

**MINUTES**  
**COUNTY OF OSWEGO INDUSTRIAL DEVELOPMENT AGENCY**  
**November 11, 2015**  
**IDA OFFICE BUILDING**  
**44 W. BRIDGE ST.**  
**OSWEGO, NEW YORK**

**PRESENT:** Canale, Kunzwiler, Rush, Schick, Sorbello and Toth

**Absent/Excused:** None

**Also Present:** Roger J. Beer, Kevin C. Caraccioli, David S. Dano, Christina R. Ondrako and L. Michael Treadwell

Chair Rush called the meeting to order at 9:00 a.m. at the offices of the County of Oswego IDA in Oswego, NY.

**APPROVAL OF MINUTES**

On a motion by Mr. Sorbello, seconded by Mr. Toth, the minutes of the October 15, 2015 meeting were approved. Mr. Schick abstained.

**TREASURER'S REPORT**

On a motion by Mr. Sorbello, seconded by Mr. Canale, the Financial Statements for the period ended August 31, 2015 were approved.

**NOTICE OF MEETING**

Meeting notices were posted at the Oswego County Building, the IDA Office Building, and on the IDA website. A notice was published in The Palladium Times on October 27, 2015.

**Audit Report for FY Ended 7/31/15**

Mr. Beer and Ms. Ondrako of Grossman St. Amour, CPAs PLLC presented the Summary of the 2015 Audit Report Findings dated November 11, 2015. A draft of the Financial Statements of the County of Oswego IDA was reviewed. Following a discussion, on a motion by Mr. Sorbello, seconded by Mr. Toth, the Audit Report was approved.

**Executive Session**

Chair Rush and Mr. Caraccioli reported that due to matters involving the financial history of a business/organization and individuals and pending contractual matters, on a motion by Mr. Toth, seconded by Mr. Sorbello, it was approved to go into Executive Session at 9:44 a.m.

On a motion by Mr. Schick, seconded by Mr. Kunzwiler, the Executive Session ended at 11:07 a.m.

**Delinquent Loan Report**

Mr. Dano reviewed the report for the period ended October 31, 2015. On a motion by Mr. Schick, seconded by Mr. Canale, authorization was approved to pursue legal action relative to the Riverview Automotive loan.

**R&D Design and Associates, LLC**

Following a discussion and review of the financing application and a review of the EAF prepared by the Company in order to classify the Project, on a motion by Mr. Toth, seconded by Mr. Kunzwiler, it was determined that the Project constitutes a Type II action as that term is defined by SEQRA and no further review is required. A copy of the Negative Declaration is on file at the Agency.

On a motion by Mr. Schick, seconded by Mr. Sorbello, the financial assistance for the leasing of equipment (\$45,000) was approved.

Following a discussion, on a motion by Mr. Canale, seconded by Mr. Schick, a resolution authorizing undertaking the acquisition, renovation and equipping of a certain project, appointing the Company as Agent of the Agency for the purpose of the acquisition, renovation and equipping of the project; approving financial assistance in the form of exemption from real property tax, state and local sales and use tax and mortgage recording tax; entering a lease transaction for the purchase of equipment to be used in the project facility in an amount not to exceed \$45,000; and authorizing the execution and delivery of an Agreement between the Agency and the Company. A copy of the Inducement Resolution is attached and made an official part of the minutes. A copy of the Financing Proposal Summary Cost/Benefit Analysis is on file at the Agency.

Following a discussion, on a motion by Mr. Sorbello, seconded by Mr. Canale, a resolution was approved approving a PILOT schedule and authorizing the execution and delivery of certain documents by the Agency in connection with a certain project undertaken at the request of the Company. A copy of the PILOT Resolution is attached and made an official part of the minutes.

Following a discussion, on a motion by Mr. Schick, seconded by Mr. Canale, a resolution was approved authorizing the execution and delivery of certain documents by the Agency in connection with a project undertaken at the request of the Company. A copy of the Final Approving Resolution is attached and made an official part of the minutes.

**Annual Report FY 8/1/14 – 7/31/15**

Following a review, on a motion by Mr. Sorbello, seconded by Mr. Canale, the Annual Report was approved and it was authorized to be posted on the Agency's website. A copy of the Annual Report is attached and made an official part of the minutes.

**Sunoco, Inc.**

Following a discussion, on a motion by Mr. Sorbello, seconded by Mr. Schick, a resolution was approved approving an extension of the Company's appointment as Agent of the Agency until March 31, 2016 and the execution and delivery of certain documents in connection therewith. A copy of the Approving Resolution is attached and made an official part of the minutes.

**Branch Development Oswego, LLC/Holiday Inn Express**

Following a discussion, on a motion by Mr. Kunzwiler, seconded by Mr. Canale, a resolution was approved approving an extension of the Company's appointment as Agent of the Agency until February 28, 2016 and the execution and delivery of certain documents in connection therewith. A copy of the Approving Resolution is attached and made an official part of the minutes.

**Oswego County Economic Development Plan**

Following a discussion, it was agreed that the Agency concurred with the intent to develop a comprehensive strategy for economic development and authorization to collaborate were approved.

**Oswego County Airport**

Following a discussion, on a motion by Mr. Canale, seconded by Mr. Kunzwiler, support of the County's application for funding to construct a new terminal building was approved.

**Columbia Mills**

Following a discussion, on a motion by Mr. Kunzwiler, seconded by Mr. Canale, the request by Dollar General to remove some trees on COIDA property due to restricting the view of the store, it was approved to allow at their cost removal of only those trees that are acceptable to the Agency.

Mr. Treadwell reported that the Oswego County Planning Dept. has a USFS grant for tree planting on approved Brownfield sites which includes the Columbia Mills site. Authorization was approved to review this to determine if it could be beneficial to enhance the site.

