

**GUARANTY, JOB CREATION, JOB RETENTION AND RECAPTURE
AGREEMENT**

THIS AGREEMENT, dated as of March 13, 2008 is made by **HARTFORD FIRE INSURANCE COMPANY**, having its principal office at Hartford Plaza, 690 Asylum Avenue, Hartford, CT 06155 ("HARTFORD"), for the benefit of **ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY**, an industrial development agency and a public benefit corporation of the State of New York having its principal office at 153 Brooks Road, Rome, New York 13441-4105 (the "AGENCY").

WITNESSETH:

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

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

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

WHEREAS, by Deed dated November 16, 2007, recorded as Instrument No. 2007-_____ in the Oneida County Clerk's Office, Ryan Companies US, Inc. ("RYAN") has acquired the land legally described on Exhibit A attached hereto (the "Land") and is constructing thereon an approximately 122,760 square foot office building (the "Facility"); and

WHEREAS, HARTFORD desires to obtain certain financial assistance from the AGENCY by locating its operations at the Facility; and

WHEREAS, in order to provide such financial assistance to HARTFORD under the Act, the AGENCY requires, among other things, that RYAN and the AGENCY enter into certain lease/leaseback transactions and other associated agreements, including that

the AGENCY harmless from any liability or expenses resulting from any failure by HARTFORD to comply with the provisions of this subsection (d).

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

2. Annual Administrative Fees. HARTFORD shall pay to the AGENCY an annual administrative fee of \$500.00 payable on January 1 of each year commencing on January 1, 2009 and ending on January 1, 2018.

HARTFORD agrees to make the above mentioned payments, without any further notice, in lawful money of the United States of America as, at the time of payment, shall be legal tender for the payment of public or private debts. In the event HARTFORD shall fail to timely make any payment required in this Section 2, HARTFORD shall pay the same together with interest from the date said payment is due at the rate of six percent (6%) per annum. The obligations of HARTFORD to make the payments required in Section 2 hereof and to perform and observe any and all of the other covenants and agreements on its part contained herein shall be a general obligation of HARTFORD and shall be absolute and unconditional irrespective of any defense or any rights of setoff, recoupment or counterclaim HARTFORD may otherwise have against the AGENCY.

3. Sales Tax Annual Statements. HARTFORD shall file an Annual Statement with the New York State Department of Taxation and Finance regarding the value of sales tax exemptions HARTFORD, its agents, consultants or subcontractors have claimed pursuant to the benefits the AGENCY conferred in connection with the Facility.

4. Transaction Costs. HARTFORD agrees to pay to the AGENCY within thirty (30) days following the execution of this Agreement the following costs and expenses incurred by AGENCY for the preparation and execution of the Transaction Documents: the AGENCY's one-time administrative fee in the amount of \$5,000 and its legal fees not to exceed \$10,000.

5. Lease Guaranty. For value received and in order to induce the AGENCY and RYAN to enter into the Lease/Leaseback Agreement transactions, HARTFORD unconditionally guarantees to the AGENCY the due and prompt payment of rent and the performance of certain obligations of RYAN under the terms and provisions of the Leaseback Agreement ("HARTFORD's Obligations"). HARTFORD agrees that no act or thing, except for payment and performance in full or written release of this Agreement, shall in any way affect or impair HARTFORD's Obligations. HARTFORD's Obligations shall include RYAN's obligations under the following sections of the Leaseback Agreement; provided, however, HARTFORD's Obligations to the AGENCY shall not commence until the Commencement Date (as defined in Section 2(a) of the Sublease) and shall terminate at the end of the tenth (10th) Lease Year (as such term is defined in Section 2(g) of the Sublease):

Section 2.6(a);

Section 3.1(a)(i);

Section 3.1(a)(ii)(except to the extent of repairs and replacements Capital in Nature (as defined in Section 5(b) of the Sublease));

Section 3.1(a)(iii);

Section 3.1(a)(iv)(except to the extent such liability or expenses arise out of Ryan's failure to make repairs and replacements that are Capital in Nature);

Section 3.3 (except to the extent of any special assessments and taxes RYAN is responsible to pay under the Sublease)

Section 3.7 (but only to the extent of RYAN's obligations under such Section 3.7 to pay any tax, assessment or other governmental charge; provided, however, special assessments and taxes RYAN is responsible to pay under the Sublease shall not be deemed HARTFORD's Obligations);

Section 5.2 (except to the extent the liability for loss or damage to property or injury or death arises out of the acts or omissions of RYAN or its subcontractors);

Section 5.3;

Section 5.6 (but not to the extent information is requested concerning RYAN);

Section 5.8(a) (except to the extent such compliance is required by RYAN under the Sublease);

Section 5.8(b)

Section 5.10; and

Section 7.4.

