

INDUCEMENT AGREEMENT AND PROJECT AGREEMENT

THIS INDUCEMENT AGREEMENT AND PROJECT AGREEMENT RELATING TO THE **MATT BREWING CO., INC. FACILITY EXPANSION AND MODERNIZATION PROJECT** (the "AGREEMENT") is between the **ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY**, a public benefit corporation of the State of New York, with offices at 584 Phoenix Drive, Rome, New York 13441 (the "Agency"), and **MATT BREWING CO., INC.**, a corporation duly organized, validly existing and in good standing under the laws of the State of New York, with offices at 811 Edward Street, Utica, New York 13502 (the "Company").

Article 1. Preliminary Statement. Among the matters of mutual inducement which have resulted in the execution of this AGREEMENT are the following:

1.01. The Agency is authorized and empowered by the provisions of Article 18-A of the General Municipal Law of the State of New York as amended, and Chapter 372 of the Laws of 1970 of the State of New York, as may be amended from time to time (collectively, the "Act") to undertake "Projects" (as defined in the Act) and to lease or sell the same upon such terms and conditions as the Agency may deem advisable.

1.02. The purposes of the Act are (i) to promote industry and develop trade by inducing manufacturing, industrial, warehousing, research, recreation and commercial enterprises to locate or remain in the State and (ii) to encourage and assist in the providing of industrial pollution control facilities and (iii) to promote the economic welfare and prosperity of the inhabitants of the State. The Act vests the Agency with all powers necessary to enable it to accomplish such purposes.

1.03. (a) The Agency previously provided financial assistance to the Company in connection with (i) demolition of a portion of and renovations to the 15,732± square foot existing second floor of the bottling facility and the construction of a new 25,000± square foot finished goods warehouse facility after the 2008 fire at the Company (collectively, the "2009 Improvements"), all situated on a 7.1± acre parcel of land located at 811 Edwards Street, City of Utica, Oneida County, New York (the "Land"); and the acquisition and installation of equipment in the Improvements (the "2009 Equipment" and together with the Land and the 2009 Improvements, the "2009 Facility"); (ii) construction on the Land of a compact Anaerobic Fluidized Bed Digester system for wastewater treatment and on-site energy generation and a small control building (collectively, the "2012 Improvements"); and the acquisition and installation of equipment in the 2012 Improvements (the "2012 Equipment" and together with the Land and the 2012 Improvements the "2012 Facility"); and (iii) a capacity expansion and brewery modernization project consisting of (a) construction of a 15,000± square foot fermenting and aging cellar (the "Aging Cellar") situated on a 1± acre vacant parcel of land located at 806 – 832 (consolidated to 814) Edward Street, City of Utica, New York (the "2017 Land"); (b) construction on the Land of a two-story, 4,800 square foot addition to the existing brew house (the "Brew House Addition"); (c) construction of an

overhead pipe bridge over Edward Street to connect the Aging Cellar with the Existing Facility (the "Pipe Bridge"); (d) removal of a portion of the parking lot and restriping of the parking lot (the "Parking Lot" and together with the Aging Cellar, the Brew House Addition and the Pipe Bridge, the "2018 Improvements"); and (d) acquisition and installation of equipment in the 2018 Improvements and the Existing Improvements, including but not limited to a new centrifuge, malt cooker, brew kettle, and sixteen vertical fermenting and aging tanks (the "2018 Equipment" and together with the 2018 Land and the 2018 Improvements, the "2018 Facility" and together with the 2009 Facility and the 2012 Facility, the "Existing Facility").

(b) The Company has submitted to the Agency an Application for Financial Assistance dated May 14, 2021 as amended on June 25, 2021, which Application may be further amended from time to time prior to closing of the amended lease-leaseback transaction described below (the "Application") requesting that the Agency assist in a capital project consisting of (a) renovations and infrastructure enhancements within the Existing Facility, including but not limited to construction of a ±300 square foot distilled spirits handling facility (collectively, the "Improvements"), and (b) acquisition and installation of equipment in the Improvements (collectively, the "Equipment"), all for the purpose of expanding operations to increase production and creating jobs (the Improvements and the Equipment are referred to collectively as the "2021 Facility," and the construction, renovation and equipping of the Improvements is referred to collectively as the "2021 Project").

(c) The Company leases the Existing Facility to the Agency pursuant to a Lease Agreement dated July 1, 2009, a Lease Agreement dated May 1, 2012 and a Lease Agreement dated May 1, 2018 (collectively, the "Lease Agreements") and the Agency leases the Existing Facility back to the Company pursuant to a Second Amended and Restated Leaseback Agreement dated as of May 1, 2018 (the "Second Amended Leaseback Agreement"). The Company will lease the 2021 Facility to the Agency, pursuant to a Lease Agreement (the "2021 Lease Agreement") and the Agency will lease the 2021 Facility back to the Company together with the Existing Facility (the 2021 Facility and the Existing Facility referred to as the "Facility") pursuant to a Second Amended and Restated Leaseback Agreement (the "Second Amended Leaseback Agreement").