**Land Bank**

Following a discussion, on a motion by Mr. Canale, seconded by Mr. Kunzwiler, it was approved to support the Land Bank up to \$50,000 with funds necessary to secure State approval and for matching funds to establish a countywide Land Bank Corporation. The Agency's source of funds to be determined if this project advances.

**Altmar Genesee, LLC/Tailwater Lodge**

Mr. Treadwell reported that the Agency was in receipt of an Application for Financial Assistance for the Banquet and Catering Facility expansion.

**Entergy**

Following a discussion on the status of the future of the nuclear plant, on a motion by Mr. Schick, seconded by Mr. Canale, authorization was approved to retain the professional services of Eric Mower & Associates to develop a pro-active strategy on retaining the Entergy Nuclear Plant and supporting the power production industry in Oswego County.

**Next IDA Meeting**

November 30, 2015 at 9:00 a.m. was scheduled.

**ADJOURNMENT**

On a motion by Mr. Schick, seconded by Mr. Canale, the meeting was adjourned at 11:45 a.m.

Respectfully Submitted,

H. Leonard Schick  
Secretary

## INDUCEMENT RESOLUTION

A regular meeting of the County of Oswego Industrial Development Agency was convened in public session on November 11, 2015, at 9:00 a.m., at 44 West Bridge Street, Oswego, New York.

The meeting was called to order by the Chair and, upon the roll being duly called, the following members were:

**PRESENT:** Nick Canale, Jr., Donald H. Kunzwiler, Carolyn A. Rush,  
H. Leonard Schick, Morris Sorbello and Gary T. Toth

**ABSENT:** None

**ALSO PRESENT:** Kevin C. Caraccioli, David S. Dano and L. Michael  
Treadwell

The following resolution was duly offered and seconded:

**RESOLUTION UNDERTAKING THE ACQUISITION, RENOVATION AND EQUIPPING OF A CERTAIN PROJECT, APPOINTING THE COMPANY AS AGENT OF THE AGENCY FOR THE PURPOSE OF THE ACQUISITION, RENOVATION AND EQUIPPING OF THE PROJECT; APPROVING FINANCIAL ASSISTANCE IN THE FORM OF EXEMPTIONS FROM REAL PROPERTY TAX, STATE AND LOCAL SALES AND USE TAX AND MORTGAGE RECORDING TAX; ENTERING A LEASE TRANSACTION FOR THE PURCHASE OF EQUIPMENT TO BE USED IN THE PROJECT FACILITY IN AN AMOUNT NOT TO EXCEED \$45,000; AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN AGREEMENT BETWEEN THE AGENCY AND THE COMPANY**

**WHEREAS**, the County of Oswego Industrial Development Agency (the “*Agency*”) is authorized and empowered by Title 1 of Article 18-A of the General Municipal Law of the State of New York (the “*State*”), as amended, together with Chapter 234 of the Laws of 1973 of the State of New York, as amended from time to time (collectively, the “*Act*”) to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial, research and recreation facilities, including industrial pollution control facilities, railroad facilities and certain

horse racing facilities, for the purpose of promoting, attracting, encouraging and developing recreation and economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State, to improve their recreation opportunities, prosperity and standard of living, and to prevent unemployment and economic deterioration; and

**WHEREAS**, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to grant “financial assistance” (as defined in the Act) in connection with the acquisition, construction, renovation and equipping of one or more “projects” (as defined in the Act); and

**WHEREAS**, Scott Antonacci/R&D Design and Associates, LLC, or an entity to be formed (collectively, the “*Company*”), submitted an application to the Agency on or about October 13, 2015 (the “*Application*”), a copy of which is on file at the office of the Agency, requesting the Agency undertake a project (the “*Project*”) consisting of: (A) (i) the acquisition of a leasehold interest in approximately 2.2 acres of improved real property located at 15 County Route 59, Village of Phoenix, New York, Oswego County (the “*Land*”); (ii) the renovation of an approximately 8,000 square foot building for use as a light industrial manufacturing and research and development facility (the “*Facility*”) all located on the Land; (iii) the acquisition of and installation in the Facility of various machinery, equipment and furnishings (collectively the “*Equipment*”) (the Land, Facility and Equipment are hereinafter collectively referred to as the “*Project Facility*”); (B) the granting of certain financial assistance in the form of exemptions from real property tax, mortgage recording tax and State and local sales and use tax (collectively, the “*Financial Assistance*”); (C) entering a lease transaction for the purchase of equipment to be used in the project facility in an amount not to exceed \$45,000; and (D) the lease of the Land and Facility by the Agency pursuant to a lease agreement; the acquisition by the Agency of an interest in the Equipment pursuant to a bill of sale from the Company; and the sublease of the Project Facility back to the Company pursuant to a sublease agreement; and

**WHEREAS**, the Company has represented that the acquisition of the Land and the renovation of the Facility is necessary to allow for the Company’s expansion and to maintain its competitive advantage in its industry; and

**WHEREAS**, the Company has further represented that the Project Facility is not primarily used in making retail sales to customers who personally visit the Facility; and

**WHEREAS**, the Agency adopted a resolution on August 27, 2015 describing the Project and the Financial Assistance and authorizing a public hearing (collectively, the “*Initial Resolution*”); and

**WHEREAS**, the Agency conducted a public hearing with respect to the Project and the proposed Financial Assistance on November 9, 2015 pursuant to Section 859-a of the Act, notice of which was published on October 28, 2015 in the Palladium Times, a newspaper of general circulation in the County of Oswego, New York and given to the chief executive officers of the affected tax jurisdictions by letter dated October 28, 2015; and

