

PROJECT AGREEMENT

THIS PROJECT AGREEMENT (the "Project Agreement"), made as of August 1, 2019, by and between the ONONDAGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY, a public benefit corporation of the State of New York, with offices at 333 West Washington Street, Suite 130, Syracuse, New York 13202 (the "Issuer") and SYRACUSE LABEL CO., INC., a corporation duly organized, validly existing and in good standing under the laws of the State of New York, with offices at 200 Stewart Drive, North Syracuse, New York 13212 (the "Company").

WITNESSETH:

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

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

WHEREAS, the Enabling Act further authorizes each such agency, for the purpose of carrying out any of its corporate purposes, to lease or sell any or all of its facilities, whether then owned or thereafter acquired; and

WHEREAS, the Issuer was created, pursuant to and in accordance with the provisions of the Enabling Act, by Chapter 435 of the Laws of 1970 of the State and Chapter 676 of the Laws of 1975 of the State, as amended (collectively, with the Enabling Act, the "Act") and is empowered under the Act to undertake the Project (as hereinafter defined) in order to advance the job opportunities, health, general prosperity and economic welfare of the people of the State and improve their standard of living; and

WHEREAS, the Company previously undertook a project (the "**2015 Project**") consisting of: (A) (1) the acquisition of lots 12 and 13, and a portion of lot 11 located at the Hancock Airpark, County of Onondaga, Town of Cicero, New York totaling approximately 6 acres (the "**Land**"), (2) the construction on the Land of a new, single floor, approximately 55,000 square foot building (the "**2015 Building**") and parking improvements (the "**Parking Improvements**" and, together with the Building, the "**2015 Improvements**") for use as a manufacturing and warehousing facility, and (3) the acquisition and installation in and around the Building of certain items of machinery, equipment and tangible personal property (the "**2015 Equipment**" and, together with the Land and the 2015 Improvements, the "**2015 Project**");

Facility"); (B) the financing of all or a portion of the costs of the foregoing by the issuance of revenue bonds of the Issuer in one or more issues or series in an aggregate principal amount sufficient to pay the cost of undertaking the Project, together with necessary incidental costs in connection therewith, not to exceed \$6,600,000; (C) the granting of certain other "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including exemptions from sales tax, real property tax and mortgage recording tax (collectively with the Bonds, the **"2015 Financial Assistance"**), consistent with the policies of the Issuer; and (D) the lease (with an obligation to purchase) or sale of the 2015 Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Issuer; and

WHEREAS, the Issuer and Manufacturers and Traders Trust Company, as trustee (the **"Trustee"**) entered into a certain Trust Indenture dated as of December 1, 2015 (the **"Initial Indenture"**), pursuant to which the Issuer issued its Tax-Exempt Multi-Modal Revenue Bonds, (Syracuse Label Co., Inc. Project), Series 2015 in a maximum principal amount not to exceed \$6,600,000 (the **"Original Bonds"**); and

WHEREAS, simultaneously with the issuance of the Bonds, the Company executed and delivered the following (collectively, as amended, the **"2015 Documents"**):

(a) Lease to Issuer dated as of December 1, 2015, by and between the Company and the Issuer, and a Memorandum of Lease to Issuer dated as of December 1, 2015 by and between the Issuer and the Company filed on December 24, 2015 in the Onondaga County Clerk's Office in Book/Page 05355/0343, Instrument No. 45690;

(b) Bill of Sale to Onondaga County Industrial Development Agency dated as of December 1, 2015 from the Company to the Issuer;

(c) Installment Sale Agreement (the **"Installment Sale Agreement"**) dated as of December 1, 2015 by and between the Issuer and the Company and a Memorandum of Installment Sale Agreement dated as of December 1, 2015 by and between the Issuer and the Company filed on December 24, 2015 in the Onondaga County Clerk's Office in Book/Page 05355/0336, Instrument No. 45689;

(d) Pledge and Assignment with Acknowledgment thereof by Syracuse Label Co., Inc. dated as of December 1, 2015 from the Issuer to the Trustee, and acknowledged by the Company;

(e) Guaranty dated as of December 1, 2015 from the Company to the Trustee;

(f) Building Loan and Credit Agreement dated as of December 1, 2015 among the Issuer, the Company, the Trustee, and the Holder;

(g) General Security Agreement dated as of December 1, 2015 from the Company to the Trustee;

(h) Mortgage and Security Agreement dated as of December 1, 2015 from the Company and the Issuer to the Trustee filed on December 25, 2015 in the Onondaga County Clerk's Office in Book/Page 17918/0141, Instrument No. 45687;

(i) Assignment of Leases and Rents dated as of December 1, 2015 from the Company to the Trustee filed on December 24, 2015 in the Onondaga County Clerk's Office in Book/Page 17918/0176, Instrument No. 45688; and

(j) Environmental Compliance and Indemnity Agreement dated as of December 1, 2015 by the Company in favor of the Issuer, the Trustee, and the Holder.

WHEREAS, the Company and the Issuer also executed and delivered (A) a payment in lieu of tax agreement dated as of December 1, 2015 (the "**2015 Payment in Lieu of Tax Agreement**") by and between the Issuer and the Company, pursuant to which the Company agreed to pay certain payments in lieu of taxes with respect to the Project Facility along with (B) a New York State Board of Real Property Services Form 412-a (the form required to be filed by the Issuer in order for the Issuer to obtain a real property tax exemption with respect to the Improvements under Section 412-a of the Real Property Tax Law) (the "**Real Property Tax Exemption Form**") relating to the Project Facility and the Payment in Lieu of Tax Agreement which was mailed by the Issuer to the assessor and the chief executive officer of each "affected tax jurisdiction" (within the meaning of such quoted term in Section 854(16) of the Act); and

WHEREAS, on November 1, 2016, the Issuer issued its Tax-Exempt Multi-Modal Revenue Bonds (Syracuse Label Co., Inc.), Series 2015 (Reissued) (the "**Reissued Bonds**") for the purpose of modifying certain terms of the Original Bonds and the Company, the Issuer, the Trustee and the Initial Holder entered into a First Omnibus Amendment to Financing Documents (the "**First Amendment**") as of November 1, 2016 to amend certain of the 2015 Documents; and

WHEREAS, on or about November 29, 2018, the Issuer approved a resolution (the "**Approving Resolution**") to undertake, for the Company, on behalf of itself and/or entities formed on its behalf, and the a project (the "**2019 Project**") consisting of the following: (A) (1) acquisition or retention of an interest in the "Land; (2) the construction of an approximately 23,000 square foot addition to, and reconstruction of, the 2015 Building (as expanded and renovated, the "**2019 Building**") located on the Land; and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property (collectively, the "**2019 Equipment**") (the Land, the 2019 Building and the 2019 Equipment being collectively referred to as the "**2019 Project Facility**"), such 2019 Project Facility to be used by the Company for manufacturing supply pressure sensitive labels, shrink sleeves, cartons, hang tags, roll fed-wrap labels, flexible packaging and other printed products; (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales and use taxes and real property taxes, (subject to the limitations imposed by the Act) (collectively, the "**2019 Financial Assistance**"); and (C) the lease (with an obligation to purchase) or sale of the 2019 Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Issuer; and

WHEREAS, the Land was identified as tax map number 57-02-29.1 at the time of the 2015 Project and was subdivided and renumbered as tax map number 57-02-40.0; and

WHEREAS, the Issuer now proposes to maintain the leasehold interest and interest in the 2015 Equipment created pursuant to the 2015 Documents, and to acquire a leasehold interest in the 2019 Project Facility and the 2019 Equipment; and

WHEREAS, the Issuer and the Company have executed a Second Omnibus Amendment to Financing Documents as of August 1, 2019, pursuant to which the parties have agreed to amend the 2015 Documents and the 2015 Payment in Lieu of Tax Agreement to include the 2019 Project; and

WHEREAS, by the Approving Resolution, the Issuer authorized the Company to act as its agents for the purposes of undertaking the 2019 Project and the Issuer delegated to the Company the authority to appoint sub-agents subject to the execution of this Project Agreement and compliance with the terms set forth herein and in the Approving Resolution; and

WHEREAS, in order to define the obligations of the Company regarding its ability to utilize the Issuer's sales and use tax exemption benefit as agent of the Issuer to acquire, construct, renovate, equip and complete the 2019 Project Facility and to undertake the 2019 Project, the Issuer and the Company will enter into this Project Agreement; and

WHEREAS, the Issuer requires, as a condition and as an inducement for it to enter into the transactions contemplated by the Approving Resolution and as more particularly described in the 2015 Payment in Lieu of Tax Agreement, as amended, and this Project Agreement, that the Company provide assurances with respect to the terms and conditions herein set forth; and

WHEREAS, this Project Agreement sets forth the terms and conditions under which Financial Assistance shall be provided to the Company; and

NOW THEREFORE, in consideration of the covenants herein contained and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, it is mutually agreed as follows:

ARTICLE I PURPOSE OF PROJECT

Section 1.01 Purpose of Project. It is understood and agreed by the parties hereto that the purpose of the Issuer's provision of Financial Assistance with respect to the Project is to, and that the Issuer has entered into or is entering into 2015 Documents, the 2015 Payment in Lieu of Tax Agreement and this Project Agreement in order to, promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of the Project Facility to advance job opportunities, health, general prosperity and economic welfare of the people of the County of Onondaga and to otherwise accomplish the public purpose of the Act.

ARTICLE II REAL PROPERTY TAX EXEMPTION

Section 2.01. PILOT Agreement. Attached hereto and made a part hereof is Exhibit A-1, which contains an executed copy of the 2015 Payment in Lieu of Tax Agreement entered into by and between the Company and the Issuer and Exhibit A-2, which contains an executed copy of the Second Omnibus Amendment of Financing Documents entered into by and between the Company and the Issuer.

ARTICLE III
RESERVED.

ARTICLE IV
SALES AND USE TAX EXEMPTION

Section 4.01. Scope of Agency. The Company hereby agrees to limit its activities as agents for the Issuer under the authority of the Approving Resolution to acquisition, construction and installation of the 219 Project Facility. The right of the Company to act as agent of the Issuer shall expire on December 31, 2019, unless extended by a resolution adopted by the members of the Issuer. The value of the sales and use tax exemption benefits shall not exceed the amounts described in the Application and as set forth in Section 4.03(b) hereof unless approved by a resolution adopted by the members of the Issuer. All contracts entered into by the Company as agent for the Issuer shall include the following language:

“This contract is being entered into by Syracuse Label Co., Inc. (the “Company” or the “Agent”), as agent for and on behalf of the Onondaga County Industrial Development Agency (the “Issuer”), in connection with a certain project of the Issuer for the benefit of the Agent consisting in part of the acquisition and installation of certain machinery, equipment and building materials, all for incorporation and installation in certain premises located at 200 Stewart Drive (tax map no. 057.-02-40.0) in the Town of Cicero, Onondaga County, New York (the “Premises”). The machinery, equipment and building materials to be incorporated and installed in the Premises shall be exempt from the sales and use taxes levied by the State of New York if the acquisition thereof is effected in accordance with the terms and conditions set forth in the Project Agreement dated as of August 1, 2019 by and between the Issuer and the Company (the “Project Agreement”), and the Agent hereby represents that this contract is in compliance with the terms of the Project Agreement. This contract is non-recourse to the Issuer, and the Issuer shall not be directly, indirectly or contingently liable or obligated hereunder in any manner or to any extent whatsoever. By execution or acceptance of this contract, the vendor/contractor hereby acknowledges and agrees to the terms and conditions set forth in this paragraph.”