Notwithstanding anything in this Guaranty to the contrary, HARTFORD shall have no obligation to perform, and shall not be liable for failure to perform, any of HARTFORD's Obligations unless HARTFORD has received, at HARTFORD's address specified below (as such address may from time to time be changed), (i) notice from AGENCY that RYAN has defaulted under the foregoing sections of the Leaseback Agreement or (ii) copies of any relevant notice of default, notice of failure or any notice from AGENCY to RYAN.

6. Job Creation and Retention Obligations. The initial ten (10) Lease Years of the term of the Sublease shall hereinafter be known as the "Employment Obligation Term." Hartford's Employment Obligation shall mean that, with respect to each of the first (1st) five (5) Lease Years of the Employment Obligation Term, Hartford agrees to retain 600 full-time employees; and with respect to each of the last five (5) Lease Years of the Employment Obligation Term, Hartford agrees to retain 500 full-time employees. From and after the expiration of the Employment Obligation Term, Hartford shall have no further obligation with respect to the Employment Obligation and shall not be liable for any of the remedies specified in Section 8 of this Agreement below. For purposes of determining the total full-time employees that are applicable to the Employment

Obligation, a full-time employee ("FTE") shall mean one that has a minimum of thirty (30) standard scheduled hours per week and whose workplace location (as coded in Hartford's payroll system) is the Facility.

7. Events of Default. The failure of Hartford to satisfy the Employment Obligation as provided in Section 6 above shall constitute a default under this Agreement and shall subject Hartford to the applicable remedies of the Agency set forth below. Hartford shall be deemed to have failed to satisfy its Employment Obligation if, at such time Hartford files its certified annual employment report to the Agency (the "AER"), the total number of FTEs shown on such report for the applicable Lease Year is below the applicable Employment Obligation. The AER shall be filed by Hartford to the Agency on or before December 31 of each calendar year during the Employment Obligation Term; provided, however, Hartford is not obligated to file its first (1st) AER with the Agency sooner than December 31, 2009.

8. Remedies.

(A) Initial Shortfall Remedy and Subsequent Shortfall Remedy.

- (1) If, during the first (1st) five (5) Lease Years of the Employment Obligation Term, the number of actual FTEs as of the filing of the AER for any Lease Year shall be an Initial Shortfall number, then Hartford shall pay to the Agency an amount equal to (a) the Per Employee Amount multiplied by (b) the Difference (such payment shall be referred to as the "Initial Shortfall Remedy"). For purposes of this Section 8(A)(1), (x) an "Initial Shortfall" number shall mean any number of FTEs that is less than the Employment Obligation of 600 FTEs but more than 569 FTEs, (y) the "Per Employee Amount" shall mean an amount equal to 1.5% of the Benefit (as defined below) for that Lease Year, and (z) the "Difference" shall mean the difference between the Employment Obligation of 600 full-time employees and the actual number of FTEs at the end of the applicable Lease Year (i.e., if the actual number of FTEs at the end of the applicable Lease Year is 587, then the Difference is 13).
- (2) If, during the last five (5) Lease Years of the Employment Obligation Term, the number of actual FTEs as of the filing of the AER for any Lease Year shall be a Subsequent Shortfall number, then Hartford shall pay to the Agency a Subsequent Shortfall Remedy in an amount equal to (a) the Per Employee Amount multiplied by (b) the Difference. For purposes of this Section 8(A)(2), (x) a "Subsequent Shortfall" number shall mean any number of FTEs that is less than the Employment Obligation of 500 FTEs but more than 474 FTEs, (y) the "Per Employee Amount" shall mean an amount equal to 1% of the Benefit (as defined below) for that Lease Year, and (z) the "Difference" shall mean the difference between the Employment Obligation of 500 full-time employees and the actual number of FTEs at the end of the applicable Lease Year (i.e., if the actual number of FTEs at the end of the applicable Lease Year is 487, then the Difference is 13).