**WHEREAS**, pursuant to Article 8 of the Environmental Conservation Law of the State

of New York, as amended, and the regulations of the Department of Environmental Conservation of the State of New York promulgated thereunder (collectively referred to hereinafter as “*SEQRA*”), the Agency is required to make a determination whether the “action” (as said quoted term is defined in *SEQRA*) to be taken by the Agency may have a “significant impact on the environment” (as said quoted term is utilized in *SEQRA*) and the preliminary agreement of the Agency to undertake of the Project constitutes such an action; and

**WHEREAS**, to aid the Agency in determining whether the Project may have a significant impact upon the environment, the Agency has examined the EAF prepared by the Company in order to classify the Project and has determined that the Project constitutes a “Type II” action as that term is defined under *SEQRA*, and therefore no further review is required; and

**WHEREAS**, the Agency has considered the policy, purposes and requirements of the Act in making its determinations with respect to taking official action regarding the Project; and

**WHEREAS**, the Agency has given due consideration to the Application and to representations by the Company that the provision of Financial Assistance: (i) will induce the Company to develop the Project Facility in the County of Oswego; (ii) will not result in the removal of a commercial, industrial or manufacturing plant or facility of the Company or any other proposed occupant of the Project Facility from one area of the State to another area of the State or in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project Facility located in the State, except as may be permitted by the Act; and (iii) the Project will serve the purposes of the Act by creating and/or preserving permanent, private sector jobs and advancing the health, general prosperity and economic welfare of the people of the State.

**NOW, THEREFORE**, be it resolved by the members of the County of Oswego Industrial Development Agency, as follows:

**Section 1.** It is the policy of the State to promote the economic welfare, recreation opportunities and prosperity of its inhabitants and to actively promote, attract, encourage and develop economically sound commerce and industry for the purpose of preventing unemployment and economic deterioration. It is among the purposes of the Agency to promote, develop, encourage and assist in the acquiring, constructing, renovating, improving, maintaining, equipping and furnishing of certain facilities, including commercial facilities, and thereby advance the job opportunities, health, general prosperity and economic welfare of the people of the State and to improve their recreation opportunities, prosperity and standard of living.

**Section 2.** Based upon the representations and projections made by the Company to the Agency, the Agency hereby makes the following determinations:

- a. The Project constitutes a Type II action under *SEQRA* and therefore no further review is required.
- b. Ratifies the findings in its Initial Resolution.
- c. The Project constitutes a “project” within the meaning of the Act.

- d. The granting of the Financial Assistance will be an inducement to the Company to develop the Project in the Village of Phoenix, County of Oswego; and will assist the Company in its expansion and in its ability to maintain its competitive advantage.
- e. The commitment of the Agency to provide Financial Assistance to the Company will enable the Company to undertake the Project.
- f. The Project Facility is not primarily used in making retail sales to customers who personally visit the Facility.
- g. The renovation and equipping of the Project will promote employment opportunities, help prevent economic deterioration in the Village of Phoenix by the creation and/or preservation of both full and part-time jobs and advance the health, general prosperity and economic welfare of the people of the State.
- h. The acquisition of a controlling interest in the Project Facility by the Agency and the designation of the Company as the Agency's agent for completion of the Project will be an inducement to the Company to renovate, equip and operate the Project Facility in the County of Oswego, and will serve the purposes of the Act by, among other things, preserving and/or creating permanent private sector jobs, the general prosperity and economic welfare of the inhabitants of the County of Oswego and the granting of the Financial Assistance will assist in the financing the costs of the acquisition, renovation and equipping of the Project.
- i. The Project will not result in the removal of a commercial, industrial or manufacturing plant or facility of the Company or any other proposed occupant of the Project Facility from one area of the State to another area of the State or result in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project Facility located in the State, except as may be permitted by the Act.

**Section 3.** Subject to the terms of this Resolution and conditions set forth in Section 4.02 of the Agreement (hereinafter defined), and subject to the Agency's approval of the PILOT schedule, the Agency will: (i) acquire a controlling interest in the Land and Facility pursuant to a lease agreement (the "**Lease**") to be entered into between the Company and the Agency and accept an interest in the Equipment, if any, pursuant to a bill of sale from the Company (the "**Bill of Sale**"); (ii) enter into a lease transaction for the purchase of equipment to be utilized in the Project Facility in an amount not to exceed \$45,000; (iii) sublease the Project Facility to the Company pursuant to a sublease agreement (the "**Sublease**" and together with the Lease, the Bill of Sale and any other certificates and documents deemed necessary by the Agency to undertake the Project, collectively, the "**Lease Documents**") to be entered into between the Agency and the Company; (iv) grant the Financial Assistance; (v) provided that no default shall have occurred and be continuing under the Agreement, the Lease Documents or any loan documents, execute and deliver all other certificates and documents necessary or appropriate for the grant of the Financial Assistance requested by the Company, in form and substance acceptable to the Agency, or its

commercial lender(s) in connection with financing for the Project, including but not limited to, one or more mortgages in favor of the Agency and/or the Company's commercial lender(s).

**Section 4.** The terms and conditions of subdivision 3 of Section 875 of the Act are herein incorporated by reference and the Company shall agree to such terms as a condition precedent to receiving or benefiting from an exemption from New York State sales and use exemptions benefits. Notwithstanding anything herein to the contrary, the amount of State and local sales and use tax exemption benefits comprising the Financial Assistance approved herein shall not exceed **\$4,800**.