Section 4.02. Appointment of Sub-Agents. Subject to the terms and conditions of this Project Agreement and pursuant to the Approving Resolution, the Issuer hereby delegates to the Company the authority to appoint sub-agents of the Issuer in connection with the 2019 Project, which may be agents, subagents, contractors, subcontractors, contractors and subcontractors of such agents and subagents and such other parties as the Company choose (each, a “Sub-Agent”). The appointment of each such Sub-Agent will be effective only upon: (1) the execution by the Sub-Agent and the Company of the Sub-Agent Appointment Agreement attached hereto as Exhibit B, the terms and provisions of which are incorporated herein, and (2) the receipt by the Issuer of a completed Form ST-60 in accordance with Section 4.03(e) below.

Section 4.03. Representations and Covenants of the Company.

(a) The Company hereby incorporates and restates the representations, covenants and warranties made in the Installment Sale Agreement.

(b) The Company further covenants and agrees that the purchase of goods and services relating to the Project and subject to State and local sales and use taxes are estimated in the amount up to \$2,710,000.00, and, therefore, the value of the sales and use tax exemption benefits authorized and approved by the Issuer cannot exceed \$216,000.00.

(c) The Company further covenants and agrees to complete “IDA Appointment of Project Operator or Agent For Sales Tax Purposes” (Form ST-60) for itself and each Sub-Agent and to provide said form to the Issuer within fifteen (15) days of appointment such that the Issuer can execute and deliver said form to the State Department of Taxation and Finance within thirty (30) days of appointment.

(d) The Company further covenants and agrees to file an annual statement with the State Department of Taxation and Finance an “Annual Report of Sales and Use Tax Exemptions” (Form ST-340) regarding the value of sales and use tax exemptions the Company has claimed pursuant to the agency conferred on the Company with respect to the 2019 Project in accordance with Section 874(8) of the Act. The Company further covenants and agrees that it will, within thirty (30) days of each filing, provide a copy of same to the Issuer, but in no event later than February 15 of each year. The Company understands and agrees that the failure to file such annual statement will result in the removal of (1) the Company’s authority to act as agent for the Issuer, and (2) the authority of any sub-agent of the Issuer appointed by the Company pursuant to Section 4.02 hereof to act as agent for the Issuer.

(e) The Company further acknowledges and agrees that all purchases made in furtherance of the 2019 Project by the Company and any Sub-Agent shall be made using “IDA Agent or Project Operator Exempt Purchase Certificate” (Form ST-123, a copy of which is attached hereto as Exhibit C), and that it shall be the responsibility of the Company or the Sub-Agent, as the case may be, (and not the Issuer) to complete Form ST-123. The Company acknowledges and agrees that it shall identify the 2019 Project on each bill and invoice for such purchases and further indicate on such bills or invoices that the Company is making purchases of tangible personal property or services for use in the 2019 Project as agent of the Issuer. For purposes of indicating who the purchaser is, the Company acknowledges and agrees that the bill of invoice should state, “I, [NAME OF AGENT], certify that I am a duly appointed agent of the Onondaga County Industrial Development Issuer and that I am purchasing the tangible personal property or services for use in the following IDA project and that such purchases qualify as exempt from sales and use taxes under my Project Agreement with the Onondaga County Industrial Development Agency.” The Company further acknowledges and agrees that the following information shall be used by the Company to identify the 2019 Project on each bill and invoice: Syracuse Label Co., Inc. Project; 200 Stewart Drive (tax map no. 057.-02-40.0) in the Town of Cicero, Onondaga County, New York; IDA Project No.: 3101-18-05B.

(f) The Company acknowledges and agrees that the Issuer shall not be liable, either directly or indirectly or contingently, upon any such contract, agreement, invoice, bill or

purchase order in any manner and to any extent whatsoever (including payment or performance obligations), and the Company shall be the sole party or parties liable thereunder.

ARTICLE V COMMITMENTS AND REPORTING

Section 5.01. Compliance Commitments. The Company agrees and covenants that it shall meet and maintain the following commitments beginning in the first year in which Financial Assistance is so claimed, and continuing through three years after the completion of the 2019 Project:

(a) The Company employed eighty-eight (88) full time equivalent ("FTE") employees within the County of Onondaga at the date of the application for the 2019 Financial Assistance. The Company shall (i) within one year after the completion of the 2019 Project, create FTE employment at the Project Facility equal to two (2) FTE employees, (ii) within two years after the completion of the 2019 Project, create additional FTE employment at the Project Facility equal to four (4) FTE employees, (iii) within three years after the completion of the 2019 Project, create additional FTE employment at the Project Facility equal to two (2) FTE employees, (iv) within four years after the completion of the 2019 Project, create additional FTE employment at the Project Facility equal to one (1) FTE employee, and (v) within five years after the completion of the 2019 Project, create additional FTE employment at the Project Facility equal to one (1) FTE employee. The employment requirements set forth in this paragraph (a) are hereinafter referred to as the "Employment Commitment". In no event shall any independent contractor as determined under the laws of the State of New York be included in calculating the number of FTE employees employed within the County of Onondaga and/or at the Project Facility.

(b) The Company shall annually provide to the Issuer certain information to confirm that the Project is achieving the investment, job retention, job creation, and other objectives of the Project (the "Reporting Commitment").

Section 5.02. Reporting Requirement. (a) The Company agrees, whenever requested by the Issuer, to provide and certify or cause to be certified such information concerning the Company, its finances and other topics as the Issuer from time to time reasonably considers necessary or appropriate, including but not limited to, such information as to enable the Issuer to make any reports required by law or governmental regulation. The Company also agrees to provide and certify information concerning its finances and other topics as the Issuer considers appropriate.

(b) As part of the commitments set forth in Section 5.01 and paragraph (a) of this Section 5.02, the Company shall provide annually, to the Issuer, a certified statement and supporting 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 Project location, 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 D

contains a form of annual certification that the Company must complete and submit to the Issuer on an annual basis. The Issuer reserves the right to modify such form to require additional information that the Issuer must have in order to comply with its reporting requirements under the Act.

ARTICLE VI
SUSPENSION, DISCONTINUATION, RECAPTURE
AND/OR TERMINATION OF FINANCIAL ASSISTANCE

Section 6.01. Suspension, Discontinuation, Recapture and/or Termination of Financial Assistance. It is understood and agreed by the Parties hereto that the Issuer entered into or is entering into the 2015 Documents, the 2015 Payment in Lieu of Tax Agreement and this Project Agreement in order to provide Financial Assistance to the Company for the Project Facility and to accomplish the public purposes of the Act.

(a) The Company attests that it understands and agrees to the recapture provisions of the Issuer's Uniform Tax Exemption Policy (the "Policy").

(b) In accordance with Section 875(3) of the New York General Municipal Law, the Policy, and the Approving Resolution, the Company covenants and agrees that it is subject to recapture of all State sales and use tax exemption benefits if:

(1) the Company or its Sub-Agents, if any, authorized to make purchases for the benefit of the Project is not entitled to the State sales and use tax exemption benefits; or

(2) the State sales and use tax exemption benefits are in excess of the amounts authorized by the Issuer to be taken by the Company or its Sub-Agents, if any; or

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

(4) the Project has failed to comply with a material term or condition to use the property or services in the manner required by any project document between or among the Company and/or the Issuer.

Each of the foregoing four events are hereinafter referred to as a "State-Mandated Recapture Event". The Issuer shall evaluate, annually as of December 31, or at any time information is brought to the Issuer's attention, whether a State-Mandated Recapture Event has occurred.

(c) In addition to Section 6.01(b), in accordance with the Policy and the Approving Resolution, the Company covenants and agrees that the Issuer shall have the right to suspend, discontinue, recapture or terminate all or any portion of any Financial Assistance:

(1) for projects that utilized local sales and use tax exemptions, the project was not entitled to such exemptions, such exemptions were in excess of the amounts

authorized by the Issuer; and/or such exemptions were for property or services not authorized by the Issuer (“Local Sales Tax Benefit Violation”);

(2) the Company fails to reach and maintain 75% of its Employment Commitment (“Job Deficit”);

(3) the Company fails to meet its Reporting Commitment (“Reporting Failure”); or

(4) there otherwise occurs any event of default under any Basic Document (each, an “Event of Default”) or a material violation of the terms and conditions of any Basic Document (a “Material Violation”).

The Issuer shall evaluate, annually as of December 31, or at any time information is brought to the Issuer’s attention, whether a Local Sales Tax Benefit Violation, Job Deficit, Reporting Failure, Event of Default or Material Violation (each a “Noncompliance Event”) has occurred. Notwithstanding the foregoing, the Issuer may determine whether an Event of Default has occurred pursuant to any 2015 Documents and the 2015 Payment in Lieu of Tax Agreement in accordance with the terms of the 2015 Payment in Lieu of Tax Agreement.

At the time of any Noncompliance Event, the Issuer shall determine by resolution whether to exercise its right to suspend, discontinue, recapture or terminate all or any portion of the Financial Assistance, and shall consider the following criteria in determining whether to proceed to suspend, discontinue, recapture or terminate all or any portion of the Financial Assistance:

- Whether the Company has proceeded in good faith.
- Whether the Project has not performed as required due to economic issues, changes in market conditions or adverse events beyond the control of the Company.
- Whether the enforcement by the Issuer of its right to suspend, discontinue, recapture or terminate all or any portion of the Financial Assistance would create a more adverse situation for the Company, such as the Company going out of business or declaring bankruptcy, which would not occur if the Issuer’s rights were not exercised.
- Whether the enforcement by the Issuer of its right to suspend, discontinue, recapture or terminate all or any portion of the Financial Assistance would create an adverse situation for the residents of the County of Onondaga.
- The assessment prepared in accordance with the Issuer’s Annual Assessment Policy.

- Such other criteria as the Issuer shall determine is a relevant factor in connection with any decision regarding the exercise of its right to suspend, discontinue, recapture or terminate all or any portion of the Financial Assistance.

The Issuer shall document its evaluation of the above criteria in writing and, based upon its evaluation, the Issuer shall determine whether to suspend, discontinue, recapture or terminate all or any portion of the Financial Assistance (the “Determination”). The Determination shall provide terms, if any, by which the Company may remedy any Noncompliance Event upon which the Determination was based. The Company must submit written documentation to the Issuer of compliance with all terms and conditions of the Determination in order for the Issuer to consider whether to resume Financial Assistance to the Company (which will be at the Issuer’s sole discretion).

(d) If a State-Mandated Recapture Event occurs or the Issuer makes a Determination, the Company agrees and covenants that it will: (i) cooperate with the Issuer 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 Issuer that the Issuer demands in connection therewith. Upon receipt of such amounts, the Issuer shall then redistribute such amounts to the State of New York and/or appropriate affected tax jurisdictions, unless agreed to otherwise by any local taxing jurisdiction. The Company further understands and agrees that in the event that the Company fails to pay over such amounts to the Issuer, the New York State Tax Commissioner may assess and determine the State sales and use tax due from the Company, together with any relevant penalties and interest due on such amounts.

(e) In the event (x) the Project Facility is sold or closed, the occurrence of a Noncompliance Event and (y) the Issuer determines by resolution that no substantial future economic benefit is likely to accrue to the community, then the value of the Financial Assistance extended to the Company by the Issuer shall be subject to recapture as described below in this paragraph (e).

(1) The recapture payment required to be paid by the Company to the Issuer shall be equal to the (x) sum of (1) the difference between any PILOT payments made by the Company and the real property taxes that would have been paid by the Company if the Project Facility were not under the supervision, jurisdiction or control of the Issuer, and (2) the amount of sales and use tax that would have been paid if sales and use tax exemption had not been granted; (y) multiplied by the Applicable Percentage as set forth in subparagraph (2) of this paragraph (e).