1.04. The Company hereby represents to the Agency that the 2021 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 2021 Project has not commenced as of May 21, 2021.

1.05. The Agency has determined that the 2021 Project, as described in the Application will promote and further the purposes of the Act.

1.06. On May 21, 2021 as amended on July 16, 2021, the Agency adopted a resolution (the "Resolution" or the "Inducement Resolution") agreeing to undertake the 2021 Project in order to assist the Company and to effectuate the purposes of the Act and, subject to the happening of all acts, conditions and things required precedent to such undertaking and the satisfactory completion of such additional acts and reviews as the Agency may deem appropriate, to undertake a amended lease-leaseback transaction in connection with the 2021 Project.

1.07. In the Resolution, the Agency appointed the Company and its agents and other designees, as its agent for the purposes of acquiring, constructing, renovating and equipping the 2021 Facility, and such appointment includes the following activities as they relate to the acquisition, construction, renovation and equipping of the 2021 Facility, whether or not the materials, services or supplies described below are incorporated into or become an integral part of the 2021 Facility: (i) all purchases, leases, rentals and other uses of tools, machinery and equipment in connection with acquiring, constructing, renovating and equipping the 2021 Facility, (ii) all purchases, rentals, uses or consumption of supplies, materials and services of every kind and description used in connection with acquiring, constructing, renovating and equipping the 2021 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 2021 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 2021 Facility, all with the same powers and with the same validity as the Agency could do if acting on its own behalf.

1.08. (a) The Agency contemplates that it will provide financial assistance to the Company in the form of exemptions from mortgage recording tax, exemptions from sales and use taxes on materials and/or equipment used or incorporated in the 2021 Facility, and reduction of real property taxes relating to the Facility for an additional three years (years 20 – 22), during which time the Company will make the following fixed PILOT Payments:

2019 - Year 10	\$ 168,276.00
2020 - Year 11	\$ 171,298.35
2021 - Year 12	\$ 175,074.00
2022 - Year 13	\$ 178,575.48
2023 - Year 14	\$ 182,146.99
2024 - Year 15	\$ 185,789.93
2025 - Year 16	\$ 189,505.73
2026 - Year 17	\$ 193,295.84

2027 - Year 18	\$ 197,161.76
2028 - Year 19	\$ 201,104.99
2029 - Year 20 (new)	\$ 205,127.09
2030 - Year 21 (new)	\$ 209,229.64
2031 - Year 22 (new)	\$ 213,414.23

(collectively the “Financial Assistance”), which is a deviation from the Agency’s Uniform Tax Exemption Policy, to be more particularly described in a Final Authorizing Resolution to be adopted by the Agency prior to the closing of the transactions described herein.

(b) Based upon representations made by the Company in the Application, the value of the Financial Assistance for the 2021 Facility, and the reduction of real property taxes relating to the Facility for the additional three years (years 20 – 22), is described as follows:

Sales and use tax exemption	\$299,338.00 (not to exceed)
Mortgage recording tax exemption	\$25,200.00 (not to exceed)
Real property tax abatement	\$353,976.00 (approximately)

(c) Nothing in this Agreement rescinds or revokes the financial assistance previously granted by the Agency to the Company for exemptions from mortgage recording tax, exemptions from sales and use taxes on materials and/or equipment used or incorporated in the Existing Facility, as agreed upon between the Company and the Agency in 2018.

1.09. It is understood and agreed by the parties that the purpose of the Agency’s provision of Financial Assistance with respect to the 2021 Project is to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of the 2021 Facility to advance job opportunities, health, general prosperity and economic welfare of the people of Oneida County and to otherwise accomplish the public purpose of the Act.

1.10. Attached as Exhibit A to this Agreement is a copy of the Third Amended and Restated PILOT Agreement (the “Third Amended PILOT”) that reflects the Financial Assistance currently contemplated by the Agency in the Resolution. The Company acknowledges that the Agency (a) reserves all rights to amend the Third Amended PILOT to reflect the terms of the Financial Assistance for which the Agency grants final approval as it authorizes in the final authorizing resolution and (b) is under no obligation to enter into the Third Amended PILOT unless all conditions described in Section 4.02 hereof are met to the satisfaction of the Agency.

Article 2. Undertakings on the Part of the Agency. Based upon the statements, representations and undertakings of the Company regarding the Facility and subject to the conditions set forth herein, the Agency hereby confirms and acknowledges:

2.01. Upon satisfactory completion of the conditions precedent set forth herein and in the Resolution and the satisfactory completion of such additional acts and reviews as the Agency may deem appropriate, the Agency will (A) adopt, or cause to be adopted, such proceedings and authorize the execution of such documents as may be necessary or advisable for (i) an amended lease-leaseback transaction, (ii) the acquisition, construction, renovation and equipping of the 2021 Facility, and (iii) the leasing of the Facility to the Company pursuant to the Third Amended Leaseback Agreement, all as shall be authorized by law and be mutually satisfactory to the Agency and the Company and (B) shall enter into an amended lease-leaseback transaction pursuant to the terms of the Act, as then in force, for the purpose of financing certain costs of the Facility.

