

OPTION AGREEMENT

BY AND AMONG

**CHARLES PECORELLA,
MATTEO PECORELLA,
JOHN J. PETRONIO,
CARL V. PETRONIO,
TERRY STEVENS, and
ALLIED BUILDERS, INC.**

Dated as of
June 25, 1996

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OPTION AGREEMENT

AGREEMENT, made as of the 25th day of June, 1996, by and among CHARLES PECORELLA, MATTEO PECORELLA, JOHN J. PETRONIO, and CARL V. PETRONIO, hereinafter sometimes individually referred to as "Shareholder" and collectively referred to as the "Shareholders," TERRY STEVENS, hereinafter sometimes referred to as the "Purchaser," and ALLIED BUILDERS, INC., hereinafter sometimes referred to as the "Corporation."

W I T N E S S E T H :

WHEREAS, the Shareholders and Purchaser presently own 9,500 of the 10,000 issued and outstanding shares of the capital stock of the Corporation, to wit, 2,250 shares owned by each of the Shareholders and 500 shares owned by Purchaser, for a total of 9,500 shares; and

WHEREAS, as of even date herewith the Shareholders are entering into an agreement with GARY L. NANNI, who owns 500 shares of the Corporation, which agreement is comparable to the subject Option Agreement; and

WHEREAS, the parties believe it to be in the best interests of the Shareholders, the Purchaser, and the Corporation that this Option Agreement and the agreement with Mr. Nanni be entered into.

NOW, THEREFORE, IN CONSIDERATION OF THE PREMISES, IT IS AGREED AS FOLLOWS:

1. Grant of Option; Option Period. Shareholders

hereby grant Purchaser the option to purchase in whole or in part at any time during the option period four hundred eighty-seven and one-half (487.5) shares of the capital stock of the Corporation from each of them, for a total of 1,950 shares, upon the terms and conditions set forth herein, such option to be exercisable no later than ten (10) years from the date of this Agreement (such period hereinafter called "Option Period"). It is intended by this Agreement to grant Purchaser an option to own 24.5% of the shares of the capital stock of the Corporation. In the event of a recapitalization or similar corporate structure change which would have the effect of a stock split or a reverse, the said number of shares will increase or decrease proportionately. The same shall apply to any comparable result of the performance of the Agreement of July 12, 1991, reference paragraph 18 hereof.

2. Price Per Share. The purchase price for each of the said shares of stock will be Two hundred Forty dollars (\$240.00) per share or at such lesser price per share as may be agreed upon by the parties, a price hereinafter called "Option Price" and equal to one hundred percent (100%) of the fair market value of each of the shares of the Corporation on the date of this Agreement as determined by the parties. It is intended by this Agreement to grant Purchaser an option to own 24.5% of the shares of the capital stock of the Corporation. In the event of a recapitalization or similar corporate structure change which would have the effect of a stock split or a reverse, the price

per shall will increase or decrease proportionately. The same shall apply to any comparable result of the performance of the Agreement of July 12, 1991, reference paragraph 18 hereof.

3. Notice of Exercise of Option. Notice of any exercise of all or any part of this option shall be given in writing to the Shareholders and the Secretary of the Corporation during the Option Period. The said notice shall be delivered personally to each of the Shareholders and to the Secretary of the Corporation or mailed by certified mail, postage prepaid, to each of the Shareholders at the address of the Corporation, 250 State Street, Brockport, New York, and to the Secretary of the Corporation at the same address. Such address may be changed at any time by any party by written notice to the other parties made as set forth above.

4. Pro rata Requirement for Exercise of Option. Each exercise of an option hereunder may only be made with regard to the shares of each of the Shareholders on a pro rata share ownership basis. For example, if Purchaser wishes to exercise the option as to 100 shares, this must be done by a pro rata exercise of 25 shares from each of the Shareholders.

5. Payment of Option Price and Delivery of Share Certificates. Payment of the full Option Price to each of the Shareholders shall accompany the notice of exercise of the option, which payment shall be in U.S. funds in cash, by certified check, or cashier's check. Delivery of the share certificates representing the shares so acquired shall be made

within five business days following receipt of the purchase price; the same shall be free of all liens and encumbrances, duly endorsed, and with all requisite stock transfer stamps affixed.