**Section 5.** The Company shall provide or cause its Project operator, contractors, agents, subagents, subcontractors, contractors and subcontractors of such agents and subagents (collectively, "***Additional Agents***") to provide, and the Agency shall maintain, records of the amount of State and local sales and use tax exemption benefits provided to the Project; and the Company shall, and cause each Additional Agent, to make such records available to the State Commissioner of Taxation and Finance (the "***Commissioner***") and the Agency upon request. The Agency shall, within thirty (30) days of providing any State sales and use tax exemption benefits, report to the Commissioner the amount of such benefits for the Project, identifying the Project, along with any such other information and specificity as the Commissioner may prescribe. As a condition precedent to the Company or Project's receipt of, or benefit from, any State or local sales and use tax exemptions, the Company must acknowledge and agree to make, or cause its Additional Agents to make, all records and information regarding State and local sales and use tax exemption benefits realized by the Project available to the Agency or its designee upon request.

**Section 6.** As a condition to the granting of the Financial Assistance, the Company agrees to execute an agreement with the Agency setting forth the preliminary undertakings of the Agency and the Company with respect to the Project. The form and substance of the proposed agreement (as set forth as on **Exhibit "A"** attached hereto and presented at this meeting) (the "***Agreement***") are hereby approved. The Chief Executive Officer or (Vice) Chairperson of the Agency are each hereby authorized, on behalf of the Agency, to execute and deliver the Agreement, in substantially the same form as presented at this meeting and attached hereto as **Exhibit "A"**, with changes in terms and form as shall be consistent with this Resolution and as the Chief Executive Officer or (Vice) Chairperson shall approve. The execution thereof by the Chief Executive Officer or (Vice) Chairperson shall constitute conclusive evidence of such approval.

**Section 7.** Subject to the due execution and delivery by the Company of the Agreement, the satisfaction of the conditions of this Resolution and the Agreement, and the payment by the Company of any attendant fees, the Company is appointed the true and lawful agent of the Agency to proceed with the renovation and equipping of the Project, all with the same powers and the same validity as if the Agency were acting in its own behalf. The appointment made by this Section 7 shall not be effective until the Agreement referred to in Section 6 hereof is duly executed and delivered by the Company. The Company is hereby authorized to appoint Additional Agents to proceed with the renovation and equipping of the Project, all with the same powers and the same validity as if the Agency were acting in its own behalf, provided that the terms of the Agreement relative to such appointment(s) are satisfied.



**Section 8.** The Chief Executive Officer or (Vice) Chairperson of the Agency, acting individually, are each hereby authorized and directed, for and in the name and on behalf of the Agency, to execute and deliver the documents and agreements identified herein and any such additional certificates, instruments, documents or affidavits, to pay any such other fees, charges and expenses, to make such other changes, omissions, insertions, revisions, or amendments to the documents referred herein and to do and cause to be done any such other acts and things, as they determine, on advice of counsel to the Agency, may be necessary or desirable to consummate the transactions contemplated by this Resolution and the Agreement.

**Section 9.** The obligation of the Agency to consummate any transaction contemplated herein or hereby is subject to and conditioned upon the execution and delivery of, among other things, an environmental compliance and indemnification agreement in favor of the Agency in form and substance acceptable to the Agency and its counsel by the Company and some or all of its principals, in the discretion of the Chief Executive Officer or (Vice)Chairperson of the Agency.

**Section 10.** No covenant, stipulation, obligation or agreement contained in this Resolution or any document referred to herein shall be deemed to be the covenant, stipulation, obligation or agreement of any member, officer, agent or employee of the Agency in his or her individual capacity. Neither the members nor officers of the Agency, nor any person executing any documents referred to herein on behalf of the Agency, shall be liable thereon or be subject to any personal liability or accountability by reason of the execution or delivery thereof.

**Section 11.** Should the Agency's participation in the Project, or the appointments made in accordance herewith, be challenged by any party, in the courts or otherwise, the Company shall defend, indemnify and hold harmless the Agency and its members, officers and employees from any and all losses arising from any such challenge including, but not limited to, the fees and disbursement of the Agency's counsel. Should any court of competent jurisdiction determine that the Agency is not authorized under the Act to participate in the Project, this Resolution shall automatically become null, void and of no further force and effect, and the Agency shall have no liability to the Company hereunder or otherwise.

**Section 12.** A copy of this Resolution, together with the attachments hereto, shall be placed on file in the office of the Agency where the same shall be available for public inspection during business hours.

**Section 13.** The Chief Executive Officer of the Agency is hereby authorized and directed to distribute copies of this Resolution to the Company and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution.

**Section 14.** Counsel to the Agency and special Agency counsel are hereby authorized to work with the Company, and others to prepare, for submission to the Agency, all documents necessary to effect the grant of Financial Assistance and consummate the Lease Documents.

**Section 15.** This Resolution shall take effect immediately.

The question of the adoption of the foregoing resolution was duly put to vote on a roll call, which resulted as follows:

	<u>Aye</u>	<u>Nay</u>	<u>Abstain</u>	<u>Absent</u>	<u>Recuse</u>
Nick Canale, Jr.	X				
Donald H. Kunzwiler	X				
Carolyn A. Rush	X				
H. Leonard Schick	X				
Morris Sorbello	X				
Gary T. Toth	X				

The resolution was thereupon declared duly adopted.

STATE OF NEW YORK )

) ss.:

COUNTY OF OSWEGO )

I, the undersigned Chief Executive Officer of the County of Oswego Industrial Development Agency, Do Hereby Certify that (i) I have compared the annexed extract of the minutes of the meeting of the County of Oswego Industrial Development Agency (the “*Agency*”) held on November 11, 2015, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Agency and of the whole of such original insofar as the same relates to the subject matters referred to therein.

I Further Certify that (i) all members of the Agency had due notice of such meeting, (ii) pursuant to Section 104 of the Public Officers Law (Open Meetings Law), such meeting was open to the general public and public notice of the time and place of such meeting was duly given in accordance with such Section 104, (iii) the meeting was in all respects duly held, and (iv) there was a quorum present throughout.