2.02. The Third Amended Leaseback Agreement shall be for approximately a twenty-two year term and shall obligate the Company to make aggregate basic payments in the amount of \$750.00 as and when the same shall become due and payable. The Company shall be entitled to terminate the Agency's leasehold interest in the Facility for an aggregate amount of \$1.00, plus such additional amounts as shall be prescribed in the Third Amended Leaseback. Specifically, the Third Amended Leaseback shall contain a provision that will allow the Company to terminate the Third Amended Leaseback at any time upon written notice to the Agency and upon payment by the Company of all applicable fees, penalties and recapture of benefits, if applicable. The Third Amended Leaseback shall contain all provisions required by law and such other provisions as shall be mutually acceptable to the Agency and the Company.

2.03. That all services, costs and expenses of whatever nature incurred in connection with the construction, renovation, equipping, installation, replacement, rebuilding, restoration, repair, maintenance and operation of the Facility have been and will continue to be undertaken by the Company as agent for the Agency, regardless of whether such services, costs and expenses were undertaken and/or paid in its own name or in the name of the Agency, and the Agency shall furnish to the Company an appropriate letter on Agency letterhead evidencing the authority of the Company to act as agent of the Agency.

2.04. That, in connection with any lease by the Agency to the Company that is, in turn, subleased or leased by the Company, it is the intent of all parties to the transactions that any sublease or lease is undertaken by the Company as agent for the Agency.

2.05. That, at the request of the Company, and subject to the agreement between the Agency and the Company, any future transfers of fee or leasehold interest of any portion of real property upon which the Facility is located and not owned by the Agency, are hereby authorized, such transfers to be from the Company to the Agency, and there shall be no need for any further official action on behalf of the Agency other than the execution of the appropriate documents evidencing such transfer.

2.06. The Agency will take or cause to be taken such other acts and adopt such further proceedings as may be required to implement the aforesaid undertakings or as it may deem appropriate in pursuance thereof.

Article 3. Undertakings on the Part of the Company. Based upon the statements, representations and undertakings of the Agency herein and in the Resolution and subject to the conditions set forth herein and in the Resolution, the Company agrees as follows:

3.01. The Company hereby accepts the appointment made by the Agency in the Resolution to be the true and lawful agent of the Agency to (i) undertake the 2021 Project 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 2021 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. Under the terms of a Job Creation and Recapture Agreement dated May 1, 2018 (the "2018 Recapture Agreement"), the Company is obligated to maintain 114 FTEs through exemption year 19 (the "2018 Employment Obligation"). In the Application, the Company represented that it currently employs 134 FTEs at the Facility (which includes 20 part-time leased employees), and has committed to convert said part-time leased employees to permanent FTEs no later than exemption year 15 and maintain all through exemption year 22 as a result of undertaking the 2021 Facility (the "Employment Obligation"). The Company acknowledges that the Financial Assistance is conditioned upon the Company maintaining the Employment Obligation for the term of the Third Amended Leaseback and completing the 2021 Project substantially as presented to the Agency in the Application, and failure to do so may result in the termination or recapture of Financial Assistance.

3.03. The Company will, to the extent deemed by it to be necessary or desirable, enter into a contract or contracts for the acquisition, renovation and equipping of the 2021 Facility (including any necessary contracts for the acquisition of real property necessary or useful in said 2021 Facility).

3.04. Contemporaneously with the closing of the amended lease-leaseback transaction the Company will enter into the Third Amended Leaseback with the Agency containing, among other things, the terms and conditions described in Section 2.02 hereof.

3.05. (a) The Company shall not permit to stand, and will, at its own expense, take all steps reasonably necessary to remove (or bond the same if acceptable to the Agency and its counsel), any mechanics' or other liens against the Facility for labor or

materials furnished in connection with the acquisition, renovation and equipping of the Facility. The Company shall forever defend, indemnify and hold the Agency, its members, officers, employees, and agents, and anyone for whose acts or omissions the Agency or any of them may be liable, harmless from and against all costs, losses, expenses, claims, damages and liabilities of whatever kind or nature arising, directly or indirectly, out of or based on labor, services, materials and supplies, including equipment, ordered or used in connection with the acquisition, construction, renovation and equipping of the Facility or arising out of any contract or other arrangement therefor (and including any expenses incurred by the Agency in defending any claims, suits or actions which may arise as a result of any of the foregoing), whether such claims or liabilities arise as a result of the Company acting as agent for the Agency pursuant to this AGREEMENT or otherwise.

