

INDUCEMENT AND PROJECT AGREEMENT

This INDUCEMENT AND PROJECT AGREEMENT (the "Agreement") is between the **HERKIMER COUNTY INDUSTRIAL DEVELOPMENT AGENCY**, 420 East German Street, Herkimer, New York 13350 (the "Agency") and **TURBO MACHINED PRODUCTS, LLC**, 102 Industrial Drive, Frankfort, New York 13340 (the "Company").

ARTICLE I 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 898 of the Laws of 1970 of the State of New York (collectively, the "Act") to provide financial assistance to "Projects" (as defined in the Act) and to acquire title to Projects 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. The Act vests the Agency with all powers necessary to enable it to accomplish such purposes, including the power to provide assistance through sales tax, mortgage tax and real property tax incentives.

1.03. The Company has requested that the Agency assist in the development of a 3.00± acre parcel of vacant land situated in the Town of Frankfort, County of Herkimer (the "Land"), construction and equipping of a 7,200 square foot manufacturing facility and office space (collectively, the "Improvements") and the acquisition and installation of fixtures, furniture and equipment (collectively, the "Equipment" and together with the Land and Improvements, the "Facility" and the construction and equipping of the Facility is the "Project"), all for the purpose of providing a manufacturing facility and office space.

1.04. The Company hereby represents to the Agency that (other than is permitted by law) the financing of the Facility through the Assistance 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 the abandonment of one or more plants of the Company located in the State.

1.05. The Agency has determined that the acquisition, constructing and equipping of the Facility, as described in the Company's application to the Agency (the "Application") and the leasing or sale thereof to the Company will promote and further the purposes of the Act.

1.06. On November 26, 2024 the Agency adopted a resolution (the "Resolution") agreeing to undertake the Assistance 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 assistance and the satisfactory completion of such additional acts and reviews as the Agency may deem appropriate.

1.07. In the Resolution, the Agency appointed the Company its agent for the purposes of acquiring, constructing, equipping, and financing the Facility, entering into contracts and doing all things requisite and proper for completing the Facility.

1.08 In the Resolution, the Agency contemplates that it will provide assistance to the Company in the form of exemptions from sales tax (value estimated at \$51,680.00), exemptions from mortgage recording tax (value estimated at \$37,000.00) and exemptions from real property taxes (value estimated at \$253,536.89) (collectively, the "Assistance"), to be more particularly described in a final authorizing resolution.

1.09 Attached as Exhibit A to this Agreement is a representative copy of the PILOT Agreement that reflects the Assistance currently contemplated by the Agency in the Resolution.

ARTICLE II 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 agrees as follows:

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 adopt, or cause to be adopted, such proceedings and authorize the execution of such documents as may be necessary or advisable for (i) the acquisition by deed or lease and the construction, equipping, and financing of the Facility, and (ii) the assignment of the rights and delegation of duties respecting the Facility to the Company, all as shall be authorized by law and by mutually satisfactory to the Agency and the Company.

2.02. The Agency will take title to or a leasehold interest in the Facility pursuant to a Lease Agreement entered into between the Company, as Lessor and the Agency as Lessee (the "Lease Agreement") and will enter into a Leaseback Agreement respecting the Facility with the Company (the "Leaseback Agreement"). The Lease Agreement shall contain all provisions required by law and such other provisions as shall be mutually acceptable to the Agency and the Company.

2.03. 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 the pursuance thereof.

2.04. Within thirty (30) days of appointing the Company as its agent and pursuant to Section 874(9) of the Act, the Agency agrees to file with the New York State Department of Taxation and Finance, on a form and in such manner as is prescribed by the New York State Commissioner of Taxation and Finance (the "Thirty-Day Sales Tax Report"), a statement identifying the Company as agent of the Agency, setting forth the taxpayer identification number

of the Company, giving a brief description of the goods and/or services intended to be exempted from sales taxes as a result of such appointment as agent, indicating a rough estimate of the value of the goods and/or services to which such appointment as agent relates, indicating the date when such designation as agent became effective and indicating the date upon which such designation as agent shall cease.

ARTICLE III UNDERTAKINGS ON THE PART OF THE COMPANY

Based upon the statements, representations and undertakings of the Agency herein and in the Amended Resolution and subject to the conditions set forth herein and in the Amended Resolution, the Company agree as follows:

3.01. The Company hereby accepts the appointment made by the Agency in the Amended Resolution to be the true and lawful agents of the Agency to (i) construct, renovate, equip, and finance the Facility and (ii) make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions, as the stated agents of the Agency, and in general to do all things which may be requisite or proper for completing the Facility, all with the same powers and the same validity as the Agency could do if acting on its own behalf. 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 Act.