**In Witness Whereof**, I have hereunto set my hand and affixed the seal of the Agency on November 11, 2015.

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L. Michael Treadwell  
Chief Executive Officer

(SEAL)

## EXHIBIT "A"

### AGENCY/COMPANY AGREEMENT

**This Agreement** is between the County of Oswego Industrial Development Agency (the "**Agency**"), and Scott Antonacci/R&D Design and Associates, LLC, or an entity to be formed (collectively, the "**Company**").

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

1.01. The Agency is authorized and empowered by the provisions of Title 1 of Article 18-A of the General Municipal Law of the State of New York (the "**State**"), as amended, together with Chapter 234 of the Laws of 1973 of the State of New York, as amended from time to time (collectively, the "**Act**") to grant "financial assistance" (as defined in the Act) in connection with "Projects" (as defined in the Act) and to lease or sell the same upon such terms and conditions as the Agency may deem advisable and designate an agent for renovating and equipping "projects" (as defined in the Act).

1.02. The purposes of the Act are to promote, attract, encourage and develop recreation and economically sound commerce and industry in order to advance the job opportunities, health, general prosperity and economic welfare of the people of the State, to improve their recreation opportunities, prosperity and standard of living, and to prevent unemployment and economic deterioration. The Act vests the Agency with all powers necessary to enable it to accomplish such purposes, including the power to grant financial assistance, acquire and dispose of interests in real property and to appoint agents for the purpose of completion of projects undertaken by the Agency.

1.03. The Company has requested that the Agency undertake a project (the "**Project**") consisting of: (A) (i) the acquisition of a leasehold interest in approximately 2.2 acres of improved real property located at 15 County Route 59, Village of Phoenix, New York, Oswego County (the "**Land**"); (ii) the renovation of an approximately 8,000 square foot building for use as a light industrial manufacturing and research and development facility (the "**Facility**") all located on the Land; (iii) the acquisition of and installation in the Facility of various machinery, equipment and furnishings (collectively the "**Equipment**") (the Land, Facility and Equipment are hereinafter collectively referred to as the "**Project Facility**"); (B) the granting of certain financial assistance in the form of exemptions from real property tax, mortgage recording tax and State and local sales and use tax; and a lease-leaseback transaction in the sum of \$45,000 from the Agency's PILOT Economic Development Fund for the purchase of Equipment to be used in the Project Facility (collectively, the "**Financial Assistance**"); and (C) the lease of the

Land and Facility by the Agency pursuant to a lease agreement; the acquisition by the Agency of an interest in the Equipment pursuant to a bill of sale from the Company; and the sublease of the Project Facility back to the Company pursuant to a sublease agreement.

1.03(a). All documents necessary to effectuate the Agency's undertaking of the Project and the granting of the Financial Assistance between the Agency and the Company, including but not limited to, a company lease, an agency lease, a bill of sale, an environmental compliance and indemnification agreement and a payment in lieu of taxes agreement, shall be collectively referred to herein as the "***Lease Documents***".

1.04. The Company hereby represents to the Agency that undertaking the Project, the designation of the Company as the Agency's agent for the renovation and equipping of the Project Facility, and the appointment by the Company of a Project operator, contractors, agents, subagents, subcontractors, contractors and subcontractors of such agents and subagents (collectively, "***Additional Agents***"): (i) will be an inducement to it to renovate and equip the Project Facility in the County of Oswego (the "***County***") and assist the Company in expanding and maintaining its competitive advantage in its industry; (ii) will not result in the removal of a commercial, industrial or manufacturing plant or facility of the Company or of any other proposed occupant of the Project Facility from one area of the State to another or in the abandonment of one or more plants or facilities of the Company or of any other proposed occupant of the Project Facility located in the State, except as may be permitted by the Act; and (iii) undertaking the Project will promote, create and/or preserve private sector jobs in the State. The Company hereby further represents to the Agency that the Project Facility is not primarily used in making retail sales to customers who personally visit the Facility.

1.05. The Agency has determined that the acquisition of a controlling interest in, and the renovation and equipping of the Project Facility and the subleasing of the same to the Company will promote and further the purposes of the Act.

1.06 On November 11, 2015, the Agency adopted a resolution (the "***Inducement Resolution***") agreeing, subject to the satisfaction of all conditions precedent set forth in such Resolution, to designate the Company as the Agency's agent for the acquisition, renovation and equipping of the Project Facility and determining that the leasing of the same to the Company will promote further purposes of the Act. For purposes of that designation, the Agency authorized as part of the approved Financial Assistance, State and local sales and use tax exemption benefits in an amount not exceed **\$4,800**.

1.07 In the Resolution, subject to the execution of, and compliance with, this Agreement by the Company, and other conditions set forth in the Resolution and herein, the Agency appointed the Company as its agent for the purposes of renovation and equipping the Project Facility, entering into contracts and doing all things requisite and proper for renovation and equipping the Project Facility.

**Article 2. Undertakings on the Part of the Agency.** Based upon the statements, representations and undertakings of the Company and subject to the conditions set forth herein, the Agency agrees as follows:

2.01. The Agency confirms that it has authorized and designated the Company as the Agency's agent for acquiring, renovating and equipping the Project Facility.

2.02. The Agency will adopt such proceedings and authorize the execution of such Agency documents as may be necessary or advisable for: (i) acquisition of a controlling interest in the Project Facility; (ii) appointment by the Company of Additional Agents, all for renovation and equipping of the Project Facility subject to the terms of the Resolution and hereof; and (iii) the leasing or subleasing of the Project Facility to the Company, all as shall be authorized by law and be mutually satisfactory to the Agency and the Company.