(b) The Company shall forever defend, indemnify and hold harmless the Agency, its members, officers, employees and agents, and anyone for whose acts or omissions the Agency or any of them may be liable, from and against all claims, causes of action, liabilities and expenses (including without limitation attorneys' fees) howsoever arising for loss or damage to property or any injury to or death of any person (including, without limitation, death of or injury to any employee of the Company or any sublessee) that may occur subsequent to the date hereof by any cause whatsoever in relation to the Facility including the failure to comply with the provisions of Article 3.05 hereof, or arising, directly or indirectly, out of the ownership, renovation, equipping, acquisition, operation, maintenance, repair or financing of the Facility, and including, without limitation, any expenses incurred by the Agency in defending any claims, suits or actions which may arise as a result of the foregoing.

(c) The defense and indemnities provided for in this Article 3 shall apply whether or not the claim, liability, cause of action or expense is caused or alleged to be caused, in whole or in part, by the activities, acts, fault or negligence of the Agency, its members, officers, employees and agents, anyone under the direction and control of any of them, or anyone for whose acts or omissions the Agency or any of them may be liable, and whether or not based upon the breach of a statutory duty or obligation or any theory or rule of comparative or apportioned liability, subject only to any specific prohibition relating to the scope of indemnities imposed by law. Without limiting the generality of the foregoing, the foregoing indemnifications shall apply to and encompass any action (or alleged failure to act) of the Agency pursuant to the SEQR Act.

(d) The Company shall provide and carry workers' compensation and disability insurance as required by law and comprehensive liability insurance with such coverages (including, without limitation, owner's protective for the benefit of the Agency and contractual coverage covering the indemnities herein provided for), with such limits and with such companies as may be approved by the Agency. Attached hereto as Exhibit B are the Agency's insurance requirements that will be contained in the Third Amended Leaseback. Upon the request of the Agency, the Company shall provide certificates of insurance in form satisfactory to the Agency evidencing such insurance. If

the Agency appoints the Company as its agent for the purposes of utilizing the sales tax exemption prior to execution of the Third Amended Leaseback, the Company shall provide certificates evidencing such insurance as a condition of the agency appointment.

3.06. With the exception of the authorizations required to be adopted by the Agency for the Agency to enter into the amended lease-leaseback transaction, the Company agrees that, as agent for the Agency or otherwise, it will comply with all the requirements of all federal, state and local laws, rules and regulations of whatever kind and howsoever denominated applicable to the Agency and/or the Company with respect to the Facility, the acquisition, renovation and equipping thereof, the operation and maintenance of the Facility and the financing thereof. Every provision required by law to be inserted herein shall be deemed to be set forth herein as if set forth in full; and upon the request of either party, this AGREEMENT shall be amended to specifically set forth any such provision or provisions. The Company certifies, under penalty of perjury, that it is in substantial compliance with all local, state and federal tax, worker protection and environmental laws, rules and regulations.

3.07. The Company will take such further action and adopt such further proceedings as may be required to implement its aforesaid undertakings or as it may deem appropriate in pursuance thereof.

3.08. If it should be determined that any State or local sales or compensatory use taxes or similar taxes however denominated are payable with respect to the acquisition, purchase or rental of machinery or equipment, materials or supplies in connection with the 2021 Project, or are in any manner otherwise payable directly or indirectly in connection with the 2021 Project, the Company shall pay the same and defend and indemnify the Agency from and against any liability, expenses and penalties arising out of, directly or indirectly, the imposition of any such taxes.

3.09. The Company shall file with the New York State Department of Taxation and Finance an annual statement of the value of all sales and use tax exemptions claimed in connection with the Facility, in compliance with Section 874(8) of the New York State General Municipal Law. The Company shall provide the Agency with a copy of such annual statement at the time of filing with the State Department of Taxation and Finance. Based upon representations made by the Company in the Application, the value of the sales tax to be abated relating to the 2021 Project is estimated at \$272,125.00. The Company acknowledges that the financial assistance currently authorized by the Agency relating to the 2021 Project is limited to \$299,338.00 and the Agency is required by law to recapture the New York State portion of sales tax of any exemptions claimed by the Company that exceed this amount.

3.10. If the Facility is leased to another party by the Agency and subleased to the Company, then in such event, the Company guarantees all of the covenants, undertakings and indemnities of such other party as set forth in this Article 3.

3.11. The Company shall provide annually, to the Agency, a certified statement and documentation: (i) enumerating the full time equivalent jobs retained and the full time equivalent jobs created as a result of the Financial Assistance, by category, including full time equivalent independent contractors or employees of independent contractors that work at the Facility, and (ii) indicating that the salary and fringe benefit averages or ranges for categories of jobs retained and jobs created that was provided in the application for Financial Assistance is still accurate and if it is not still accurate, providing a revised list of salary and fringe benefit averages or ranges for categories of jobs retained and jobs created. Exhibit C contains the form of annual certification as well as additional assessment information that the Agency requires, on an annual basis, to be submitted to the Agency by the Company. If the Company does not provide said annual certified statement to the Agency by the stated due date, a \$500.00 late fee will be charged to the Company for each thirty (30) day period the report is late beyond the due date, up until the time the report is submitted.