(2) <u>Occurrence of Noncompliance Event</u>	<u>Applicable Percentage</u>
Within two (2) years of Certificate of Occupancy	100%
Within three (3) years of Certificate of Occupancy	80%
Within four (4) years of Certificate of Occupancy:	60%
Within five (5) years of Certificate of Occupancy:	40%
Within six (6) years of Certificate of Occupancy:	30%
Within seven (7) years of Certificate of Occupancy:	20%
Within eight (8) years of Certificate of Occupancy:	10%
Eight years or more of Certificate of Occupancy:	0%

ARTICLE VII MISCELLANEOUS PROVISIONS

Section 7.01. Hold Harmless Provisions.

(a) The Company hereby releases the Issuer and its members, officers, agents (other than the Company) and employees from, agree that the Issuer and its members, officers, agents (other than the Company) and employees shall not be liable for and agree to indemnify, defend and hold the Issuer and its members, officers, agents (other than the Company) and employees harmless from and against any and all claims, causes of action, judgments, liabilities, damages, losses, costs and expenses arising as a result of the Issuer's undertaking the Project, including, but not limited to, (1) liability for loss or damage to property or bodily injury to or death of any and all persons that may be occasioned, directly or indirectly, by any cause whatsoever pertaining to the Project Facility or arising by reason of or in connection with the occupation or the use thereof or the presence of any person or property on, in or about the Project Facility, (2) liability arising from or expense incurred by the Issuer's acquiring, constructing, equipping, installing, owning, leasing or selling the Project Facility, including, without limiting the generality of the foregoing, any sales or use taxes which may be payable with respect to goods supplied or services rendered with respect to the Project Facility, all liabilities or claims arising as a result of the Issuer's obligations under this Project Agreement or the enforcement of or defense of validity of any provision of this Project Agreement, (3) all claims arising from the exercise by the Company of the authority conferred on them pursuant to Sections 4.01 and 4.02 hereof, and (4) all causes of action and reasonable attorneys' fees and other expenses incurred in connection with any suits or actions which may arise as a result of any of the foregoing; provided that any such claims, causes of action, judgments, liabilities, damages, losses, costs or expenses of the Issuer are not incurred or do not result from the gross negligence or intentional wrongdoing of the Issuer or any of its members, officers, agents (other than the Company) or employees. The foregoing indemnities shall apply notwithstanding the fault or negligence in part of the Issuer or any of its officers, members, agents (other than the Company) or employees and

notwithstanding the breach of any statutory obligation or any rule of comparative or apportioned liability.

(b) In the event of any claim against the Issuer or its members, officers, agents (other than the Company) or employees by any employee of the Company or any contractor of the Company or anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, the obligations of the Company hereunder shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for the Company or such contractor under workers' compensation laws, disability benefits laws or other employee benefit laws.

(c) To effectuate the provisions of this Section 7.01, the Company agrees to provide for and insure, in the liability policies required by Section 7.02 of this Project Agreement, its liabilities assumed pursuant to this Section 7.01.

(d) Notwithstanding any other provisions of this Project Agreement, the obligations of the Company pursuant to this Section 7.01 shall remain in full force and effect after the termination of this Project Agreement until the expiration of the period stated in the applicable statute of limitations during which a claim, cause of action or prosecution relating to the matters herein described may be brought and the payment in full or the satisfaction of such claim, cause of action or prosecution and the payment of all expenses, charges and costs incurred by the Issuer, or its officers, members, agents (other than the Company) or employees, relating thereto.

Section 7.02. Insurance Required.

(a) The Company agrees that they shall maintain all insurance required under the Installment Sale Agreement.

(b) The Company agrees that it shall cause their general contractor for the Project to maintain, effective as of the date hereof and until the construction of the 2019 Project Facility is complete, insurance with respect to the Project Facility against such risks and for such amounts as are customarily insured against by businesses of like size and type, paying, as the same become due and payable, all premiums with respect thereto, with the Issuer named on each such policy as an additional insured.

Section 7.03. Survival. All warranties, representations, and covenants made by the Company herein shall be deemed to have been relied upon by the Issuer and shall survive the delivery of this Project Agreement to the Issuer regardless of any investigation made by the Issuer.

Section 7.04. Notices. All notices, certificates and other communications under this Project Agreement shall be in writing and shall be deemed given when delivered personally or when sent by certified mail, postage prepaid, return receipt requested, or by overnight delivery service, addressed as follows:

If to the Issuer:

Onondaga County Industrial Development Agency
333 West Washington Street, Suite 130
Syracuse, New York 13202
Attention: Executive Director

With a copy to: Barclay Damon LLP
Barclay Damon Tower
125 East Jefferson Street
Syracuse, New York 13202
Attention: Anthony P. Rivizzigno, Esq.

If to the Company: Syracuse Label Co., Inc.
200 Stewart Drive,
North Syracuse, New York 13212
Attention: Kathy Alaimo, President

With a copy to: Hancock & Estabrook, LLP
1800 AXA Tower I
100 Madison Street
Syracuse, NY 13202
Attention: Warren Wolfson, Esq.

or at such other address as any party may from time to time furnish to the other party by notice given in accordance with the provisions of this Section. All notices shall be deemed given when received or delivery of same is refused by the recipient or personally delivered in the manner provided in this Section.

Section 7.05. Amendments. No amendment, change, modification, alteration or termination of this Project Agreement shall be made except in writing upon the written consent of the Company and the Issuer.

Section 7.06. Severability. The invalidity or unenforceability of any one or more phrases, sentences, clauses or sections in this Project Agreement or the application thereof shall not affect the validity or enforceability of the remaining portions of this Project Agreement or any part thereof.

Section 7.07. Counterparts. This Project Agreement may be executed in any number of counterparts each of which shall be deemed an original but which together shall constitute a single instrument.

Section 7.08. Governing Law. This Project Agreement shall be governed by, and all matters in connection herewith shall be construed and enforced in accordance with, the laws of the State applicable to agreements executed and to be wholly performed therein and the parties hereto hereby agree to submit to the personal jurisdiction of the federal or state courts located in Onondaga County, New York.

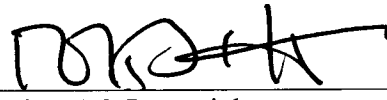
Section 7.09. Term. Except as specifically provided otherwise, the term of this Project Agreement shall be the longer of: (1) the term of the Lease Agreement; or (2) five years following the Project's completion date. The Project will remain "active" for purposes of Section 874(12) of General Municipal Law and the Issuer's Annual Assessment Policy during the term of this Project Agreement.

Section 7.10. Joint and Several Liability. In the event that this Agreement is executed by more than one party as Indemnitor, the liability of such parties is joint and several. A separate action or actions may be brought and prosecuted against the Company, whether or not an action is brought against any other person or whether or not any other person is joined in such action or actions.

Section 7.11. Section Headings. The headings of the several Sections in this Project Agreement have been prepared for convenience of reference only and shall not control, affect the meaning of or be taken as an interpretation of any provision of this Project Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Project Agreement as of the day and year first above written.

ONONDAGA COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: 
Robert M. Petrovich
Executive Director

Signature Page to Project Agreement
Page 1 of 2

SYRACUSE LABEL CO., INC.,
a New York corporation

By: Kathy Alaimo
Kathy Alaimo
President

STATE OF NEW YORK)
COUNTY OF) ss.:

Kathy Alaimo, being first duly sworn, deposes and says:

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

Kathy Alaimo
Kathy Alaimo

Subscribed and affirmed to me
under penalties of perjury
this 23rd day of ~~June~~
July, 2019.

Annemarie M. Murat
(Notary Public)

EXHIBIT A-I

PILOT Agreement

ONONDAGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

AND

SYRACUSE LABEL CO., INC.

PAYMENT IN LIEU OF TAX AGREEMENT

DATED AS OF DECEMBER 1, 2015

TOWN OF CICERO
TAX MAP PARCEL 057.-02-29.1

PAYMENT IN LIEU OF TAX AGREEMENT

THIS PAYMENT IN LIEU OF TAX AGREEMENT (the "Payment in Lieu of Tax Agreement") dated as of December 1, 2015 by and between **ONONDAGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY**, a New York public benefit corporation, having its office at 333 W. Washington Street, Syracuse, New York 13202 (the "Agency") and **SYRACUSE LABEL CO., INC.**, a New York corporation, having an address of 110 Luther Avenue, Liverpool, New York 13088 (the "Company").

W I T N E S S E T H:

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

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

WHEREAS, the Enabling Act further authorizes each such agency to lease or sell any or all of its properties, to mortgage and pledge any or all of its properties, whether then owned or thereafter acquired, and to pledge the revenues and receipts from the lease or sale thereof; and

WHEREAS, the Agency was created, pursuant to and in accordance with the provisions of the Enabling Act, by Chapter 435 of the Laws of 1970 of the State of New York (collectively with the Enabling Act, the "Act"), and is empowered under the Act to undertake the Project (as hereinafter defined); and

WHEREAS, by application to the Agency dated March 26, 2015, as amended June 1, 2015, the Company requested the Agency's assistance in a project (the "Project") consisting of the following: (A) acquisition of Lots 12, 13 and a portion of Lot 11 in the Hancock Airpark for construction of a new 55,000 square foot open concept building located in the Town of Cicero; (B) the establishment of a Payment In Lieu of Tax Agreement (the "PILOT Agreement") for Syracuse Label Co., Inc. (the "Company"), located at Hancock Airpark, Onondaga County, New York and encompassing tax map parcel 057.-02-29.1 (the "Land"); and (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Company; and

WHEREAS, on April 7, 2015 the members of the Agency adopted a resolution (the "Inducement Resolution") whereby the Agency agreed, subject to numerous conditions, to undertake the Project; and

WHEREAS, prior to the adoption of the Inducement Resolution, in compliance with the provisions of Section 859-a of the Act, the Assistant Secretary to the Agency (A) caused notice of a public hearing (the "Public Hearing") of the Agency to hear all persons interested in the Project and the PILOT Agreement being contemplated by the Agency with respect to the Project to be mailed on April 7, 2015 to the chief executive officer of the county and of each city, town, village and school district in which the Project is to be located, (B) caused notice of the Public Hearing to be published on September 6, 2015 in *The Post-Standard*, a newspaper of general circulation available to the residents of the Town of Cicero, (C) conducted the Public Hearing at the Town of Cicero Town Hall located at 8236 Brewerton Road, Onondaga County, New York and (D) prepared a report of the Public Hearing which fairly summarized the views presented at the Public Hearing and distributed same to the members of the Agency; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation law, Chapter 43-B of the Consolidated Laws of New York, as amended (the "SEQR Act"), and the regulations (the "Regulations") adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively, "SEQRA"), the Agency adopted a resolution (the "Environmental Resolution") on May 12, 2015 by which the Agency determined that the Project will not have a significant impact on the environment, and therefore that an environmental impact statement is not required to be prepared with respect to the Project; and

WHEREAS, by resolution adopted by the members of the Agency on June 9, 2015 (the "Closing Resolution"), the Agency determined to grant the PILOT Agreement and to enter into a lease and leaseback agreement (the "Lease Agreement") and certain other documents related thereto and to the Project (collectively with the Lease Agreement, the "Basic Documents"); and

WHEREAS, pursuant to the terms of the Lease Agreement, (A) the Company agreed (1) to cause the Project to be undertaken and completed, (2) as agent of the Agency, to undertake and complete the Project, (3) to lease the Project Facility from the Agency (with an obligation to purchase the Project Facility from the Agency), and (4) to make certain rent payments to the Agency; and (B) the Agency agreed to (1) undertake the Project, (2) appoint the Company as agent of the Agency to undertake and complete the Project, and (3) lease the Facility to the Company (with an obligation to sell the Facility to the Company); and

WHEREAS, under the current provisions of the Act and Section 412-a of the Real Property Tax Law of the State of New York (the "Real Property Tax Law"), the Agency is required to pay no taxes upon any of the property acquired by it or under its jurisdiction or supervision or control; and

WHEREAS, pursuant to the provisions of Section 6.6 of the Lease Agreement, the Company has agreed to make payments in lieu of taxes with respect to the Facility in the amounts set forth below; provided that, so long as this Payment in Lieu of Tax Agreement shall be in effect, the Company shall during the term of this Payment in Lieu of Tax Agreement make payments in

lieu of taxes with respect to the Facility in the amounts and in the manner provided in this Payment in Lieu of Tax Agreement, and during such period the provisions of Section 6.6 of the Lease Agreement shall not control the amounts due as payment in lieu of taxes with respect to the Facility; and

WHEREAS, all things necessary to constitute this Payment in Lieu of Tax Agreement a valid and binding agreement by and between the parties hereto in accordance with the terms hereof have been done and performed, and the creation, execution and delivery of this Payment in Lieu of Tax Agreement have, in all respects, been duly authorized by the Agency and the Company;

NOW, THEREFORE, in consideration of the matters above recited, the parties hereto formally covenant, agree, and bind themselves as follows:

ARTICLE I REPRESENTATIONS AND WARRANTIES

SECTION 1.1. REPRESENTATIONS OF AND WARRANTIES BY THE COMPANY. The Company does hereby represent, warrant and covenant as follows:

(A) Power. The Company is a corporation duly organized and validly existing under the laws of the State of New York, duly authorized to do business in the State of New York, and has the power under the laws of the State of New York to enter into this Payment in Lieu of Tax Agreement and the transactions contemplated hereby and to perform and carry out all covenants and obligations on its part to be performed under and pursuant to this Payment in Lieu of Tax Agreement, and by proper action of members or managers had been duly authorized to execute, deliver and perform this Payment in Lieu of Tax Agreement.