2.03 Nothing contained in this Agreement shall require the Agency to apply its funds to Project costs.

2.04. After satisfying the conditions precedent set forth in the Sections 2.02, 3.06 and 4.02 hereof and in the Inducement Resolution, the Company may proceed with the renovation and equipping of the Project Facility and the utilization of and, as necessary, the appointment of Additional Agents.

2.05 Subject to Section 4.02 hereof, the Company is appointed the true and lawful agent of the Agency for the renovation and equipping of the Project Facility, and to make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions, as the stated agent for the Agency, and in general to do all things which may be requisite or proper for the renovation and equipping of the Project Facility, all with the same powers and the same validity as if the Agency were acting in its own behalf.

2.06. The Agency will take or cause to be taken such other acts and adopt such further proceedings as may be required to implement the aforesaid undertakings or as it may deem appropriate in pursuance thereof. The Agency may in accordance with Article 8 of the Environmental Conservation Law of the State of New York, as amended, and the regulations of the Department of Environmental Conservation of the State of New York promulgated thereunder (collectively referred to hereinafter as "*SEQRA*"), undertake supplemental review of the Project. Such review to be limited to specific significant adverse environmental impacts not addressed or inadequately addressed in the Agency's review under SEQRA that arise from changes in the proposed Project, newly discovered information or a change in the circumstances related to the Project.

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

3.01. (a) The Company shall indemnify and hold the Agency 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 acquisition of a controlling interest in, renovation and equipping of the Project Facility (including any expenses incurred by the Agency in defending any claims, suits or actions which

may arise as a result of any of the foregoing) whether such claims or liabilities arise as a result of the Company or Additional Agents acting as agent for the Agency pursuant to this Agreement or otherwise.

(b) The Company shall not permit to stand, and will, at its own expense, take all steps reasonably necessary to remove, any mechanics' or other liens against the Project Facility for labor or material furnished in connection with the acquisition, renovation and equipping of the Project Facility.

(c) The Company shall indemnify and hold the Agency, its members, officers, employees and agents and anyone for whose acts or omissions the Agency 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 to the Project, including any expenses incurred by the Agency in defending any claims, suits or actions which may arise as a result of the foregoing.

(d) The Company shall defend, indemnify and hold the Agency harmless from all losses, expenses, claims, damages and liabilities arising out of or based on the non-disclosure of information, if any, requested by the Company in accordance with Section 4.05 hereof.

(e) The defense and indemnities provided for in this Article 3 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 Agency, its members, officers, employees and agents, anyone under the direction and control of any of them, or anyone for whose acts or omissions the Agency or any of them may be liable, and whether or not based upon the breach of a statutory duty or obligation or any theory or rule of comparative or apportioned liability, subject only to any specific prohibition relating to the scope of indemnities imposed by statutory law.

(f) The Company shall provide and carry: (i) worker's compensation and disability insurance as required by law; and (ii) comprehensive liability and property insurance with such coverages (including without limitation, owner's protective coverage for the benefit of the Agency, naming the Agency as an additional insured on all policies of coverage regarding the Project; providing the coverage with respect to the Agency be primary and non-contributory; and contractual coverage covering the indemnities herein provided for), with such limits and which such companies as may be approved by the Agency. Upon the request of the Agency, the Company shall provide certificates and/or policies of insurance in form satisfactory to the Agency evidencing such insurance.

(g) The Company shall include the Agency as a named insured under all public liability insurance policies obtained by the Company with respect to the Project Facility.

(h) The Company shall apply and diligently pursue all approvals, permits and consents from the State of New York, the Village of Phoenix, County of Oswego

and any other governmental authority which approvals, permits and consents are required under applicable law for the development, renovation of the Project and any related site improvements. The Company acknowledges and agrees that the Agency's findings and determinations under SEQRA do not and shall not in and of themselves (except as specifically set forth in SEQRA) satisfy or be deemed to satisfy applicable laws, regulations, rules and procedural requirements applicable to such approvals, permits and consents.

3.02. The Company agrees that, as agent for the Agency or otherwise, it will comply at the Company'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 Agency and/or Company with respect to the Project Facility, the acquisition of a controlling interest therein, renovation and equipping thereof, the operation and maintenance of the Project Facility, supplemental review of adverse environmental impacts in accordance with SEQRA and the financing of the Project. Every provision required by law to be inserted herein shall be deemed to be set forth herein as if set forth in full, including, but not limited to, Section 875 of the Act; and upon the request of either party, this Agreement shall be amended to specifically set forth any such provision or provisions.

3.03. The Company agrees that, as agent for the Agency, to the extent that such provisions of law are in fact applicable (without creating an obligation by contract beyond that which is created by statute), it will comply with all the requirements Section 220 of the Labor Law of the State of New York, as amended.

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

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

3.06 The Company shall proceed with the acquisition, renovation and equipping of the Project Facility and advance such funds as may be necessary to accomplish such purposes. The Company may utilize, and was authorized to appoint<sup>1</sup>, Additional Agents as agents of the Agency, in furtherance thereof. Any appointment of an Additional Agent is conditioned upon the Company first obtaining and providing the Agency the following:

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<sup>1</sup> Additional Agents must be specifically appointed as an agent of the Agency in order to avail themselves of the Agency's sales and use tax exemption for any and all purchases or rentals of construction materials, equipment, tools and supplies that do not become part of the Project Facility. Additional Agents who purchase construction materials, equipment and/or supplies that become part of the Project Facility need not be, and will not be, specifically appointed as an agent of the Agency.