3.12. In accordance with Section 875(3) of the General Municipal Law, the policies of the Agency, and the Resolution, the Company covenants and agrees that it may be subject to recapture of any and all Financial Assistance if it is determined by the Agency that:

(a) the Company or its subagents, if any, authorized to make purchases for the benefit of the 2021 Project is not entitled to the sales and use tax exemption benefits; or

(b) the sales and use tax exemption benefits are in excess of the amounts authorized by the Agency to be taken by the Company or its subagents, if any; or

(c) the sales and use tax exemption benefits are for property or services not authorized by the Agency as part of the 2021 Project; or

(d) the Company has knowingly made a material false or misleading statement, or knowingly omitted any information which, if included, would have rendered any information in the application or supporting documentation false or misleading in any material respect, on its application for Financial Assistance; or

(e) the Company fails to meet and maintain the Employment Obligation; or

(f) the Company failed to submit to the Agency its annual report so that the Agency can confirm that the 2021 Project is achieving the Employment Obligation and other objectives of the 2021 Project.

If the Agency determines to recapture any Financial Assistance, the Company agrees and covenants that it will (i) cooperate with the Agency in its efforts to recover or recapture any or all Financial Assistance obtained by the Company and (ii) promptly pay

over any or all such amounts to the Agency that the Agency demands in connection therewith. Upon receipt of such amounts, the Agency shall then redistribute such amounts to the appropriate affected tax jurisdiction(s), unless agreed to otherwise by any tax jurisdiction(s). The Company further understands and agrees that in the event that the Company fails to pay over such amounts to the Agency, the New York State Tax Commissioner may assess and determine the New York State and local sales and use tax due from the Company, together with any relevant penalties and interest due on such amounts.

Article 4. General Provisions.

4.01. This AGREEMENT sets forth the terms and conditions under which Financial Assistance shall be provided to the Company; no Financial Assistance shall be provided to the Company prior to the effective date of this Agreement. This AGREEMENT shall remain in effect until the Third Amended Leaseback becomes effective. It is the intent of the Agency and the Company that this AGREEMENT be superseded in its entirety by the Third Amended Leaseback, except for the indemnities and guarantee of indemnities contained herein, which shall survive.

4.02. It is understood and agreed by the Agency and the Company that entering into the amended lease-leaseback transaction and the execution of the Third Amended Leaseback and related documents are subject to (i) obtaining all necessary governmental approvals, (ii) approval of the directors of the Company, (iii) approval of the members of the Agency, (iv) satisfactory completion of the environmental review of the Facility by the Agency in compliance with the State Environmental Quality Review Act, (v) agreement by the Agency and the Company upon mutually acceptable terms and conditions for the Third Amended Leaseback and other documentation usual and customary to transactions of this nature, (vi) the condition that there are no changes in New York State Law which prohibit or limit the Agency from fulfilling its obligation and commitment as herein set forth to enter into the amended lease-leaseback transaction and (vii) payment by the Company of the Agency's transaction fee and the fees and disbursements of bond counsel or transaction counsel. The Agency's transaction fee is calculated based upon the size of the project; based upon the projections in the Application, the transaction fee for the 2021 Project is estimated at \$40,525.00 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 amended lease-leaseback transaction or complying with any requests after closing relating to the amended lease-leaseback transaction.

4.04. This AGREEMENT and the Financial Assistance contemplated by the Agency hereunder shall be valid for a period of twelve (12) months from the Inducement Date. If for any reason the amended lease-leaseback transaction does not close on or before twelve (12) months from the Inducement Date, the Company shall submit a written request to the Agency describing the reasons for the delay and requesting this AGREEMENT be extended for a period of twelve (12) months under the same terms and conditions contained herein. If the Company has made exempt purchases during the initial term of the AGREEMENT, the Company shall pay (a) to the Agency the first year's annual rent payment of \$750.00 at the time this AGREEMENT is extended and (b) to Agency and Transaction Counsel the out-of-pocket expenses and legal fees incurred in connection with the Project as of the extension date.

4.05. If for any reason the amended lease-leaseback transaction does not close on or before twelve (12) months from the Inducement Date and is not extended by written agreement of the parties, the provisions of this AGREEMENT (other than the provisions of Articles 3.05, 3.06, 3.07 and 3.08 above, which shall survive) shall, unless extended by agreement of the Agency and the Company (whether before or after such original expiration date), terminate and be of no further force or effect, and following such termination neither party shall have any rights against the other party except:

(a) The Company shall pay the Agency for all expenses which were authorized by the Company and incurred by the Agency in connection with the acquisition, renovation and equipping of the 2021 Facility;

(b) The Company shall assume and be responsible for any contracts for construction or purchase of equipment entered into by the Agency at the request of or as agent for the Company in connection with the 2021 Project; and

(c) The Company will pay the out-of-pocket expenses of members of the Agency, counsel for the Agency and Transaction Counsel incurred in connection with the 2021 Project and will pay the reasonable fees of counsel for the Agency and Transaction Counsel for legal services relating to the 2021 Project or the proposed financing thereof.