(B) Authorization. The Company is authorized and has the power under its bylaws and the laws of the State of New York to enter into this Payment in Lieu of Tax Agreement and the transactions contemplated hereby and to perform and carry out all covenants and obligations on its part to be performed under and pursuant to this Payment in Lieu of Tax Agreement. By proper action of its shareholders and board of directors, the Company has duly authorized the execution, delivery and performance of this Payment in Lieu of Tax Agreement and the consummation of the transactions herein contemplated.

(C) Conflicts. The Company is not prohibited from entering into this Payment in Lieu of Tax Agreement and discharging and performing all covenants and obligations on its part to be performed under and pursuant to this Payment in Lieu of Tax Agreement by (and the execution, delivery and performance of this Payment in Lieu of Tax Agreement, the consummation of the transactions contemplated hereby and the fulfillment of and compliance with the provisions of this Payment in Lieu of Tax Agreement will not conflict with or violate or constitute a breach of or a default under) the terms, conditions or provisions of its bylaws, or any other restriction, law, rule, regulation or order of any court or other agency or authority of government, or any contractual limitation, restriction or outstanding indenture, deed of trust, mortgage, loan agreement, other evidence of indebtedness or any other agreement or instrument to which the Company is a party or by which the Company or any of its property is bound, and neither the Company's entering into

this Payment in Lieu of Tax Agreement nor the Company's discharging and performing all covenants and obligations on its part to be performed under and pursuant to this Payment in Lieu of Tax Agreement will be in material conflict with or result in a material breach of or constitute (with due notice and/or lapse of time) a material default under any of the foregoing, or result in the creation or imposition of any lien of any nature upon any of the property of the Company under the terms of any of the foregoing, and this Payment in Lieu of Tax Agreement is the legal, valid and binding obligation of the Company enforceable in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and other laws relating to or affecting creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

(D) Governmental Consents. Except for the consents required by the Agency to enter into this agreement, no consent, approval or authorization of, or filing, registration or qualification with, any governmental or public authority on the part of the Company is required as a condition to the execution, delivery or performance of this Payment in Lieu of Tax Agreement by the Company or as a condition to the validity of this Payment in Lieu of Tax Agreement.

SECTION 1.2. REPRESENTATIONS OF AND WARRANTIES BY THE AGENCY. The Agency does hereby represent, warrant and covenant as follows:

(A) Power. The Agency is a public benefit corporation of the State of New York, has been duly established under the provisions of the Act, as validly existing under the provisions of the Act and has the power under the laws of the State of New York to enter into the transactions contemplated by this Payment in Lieu of Tax Agreement and to carry out the transactions contemplated hereby and to perform and carry out all covenants and obligations on its part to be performed under and pursuant to this Payment in Lieu of Tax Agreement hereunder.

(B) Authorization. The Agency is authorized and has the corporate power under the Act, its by-laws and the laws of the State of New York to enter into this Payment in Lieu of Tax Agreement and the transactions contemplated hereby and to perform and carry out all of the covenants and obligations on its part to be performed under and pursuant to this Payment in Lieu of Tax Agreement. By proper corporate action on the part of its members, the Agency has duly authorized the execution, delivery and performance of this Payment in Lieu of Tax Agreement and the consummation of the transactions herein contemplated.

(C) Conflicts. The Agency is not prohibited from entering into this Payment in Lieu of Tax Agreement and discharging and performing all covenants and obligations on its part to be performed under and pursuant to this Payment in Lieu of Tax Agreement by the terms, conditions or provisions of any order, judgment, decree, law, ordinance, rule or regulation of any court or other agency or authority of government, or any agreement or instrument to which the Agency is a party or by which the Agency is bound.

(D) Governmental Consents. The Agency has secured the consent and approval of the Affected Taxing Jurisdictions to the terms and conditions of the Payment in Lieu of Tax Agreement.

ARTICLE II COVENANTS AND AGREEMENTS

SECTION 2.1. TAX-EXEMPT STATUS OF THE FACILITY.

(A) Assessment of the Facility. Pursuant to Section 874 of the Act and Section 412-a of the Real Property Tax Law, the parties hereto understand that, upon acquisition of a leasehold interest in the Facility by the Agency and the filing by the Agency of a New York State Board of Real Property Services Form RP-412-a (a "Real Property Tax Exemption Form") with respect to the Facility, and for so long thereafter as the Agency shall own a leasehold interest in the Facility, the Facility shall be assessed by the various taxing entities having jurisdiction over the Facility, including, without limitation, any county, city, school district, town, village or other political unit or units wherein the Facility is located (the aforementioned Affected Taxing Jurisdictions) as exempt upon the assessment rolls of the respective Affected Taxing Jurisdictions prepared subsequent to the acquisition by the Agency of the Facility and the filing of the Real Property Tax Exemption Forms. The Company shall take such action as may be necessary to ensure that the Facility shall be assessed as exempt upon the assessment rolls of the respective Affected Taxing Jurisdictions prepared subsequent to such acquisition by the Agency, including ensuring that a Real Property Tax Exemption Form shall be filed with the appropriate officer or officers of each respective Affected Taxing Jurisdiction responsible for assessing properties on behalf of each such Affected Taxing Jurisdiction (each such officer being hereinafter referred to as an "Assessor"). For so long thereafter as the Agency shall own the Facility, the Company shall take such further action as may be necessary to maintain such exempt assessment with respect to each Affected Taxing Jurisdiction. The parties hereto understand that the Facility shall not be entitled to such tax-exempt status on the tax rolls of any Affected Taxing Jurisdiction until the first tax year of such Affected Taxing Jurisdiction following the tax status date of such Affected Taxing Jurisdiction occurring subsequent to the date upon which the Agency becomes the owner of record of the Facility and the Real Property Tax Exemption Forms are filed. Pursuant to the provisions of the Lease Agreement, the Company will be required to pay all taxes and assessments lawfully levied and/or assessed against the Facility, including taxes and assessments levied for the current tax year and all subsequent tax years until the Facility shall be entitled to exempt status on the tax rolls of the respective Affected Taxing Jurisdictions. The Agency will cooperate with the Company to obtain and preserve the tax-exempt status of the Facility.

(B) Special Assessments. The parties hereto understand that the tax exemption extended to the Agency by Section 874 of the Act 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. Pursuant to the Lease Agreement, the Company will be required to pay all special assessments and special ad valorem levies lawfully levied and/or assessed against the Facility.

SECTION 2.2. PAYMENTS IN LIEU OF TAXES.

(A) Agreement to Make Payments. The Company agrees that it shall make annual payments in lieu of property taxes, in the amounts hereinafter provided, to the Agency pursuant to

the provisions hereof (the "Total PILOT Payment"). The Total PILOT Payment due hereunder shall be paid by the Company to the Agency for distribution to the appropriate Affected Taxing Jurisdictions entitled to same pursuant to the provisions hereof (the "ATJ Distribution") and with a certain portion thereof returned to the Company or an entity identified by the Company to be distributed amongst the tenants of the Facility, as a refund of over-payment of real property taxes by those tenants, pursuant to the Litigation (the "Refund Amount"). The first year of this Agreement shall relate to the 2016-2017 Liverpool School tax year and the 2016 Salina Town and Onondaga County tax years. The School shall bill for its portion of the Total PILOT Payment based on multiplying the respective annual payment by the percentage equal to the then current School tax. The Town and County will thereafter bill the balance of the annual Total PILOT Payment and allocate said amount between the Town and the County based on the actual tax rates of the Town and County for the respective year to which the payment relates. The School and Town and County will permit payment of the Refund Amount into an account designated from time to time by the Company.

(B) Total Amount of Payments in Lieu of Taxes. The Total PILOT Payment to be paid by the Company to the Agency annually pursuant to the terms of this Payment in Lieu of Tax Agreement has been agreed upon by the parties hereto, as well as the Affected Taxing Jurisdictions, and shall be as follows:

Tax Year Commencing during Fiscal Year which begins after Assessed as Exempt _____	Total PILOT Payment _____
--	---------------------------

(C) ATJ Distribution. The amount to be distributed to the Affected Taxing Jurisdictions pursuant to the terms of this Payment in Lieu of Tax Agreement is as follows:

PILOT

		School District		Town		County		Total PILOT
		Equalization Rate:	1	Equalization Rate:	1	Equalization Rate:	1	
		Base Tax Rate/1000:	22.977847	Base Tax Rate/1000:	3.698800	Base Tax Rate/1000:	5.381600	
		PILOT Value	\$ 2,750,000	PILOT Value	\$2,750,000	PILOT Value	\$2,750,000	
		PILOT rate	PILOT	PILOT rate	PILOT	PILOT rate	PILOT	
1	100%	23.44	\$0	3.77	\$0	5.49	\$0	\$0
2	90%	23.91	\$6,574	3.85	\$1,058	5.60	\$1,540	\$9,172
3	80%	24.38	\$13,411	3.93	\$2,169	5.71	\$3,141	\$18,711
4	70%	24.87	\$20,519	4.00	\$3,303	5.83	\$4,806	\$28,628
5	60%	25.37	\$27,906	4.08	\$4,492	5.94	\$6,536	\$38,934
6	50%	25.88	\$35,581	4.17	\$5,727	6.06	\$8,333	\$49,641
7	40%	26.39	\$43,551	4.25	\$7,010	6.18	\$10,200	\$60,761
8	30%	26.92	\$51,825	4.33	\$8,342	6.31	\$12,138	\$72,306
9	20%	27.46	\$60,413	4.42	\$9,725	6.43	\$14,149	\$84,288
10	10%	28.01	\$69,324	4.51	\$11,159	6.56	\$16,236	\$96,720
			\$329,106		\$52,977		\$77,079	\$459,162

(D) Valuation of Additional Facilities. The value of each Additional Facility, as hereinafter defined, for purposes of determining payments in lieu of taxes due under Section 2.2(G) hereof shall be determined by the Assessors from time to time. The parties hereto agree that the Assessors shall (a) appraise each Additional Facility in the same manner as other similar properties in the general area of the Facility, and (b) place a value for assessment purpose (hereinafter referred to as the "Additional Assessed Value") upon each Additional Facility, equalized if necessary by using the appropriate equalization rates as apply in the assessment and levy for real property taxes. The Company shall be entitled to written notice of the initial establishment of such Additional Assessed Value and of any change in such Additional Assessed Value.