(1) A written, executed agreement, in form and substance acceptable to the Agency, from each appointed Additional Agent which provides for: (i) the assumption by the Additional Agent, for itself, certain of the obligations under this Agreement relative to the appointment, work and purchases done and made by each appointed Additional Agent; (ii) an acknowledgement by the Additional Agent to hire from the local labor pool during the renovation period of the Project Facility whenever practicable; (iii) an acknowledgement that the Additional Agent is obligated, to timely provide the Company with the necessary information to permit the Company, pursuant to General Municipal Law §874(8), to timely file an Annual Statement with the New York State Department of Taxation and Finance on “Annual Report of Sales and Use Tax Exemptions” (Form ST-340) regarding the value of sales and use tax exemptions the Additional Agent claimed pursuant to the agency conferred on it by the Company with respect to this Project; (iv) an acknowledgment by the Additional Agent that in order to be entitled to the exemption, the Additional Agent shall present to the supplier or other vendor of materials or equipment for the Project Facility a completed “IDA Agent or Project Operator Exempt Purchase Certificate” (Form ST-123); (v) an acknowledgment by the Additional Agent that the failure to comply with the foregoing will result in the loss of the exemption; and (vi) such other terms and conditions as the Agency deems necessary; and

(2) A completed “IDA Appointment of Project Operator or Agent for Sales Tax Purposes” (Form ST-60) for each Additional Agent appointed within fifteen (15) days of the appointment of each Additional Agent such that the Agency can execute and deliver said form to the State Department of Taxation and Finance within thirty (30) days of appointment of each such Additional Agent.

Failure of the Company to comply with the foregoing shall nullify the appointment of any Additional Agent and may result in the loss of the Company’s exemption with respect to the Project at the sole discretion of the Agency.

The Company acknowledges that the assumption by the Additional Agent in accordance with Section 3.06(1) above, does not relieve the Company of its obligations under those provisions or any other provisions of this Agreement with respect to the Project.

3.07 The Company hereby ratifies and confirms its obligations to pay an administrative fee to the Agency in the amount of .75% of the Project costs. Such amount is due and payable in full at closing.

3.08 The Company hereby ratifies and confirms its obligations to pay an annual administrative reporting fee of \$500.00 to cover administrative and reporting requirements to comply with New York State reporting regulations on Agency assisted projects.

#### **Article 4. General Provisions.**

4.01. This Agreement shall take effect on the date of the execution hereof by the Agency and the Company and, subject to Section 4.04 hereof, shall remain in effect until the Lease Documents become effective. It is the intent of the Agency and the Company

that, except as to those provisions that survive, this Agreement be superseded in its entirety by the Lease Documents.

4.02. (a) It is understood and agreed by the Agency and the Company that the grant of Financial Assistance and the execution of the Lease Documents and related documents are subject to (i) payment by the Company of the Agency's fee and Agency's counsel fees; (ii) obtaining all necessary governmental approvals, permits and consents of any kind required in connection with the Project Facility; (iii) approval by the members of the Agency; (iv) approval by the Company; and (v) the condition that there are no changes in New York State Law, including regulations, which prohibit or limit the Agency from fulfilling its obligations hereunder; (b) The Company, by executing this agreement, acknowledges and agrees to make, or cause its Additional Agents, whether appointed as an agent of the Agency in accordance with Section 3.06 hereof or not, to make, all records and information regarding State and local sales and use tax exemption benefits given to the Project as part of the Financial Assistance available to the Agency upon request, including but not limited to the Form ST-340 for itself and each Additional Agent; (c) the Company, by executing this Agreement, acknowledges and agrees to the terms and conditions of Section 875(3) of the Act as if such section were fully set forth herein and further agrees to cause all of its Additional Agents to acknowledge, agree and consent to same. Without limiting the scope of the foregoing the Company acknowledges that pursuant to Section 875(3) of the Act and in accordance with the Agency's policy and/or position, the Agency shall recover, recapture, receive or otherwise obtain from the Company the portion of the Financial Assistance (the "**Recapture Amount**") consisting of: (1) (a) that portion of the State sales tax exemption to which the Company was not entitled, which is in excess of the amount of the State sales tax exemption authorized by the Agency or which is for property or services not authorized by the Agency; or (b) the full amount of such State sales tax exemption, if the Company fails to comply with a material term or condition regarding the use of the property or services as represented to the Agency in its Application or otherwise; and (2) any interest or penalties thereon imposed by the Agency or by operation of law or by judicial order or otherwise; and (d) The failure of the Company to promptly pay such Recapture Amount to the Agency will be grounds for the Commissioner to collect sales and use taxes from the Company under Article 28 of the State Tax Law, together with interest and penalties. In addition to the foregoing, the Company acknowledges and agrees that for purposes of exemption from New York State (the "**State**") sales and use taxation as part of the Financial Assistance requested, "sales and use taxation" shall mean sales and compensating use taxes and fees imposed by article twenty-eight or twenty-eight-A of the New York State tax law but excluding such taxes imposed in a city by section eleven hundred seven or eleven hundred eight of such article twenty-eight.

4.03. The Company agrees that it will, within thirty (30) days of a written request for same, regardless of whether or not this matter closes or the Project Facility is completed: (i) reimburse the Agency for all reasonable and necessary expenses, including without limitation the fees and expenses of counsel to the Agency arising from, out of or in connection with the Project, and/or any documents executed in connection therewith, including, but not limited to any claims or actions taken by the Agency against the Company, Additional Agents or third parties; and (ii) indemnify the Agency from all losses, claims, damages and liabilities, in each case which the Agency may incur as a consequence of executing this Agreement or performing its obligations hereunder, including but not limited to, any obligations

related to Additional Agents.