[signature page follows]

IN WITNESS WHEREOF, the parties hereto have entered into this AGREEMENT to be effective as of May 21, 2021.

ONEIDA COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: David C. Grow

David C. Grow
Chairman

MATT BREWING CO., INC.

By: Alfred D. Matt

Alfred D. Matt
President

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

Alfred D. Matt, being first duly sworn, deposes and says:

1. That I am the President of Matt Brewing Co., Inc. (the "Company") and that I am duly authorized on behalf of the Company to bind the Company and to execute this Agreement.
2. That the Company confirms and acknowledges that the owner, occupant, or operator receiving Financial Assistance for the 2021 Project is in substantial compliance with all applicable local, state and federal tax, worker protection and environmental laws, rules and regulations.

Alfred D. Matt

Alfred D. Matt

Subscribed and affirmed to me under penalties of perjury
this 16th day of August, 2021.

Leslee A. Liesch
(Notary Public)

LESLEE A. LIESCH
Notary Public - State of New York
Appointed in Oneida County
My Commission Expires 9-30-21

EXHIBIT A
THIRD AMENDED PILOT AGREEMENT

12823999.2 8/6/2021
12823999.2 8/6/2021

EXHIBIT B

INSURANCE PROVISIONS

Section 3.4 Insurance Required.

At all times throughout the Lease Term, including, when indicated herein, during the Construction Period, the Company shall, at its sole cost and expense, maintain or cause to be maintained (and cause the Sublessees to maintain, where appropriate) insurance of the following types of coverage and limits of liability with an insurance carrier qualified and admitted to do business in New York State. The Insurance carrier must have at least an A- (excellent) rating by A. M. Best. Company shall pay, as the same become due and payable, all premiums with respect thereto, including, but not necessarily limited to:

(a) **Property Insurance:** Insurance against loss or damage by fire, lightning and other casualties customarily insured against in an all risk policy with special form perils, such insurance to be in an amount not less than the full replacement value of the completed Improvements, exclusive of footings and foundations, as determined by a recognized appraiser or insurer selected by the Company. During the Construction Period, such policy shall be written in the so-called "Builder's Risk Completed Value Non-Reporting Form" and shall contain a provision granting the insured permission to complete and/or occupy.

(b) **Workers' Compensation & Employers Liability Insurance and Disability Benefits Insurance** and each other form of insurance that the Company or any permitted sublessee is required by law to provide, covering loss resulting from injury, sickness, disability or death of employees of the Company or any permitted sublessee who are located at or assigned to the Facility. Statutory New York limits shall apply to these policies. This coverage shall be in effect from and after the Completion Date or on such earlier date as any employees of the Company, any permitted sublessee, any contractor or subcontractor first occupy the Facility.

(c) **General Liability Insurance** protecting the Agency and the Company against loss or losses from liability imposed by law or assumed in any written contract (including the contractual liability assumed by the Company under Section 5.2 hereof) and arising from personal injury, including bodily injury or death, or damage to the property of others, caused by an accident or occurrence with a limit of liability of not less than \$1,000,000 per occurrence and \$2,000,000 annual aggregate. **Comprehensive Automobile Liability Insurance** including all owned, non-owned and hired autos with a limit of liability of not less than \$1,000,000 (combined single limit or equivalent for personal injury, including bodily injury or death, and property damage) protecting the Agency and the Company against any loss or liability or damage for personal injury, including bodily injury or death, or property damage, and **Umbrella Liability Insurance** of not less than \$5,000,000 per occurrence. This coverage shall also be in effect during the Construction Period.

(d) During the Construction Period (and for at least two years thereafter in the case of Products and Completed Operations as set forth below), the Company shall cause the general contractor to carry liability insurance of the type and providing the minimum limits set forth below:

(i) Workers' compensation & employer's liability and disability benefits insurance both with statutory limits in accordance with applicable law.

- (ii) Comprehensive general liability providing coverage for:
 - Premises and Operations
 - Products and Completed Operations
 - Contractual Liability
 - Personal Injury Liability
 - Broad Form Property Damage
 - (including completed operations)
 - Explosion Hazard
 - Collapse Hazard
 - Underground Property Damage Hazard

Such insurance shall have a limit of liability of not less than \$1,000,000 per occurrence and \$2,000,000 annual aggregate. The annual aggregate shall apply per project. The contractor's general liability policy shall include coverage for the contractor and any of the additional insureds for any operations performed on residential projects including single or multi-family housing, residential condominiums, residential apartments and assisted living facilities.

(iii) Comprehensive auto liability, including all owned, non-owned and hired autos, with a limit of liability of not less than \$1,000,000 (combined single limit for personal injury, including bodily injury or death, and property damage).

(iv) Umbrella Liability with limits of \$5,000,000 per occurrence and \$5,000,000 annual aggregate.

