
6. North 45 degrees 32 minutes 32 seconds west 442.32 feet along the easterly boundary of said Little Falls Color Print and Converting Corp. lands;
7. North 44 degrees 27 minutes 28 seconds east 779.04 feet to the point of BEGINNING.

Said premises being more modernly described as follows:

ALL THAT TRACT OR PARCEL OF LAND SITUATE IN THE TOWN OF LITTLE FALLS, COUNTY OF HERKIMER AND STATE OF NEW YORK, BOUNDED AND DESCRIBED AS FOLLOWS:

Beginning at an iron rod on the southeasterly highway boundary of Riverside Industrial Park Road (Riverside Drive), said iron rod standing at the intersection of the southeasterly highway boundary of Riverside Industrial Park Road with the northeasterly boundary of Seventy Five Little Falls Industrial, LLC (Now or Formerly), as described in a Bargain and Sale Deed dated September 8, 2006 and filed in the Herkimer County Clerk's Office in Liber 1183 of Deeds at Page 73; thence N 44° 27' 28" E 778.61 feet along the southeasterly highway boundary of Riverside Industrial Park Road to a point; thence S 45° 32' 32" e 261.37 feet to a point; thence S 30° 54' 53" W 70.97 feet to a point; thence S 20° 14' 52" W 315.28 feet to a point; thence S 33° 31' 09" W 300.12 feet to a point; thence S 54° 11' 01" W 129.27 feet still along the northwesterly boundary of the lands of the State of New York Barge Canal to a point standing

on the northeasterly boundary of Seventy Five Little Falls Industrial, LLC; thence N 45° 32' 22" W 442.39 feet along the northeasterly boundary of Seventy Five Little Falls Industrial, LLC to the point and place of beginning.