(E) Additional Amounts in Lieu of Taxes. Commencing on the first tax year following the date on which any structural addition shall be made to the Facility or any portion thereof or any additional building or other structure shall be constructed on the Land (each such structural addition, additional building or other structure being hereinafter referred to as an "Additional Facility") the Company agrees to make additional annual payments in lieu on property taxes (such additional payments will only be generated for improvements made after the \$2,750,000 of improvements contemplated herein are completed and are hereinafter collectively referred to as "Additional Payments") to the Agency with respect to each such Additional Facility, such Additional Payments to be computed separately for each Affected Taxing Jurisdiction and tax parcel as follows:

(1) Determine the amount of general taxes and general assessments (hereinafter referred to as the "Normal Tax") upon each Additional Facility which would be payable to each Affected Taxing Jurisdiction if such Additional Facility was owned by the Company and not the Agency as follows: (a) multiply the Additional Assessed Value of each such Additional Facility determined pursuant to subsection (F) of this Section 2.2 by (b) the tax rate or rates of such Affected Taxing Jurisdiction that would be applicable to each such Additional Facility if such Additional Facility was owned by the Company and not the Agency.

(2) In each tax year during the term of this Payment in Lieu of Tax Agreement, commencing in the fiscal tax year when such Additional Facility would first appear on the assessment roll of any Affected Taxing Jurisdiction, the amount payable by the Company to the Agency on behalf of each Affected Taxing Jurisdiction as a payment in lieu of property tax with respect to such Additional Facility pursuant to this Payment in Lieu of Tax Agreement shall be an amount equal to the applicable percentage of the Normal Tax due each Affected Taxing Jurisdiction with respect to such Additional Facility for such tax year determined under Section 2.2(B) and as shown in the following table:

<u>Tax Year Commencing during Fiscal Year when Additional Facility would First Appear on Assessment Roll</u>	<u>Percentage of Normal Tax</u>
1	50%
2	55%
3	60%
4	65%

5	70%
6	75%
7	80%

And thereafter during the term of this Payment in Lieu of Tax Agreement.

If the Company and the Agency desire, the Agency and the Company may enter into a separate written agreement regarding payments in lieu of property taxes with respect to such Additional Facility as provided in Section 5.5, in which case the provisions of such separate written agreement shall control.

(F) Statements. Pursuant to Section 858(15) of the Act, the Agency agrees to give each Affected Taxing Jurisdiction a copy of this Payment in Lieu of Tax Agreement within fifteen (15) days of the execution and delivery hereof, together with a request that a copy hereof be given to the appropriate officer or officers of the respective Affected Taxing Jurisdiction responsible for preparing the tax rolls for said Tax Entities (each, a "Tax Billing Officer").

(G) Time of Payments. The Company agrees to pay the amounts due hereunder to the Agency within the period that each Affected Taxing Jurisdiction allows payment of taxes levied in such fiscal year without penalty. The Company shall be entitled to receive receipts for such payments.

(H) Method of Payment. All payments by the Company hereunder shall be paid to the Agency in lawful money of the United States of America. The Agency shall in turn distribute the amounts so paid to the various Affected Taxing Jurisdictions entitled to same or to the Company for refund to the Facility tenants as the case may be.

(I) Challenge of Assessments.

(1) The Company shall not challenge the Assessed Value of the Facility so long as this Payment in Lieu of Tax Agreement is in effect. However, 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 an to the same extent as if the Company were the owner of the Facility.

(2) With regards to the Facility and any Additional Facility, 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 Additional Facility, with respect to any proposed Additional Assessed Value 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 Additional Assessed Value or the validity or amount of any tax equivalent provided for in this Agreement.

SECTION 2.3. CREDIT FOR TAXES PAID.

(A) Amount of Credit. The parties hereto acknowledge and agree that the obligation of the Company to make the payments provided in Section 2.2 of this Payment in Lieu of Tax Agreement shall be in addition to any and all other taxes and governmental charges of any kind whatsoever which the Company may be required to pay under the Lease Agreement. It is understood and agreed, however, that, should the Company pay in any fiscal tax year to the Agency any amounts in the nature of general property 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 (but not including, by way of example, (1) sales and use taxes, and (2) special assessments, special ad valorem levies or governmental charges in the nature of utility charges, including but not limited to water, solid waste, sewage treatment or sewer or other rents, rates or charges), then the Company's obligation to make payments in lieu of property taxes attributed to such fiscal tax year to the Agency hereunder shall be reduced by the amounts which the Company shall have so paid to the Agency in such fiscal tax year, but there shall be no cumulative or retroactive credit as to any payment in lieu of property taxes due to the Agency in any other fiscal tax year.

(B) Method of Claiming Credits. If the Company desires to claim a credit against any particular payment in lieu of tax due hereunder, the Company shall give the governing body of the Affected Taxing Jurisdiction and the Agency prior written notice of its intention to claim any credit pursuant to the provision of this Section 2.3, said notice to be given by the Company at least thirty (30) days prior to the date on which such payment in lieu of tax is due pursuant to the provisions of Section 2.2(I) hereof. In the event that the governing body of the appropriate Affected Taxing Jurisdiction desires to contest the Company's right to claim such credit, then said governing body, the Agency and the Company shall each select an arbitrator in accordance with the rules of the American Arbitration Association, each of whom shall meet the qualifications set forth in Section 2.2(B) hereof, which arbitrators shall, at the sole cost and expense of the Company, determine whether the Company is entitled to claim any credit pursuant to the provisions of this Section 2.3 and, if so, the amount of the credit to which the Company is entitled. It is understood that the arbitrators are empowered to confirm the amount of the credit claimed by the Company or to determine a lower or higher credit. When the Company shall have given notice, as provided herein, that it claims a credit, the amount of any payment in lieu of property taxes due hereunder against which the credit may be claimed may be withheld (to the extent of the credit claimed by the Company, but only to the extent that such credit may be claimed against said payment in lieu of taxes pursuant to the provisions of this Section 2.3) until the decision of the arbitrators is rendered. After the decision of the arbitrators is rendered, the payment in lieu of taxes due with respect to any reduction or disallowance by the arbitrators in the amount of the credit claimed by the Company shall, to the extent withheld as aforesaid, be immediately due and payable and shall be paid by the Company within thirty (30) days of said decision.

SECTION 2.4. LATE PAYMENTS.

(A) First Month. Pursuant to Section 874(5) of the Act, if the Company shall fail to make any payment required by this Payment in Lieu of Tax Agreement when due, the Company shall pay the same, together with a late payment penalty equal to three percent (3%) of the amount due.

(B) Thereafter, If the Company shall fail to make any payment required by this Payment in Lieu of Tax Agreement when due and such delinquency shall continue beyond the first month, the Company's obligation to make the payment so in default shall continue as an obligation of the Company to the Affected Taxing Jurisdiction until such payment in default shall have been made in full, and the Company shall pay the same to the Affected Taxing Jurisdiction together with (1) a late payment penalty of one percent (1%) per month for each month, or part thereof, that the payment due hereunder is delinquent beyond the first month, plus (2) interest thereon, to the extent permitted by law, at the greater of (a) one percent (1%) per month, or (b) the rate per annum which would be payable if such amount were delinquent taxes, until so paid in full.

SECTION 2.5. RECAPTURE. In the event that (a) the Project Facility is sold or closed or (b) the number of jobs at the Project Facility is reduced below 75% of the number employed at the time of application or below 75% of the employment projections provided by the Company to the Agency and no substantial future economic benefit is likely to accrue to the community, (each, a "Recapture Event"), the Company shall pay to the Agency, based on the formula set forth below, a portion of the Aggregate Tax Savings which the Company realized as a result of the Agency undertaking the Project. For purposes of this Section, "Aggregate Tax Savings" shall mean the amount by which the real property taxes which the Company would have paid if the Facility Premises were owned by the Company and not deemed owned by or under the jurisdiction or control or supervision of the Agency exceeds the payments in lieu of taxes actually paid by the Company.

<u>Date of Recapture Event</u>	<u>Percentage of Aggregate Tax Savings Recaptured</u>
Year 1	75%
Year 2	60%
Year 3	40%
Year 4	20%
Year 5	0%

ARTICLE III LIMITED OBLIGATION

SECTION 3.1. NO RECOURSE; LIMITED OBLIGATION OF THE AGENCY.

(A) No Recourse. All obligations, covenants, and agreements of the Agency contained in this Payment in Lieu of Tax Agreement shall be deemed to be the obligations, covenants and agreements of the Agency and not of any member, officer, agent, servant or employee of the Agency in his or her individual capacity, and no recourse under or upon any obligation, covenant or agreement contained in this Payment in Lieu of Tax Agreement, or otherwise based upon or in respect of this Payment in Lieu of Tax Agreement, or for any claim based thereon or otherwise in respect thereof, shall be had against any past, present or future member, officer, agent (other than the Company), servant or employee, as such, of the Agency or any successor public benefit corporation or political subdivision or any person executing this Payment in Lieu of Tax Agreement on behalf of the Agency, either directly or through the Agency or any successor public

benefit corporation or political subdivision or any person so executing this Payment in Lieu of Tax Agreement, it being expressly understood that this Payment in Lieu of Tax Agreement is a corporate obligation, and that no such personal liability whatever shall attach to, or is or shall be incurred by, any such member, officer, agent (other than the Company), servant or employee of the Agency or of any successor public benefit corporation or political subdivision or any person so executing this Payment in Lieu of Tax Agreement under or by reason of the obligations, covenants or agreements contained in this Payment in Lieu of Tax Agreement or implied therefrom; and that any and all such personal liability of, and any and all such rights and claims against, every such member, officer, agent (other than the Company), servant or employee under or by reason of the obligations, covenants or agreements contained in this Payment in Lieu of Tax Agreement or implied therefrom are, to the extent permitted by law, expressly waived and released as a condition of, and as a consideration for, the execution of this Payment in Lieu of Tax Agreement by the Agency.

(B) Limited Obligation. The obligations, covenants and agreements of the Agency contained herein shall not constitute or give rise to an obligation of the State of New York or Onondaga County, New York, and neither the State of New York nor Onondaga County, New York shall be liable thereon and, further, such obligations, covenants 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 Premises (except for revenues derived by the Agency with respect to the Unassigned Rights, as defined in the Lease Agreement).

(C) Further Limitation. Notwithstanding any provision of this Payment in Lieu of Tax Agreement to the contrary, the Agency shall not be obligated to take any action pursuant to any provision hereof unless (1) the Agency shall have been requested to do so in writing by the Company, and (2) if compliance with such request is reasonably expected to result in the incurrence by the Agency (or any of its members, officers, agents, servants or employees) of any liability, fees, expenses or other costs, the Agency shall have received from the Company security or indemnity and an agreement from the Company to defend and hold harmless the Agency satisfactory to the Agency for protection against all such liability, however remote, and for the reimbursement of all such fees, expenses and other costs.