(e) A policy or policies of flood insurance in the maximum amount of flood insurance available with respect to the Facility under the Flood Disaster Protection Act of 1973, as amended, whichever is less. This requirement will be waived upon presentation of evidence satisfactory to the Agency that no portion of the Land is located within an area identified by the U.S. Department of Housing and Urban Development as having special flood hazards.

Section 3.5 Additional Provisions Respecting Insurance.

(a) All insurance required by Section 3.4 hereof shall be procured and maintained in financially sound and generally recognized responsible insurance companies selected by the entity required to procure the same and authorized to write such insurance in the State. Such insurance may be written with deductible amounts comparable to those on similar policies carried by other companies engaged in businesses similar in size, character and other respects to those in which the procuring entity is engaged. All policies evidencing the insurance required by Section 3.4 hereof shall provide for at least thirty (30) day's prior written notice of the restriction, cancellation or modification thereof to the Agency. The policies evidencing the insurance required by Section 3.4(c) hereof shall name the Agency as additional insured on a primary & non-contributory basis. All policies evidencing the insurance required by Sections 3.4(d)(ii) (iii) and (iv) shall name the Agency and Company as additional insured on a primary and non-contributory basis for the ongoing construction phase and for two years following completion during the completed operations phase. The policies under Section 3.4 (a) shall contain appropriate waivers of subrogation. The policies under Section 3.4 (b),(c),(d) shall contain waivers of subrogation in favor of the Agency and Company.

(b) All policies or certificates (or binders) of insurance required by Sections 3.4 hereof shall be submitted to the Agency on or before the Closing Date. Attached to the certificate of insurance shall be a

copy of the additional insured endorsement from the Company's General Liability policy. The Company shall deliver to the Agency before the renewal date of each policy a certificate dated not earlier than the immediately preceding month reciting that there is in full force and effect, with a term covering at least the next succeeding calendar year, insurance of the types and in the amounts required by Section 3.4 hereof and complying with the additional requirements of Section 3.5(a) hereof. Prior to the expiration of each such policy, the Company shall furnish the Agency with evidence that such policy has been renewed or replaced or is no longer required by this Leaseback Agreement. The Company shall provide such further information with respect to the insurance coverage required by this Leaseback Agreement as the Agency may from time to time reasonably require.

Agency shall be named as additional insured as follows:

Oneida County Industrial Development Agency, ISAOA
584 Phoenix Drive
Rome, New York 13441

EXHIBIT C
FORM OF ANNUAL REPORT TO AGENCY

20XX Schedule of Supplemental Information (Bonds/Notes or Straight Lease)

Project Address: XXXXXXXX

Total Project Amount:\$XXXXXX Approval Date: XXXXXXX Date IDA took leasehold interest: XXXXXX
Benefited Project Amount: \$XXXXXXXX Bond Amount: XXXXXXXX Year Financial Assist Planned to end: XXXXX Non-profit? X

Was your project completed in 20XX?

YES

☐

NO

☐

If YES, what was the final project cost total?

\$ _____

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

20XX Exemptions – Amounts that would have been payable, AS FULL TAXES, without IDA Assistance

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

Please attach copies of all PILOT Bills

20XX Payments in Lieu of Taxes (PILOTS) PAID. DO NOT INCLUDE SPECIAL DISTRICT ASSESSMENT PAYMENTS (ie: sewer, water, lighting, etc. districts)

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

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

FORM CONTINUED ON NEXT PAGE

Full-Time Equivalent (FTE) Jobs Created and Retained – As of December 31, 20XX (see instructions for more information)

# FTE Employees at Project Location Prior to IDA Status	Original Estimate of Jobs to be Created	Original Estimate of Jobs to be Retained	# Current FTE Employees	# FTE Jobs Created During Fiscal Year	# FTE Jobs Retained During Fiscal Year	# FTE Construction Jobs Created during Fiscal Year
X	X	X				

FOR PROJECTS CLOSED WITH THE AGENCY AFTER JULY 2016 ONLY.

If the salary and benefit information for categories of jobs retained and jobs created that was provided in the original project application is still accurate, please check this box: ☐ If the information is no longer accurate complete chart below.

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

Contact Information (if different from page 1)

NAME: _____

Address: _____

Telephone: _____

Fax: _____

Email: _____

*Person Completing Form: _____

Required*

Signed*: _____

(authorized company representative)

Print Name: _____

Date: _____

I certify that to the best of my knowledge and belief all of the information on Pages 1 through 4 of this Annual Report is correct. I also understand that failure to report completely and accurately may result in enforcement of provisions of my agreement, including but not limited to avoidance of the agreement and potential claw back of benefits.