- (3) "Benefit" shall mean the benefit Hartford receives from making PILOT Payments (as defined in the PILOT Agreement) in lieu of Exempt Taxes (as defined in the PILOT Agreement) in a particular Lease Year. For example, if in a particular Lease Year Hartford's PILOT Payment is an amount equal to one-third of Exempt Taxes for that Lease Year, then Hartford's Benefit for that Lease Year would be an amount equal to two-thirds of Exempt Taxes.

(B) Major Shortfall Remedy.

- (1) If, during the Employment Obligation Term, the number of actual FTEs as of the filing of the AER for any Lease Year shall be a Major Shortfall number, then a Major Shortfall shall be deemed to have occurred and Hartford shall pay to the Agency an amount equal to a percentage (as set forth in the schedule below) of the Lease Year's Benefit (such payment shall be referred to as the "Major Shortfall Remedy"). For purposes of this Section 8(B)(1), a "Major Shortfall" number shall mean (x) any number of FTEs that is less than 570 FTEs as of the filing of the AER for any Lease Year during the first (1st) five (5) Lease Years of the Employment Obligation Term and (y) any number of FTEs that is less than 475 FTEs as of the filing of the AER for any Lease Year during the last five (5) Lease Years of the Employment Obligation Term.

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

- (2) In addition to Hartford's obligation to pay a Major Shortfall Remedy, Hartford shall not receive any scheduled Benefit for the following Lease Year and Hartford shall pay 100% of Exempt Taxes applicable for such Lease Year.
- (3) Notwithstanding any of the foregoing, Hartford shall not be liable for paying a Major Shortfall Remedy nor shall Hartford lose its scheduled Benefit unless the number of FTEs remains below 569 (if the Major Shortfall Remedy occurred during the first (1st) five (5) Lease Years of the Employment Obligation Term) or 474 (if the Major Shortfall Remedy occurred during the last five (5) Lease Years of the Employment Obligation Term) after the expiration of a Cure Period. A

“Cure Period” shall mean the six (6) month period following the filing of an AER that shows the occurrence of a Major Shortfall.

- (4) In the event of a Major Shortfall, the Major Shortfall Remedy shall be in lieu of the Initial Shortfall Remedy or Subsequent Shortfall Remedy.
- (5) Notwithstanding any of the foregoing, Hartford shall have no obligation to pay a Major Shortfall Remedy or an Initial Shortfall Remedy or Subsequent Shortfall Remedy if Hartford has not received any Benefit.
- (C) Total Job Removal Remedy.
- (1) If, at any time within the Employment Obligation Term, a Total Job Removal has occurred, Hartford shall pay to the Agency an amount equal to a percentage (as set forth in the schedule below) of the sum of (a) the sales tax exemptions Hartford has claimed in connection with the purchase of furniture, fixtures and equipment for the Facility; (b) the sales tax exemptions Ryan has claimed with respect to the purchase of construction materials for the construction of the Facility; and (c) the mortgage registration tax exemption claimed by Ryan for the Facility and Land (such amount being the “Total Job Removal Remedy”). A “Total Job Removal” shall mean that Hartford has vacated the Facility and has removed its business operations from New Hartford, New York. The Total Job Removal Remedy shall be in addition to any applicable Major Shortfall Remedy for which Hartford is liable and any Exempt Taxes Hartford remains obligated to pay under the PILOT Agreement.

<u>Total Job Removal occurs in:</u>	<u>Percentage of sales tax and mortgage registration tax exemptions to be reimbursed:</u>
Lease Year 1	90%
Lease Year 2	80%
Lease Year 3	70%
Lease Year 4	60%
Lease Year 5	50%
Lease Year 6	40%
Lease Year 7	30%
Lease Year 8	20%
Lease Year 9	10%
Lease Year 10	0%

- (2) Notwithstanding any of the foregoing, a Total Job Removal shall not include an event where Hartford terminates its Sublease due to casualty or condemnation (as such termination rights are more specifically set forth in Sections 9 and 11 of the Sublease) and as a result of such termination, Hartford has removed its business

operations from New Hartford, New York. In the event of such termination and removal due to casualty or condemnation, Hartford shall have no obligation to pay the Total Job Removal Remedy, any Major Shortfall Remedy, or any Initial Shortfall Remedy or Subsequent Shortfall Remedy and Section 8.1(a) of the Leaseback Agreement shall control.