6. Option Personal to Purchaser; Expires on Death.

This Option shall be personal to the Purchaser and shall be exercisable during his life time only by him and shall not be assignable or otherwise transferable unless otherwise provided herein. In the event of the death of the Purchaser prior to full exercise of the option herein created, said rights created hereunder as to any unexercised portion of this Option Agreement shall immediately terminate.

7. Restriction On Shares.

a. Transfer of Stock. Except as may be otherwise provided for herein, Purchaser shall not sell, transfer, assign, give, bequeath, hypothecate, pledge, create a security interest in, or lien on, encumber, place in trust (voting or other) or otherwise dispose of all or any portion of the shares of the capital stock of the Corporation, or any interest therein, now owned or hereafter acquired, held or controlled by Purchaser, whether voluntarily or through any bankruptcy or other insolvency proceedings, adjudication of insanity, death or otherwise, and intending to apply to intershareholder, causa mortis, and transfers of any and every nature, kind and description (hereinafter sometimes referred to as a "Transfer of Stock") unless and until each of the terms and conditions of this Agreement shall have been met.

b. Written Consent. Except as specifically provided in this Agreement neither Purchaser, a legal representative of Purchaser, nor any other person shall effectuate a Transfer of Stock, without the written consent of the Shareholders.

c. Option To Purchase. In the absence of such written consent, there shall not be a Transfer of Stock without first giving to each of the Shareholders at least thirty (30) days written notice by certified or registered mail, with return receipt requested, of the intention to so transfer, together with the name and address of any prospective purchaser or lender and the number of shares desired to be transferred or encumbered, during which thirty (30) day period the aforementioned shares shall be offered and subject to option as follows:

(i). Option to Shareholders. Within the aforesaid thirty (30) day period, the shares which the Purchaser, legal representative, or other person desires to transfer or encumber shall automatically be deemed to be offered for sale and shall be subject to an irrevocable option to purchase all, but not less than all, on a pro rata share ownership basis by each of the Shareholders. If any shares of the Corporation so offered for sale are not purchased by any Shareholder first entitled thereto, the same may be purchased by the other Shareholders, pro rata or as they may otherwise agree. The option set forth in this subparagraph shall be exercised, if at all, within the aforesaid thirty (30) day period, and the purchase shall be at

the price set forth in paragraph 2 hereof. At the election of the Shareholders, if the aforesaid option is exercised, all of the remaining shares of the Purchaser, if any, shall be subject to a separate irrevocable option and may be purchased by the Shareholders as aforesaid.

d. Closing. In the event the Shareholders shall exercise the option herein enumerated, the Purchaser shall automatically be deemed to be divested of all legal, equitable and beneficial ownership of all of his shares of the Corporation at the time when the Shareholders give Purchaser notice of the exercise of the option. The closing shall take place within thirty (30) days of the date of the last option to be exercised. At the closing:

(i). Delivery. The Purchaser shall deliver to the Shareholder the shares that each Shareholder has agreed to purchase, free of all liens and encumbrances, duly endorsed, and with all requisite stock transfer stamps affixed; and

(ii). Payment. The Shareholders shall deliver to Purchaser the purchase price of shares sold to each Shareholder under this Agreement in U.S. funds in cash, by certified check, or by cashier's check.

e. Purchase Price. The purchase price of the shares to be acquired from Purchaser pursuant to this paragraph 7 shall be the purchase price per share as established by the Shareholders pursuant to the Agreement by and among the Shareholders and the Corporation dated as of July 12, 1991. The

said purchase price is currently \$240.00 per share. Shareholders shall at all times keep Purchaser informed of any change in such purchase price.

f. Termination of Restrictions. If any of the shares are not purchased by the Shareholders in accordance with the preceding subparagraph c(i) within the time period referred to therein, then all the restrictions imposed by paragraph 7 of this Agreement upon the shares the Purchaser originally intended to sell shall forthwith terminate and the options provided for such shares shall be null and void. However, if the Purchaser, his legal representative, or other person desiring to effectuate a Transfer of Stock of the Corporation shall fail to transfer such shares within either the sixty (60) days after the expiration of the time period referred to in subparagraph c(i), ~~or~~ the sixty (60) days after the receipt by Purchaser of the written consents of the Shareholders referred to in subparagraph 7b, such shares shall again be subject to all the restrictions of this Agreement.