3.02. The Company will, to the extent deemed by it to be necessary or desirable, enter into a contract or contracts for the acquisition, construction, equipping, and financing of the Facility (including any necessary contracts for the acquisition of real property necessary or useful in said Facility) and, on mutually agreeable terms and conditions, it will transfer to the Agency, or cause to be transferred to the Agency title to the land and all improvements comprising the Facility.

3.03. The Agency will enter into the Lease Agreement with the Company or designated company provided said company is an applicant containing, among other things, the terms and conditions described in Section 2.02 hereof and together with Company enter into such other financing agreements, indentures, guarantees, and related agreements as shall be necessary or appropriate to the Company.

3.04. (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 renovation, construction, 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 renovation, construction and equipping of the Facility or arising out of any contract or other arrangement therefor (and including any expenses

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 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 employees of the Company) 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 3.04 hereof, or arising, directly or indirectly, out of the ownership, construction, renovation, 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, including any proceedings or actions commenced challenging the actions of the Agency in regards to the Assistance or the Facility.

(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 member, 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 statutory law.

(d) The Company shall provide and carry worker's compensation and disability insurance as required by law and comprehensive liability insurance with such coverages (including, without limitation, owner's protection for the benefit of the Agency contractual coverage covering the indemnities herein provided for), with such limits and with such Company as may be approved by the Agency with the Agency in all cases named as an "added insured." Upon the request of the Agency, the Company shall provide certificates of insurance in form satisfactory to the Agency evidencing such insurance.

3.05. The Company agrees that, as agent for the Agency or otherwise, they 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, construction, equipping, and financing 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.

3.06. 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.

3.07. If it should be determined that any State or local sales or compensatory use taxes are payable with respect to the acquisition, purchase or rental of machinery or equipment, materials or supplies in connection with the Facility, or are in any manner otherwise payable directly or indirectly in connection with the Facility, 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.

3.08 The Company acknowledges that the Assistance shall be subject to modification, suspension or discontinuance in accordance with the policies adopted by the Agency.

3.09 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 Assistance if it is determined by the Agency that:

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

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

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

(d) the Company failed to comply with a material term of condition to use property of services in the manner required hereunder.

If the Agency determines to recapture any 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.

3.10 In order to accomplish the foregoing and to assist the Agency in preparing its annual compliance report, the Company shall provide annually, to the Agency, a certified statement and documentation in substantially the form attached hereto as Exhibit B.

ARTICLE IV GENERAL PROVISIONS

4.01. This Agreement shall take effect on the last date of execution hereof by the Agency and the Company and shall remain in effect until the Lease Agreement becomes effective, it is the intent of the Agency and the Company that this Agreement be superseded in its entirety by the Lease Agreement, except for the indemnities contained herein, which shall survive. No Assistance shall be provided to the Company prior to the effective date of this Agreement.

4.02. It is understood and agreed by the Agency and the Company that the execution of the Lease Agreement and related documents are subject to (i) obtaining all necessary governmental approvals (including, without limitation, the approvals required by the Tax Equity and Fiscal Responsibility Act of 1982), (ii) approval of the Company, (iii) approval of the members of the Agency, (iv) compliance with the State Environment Quality Review Act, (v) payment by the Company of the Agency's disbursements, Agency's agency fee and legal fee as described in Article 4.03.

4.03 The Company agrees that it will reimburse the Agency for all reasonable and necessary direct out-of-pocket expenses, which the Agency may incur as a consequence of executing this Agreement or performing its obligations hereunder. Without limiting those expenses and in addition, the Company also agrees to pay (i) an application fee of \$1,000.00; (ii) an Agency fee of \$52,230.34 being one percent (1%) of the total project amount of \$5,223,034.00 (Project Amount), fifty percent (50%) of which is payable upon execution of this Agreement (the "Project Fee Deposit") and the balance of which is payable at the closing of the transaction contemplated hereunder; and (iii) Agency counsel fees to the firm of Felt Evans, LLP in the amount of between \$21,000.00 - \$24,000.00 plus expenses in connection with the Application review, Inducement Resolution, this Agreement, the Lease Agreement, the Leaseback Agreement, the Approving Resolution, the Environmental Compliance and Indemnification Agreement, the Recapture Agreement, the Project Opinion, any Funding and related opinions, as well as such other documents as are reasonably to facilitate the transaction contemplated by this Agreement.