ARTICLE IV EVENTS OF DEFAULT

SECTION 4.1. EVENTS OF DEFAULT. Any one or more of the following events shall constitute an event of default under this Payment in Lieu of Tax Agreement, and the terms "Event of Default" or "default" shall mean, whenever they are used in this Payment in Lieu of Tax Agreement, any one or more of the following events:

(A) Failure of the Company to pay any amount due and payable by the Company pursuant to this Payment in Lieu of Tax Agreement and continuance of said failure for a period of thirty (30) days after written notice to the Company stating that such payment is due and payable;

(B) Failure of the Company to materially observe and perform any other covenant, condition or agreement on its part to be observed and performed hereunder (other than as referred to in paragraph (A) above) and continuance of such failure for a period of thirty (30) days after written notice to the Company specifying the nature of such failure and requesting that it be remedied; provided that if such default cannot reasonably be cured within such thirty (30) day period and if the Company shall have commenced action to cure the breach of covenant, condition or agreement within said thirty (30) day period and thereafter diligently and expeditiously proceeds to cure the same, such thirty (30) day period shall be extended for so long as the Company shall require in the exercise of due diligence to cure such default, it being agreed that no such extension shall be for a period in excess of ninety (90) days in the aggregate from the date of default; or

(C) Any warranty, representation or other statement by or on behalf of the Company contained in this Payment in Lieu of Tax Agreement shall prove to have been false or incorrect in any material respect on the date when made or on the effective date of this Payment in Lieu of Tax Agreement and (1) shall be materially adverse to the Agency at the time when the notice referred to below shall have been given to the Company and (2) if curable, shall not have been cured within thirty (30) days after written notice of such incorrectness shall have been given to a responsible officer of the Company, provided that if such correctness cannot reasonably be cured within said thirty-day period and the Company shall have commenced action to cure the incorrectness within said thirty-day period and the Company shall have commenced action to cure the incorrectness within said thirty-day period and, thereafter, diligently and expeditiously proceeds to cure the same, such thirty-day period shall be extended for so long as the Company shall require, in the exercise of due diligence, to cure such default.

SECTION 4.2. REMEDIES ON DEFAULT.

(A) General. Whenever any Event of Default shall have occurred with respect to this Payment in Lieu of Tax Agreement, the Agency (or if such Event of Default concerns a payment required to be made hereunder to any Affected Taxing Jurisdiction, then with respect to such Event of Default such Affected Taxing Jurisdiction) may take whatever action at law or in equity as may appear necessary or desirable to collect the amount then in default or to enforce the performance and observance of the obligations, agreements and covenants of the Company under this Payment in Lieu of Tax Agreement.

(B) Cross-Default. In addition, an Event of Default hereunder shall constitute an event of default under Article X of the Lease Agreement. Upon the occurrence of an Event of Default hereunder resulting from a failure of the Company to make any payment required hereunder, the Agency shall have, as a remedy therefor under the Lease Agreement, among other remedies, the right to terminate the Lease Agreement and convey the Facility to the Company, thus subjecting the Facility to immediate full taxation pursuant to Section 520 of the Real Property Tax Law of the State.

(C) Separate Suits. Each such Event of Default shall give rise to a separate cause of action hereunder and separate suits may be brought hereunder as each cause of action arises.

(D) Venue. The Company irrevocably agrees that any suit, action or other legal proceeding arising out of this Payment in Lieu of Tax Agreement may be brought in the courts of record of the State, consents to the jurisdiction of each such court in any such suit, action or proceeding, and waives any objection which it may have to the laying of the venue of any such suit, action or proceeding in any of such courts.

SECTION 4.3. PAYMENT OF ATTORNEYS' FEES AND EXPENSES. Pursuant to Section 874(6) of the Act, if the Company should default in performing any of its obligations, covenants or agreements under this Payment in Lieu of Tax Agreement and the Agency or any Affected Taxing Jurisdiction should employ attorneys or incur other expenses for the collection of any amounts payable hereunder or for the enforcement of performance or observance of any obligation, covenant or agreement on the part of the Company herein contained, the Company agrees that it will, on demand therefor, pay to the Agency or such Affected Taxing Jurisdiction, as the case may be, not only the amounts adjudicated due hereunder, together with the late payment penalty and interest due thereon, but also the reasonable fees and disbursements of such attorneys and all other reasonable expenses, costs and disbursements so incurred, whether or not an action is commenced.

SECTION 4.4. REMEDIES; WAIVER AND NOTICE.

(A) No Remedy Exclusive. No remedy herein conferred upon or reserved to the Agency or any Affected Taxing Jurisdiction is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Payment in Lieu of Tax Agreement or now or hereafter existing at law or in equity or by statute.

(B) Delay. No delay or omission in exercising any right or power accruing upon the occurrence of any Event of Default hereunder shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient.

(C) Notice Not Required. In order to entitle the Agency or any Affected Taxing Jurisdiction to exercise any remedy reserved to it in this Payment in Lieu of Tax Agreement, it shall not be necessary to give any notice, other than such notice as may be expressly required in this Payment in Lieu of Tax Agreement.

(D) No Waiver. In the event any provision contained in this Payment in Lieu of Tax Agreement should be breached by any party and thereafter duly waived by the other party so empowered to act, such waiver shall be limited to the particular breach so waived and shall not be deemed to be a waiver of any other breach hereunder. No waiver, amended, release or modification of this Payment in Lieu of Tax Agreement shall be established by conduct, custom or course of dealing.

ARTICLE V MISCELLANEOUS

SECTION 5.1. TERM. This Payment in Lieu of Tax Agreement shall become effective and the obligations of the Company shall arise absolutely and unconditionally upon the approval of this Payment in Lieu of Tax Agreement by resolution of the Agency and the execution and delivery of this Payment in Lieu of Tax Agreement by the Company and the Agency (the "Effective Date"). Unless otherwise provided by amendment hereof and subject to the provisions of Section 5.1(B) below, this Payment in Lieu of Tax Agreement shall continue to remain in effect as to any particular tax parcel incorporated in the Facility until the earlier to occur of (1) December 31, 2021, or (2) the date on which the tax parcel is reconveyed by the Agency to the Company pursuant to the Lease Agreement.

SECTION 5.2. FORM OF PAYMENTS. The amounts payable under this Payment in Lieu of Tax Agreement shall be payable in such coin and currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts.

SECTION 5.3. COMPANY ACTS. Where the Company is required to do or accomplish any act or thing hereunder, the Company may cause the same to be done or accomplished with the same force and effect as if done or accomplished by the Company.

SECTION 5.4. AMENDMENTS. This Payment in Lieu of Tax Agreement may not be effectively amended, changed, modified, altered or terminated except by an instrument in writing executed by the parties hereto.

SECTION 5.5. RELEASE. The parties to this Payment in Lieu of Tax Agreement acknowledged and agree that portions of the Premises may be released from the terms and conditions of this Payment in Lieu of Tax Agreement including the Mortgage PILOT upon the request of the Company, at such time that the real property tax benefit provided herein has expired. Additionally, at the request of the Company, the Agency and the Company shall enter into a separate payment in lieu of tax agreement for a tax parcel and thereupon such tax parcel shall be released from the terms and conditions of this Payment in Lieu of Tax Agreement.

SECTION 5.6. NOTICES.

(A) General. All notices, certificates or other communications hereunder shall be in writing and may be personally served, telecopied or sent by courier service or United States mail and shall be sufficiently given and shall be deemed given when (1) sent to the applicable address stated below by United States registered or certified mail, postage prepaid, return receipt requested, or by such other means as shall provide the sender with documentary evidence of such delivery, or (2) delivery is refused by the addressee, as evidenced by the affidavit of the person who attempt to effect such delivery.

(B) Notices Given by Taxing Entities. Notwithstanding the foregoing, notices of assessment or reassessment of the Project Facility and other notices given by an Affected Taxing Jurisdiction under Article II hereof shall be sufficiently given and shall be deemed given when by

the Affected Taxing Jurisdiction in the same manner in which similar notices are given to owners of taxable properties by such Affected Taxing Jurisdiction.

(C) Addresses. The addresses to which notices, certificates and other communications hereunder shall be delivered are as follows:

IF TO THE AGENCY:

Onondaga County Industrial Development Agency
333 West Washington Street, Room 130
Syracuse, New York 13202
Attention: Julie Cerio, Executive Director

WITH A COPY TO:

Gilberti Stinziano Heintz & Smith, P.C.
555 East Genesee Street
Syracuse, New York 13202
Attention: Anthony P. Rivizzigno, Esq.

TO THE COMPANY:

Syracuse Label Co., Inc.
110 Luther Avenue
Liverpool, New York 13088
Attention: Kathleen Alaimo, President

WITH A COPY TO:

Hancock Estabrook, LLP
100 East Washington Street
Syracuse, New York 13202
Attention: Warren Wolfson, Esq.

(D) Copies. A copy of any notice given hereunder by the Company which affects in any way a Taxing Entity shall also be given to the chief executive officer of such Affected Taxing Jurisdiction.

(E) Change of Address. The Agency, the Company or any Affected Taxing Jurisdiction may, by notice given hereunder, designate any further or different address to which subsequent notices, certificates or other communications to them shall be sent.

SECTION 5.7. BINDING EFFECT. This Payment in Lieu of Tax Agreement shall inure to the benefit of, and shall be binding upon, the Agency, the Company and their respective successors and assigns. The provisions of this Payment in Lieu of Tax Agreement are intended to be for the benefit of the Agency and the respective Affected Taxing Jurisdictions.

SECTION 5.8. SEVERABILITY. If any article, section, subdivision, paragraph, sentence, clause, phrase, provision or portion of this Payment in Lieu of Tax Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction, such article, section, subdivision, paragraph, sentence, clause, phrase, provision or portion so adjudged invalid, illegal or unenforceable shall be deemed separate, distinct and independent and the remainder of this Payment in Lieu of Tax Agreement shall be and remain in full force and effect and shall not be invalidated or rendered illegal or unenforceable or otherwise affected by such holding or adjudication.

SECTION 5.9. COUNTERPARTS. This Payment in Lieu of Tax Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 5.10. APPLICABLE LAW. This Payment in Lieu of Tax Agreement shall be governed by and construed in accordance with the laws of the State of New York.

IN WITNESS WHEREOF, the Agency and the Company have caused this Payment in Lieu of Tax Agreement to be executed in their respective names by duly authorized officers thereof, all being done as of the date first above written.

**ONONDAGA COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

By: 

Name: Julie Cerio

Title: Executive Director

SYRACUSE LABEL CO., INC.

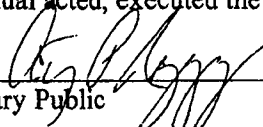
By: 

Name: Kathleen Alaimo

Title: President

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

On the 1st day of December in the year 2015, before me, the undersigned, personally appeared JULIE CERIO, 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 acknowledges to be that she executed the same in her capacity, and that by her signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

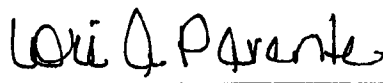


Notary Public

ANTHONY P. RIVZIGNO
Notary Public, State of New York
No. 02RI6060653
Qualified in Onondaga County
Commission Expires June 25, 2019

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

On the 21st day of December in the year 2015, before me, the undersigned, personally appeared KATHLEEN ALAIMO, 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 acknowledges to be that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.



Notary Public

LORI A. PAVENTE
Notary Public in the State of New York
No. 01PA4919776
Qualified in Onondaga County 2018
My Commission Expires February 8, 2018

EXHIBIT A-II

Second Omnibus Amendment of Financing Documents

[See Transcript Item Number 6]

EXHIBIT B

Form of Sub-Agent Appointment Agreement

THIS SUB-AGENT APPOINTMENT AGREEMENT (the "Agreement"), dated as of _____, 20__, is by and between SYRACUSE LABEL CO., INC., a corporation of the State of New York, having an office for the transaction of business at 200 Stewart Drive, North Syracuse, New York 13212 (the "Company"), and [NAME OF SUB-AGENT], a _____ of the State of New York, having an office for the transaction of business at _____ (the "Sub-Agent").