8. Option to Shareholders to Purchase Shares Upon Termination of Employment of Purchaser. Upon termination of employment of Purchaser by the Corporation for any reason prior to the period ending ten years from the date of this Agreement, including by death, retirement, voluntary resignation, termination by the Corporation at its sole discretion, and by virtue of the sickness or disability of Purchaser as described below, the Shareholders shall have the irrevocable option of

acquiring all, but not less than all, of the shares owned by Purchaser as if the provisions of paragraphs 7c, 7d, 7e, and 7f were in effect. In the event of the death of Purchaser, the Shareholders may assign their aforesaid irrevocable option to the Corporation, and in such event the provisions of paragraphs 7c, 7d, 7e, and 7f shall be read by substituting "Corporation" for "Shareholders." For purposes of this paragraph 8, the sickness or disability of Purchaser, continued for an uninterrupted period in excess of six months, shall be deemed to be a termination of employment.

a. Verification. Verification of the sickness or disability of Purchaser shall be established by:

(i) The receipt by Purchaser of payments under any sickness or disability insurance policy or policies, or

(ii) By a doctor designated by the Corporation or any Shareholder, at the expense of the party requesting the same. Verification may be repeated at four (4) week intervals during the entire period of sickness or disability. In the event that the doctor engaged to verify such sickness or disability confirms the validity of the claim of sickness or disability and the Purchaser disputes the claim, such diagnosis shall be submitted to a panel of doctors for confirmation. Such panel shall consist of one doctor chosen by Purchaser and one by the requesting Shareholder(s), neither of which shall be the doctor originally engaged to verify the sickness or disability. If the two doctors cannot agree upon the

issue of sickness or disability within thirty (30) days after their selection, they shall select a third doctor and the majority vote of the panel of three (3) doctors shall be conclusive on the issue of sickness or disability.

b. Definition of Sickness or Disability. For purposes of paragraph 8 a(i), the term "sickness or disability" shall be established by the receipt of benefits, and for purposes of paragraph 8 a(ii), the term "sickness or disability" shall be deemed to mean the incapacity of the Purchaser resulting from bodily injury or mental or physical condition, to expend the required personal attention to and to participate in the business of the Corporation in a manner similar to that when such Purchaser first became subject to this Agreement.

c. Sections 1104-1 and 1118 of BCL. Purchaser and Shareholders agree that provisions of this paragraph 8 shall apply to any actions or proceedings brought pursuant to sections 1104-a and 1118 of the New York Business Corporation Law ("BCL"). The filing of a petition seeking dissolution of the Corporation pursuant to BCL 1104-a shall be deemed to be an offer pursuant to this paragraph 8 to sell all shares of the Corporation then owned by the petitioner or subject to any option created hereunder (the "Shares"). In such event, the provisions of BCL 1118 shall supersede the times specified in paragraphs 7c, 7d and 7f for acceptance of such offer. In the event that the Shareholders shall elect pursuant to BCL 1118 to purchase the Shares, the fair value of the Shares and the terms and conditions of the purchase

of the Shares shall be as set forth in paragraphs 7c, 7d, and 7e hereof with the date of filing the petition under BCL 1104-a substituted for the date of termination of the petitioner's employment. The closing of the purchase of the Shares shall take place within thirty (30) days following the date of the election by the Shareholders, pursuant to BCL 1118 and shall be conducted as set forth in Section 7(d). The Shareholders shall not be required to post a bond pursuant to BCL 1118(c) (2). The parties are knowingly and intentionally entering into this agreement to provide the Purchaser with a method of recouping his investment in the Corporation and to minimize the expense of litigation should a proceeding under BCL 1104-a be commenced. Purchaser further agrees that this agreement provides a fair and adequate means for Purchaser to recover his investment in the Corporation and, therefore, Purchaser is divested of standing to commence or maintain an action to dissolve the Corporation under BCL 1104-a.