4.04. If for any reason the Lease Agreement is not executed on or before eighteen (18) months from the execution hereof, the provision of this Agreement (other than the provisions of Articles 3.04, 3.05, 3.06 and 3.08 above, which shall survive) shall, at the sole discretion of the Agency, terminate and be of no further force and effect, and following such termination neither party shall have any rights against the other party except:

(a) The Agency shall deduct from the Project Fee Deposit all expenses which were incurred by the Agency in connection with the acquisition, construction, equipping, and financing of the 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 Facility; and

(c) The Agency shall deduct from the Project Fee Deposit the out-of-pocket expenses of members of the Agency and Agency counsel incurred in connection with the Facility and will pay the reasonable fees of Agency counsel for legal services incurred as of the date of termination relating to the Facility in accordance with Article 4.03; and

(d) After the Agency deducts the fees and expenses described in (a) and (c) above, the Agency shall return the balance of the Project Fee Deposit to the Company.

[Remainder of Page Intentionally Left Blank — Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement on this 19th day of December, 2024.

**HERKIMER COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

By: Vincent J. Bono
Vincent J. Bono, Chairman

TURBO MACHINED PRODUCTS, LLC

By: Robert J. Cartmell, VP
Robert J. Cartmell, Vice President

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

On the 19th day of December, 2024, before me, the undersigned, a Notary Public, in and for said State, personally appeared, **Vincent J. Bono**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is(are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

VICTORIA L. ADAMS
Notary Public, State of New York
Reg. No. 01AD6325291
Qualified in Herkimer County
Commission Expires 05/26/27

Victoria Adams
Notary Public

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

On the 4 day of December, 2024, before me, the undersigned, a Notary Public, in and for said State, personally appeared, **Robert J. Cartmell**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is(are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Erin Lasher
Notary Public

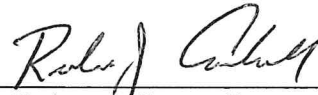
ERIN LASHER
NOTARY PUBLIC STATE OF NEW YORK
HERKIMER COUNTY
LIC. #01LA6377582
COMM. EXP. 07/02/2026

CERTIFICATION OF PROJECT OPERATOR

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

ROBERT J. CARTMELL, being first duly sworn, deposes and says:

1. That I am the Vice President of Turbo Machined Products, LLC. 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 Assistance for the Project is in substantial compliance with all applicable local, state and federal tax, worker protection and environmental laws, rules and regulations.


Robert J. Cartmell

Subscribed and affirmed to me under penalties of perjury
this 4 day of December 2024.


(Notary Public)

ERIN LASHER
NOTARY PUBLIC STATE OF NEW YORK
HERKIMER COUNTY
LIC. #01LA6377582
COMM. EXP. 07/02/2026

EXHIBIT A
PILOT AGREEMENT

TURBO MACHINED PRODUCTS, LLC

and

HERKIMER COUNTY INDUSTRIAL DEVELOPMENT AGENCY

PAYMENT-IN-LIEU-OF-TAX AGREEMENT

**Herkimer County Industrial Development Agency
Real Estate Lease-Leaseback**

PAYMENT-IN-LIEU-OF-TAX AGREEMENT

THIS PAYMENT-IN-LIEU-OF-TAX AGREEMENT, dated as of this ____ day of _____, 2025 is by and between **TURBO MACHINED PRODUCTS, LLC**, a New York Limited Liability Company having an address of 102 Industrial Drive, Frankfort, New York 13340 (the "Company") and the **HERKIMER COUNTY INDUSTRIAL DEVELOPMENT AGENCY**, an industrial development agency and a public benefit corporation of the State of New York having its principal office at 420 East German Street, Suite 101A, Herkimer, New York 13350 (the "Agency").