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

To the AGENCY: ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
153 Brooks Road
Rome, New York 13441-4105
Attention: David Grow

With a Copy to: Kernan and Kernan, PC
258 Genesee Street #10
Suite 600
Utica, New York 13502
Attention: Michael H. Stephens, Esq.

To HARTFORD: HARTFORD FIRE INSURANCE COMPANY
One Hartford Plaza
Hartford, CT 06155
Attention: Workplace Resources, HO-2-18

10. Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon the AGENCY and HARTFORD and their respective successors and permitted assigns.

11. Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

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

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

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

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

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

17. Merger of the AGENCY.

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

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

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

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

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

21. Inducement Agreement. The Transaction Documents represent the entire agreements of the AGENCY, RYAN and HARTFORD and supersede the terms of the Inducement Agreement dated December ____, 2007 among the same parties.

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

[signature page follows]

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

HARTFORD FIRE INSURANCE
COMPANY

By Barbara Hampton
Barbara Hampton
Its Vice President

EXHIBIT A

Legal Description

Legal Description

13.524+/- ACRE PARCEL

ALL THAT TRACT OR PARCEL OF LAND situate in the Town of New Hartford, County of Oneida and State of New York, being part of Lot Number 50 in the Seventh Division of Coxe's Patent, bounded and described as follows:

BEGINNING at an iron rod on the easterly boundary of other lands of the New Hartford Office Group, LLC (Now or Formerly), as described in a Quit Claim Deed dated July 20, 2005 and filed in the Oneida County Clerks Office in Instrument Number 2007-019329, said iron rod standing therein distant N08°15'01"W 60.00 feet as measured along the easterly boundary of other lands of the New Hartford Office Group, LLC from an iron rod standing at the intersection of the easterly boundary of other lands of the New Hartford Office Group, LLC with the northerly boundary of Lloyd W. Yager, Lori J. Yager and Jon E. Yager (Now or Formerly), as described in a Warranty Deed dated September 17, 1996 and filed in the Oneida County Clerks Office in Liber 2753 of Deeds at Page 276; said point of beginning being further described as standing therein distant N08°00'43"W 345.80 feet and N08°15'01"W 60.00 feet as measured respectively along the easterly boundary of other lands of the New Hartford Office Group, LLC from an iron rod standing at the intersection of the easterly boundary of other lands of the New Hartford Office Group, LLC with the northerly boundary of Par Technology Corporation (Now or Formerly); thence N08°15'01"W 561.45 feet along the easterly boundary of other lands of the New Hartford Office Group, LLC to an iron rod standing on the southerly highway boundary of Judd Road Connector (Judd Road Extension) (Stanwix - Utica, Pt. 1); thence N88°31'14"E 235.27 feet along the southerly highway boundary of Judd Road Connector (Judd Road Extension) (Stanwix - Utica, Pt. 1) to an iron rod; thence N82°52'06"E 871.03 feet continuing along the southerly highway boundary of Judd Road Connector (Judd Road Extension) (Stanwix - Utica, Pt. 1) to an iron rod standing on the westerly boundary of other lands of Lloyd W. Yager, Lori J. Yager and Jon E. Yager (Now or Formerly), thence S07°10'29"E 528.26 feet along the westerly boundary of other lands of Lloyd W. Yager, Lori J. Yager and Jon E. Yager to an iron rod; thence S82° 20'59"W 1094.64 feet to the point and place of beginning.

Together with and subject to Declaration Concerning Easements, Covenants and Restrictions executed by New Hartford Office Group, LLC, a New York limited liability company, dated November 20, 2007 and recorded November 27, 2007 in the Oneida County Clerk's Office as Instrument No. R2007-001563.

Together with the Declaration of Easement executed by Par Technology Corporation and New Hartford Office Group, LLC, a New York limited liability company, dated November 20, 2007 and recorded November 27, 2007 in the Oneida County Clerk's Office as Instrument No. R2007-001562.