Questions for Bond Projects ONLY

Bonds and Notes Related to Project*

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

Type of Debt:	Bond(s) Note(s)	Bond(s) Note(s)	Bond(s) Note(s)	Bond(s) Note(s)	Total
Date of Bond Issue:					
Interest Rate:					
• At issuance					
• If variable, applicable range					
Outstanding Bond Balance at January 1, 20XX:					
Amount of any Bond Issued in 20XX					
Paid on Bond During Fiscal Year:					
Outstanding Bond Balance at December 31, 20XX:					
Final Bond Maturity Date:					Final maturity date of last outstanding bond:

Questions for Housing Projects ONLY - (Please provide additional information if needed to provide adequate detail)

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

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

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

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

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

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

Instructions for 20XX OCIDA Annual Report

This mailing contains the following:

- Schedule of Supplemental Information (Pages 1 & 2)
- Bonds and Notes Related to Project (Page 3)- If applicable
- Housing Projects (Page 4) – If applicable

Schedule of Supplemental Information (Pages 1 & 2)

Page 1: In the first box, answer whether or not your project was completed in 2019. If it was completed before 20XX, you do not need to answer this question.

Tax Exemptions Section

- State and Local Sales Tax Column – ENTER STATE AND LOCAL SALES TAX THAT WOULD HAVE BEEN PAYABLE DURING 2019 IF THERE WAS NO IDA TAX EXEMPTION. Only report sales tax dollars exempted during 20XX. Local and NYS sales tax exempted must be broken out separately. Please provide copy of NYS ST-340 submitted to NYS for 20XX.
- Real Property Tax Column – ENTER REAL PROPERTY TAX PAYMENTS THAT WOULD HAVE BEEN PAYABLE DURING 2019 IF THERE WAS NO IDA PILOT. Do not include Special District Assessment Tax Bill information, as special district taxes are not exempt through the OCIDA PILOT. (ie: sewer, water, lighting districts, etc.)
- Mortgage Recording Tax Column – ENTER MORTGAGE RECORDING TAX THAT WOULD HAVE BEEN PAYABLE DURING 2019 IF THERE WAS NO IDA TAX EXEMPTION.
- Total Exemptions – Add up all of the numbers in the three previous columns (sales tax, real property tax, mortgage recording) and enter the sum.

Actual Payments in Lieu of Taxes (PILOT) PAID Section

- ENTER THE ACTUAL PILOT PAYMENTS PAID TO THE TAXING JURISDICTIONS. Do not include Special District Assessment Tax payments (sewer and water, lighting districts, etc.) in your paid amounts. DO PROVIDE US WITH COPIES OF THE ACTUAL INVOICES YOU PAID FROM.
- TOTAL PILOTS PAID Column – Add the three previous columns together and enter sum here for your total PILOT payments made during 20XX.

Example:

If full County of Oneida taxes WITHOUT a PILOT would have equaled \$1,000. You would enter \$1,000 in the Real Property Tax column in the Exemptions Section. However, because you have a PILOT, you might only pay 1/3 of your taxes due (\$333). Thus, you would enter \$333 in the County column in the Payments in Lieu of Taxes (PILOTS).

Continued on next page

Page 2: # Current Full-Time Equivalent (FTE) Employees”/“# FTE Jobs Created/ # FTE Jobs Retained AS OF THE PERIOD ENDING DECEMBER 31, 20XX.

“FTE” shall mean a full time employee that has a minimum of thirty-five (35) scheduled hours per week, or any combination of two or more part-time employees that work a minimum of fifteen (15) scheduled hours per week, when combined together, constitute the equivalent of a minimum of thirty-five (35) scheduled hours per week, and whose workplace location is the project facility. For this purpose an employee shall include a leased employee regularly retained by the Company

If any **Construction Jobs** were created during 20XX as a result of your project, include in the # FTE Construction Jobs Created column.

For Projects that Closed with the IDA After July 2016 - Salary & Fringe Benefits Section:

Read the sentence in bold print beneath the Job Reporting chart and determine whether or not you are able to check the box. Fill out chart if you cannot check the box.

Page 3: For Bond Projects Only: Complete *Bonds and Notes Related to Project* for each bond. If your company has multiple bonds, use as many copies of Page 3 as you need, however report all job numbers on Page 1.

- Multiple bonds may be reported on one sheet, or several sheets may be used. However, please report all job numbers on only one *Schedule of Supplemental Information*(Page 1)
- Date of Issue – date bond was issued for your project
- Interest Rate – self explanatory
- Outstanding Beginning of Fiscal Year – Bond balance as of January 1, 20XX
- Bonds Issued During Fiscal Year – if this is your first reporting year for the bond enter the new bond amount here. If additional IDA bonds were added by your company in 2019 enter the new issues here.
- Amount Paid on Bonds During Fiscal Year –self explanatory
- Outstanding Bond Balance at December 31, 20XX
- Final Maturity Date – this should be filled in for you, if not please enter date your bond matures. If it was paid off in 20XX enter that date and indicate such.

Page 4: For Housing Projects Only – Instructions contained therein.

REPORT CERTIFICATION – Bottom of Page 2

Review and update the Contact Information questions at the bottom of Page 2, then sign to certify the information provided.

If you have any questions, please do not hesitate to call Mark Kaucher, Jennifer Waters or Shawna Papale at 315-338-0393 or e-mail us at:

mkaucher@mvedge.org jwaters@mvedge.org spapale@mvedge.org

Thank you!