WITNESSETH:

WHEREAS, the Onondaga County Industrial Development Agency (the "Issuer") was created by Chapter 435 of the Laws of 1970 of the State of New York (the "State") and Chapter 676 of the Laws of 1975 of the State of New York, as amended pursuant to Title 1 of Article 18-A of the General Municipal Law 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 (the "State"); and

WHEREAS, by resolution of its members adopted on November 29, 2018 (the "Approving Resolution"), the Issuer authorized the Company to act as its agent for the purposes of undertaking a project for the benefit of the Company (the "2019 Project") consisting of: acquisition or retention of an interest in approximately 6 acres of land located at 200 Stewart Drive (tax map no. 057.-02-40.0) in the Town of Cicero, Onondaga County, New York (the "Land"); (2) the construction of an approximately 23,000 square foot addition to, and reconstruction of, an existing approximately 60,000 square foot building (as expanded and renovated, the "2019 Building") located on the Land; and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property (collectively, the "2019 Equipment") (the Land, the 2019 Building and the 2019 Equipment being collectively referred to as the "2019 Project Facility"), such 2019 Project Facility to be used by the Company for manufacturing supply pressure sensitive labels, shrink sleeves, cartons, hang tags, roll fed-wrap labels, flexible packaging and other printed products; (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales and use taxes and real property taxes (subject to the limitations imposed by the Act) (collectively, the "2019 Financial Assistance"); and (C) the lease (with an obligation to purchase) or sale of the 2019 Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Issuer; and

WHEREAS, by the Approving Resolution, the Issuer delegated to the Company the authority to appoint sub-agents subject to the execution of a project agreement by and among the Company and the Issuer and compliance with the terms set forth therein;

WHEREAS, the Company and the Issuer entered into a Project Agreement by and between the Company and the Issuer dated as of August 1, 2019 (the "Project Agreement");

NOW, THEREFORE, the parties hereto hereby agree as follows:

1. The Company hereby appoints the Sub-Agent as an agent of the Issuer for the purpose of assisting the Company and the Issuer in the completion of the 2019 Project and benefitting from the State and local sales and use tax exemption relative to expenditures made in furtherance thereof. The Sub-Agent is only an agent of the Issuer for the aforementioned purposes. The Sub-Agent hereby agrees to limit its activities as agent for the Issuer under the authority of this Agreement to acts reasonably related to the completion of the 2019 Project Facility.

2. The Sub-Agent covenants, agrees and acknowledges:

a. To make all records and information regarding State and local sales and use tax exemption benefits claimed by it in connection with the 2019 Project available to the Company and the Issuer upon request. The Sub-Agent agrees to comply with all procedures and policies established by the State Department of Taxation and Finance, or any similar entity, regarding the documenting or reporting of any State and local sales and use tax exemption benefits, including providing to the Company all information of the Sub-Agent necessary for the Company to complete the State Department of Taxation and Finance's "Annual Report of Sales and Use Tax Exemptions" (Form ST-340).

b. To be bound by and comply with the terms and conditions of Section 875(3) of the Act as if such section were fully set forth herein. Without limiting the scope of the foregoing, the Sub-Agent acknowledges that pursuant to Section 875(3) of the Act, the Issuer shall recover, recapture, receive or otherwise obtain from the Sub-Agent the portion of the Financial Assistance (the "Recapture Amount") consisting of: (1) (a) that portion of the State sales and use tax exemption claimed by the Sub-Agent to which the Sub-Agent was not entitled, which is in excess of the amount of the State sales and use tax exemption authorized by the Issuer or which is for property or services not authorized by the Issuer; or (b) the full amount of such State sales and use tax exemption claimed by the Sub-Agent, if the Sub-Agent fails to comply with a material term or condition regarding the use of the property or services as represented to the Issuer in the application to the Issuer in regard to the 2019 Project or otherwise; and (2) any interest or penalties thereon imposed by the Issuer or by operation of law or by judicial order or otherwise.

c. That the failure of the Sub-Agent to promptly pay such Recapture Amount to the Issuer will be grounds for the State Commissioner of Taxation and Finance to collect sales and use taxes from the Sub-Agent under Article 28 of the Tax Law, together with interest and penalties. In addition to the foregoing, the Sub-Agent acknowledges and agrees that for purposes of exemption from State sales and use taxation, "sales and use taxation" shall mean sales and compensating use taxes and fees imposed by article twenty-eight or twenty-eight-A of the Tax Law but excluding such taxes imposed in a city by section eleven hundred seven or eleven hundred eight of such article twenty-eight.

d. That all purchases made by the Sub-Agent in connection with the 2019 Project shall be made using "IDA Agent or Project Operator Exempt Purchase Certificate" (Form ST-123, a copy of which is attached hereto as Exhibit A), and it shall be the responsibility of the Sub-Agent (and not the Issuer) to complete Form ST-123. The Sub-Agent acknowledges and agrees that it shall identify the 2019 Project on each bill and invoice for such purchases and further indicate on such bills or invoices that the Sub-Agent is making purchases of tangible personal property or services for use in the 2019 Project as agent of the Issuer. For purposes of indicating who the purchaser is, the Sub-Agent acknowledges and agrees that the bill of invoice should state, "I, [NAME OF SUB-AGENT], certify that I am a duly appointed agent of the Onondaga County Industrial Development Agency and that I am purchasing the tangible personal property or services for use in the following IDA project and that such purchases qualify as exempt from sales and use taxes under my Sub-Agent Appointment Agreement." The Sub-Agent further acknowledges and agrees that the following information shall be used by the Sub-Agent to identify the 2019 Project on each bill and invoice: Syracuse Label Co., Inc. Project; 200 Stewart Drive, Town of Cicero, Onondaga County, New York; IDA Project No.: 3101-18-05B.

e. That the Sub-Agent shall indemnify and hold the Issuer harmless from all losses, expenses, claims, damages and liabilities arising out of or based on labor, services, materials and supplies, including equipment, ordered or used in connection with the 2019 Project Facility (including any expenses incurred by the Issuer in defending any claims, suits or actions which may arise as a result of any of the foregoing), for such claims or liabilities that arise as a result of the Sub-Agent acting as agent for the Issuer pursuant to this Agreement or otherwise.

The Sub-Agent shall indemnify and hold the Issuer, its members, officers, employees and agents and anyone for whose acts or omissions the Issuer or any one of them may be liable, harmless from all claims and liabilities for loss or damage to property or any injury to or death of any person that may be occasioned subsequent to the date hereof by any cause whatsoever in relation only to Sub-Agent's work on or for the 2019 Project Facility, including any expenses incurred by the Issuer in defending any claims, suits or actions which may arise as a result of the foregoing.

The foregoing defenses and indemnities shall survive expiration or termination of this Agreement and 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 Issuer, its members, officers, employees and agents, anyone under the direction and control of any of them, or anyone for whose acts or omissions the Issuer 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.

f. That as agent for the Issuer or otherwise, the Sub-Agent will comply at the Sub-Agent's sole cost and expense with all the requirements of all federal, state and local laws, rules and regulations of whatever kind and howsoever denominated applicable to the Sub-Agent with respect to the 2019 Project Facility.

g. That Section 875(7) of the Act requires the Issuer to post on its website all resolutions and agreements relating to the Sub-Agent's appointment as an agent of the Issuer or otherwise related to the 2019 Project, including this Agreement, and that Public Officers Law Article 6 declares that all records in the possession of the Issuer (with certain limited exceptions) are open to public inspection and copying. If the Sub-Agent feels that there is information about the Sub-Agent in the Issuer's possession which are in the nature of trade secrets or information, the nature of which is such that if disclosed to the public or otherwise widely disseminated would cause substantial injury to the Sub-Agent's competitive position, the Sub-Agent must identify such elements in writing, supply same to the Issuer prior to or contemporaneously with the execution hereof and request that such elements be kept confidential in accordance with Public Officers Law Article 6. Failure to do so will result in the posting by the Issuer of all information in accordance with Section 875 of the Act.

3. Failure of the Sub-Agent to comply with any of the provisions of this Agreement shall result in the immediate nullification of the appointment of the Sub-Agent and the immediate termination of this Agreement and may result in the loss of the Sub-Agent's or the Company's State and local sales and use tax exemption with respect to the 2019 Project at the sole discretion of the Issuer. In addition, such failure may result in the recapture of the State and local sales and use taxes avoided.

4. The Company acknowledges that the assumption of certain obligations by the Sub-Agent in accordance with this Agreement does not relieve the Company of its obligations under any provisions of the Approving Resolution, the Installment Sale Agreement, as amended, by and between the Company and the Issuer dated as of August 1, 2019, the 2019 Project Agreement or of any other agreement entered into by the Company in connection with the 2019 Project.

5. The Company and the Sub-Agent agree that the Issuer is a third-party beneficiary of this Agreement.

6. This Agreement shall be in effect until the earlier of: (i) the completion of the work on the 2019 Project by the Sub-Agent; or (ii) the Sub-Agent's loss of status as an agent of the Issuer as set forth herein. Notwithstanding the foregoing, the provisions of Sections 2(b), 2(c) and 2(e) shall survive the termination of this Agreement.

[NO FURTHER TEXT ON THIS PAGE]

IN WITNESS WHEREOF, the Company and the Sub-Agent have caused this Agreement to be executed in their respective names by their respective duty authorized officers, all as of the day and year first above written.

SYRACUSE LABEL CO., INC.
a New York corporation

By: _____
Kathy Alaimo
President

[NAME OF SUB-AGENT]

By: _____
Name:
Title:

Exhibit A to Sub-Agent Appointment Agreement

Form ST-123
(see attached)

**IDA Agent or Project Operator
Exempt Purchase Certificate****Effective for projects beginning on or after June 1, 2014**

This certificate is not valid unless all entries have been completed.

Note: To be completed by the purchaser and given to the seller. Do not use this form to purchase motor fuel or diesel motor fuel exempt from tax. See Form FT-123, *IDA Agent or Project Operator Exempt Purchase Certificate for Fuel*.

Name of seller	Name of agent or project operator
Street address	Street address
City, town, or village State ZIP code	City, town, or village State ZIP code
Agent or project operator sales tax ID number (<i>see instructions</i>)	

Mark an **X** in one: ☐ Single-purchase certificate ☐ Blanket-purchase certificate (valid only for the project listed below)**To the seller:**

You must identify the project on each bill and invoice for such purchases and indicate on the bill or invoice that the IDA or agent or project operator of the IDA was the purchaser.

Project information

I certify that I am a duly appointed agent or project operator of the named IDA and that I am purchasing the tangible personal property or services for use in the following IDA project and that such purchases qualify as exempt from sales and use taxes under my agreement with the IDA.

Name of IDA		
Name of project	IDA project number (<i>use OSC number</i>)	
Street address of project site		
City, town, or village	State	ZIP code
Enter the date that you were appointed agent or project operator (<i>mm/dd/yy</i>)	/	/
Enter the date that agent or project operator status ends (<i>mm/dd/yy</i>)	/	/

Exempt purchases*(Mark an X in boxes that apply)*

- ☐ A. Tangible personal property or services (other than utility services and motor vehicles or tangible personal property installed in a qualifying motor vehicle) used to complete the project, but not to operate the completed project
- ☐ B. Certain utility services (gas, propane in containers of 100 pounds or more, electricity, refrigeration, or steam) used to complete the project, but not to operate the completed project
- ☐ C. Motor vehicle or tangible personal property installed in a qualifying motor vehicle

Certification: I certify that the above statements are true, complete, and correct, and that no material information has been omitted. I make these statements and issue this exemption certificate with the knowledge that this document provides evidence that state and local sales or use taxes do not apply to a transaction or transactions for which I tendered this document and that willfully issuing this document with the intent to evade any such tax may constitute a felony or other crime under New York State Law, punishable by a substantial fine and a possible jail sentence. I understand that this document is required to be filed with, and delivered to, the vendor as agent for the Tax Department for the purposes of Tax Law section 1838 and is deemed a document required to be filed with the Tax Department for the purpose of prosecution of offenses. I also understand that the Tax Department is authorized to investigate the validity of tax exclusions or exemptions claimed and the accuracy of any information entered on this document.