9. Specific Performance. The parties hereby declare that it is impossible to measure in money the damages which will accrue to a party hereto, his transferees, or legal or personal representatives by reason of a failure to perform any of the obligations under this Agreement. Therefore, if any party hereto, his transferees or legal or personal representatives elects to institute any action or proceeding to enforce the provisions hereof, any person, including the Corporation, against whom such action or proceeding is brought, hereby waives the claim or defense therein that such party, his transferees, or

legal or personal representatives has or have any adequate remedy at law and the party instituting the action or proceeding shall be entitled to specific performance of the terms of this Agreement. Such remedy is not mandatory, but rather is cumulative and not exclusive, and shall be in addition to any other remedy which the parties may have.

10. Involuntary Transfer. Any person who becomes the holder or possessor of any shares of the Corporation held by Purchaser by virtue of any judicial process, attachment, bankruptcy, receivership, execution, or judicial sale shall immediately offer all such shares for sale to the Shareholders whenever requested by the Shareholders. Such person shall automatically be deemed to be divested of all legal, equitable and beneficial ownership of all of such shares of the Corporation at the time when the Shareholders make such a request, and all legal, equitable and beneficial ownership of all such shares shall automatically be deemed to be vested in the Shareholders at the time of making such request. None of such shares shall be entitled to any vote, nor shall any dividends be paid on any such shares, after such request is made and before the sale is completed. The purchase price and manner of payment on a sale made under this paragraph shall be governed by the provisions of paragraph 7 hereof.

11. Stock Legend and After-acquired Stock.

a. Endorsement on Stock Certificates. Promptly after the execution of this Agreement the Purchaser shall deliver to the Corporation the certificates for all of the shares owned

by him and the Shareholders shall each deliver to the Corporation the certificates for 487.5 shares owned by them, and the Corporation will endorse on each such certificate a legend reading substantially as follows:

Notice

Notice is hereby given that the sale, assignment, transfer, pledge, or other disposition of the shares of capital stock represented by this Certificate, whether voluntary or otherwise, is restricted by, and subject to, the terms and provisions of an Agreement dated June 25, 1996, by and among CHARLES PECORELLA, MATTEO PECORELLA, JOHN J. PETRONIO, CARL V. PETRONIO, TERRY STEVENS, and the Corporation. A copy of said Agreement is on file in the office of the Secretary of the Corporation. By acceptance of this Certificate, the holder hereof agrees to be bound by the terms of said Agreement.

b. After Acquired-Stock. The Purchaser agrees that all stock of the Corporation to be issued to him hereafter shall be subject to this Agreement and shall have endorsed thereon the appropriate legend contained in paragraph 11a.

c. Subsequent Registration. The transfer of any shares of the Corporation which are the subject of a disposition in contravention of the provisions of this Agreement shall not be registered on the books of the Corporation, and no person to whom any such disposition is made shall be recognized as the holder of such shares or acquire any voting, dividend or other rights in respect thereof.

12. Notices. Any and all notices, designations, consents, offers, acceptances, or any other communication provided for herein shall be given in accordance with the

provisions of paragraph 3 hereof.

13. Right of First Refusal. At such time as Purchaser completes the purchase of all of the 1,950 shares of the capital stock of the Corporation as set forth in paragraph 1, he shall be given the further opportunity to purchase an additional 637.5 shares from each of the Shareholders at such price and on such terms as the Purchaser and Shareholders may determine. In the event Purchaser and Shareholder cannot agree on the price and terms of such a transaction, Purchaser will have a right of first refusal with regard to such shares in the event Shareholders wish to sell them to another person or entity.

14. No New Shareholders. The parties agree that no new shares of the capital stock of the Corporation will be issued without the unanimous consent of all shareholders of the Corporation.

15. Revocation of December 18, 1985, Option Agreement. The Option Agreement by and between Purchaser and the Corporation dated December 18, 1985, is hereby revoked and made null, void, and of no further effect.

16. Voting Agreement and Irrevocable Proxy. At the time of entering into this Agreement, Purchaser and the Shareholders will execute and deliver a Voting Agreement and an Irrevocable Proxy, substantially in the form of the attached Exhibits A and B. At such time as Purchaser shall own 50% of the stock of the Corporation, the Voting Agreement and the Irrevocable Proxy shall terminate, and Shareholders shall so

signify in writing at request of Purchaser.