WITNESSETH:

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, in order to induce the Company to develop the Facility and in order to advance the job opportunities, health and general prosperity and economic welfare of the people of the State of New York, the Agency is willing to accept a leasehold interest in the Facility pursuant to the terms and conditions contained in the Lease Agreement dated of even date herewith entered into between the Company, as Lessor, and the Agency, as Lessee (the "Lease Agreement"); to acquire a leasehold interest in certain real property located in the Town of Frankfort, County of Herkimer, State of New York, more particularly described on Exhibit A thereof; and

WHEREAS, the Company has executed and delivered a Leaseback Agreement, dated of even date herewith, with the Agency to acquire a leasehold interest in the same real property located in the Town of Frankfort, County of Herkimer, New York, more particularly described in Exhibit "A" attached to the Leaseback Agreement, and to construct and equip a facility thereon (the "Facility"); 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 Company or the occupancy thereof by the Company commencing March 1, 2025, 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 commencing March 1, 2025 through the term of the Leaseback Agreement (the "Exemption Term") (each year measured by the twelve month period commencing with the first day of July, herein referred to as an "Exemption Year"); and

WHEREAS, the Agency 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 Town of Frankfort, 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, Herkimer County, the Frankfort Schuyler Central 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 Lease Agreement 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. The Company shall pay to the Agency for the benefit of each Taxing Authority:
 - (a) in lieu of general real property taxes for the Facility, the Company shall pay the following percentages of the actual real property taxes which would be due if the Facility were fully taxable on the tax rolls of the Taxing Jurisdictions:

<u>Year</u>	<u>Percentage</u>
1	50
2	55
3	60
4	65
5	70
6	75
7	80
8	85
9	90
10	95
11	100
(and each successive year of the term of the lease pursuant to the Lease Agreement)	

- (b) 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 schedule due dates for payment of taxes. The Agency shall accept payment from the Subtenant.
 - (c) 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 on hundred (100%) percent of the Exempt Taxes together with interest at the rate of five (5%) 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 for the benefit of 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 (including without limitation the expiration or earlier termination of the Leaseback Agreement or this Agreement), the Company is required to pay any tax which the payments specified in this Agreement are intended to be in lieu of, the Company may deduct the aggregate of any such tax 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 Company will have all the rights and remedies of a taxpayer with respect to any real property or other tax, service charge, special benefit, ad valorem levy, assessment or special assessment or service charge because of which, or in lieu of which, the Company is obligated to make a payment hereunder, as if and to the same extent as if the Agency did not have a leasehold or other interest in the Facility. It is the further intent of the parties that the Company will have all of the rights and remedies of a taxpayer as if and to the same extent as if the Agency did not have a leasehold or other interest in the Facility with respect to any proposed assessment or change in assessment concerning the property, or any portion thereof, whether through an assessor, board of assessment review, court of law, or otherwise and likewise will be entitled to protest before and be heard by such assessor, board of assessment review, court of law or otherwise and will be entitled to take any and all appropriate appeals or initiate any proceedings to review the validity or amount of any taxes that would have been payable but for the provisions hereof. In the event, however, that a court of competent jurisdiction shall enter an order or judgment determining or declaring that, by reason of the Agency's interest in the Facility, the Company does not have the right to bring a proceeding to review such assessment under the Real Property Tax Law or any other law, then the Company shall have the right to contest such assessment in the name and as the agent of the Agency, and the Agency agrees to cooperate with the Company in all respects in any such proceeding at the sole cost and expense of the Company.
8. All amounts payable by the Company hereunder will be paid to the respective Taxing Authority through the Agency 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. The Guarantor, unconditionally, and for its heirs, successors and assigns, guarantee the payment and performance of obligations under this Agreement to the Agency. Guarantor waives any and all claims for offset and defenses of payment.

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

(b) This agreement may not be effectively amended, changed, modified, altered or terminated except by an instrument in writing executed by the parties hereto.

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

To the Agency: Herkimer County Industrial Development Agency
420 E. German Street – Suite 101A
Herkimer, New York 13350
Attn: John J. Piseck, Jr., Chief Executive Officer

With a Copy to: Felt Evans, LLP
4 - 6 North Park Row
Clinton, New York 13323
Attn: Anthony G. Hallak, Esq.

To the Company: Turbo Machined Products, LLC
102 Industrial Drive
Frankfort, New York 13340
Attn: Robert J. Cartmell, Vice President

With a Copy to: Kirwan Law Firm, P.C.
2401 Burnet Avenue
Syracuse, New York 13206
Attn: Terry J. Kirwan, Jr., Esq.