Signature of purchaser or purchaser's representative (<i>include title and relationship</i>)	Date
Type or print the name, title, and relationship that appear in the signature box	

Instructions

To the purchaser

You may use Form ST-123 if you:

- have been appointed as an agent or project operator by an industrial development agency (IDA) and
- the purchases qualify for exemption from sales and use tax as described in the IDA contract.

You may use Form ST-123 as a single-purchase certificate or as a blanket certificate covering the first and subsequent purchases qualifying for the project listed.

Agent or project operator sales tax ID number — If you are registered with the Tax Department for sales tax purposes, you must enter your sales tax identification number on this certificate. If you are not required to be registered, enter *N/A*.

Industrial development agencies and authorities (IDAs) are public benefit corporations under General Municipal Law Article 18-A and the Public Authorities Law, for the purpose of promoting, developing, encouraging, and assisting in the acquisition, construction, reconstruction, improvement, maintenance, equipping, and furnishing of industrial, manufacturing, warehousing, commercial, research, and recreational facilities in New York State.

IDAs are exempt from the payment of sales and use tax on their purchases, in accordance with Tax Law section 1116(a)(1). However, IDAs do not normally make direct purchases for projects. Commonly, IDAs instead appoint a business enterprise or developer, contractor, or subcontractor as its agent or project operator. Such purchases made by the agent or project operator, acting within the authority granted by the IDA, are deemed to be made by the IDA and therefore exempt from tax.

Example 1: IDA agreement with its agent or project operator states that contractor X may make all purchases of materials and equipment necessary for completion of the project, as agent for the IDA. Contractor X rents a backhoe and a bulldozer for site preparation, purchases concrete and lumber to construct a building, and purchases machinery to be installed in the building. All these purchases by contractor X as agent of the IDA are exempt from tax.

Example 2: IDA agreement with its agent or project operator states that contractor X may make all purchases of materials and equipment to be incorporated into the project, as agent for the IDA. Contractor X makes the same purchases as in Example 1. Since the concrete, lumber, and machinery will actually be incorporated into the project, contractor X may purchase these items exempt from tax. However, rental of the backhoe and bulldozer is not exempt since these transactions are normally taxable and the IDA agreement does not authorize contractor X to make such rentals as agent of the IDA.

A contractor or subcontractor not appointed as agent or project operator of an IDA must present suppliers with Form ST-120.1, *Contractor Exempt Purchase Certificate*, when making purchases that are ordinarily exempt from tax in accordance with Tax Law sections 1115(a)(15) and 1115(a)(16). For more information, see Form ST-120.1.

Exempt purchases

To qualify, the purchases must be made within the authority granted by the IDA and used to complete the project (not to operate the completed project).

- Mark box A to indicate you are purchasing tangible personal property and services (other than utility services and motor vehicles or tangible personal property installed in a qualifying motor vehicle) exempt from tax.
- Mark box B to indicate you are purchasing certain consumer utility services used in completing the project exempt from tax. This includes gas, electricity, refrigeration, and steam; and gas, electric, refrigeration, and steam services.
- Mark box C to indicate you are purchasing a motor vehicle or tangible personal property related to a qualifying motor vehicle exempt from tax.

Misuse of this certificate

Misuse of this exemption certificate may subject you to serious civil and criminal sanctions in addition to the payment of any tax and interest due. These include:

- A penalty equal to 100% of the tax due;
- A \$50 penalty for each fraudulent exemption certificate issued;
- Criminal felony prosecution, punishable by a substantial fine and a possible jail sentence; and
- Revocation of your *Certificate of Authority*, if you are required to be registered as a vendor. See TSB-M-09(17)S, *Amendments that Encourage Compliance with the Tax Law and Enhance the Tax Department's Enforcement Ability*, for more information.

To the seller

When making purchases as agent or project operator of an IDA, the purchaser must provide you with this exemption certificate with all entries completed to establish the right to the exemption. You **must** identify the project on each bill and invoice for such purchases and indicate on the bill or invoice that the IDA or agent or project operator of the IDA was the purchaser.

As a New York State registered vendor, you may accept an exemption certificate in lieu of collecting tax and be protected from liability for the tax if the certificate is valid. The certificate will be considered valid if it is:

- accepted in good faith;
- in your possession within 90 days of the transaction; and
- properly completed (all required entries were made).

An exemption certificate is accepted in good faith when you have no knowledge that the exemption certificate is false or is fraudulently given, and you exercise reasonable ordinary due care. If you do not receive a properly completed certificate within 90 days after the delivery of the property or service, you will share with the purchaser the burden of proving the sale was exempt.

You must also maintain a method of associating an invoice (or other source document) for an exempt sale with the exemption certificate you have on file from the purchaser. You must keep this certificate at least three years after the due date of your sales tax return to which it relates, or the date the return was filed, if later.

Privacy notification

New York State Law requires all government agencies that maintain a system of records to provide notification of the legal authority for any request, the principal purpose(s) for which the information is to be collected, and where it will be maintained. To view this information, visit our Web site, or, if you do not have Internet access, call and request Publication 54, *Privacy Notification*. See *Need help?* for the Web address and telephone number.

Need help?



Visit our Web site at **www.tax.ny.gov**

- get information and manage your taxes online
- check for new online services and features



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EXHIBIT C

Form ST-123
(see attached)



IDA Agent or Project Operator

Exempt Purchase Certificate

Effective for projects beginning on or after June 1, 2014

ST-123

(7/14)

This certificate is not valid unless all entries have been completed.

Note: To be completed by the purchaser and given to the seller. Do not use this form to purchase motor fuel or diesel motor fuel exempt from tax. See Form FT-123, *IDA Agent or Project Operator Exempt Purchase Certificate for Fuel*.

Name of seller	Name of agent or project operator
Street address	Street address
City, town, or village	City, town, or village
State	State
ZIP code	ZIP code
Agent or project operator sales tax ID number (<i>see instructions</i>)	

Mark an **X** in one: ☐ Single-purchase certificate ☐ Blanket-purchase certificate (valid only for the project listed below)**To the seller:**

You must identify the project on each bill and invoice for such purchases and indicate on the bill or invoice that the IDA or agent or project operator of the IDA was the purchaser.

Project information

I certify that I am a duly appointed agent or project operator of the named IDA and that I am purchasing the tangible personal property or services for use in the following IDA project and that such purchases qualify as exempt from sales and use taxes under my agreement with the IDA.

Name of IDA		
Name of project	IDA project number (<i>use OSC number</i>)	
Street address of project site		
City, town, or village	State	ZIP code
Enter the date that you were appointed agent or project operator (<i>mm/dd/yy</i>)	/	/
Enter the date that agent or project operator status ends (<i>mm/dd/yy</i>)	/	/

Exempt purchases(Mark an **X** in boxes that apply)

- ☐ A. Tangible personal property or services (other than utility services and motor vehicles or tangible personal property installed in a qualifying motor vehicle) used to complete the project, but not to operate the completed project
- ☐ B. Certain utility services (gas, propane in containers of 100 pounds or more, electricity, refrigeration, or steam) used to complete the project, but not to operate the completed project
- ☐ C. Motor vehicle or tangible personal property installed in a qualifying motor vehicle

Certification: I certify that the above statements are true, complete, and correct, and that no material information has been omitted. I make these statements and issue this exemption certificate with the knowledge that this document provides evidence that state and local sales or use taxes do not apply to a transaction or transactions for which I tendered this document and that willfully issuing this document with the intent to evade any such tax may constitute a felony or other crime under New York State Law, punishable by a substantial fine and a possible jail sentence. I understand that this document is required to be filed with, and delivered to, the vendor as agent for the Tax Department for the purposes of Tax Law section 1838 and is deemed a document required to be filed with the Tax Department for the purpose of prosecution of offenses. I also understand that the Tax Department is authorized to investigate the validity of tax exclusions or exemptions claimed and the accuracy of any information entered on this document.

Signature of purchaser or purchaser's representative (<i>include title and relationship</i>)	Date
Type or print the name, title, and relationship that appear in the signature box	

Instructions

To the purchaser

You may use Form ST-123 if you:

- have been appointed as an agent or project operator by an industrial development agency (IDA) and
- the purchases qualify for exemption from sales and use tax as described in the IDA contract.

You may use Form ST-123 as a single-purchase certificate or as a blanket certificate covering the first and subsequent purchases qualifying for the project listed.

Agent or project operator sales tax ID number — If you are registered with the Tax Department for sales tax purposes, you must enter your sales tax identification number on this certificate. If you are not required to be registered, enter *N/A*.

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EXHIBIT D

Form of Annual Reporting Questionnaire

Onondaga County Industrial Development Agency

Annual Survey of Companies January 2019

Overview: As an agent of the Onondaga County Industrial Development Agency, _____ is required annually to document for the term of its contractual agreement with the Issuer: its employment levels, insurance coverage, payment of taxes and fees, and in some instances amount of indebtedness. To fulfill your compliance requirements, please:

1. Complete the employment and if applicable to your project, the indebtedness , sales tax and mortgage recording tax sections of the document;
2. Attach the required supporting documentation;
3. Sign and certify the document; and
4. Return to the Issuer **no later than February 28, 2020**

Failure to comply with this request may result in an action by the Issuer to terminate or recapture the benefits granted to you. As noted in the Issuer agreement, the Issuer reserves the right to verify any information provided in this document, including an onsite inspection of the project facility or its supporting records throughout the life of the project agreement

I. Contact Information – please update any of the following information.

File Number: _____

Project Name: _____

Responsible Company Officer: _____

Officer Title: _____

Officer Phone: _____

Officer Fax: _____

Officer Email: _____

II. Employment Section – Please report the number and average hourly wage rate of all full-time equivalent (FTE) employees working at the project location, including the employees of any tenants or subtenants. Also, please report the number of construction employees working on the project if applicable. The Issuer definition of the term “full-time equivalent employee” is located on the last page of this document.

Number of FTE jobs as of December 31, _____

Average Wage of Full-time Employee _____

Number of FTE construction jobs created
between January 1, _____ – December 31, _____

II. Outstanding Indebtedness – Please report the information for any Issuer authorized bonds and notes issued, outstanding or retired during the period beginning January 1, _____ and ending December 31, _____.

Current Interest Rate: _____

Outstanding Balance as of Dec. 31,
_____: _____

Principle payments during the period
Jan. 1, _____ through Dec. 31, _____: _____

Outstanding Balance as of Dec. 31, _____: _____

Final Maturity Date of the Issue: _____

Were the bonds or notes retired during the
reporting period of Jan. 1, _____ through
Dec. 31, _____ Yes ☐ No ☐

III. Sales Tax Exemption – Please report amount of New York State sales and use tax exemption accrued by the project during the period of January 1, _____ through December 31, _____. This information should agree with that reported on your _____ NYS Tax Form ST340.

\$ _____

V. Mortgage Recording Tax Exemption - Please report amount of mortgage recording tax exemption accrued by project during period Jan. 1, ____ and ending Dec. 31, ____.

\$ _____

VI. Required Attachments – Please attach copies of the following documents.

- ☐ NYS-45-MN Quarterly Combined Withholding, Wage Reporting and Unemployment Insurance Form, filed for the quarter ending Dec. 31, ____.
- ☐ For companies that have made sales tax exempt purchases utilizing the sale tax exempt certificate provided to it by the Onondaga County Industrial Development Agency, a copy of NYS ST-340 Annual Statement to NYS Department of Tax and Finance of the value of all sales and use tax exemptions claimed by the Company under the authority granted by the Issuer.

VII. Certification: The undersigned hereby certifies the Company has complied with all provisions of its agreement with the Issuer and that the information provided to the Issuer in this annual survey is accurate and correct.

Signed

Date

Name (Printed)

Title

Phone