17. Agreement with GARY L. NANNI. Performance of the agreement of even date herewith with GARY L. NANNI is hereby authorized and recognized as not being in contravention of this Agreement.

18. Agreement of July 12, 1991. Performance of the agreement of July 12, 1991, by and among the corporation and the Shareholders is hereby authorized and recognized as not being in contravention of this Agreement.

19. Termination. This Agreement shall terminate upon the occurrence of any of the following events:

- a. Cessation of the Corporation's business.
- b. Bankruptcy, receivership or liquidation and dissolution of the Corporation.
- c. Mutual written agreement of all the parties who are then bound by the terms hereof.

20. Survival. The termination of this Agreement shall not affect the respective rights and obligations of the parties hereto or otherwise bound hereby in respect of any option to purchase shares of the Corporation of any class that has previously accrued and that remained exercisable or that had been exercised but without full payment of the purchase price of such shares, as of the effective date of such termination; it being understood and agreed that any such option may be exercised, and the purchase of any shares which are the subject of any such option that was theretofore exercised shall be completed, in

accordance with the provisions of this Agreement as if it had not terminated.

21. Reorganizations and Other Events Requiring Shareholder Vote. No provision of this Agreement shall be deemed to prevent or restrict any merger or consolidation of the Corporation into or with one or more corporations, any sale or exchange of part or all of the Corporation's assets to any one or more persons or one or more corporations, any plan of distribution in partial or complete liquidation of the Corporation, any plan of redemption of all or part of the shares of the Corporation, or any plan of recapitalization, provided that any such plan of consolidation, merger, sale, distribution or redemption is carried out in accordance with any applicable provisions of the law and the Certificate of Incorporation and By-Laws of the Corporation, including the provisions relating to the required vote of the shareholders of the Corporation then in effect, notwithstanding the fact that such merger, consolidation, sale, distribution or redemption necessitates the exchange of the stock of the Corporation by the parties hereto; provided however, that if any such event occurs, the shares and price as set forth in paragraphs 1 and 2 hereof shall be adjusted to fairly reflect such event.

22. Amendment. No change, modification, amendment or termination (except as provided for in paragraph 14 above) shall be valid unless the same is in writing and signed by all the parties hereto.

23. Benefit. The terms of this Agreement shall be binding upon and inure to the benefit of, and shall be enforceable by the parties hereto, their heirs, legal representatives, successors and assigns and the holders from time to time of any of the stock of the Corporation, and Purchaser and each Shareholder in furtherance thereof shall execute a Will directing his or her executor to perform this Agreement and to execute all documents necessary to effectuate the purposes of this agreement, but the failure to execute such Will shall not affect the rights of any Shareholder or the obligations of any estate, as provided in this Agreement.

24. Applicable Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of New York.

25. Partial Invalidity. In case any term of this Agreement shall be held to be invalid, illegal or unenforceable in whole or in part, neither the validity of the remaining part of such term, nor the validity of any other term of this Agreement shall in any way be affected thereby.

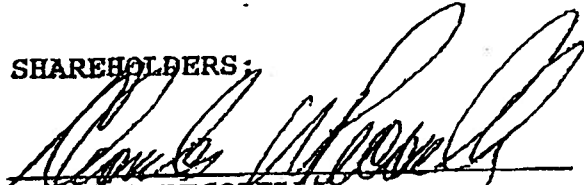
26. Execution of Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one in the same instrument.

27. Table of Contents and Section Headings Not Controlling. The table of contents and the headings of the several sections of this Agreement have been prepared for

convenience of reference only and shall not control or affect the meaning of or be taken as an interpretation of any provision of this Agreement.

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

SHAREHOLDERS:



CHARLES PECORELLA

PURCHASER:



TERRY STEVENS



MATTEO PECORELLA

CORPORATION:

ALLIED BUILDERS, INC.



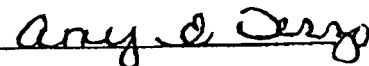
JOHN J. PETRONIO

BY: 

Matteo Pecorella, President



CARL V. PETRONIO

Attest: 

Amy C. Dery