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

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

[Remainder of Page Intentionally Left Blank — Signature Page Follows]

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

**HERKIMER COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

By: _____
Vincent J. Bono, Chairman

TURBO MACHINED PRODUCTS, LLC

By: _____
Robert J. Cartmell, Vice President

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

On the ____ day of _____, 202__, before me, the undersigned, a Notary Public, in and for said State, personally appeared, **Vincent J. Bono**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is(are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Notary Public

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

On the ____ day of _____, 202__, before me, the undersigned, a Notary Public, in and for said State, personally appeared, **Robert J. Cartmell**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is(are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Notary Public

Exhibit A

LEGAL DESCRIPTION

All that certain piece or parcel of land situate, lying and being in the Village of Frankfort, County of Herkimer, and State of New York and being particularly bounded and described follows:

Commencing at the point on the northeasterly marginal line of Industrial drive, so-called, marking the division line between the lands of Lundstrom Labs, Inc. on the northwest and the lands of the grantor, formerly of Nicastro, on the southeast, which point marks the most southerly corner of the lands of Lundstrom Labs, Inc. and the most westerly corner of the lands of the grantor, formerly of Nicastro, and running thence North 63 degrees 00 minutes east along the southeasterly line of said lands of Lundstrom Labs, Inc. passing through pipes found at 150 feet and 300 feet for a total distance of 370 feet to a point; thence turning and running in a southeasterly direction S 26° 24' 07" E for a distance of 350 feet to the point on the southeasterly boundary line of the grantor 370 feet northeasterly of the point on the northeasterly marginal line of Industrial Drive, so-called, marking the most southeasterly corner of lands of grantor, and which point is 350 feet southeasterly as measured along the northeasterly marginal line of Industrial Drive from the point and place of beginning; thence turning and running in a southwesterly direction S 63° 01' 30" W a distance of 370 feet to a point; thence turning and running in a generally northwesterly direction along the northeasterly marginal line of Industrial Drive the following courses, (1) north 23 degrees 03 minutes west 74.03 feet to an angle point in said line, and (2) north 27 degrees 18 minutes west 275.97 feet to the point and place of beginning.

TOGETHER with an easement and right-of-way Twenty (20) feet wide extending from the southwesterly marginal line of William Street to the premises above described lying westerly, adjacent and contiguous to the southeasterly boundary line of the lands of the grantor for the purpose of laying and installing a sewer line and to repair and maintain the same.

TOGETHER with all the right, title and interest, if any, in and to the muds, flats and lands under the waters of the Mohawk River as such right, title and interest extends or should extend by law or custom and all riparian rights appertaining thereto.

TOGETHER with all right, title and interest, if any, of the Grantor in and to any streets or roads abutting the above described premises to the center lines thereof.

TO HAVE AND TO HOLD the premises herein granted unto the Grantee, its successors or assigns forever.

SUBJECT to the Trust Fund Provisions of Section Thirteen of the Lien Law.

EXHIBIT B

FORM OF ANNUAL REPORT TO AGENCY

Reporting Period 202_

*The Agency recommends the following standard when reporting **FTE – Full Time Equivalent** jobs. Full-time equivalent is a ratio that compares the number of hours worked during a pay period by an employee to the number of work hours during the pay period that equates to full time employment. For example, an employee who works hours equal to full time is 1.0 FTE. An employee who works half the hours of full-time employment is 0.5 FTE, while an employee that works one-third the hours of full-time employment would be considered .3 FTE. Please contact the Agency for assistance if needed.*

Please complete where highlighted:

PROJECT TYPE
PROJECT NAME
PROJECT DATE
TOTAL PROJECT AMOUNT
TOTAL DOLLAR AMOUNT OF NEW YORK STATE SALES TAX SAVINGS IN 202_:
TOTAL DOLLAR AMOUNT OF LOCAL SALES TAX SAVINGS IN 202_ :
NUMBER OF FULL TIME EQUIVALENT EMPLOYEES BEFORE IDA STATUS:
ESTIMATED # OF FULL TIME EQUIVALENT JOBS TO BE CREATED:
NUMBER OF FULL TIME EQUIVALENT EMPLOYEES AS OF 12/31/202_ :
<i>Please provide supporting documentation ie: payroll reports, state filing reports</i>
NUMBER OF FTE CONSTRUCTIONS JOBS IN 2020 AS A RESULT OF THIS PROJECT:
DATE:
COMPANY NAME:
NAME AND TITLE:
Signature:

ADDITIONAL INFORMATION:

If your project was eligible in 202_ to claim state and local sales and use tax exemptions as a result of the project's designation as an IDA project, please provide a copy of the **ST-340 Form** that is required to be **filed with the State by 2/28/202_**.

COPY INCLUDED: _____