4.04. If for any reason the Lease Documents are not executed and delivered by the Company and the Agency on or before eighteen (18) months from the execution hereof, the provisions of this Agreement (other than the provisions of Articles 1.04, 2.02, 2.04, 3.01, 3.02, 3.03, 3.05, 3.06, 4.02, 4.03, 4.04, 4.05 and 4.06, which shall survive) shall unless extended by agreement of the Agency and the Company, terminate and be of no further force or effect, and following such termination neither party shall have any rights against the other party except:

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

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

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

**4.05. The Company acknowledges that Section 875(7) of the New York General Municipal Law (“GML”) requires the Agency to post on its website all resolutions and agreements relating to the Company’s appointment as an agent of the Agency or otherwise related to the Project, including this Agreement; and Article 6 of the New York Public Officers Law declares that all records in the possession of the Agency (with certain limited exceptions) are open to public inspection and copying. If the Company feels that there are elements of the Project or information about the Company in the Agency’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 Company’s competitive position, the Company must identify such elements in writing, supply same to the Agency: (i) with respect to this Agreement, prior to or contemporaneously with the execution hereof; and (ii) with respect to all other agreements executed in connection with the Project, on or before the Closing Date, and request that such elements be kept confidential in accordance with Article 6 of the Public Officers Law. Failure to do so will result in the posting by the Agency of all information in accordance with Section 875 of the GML.**

4.06 That every controversy, dispute or claim arising out of or relating to this Agreement shall be governed by the laws of the State of New York, without regard to its conflict-of-laws provisions that if applied might require the application of the laws of another jurisdiction; and that the Company irrevocably and expressly submits to the exclusive personal jurisdiction of the Supreme Court of the State of New York and the United States District Court for the Northern District of New York, to the exclusion of all other courts, for the purposes of litigating every controversy, dispute or claim arising out of or relating to this Agreement.

**In Witness Whereof**, the parties hereto have entered in this Agreement as of November 11, 2015.

**COUNTY OF OSWEGO INDUSTRIAL  
DEVELOPMENT AGENCY**

By: \_\_\_\_\_  
L. Michael Treadwell  
Chief Executive Officer

**SCOTT ANTONACCI/R&D DESIGN AND  
ASSOCIATES, LLC**

By: \_\_\_\_\_  
Name:  
Title:

## PILOT RESOLUTION

A regular meeting of the County of Oswego Industrial Development Agency was convened in public session on November 11, 2015 at 9:00 a.m., at 44 West Bridge Street, Oswego, New York.

The meeting was called to order by the Chair and, upon the roll being duly called, the following members were:

**PRESENT:** Nick Canale, Jr., Donald H. Kunzwiler, Carolyn A. Rush,  
H. Leonard Schick, Morris Sorbello and Gary T. Toth

**ABSENT:** None

**ALSO PRESENT:** Kevin C. Caraccioli, David S. Dano and L. Michael  
Treadwell

The following resolution was duly offered and seconded:

### **RESOLUTION APPROVING A PAYMENT IN LIEU OF TAX SCHEDULE AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS BY THE AGENCY IN CONNECTION WITH A CERTAIN PROJECT UNDERTAKEN AT THE REQUEST OF THE COMPANY**

**WHEREAS**, the County of Oswego Industrial Development Agency (the “*Agency*”) is authorized and empowered by Title 1 of Article 18-A of the General Municipal Law of the State of New York (the “*State*”), as amended, together with Chapter 234 of the Laws of 1973 of the State of New York, as amended from time to time (collectively, the “*Act*”) to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial, research and recreation facilities, including industrial pollution control facilities, railroad facilities and certain horse racing facilities, for the purpose of promoting, attracting, encouraging and developing recreation and economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State, to improve their recreation opportunities, prosperity and standard of living, and to prevent unemployment and economic deterioration; and

**WHEREAS**, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to acquire, lease, and sell real property and grant financial assistance in connection with one or more “projects” (as defined in the Act); and

**WHEREAS**, Scott Antonacci/R&D Design and Associates, LLC, or an entity to be

formed (collectively, the “**Company**”), submitted an application to the Agency on or about August 19, 2015, as thereafter updated (the “**Application**”), a copy of which is on file at the office of the Agency, requesting that the Agency consider undertaking a project (the “**Project**”) consisting of: (A) (i) the acquisition of a leasehold interest in approximately 2.2 acres of improved real property located at 15 County Route 59, Village of Phoenix, New York, Oswego County (the “**Land**”); (ii) the renovation of an approximately 8,000 square foot building for use as a light industrial manufacturing and research and development facility (the “**Facility**”) all located on the Land; (iii) the acquisition of and installation in the Facility of various machinery, equipment and furnishings (collectively the “**Equipment**”) (the Land, Facility and Equipment are hereinafter collectively referred to as the “**Project Facility**”); (B) the granting of certain financial assistance in the form of exemptions from real property tax, mortgage recording tax and State and local sales and use tax (collectively, the “**Financial Assistance**”); (C) entering a lease transaction for the purchase of equipment to be used in the project facility in an amount not to exceed \$45,000; and (D) the lease of the Land and Facility by the Agency pursuant to a lease agreement; the acquisition by the Agency of an interest in the Equipment pursuant to a bill of sale from the Company; and the sublease of the Project Facility back to the Company pursuant to a sublease agreement; and

**WHEREAS**, the Company has represented that the acquisition of the Land and the renovation of the Facility is necessary to allow for the Company’s expansion and to maintain its competitive advantage in its industry; and

**WHEREAS**, the Company has further represented that the Project Facility is not primarily used in making retail sales to customers who personally visit the Facility; and

**WHEREAS**, pursuant to Article 8 of the Environmental Conservation Law of the State of New York, as amended, and the regulations of the Department of Environmental Conservation of the State of New York promulgated thereunder (collectively referred to hereinafter as “**SEQRA**”), the Agency has examined the EAF prepared by the Company in order to classify the Project and has determined that the Project constitutes a “Type II” action as that term is defined under SEQRA, and therefore no further review is required; and

**WHEREAS**, on November 11, 2015 the Agency adopted a Resolution (the “**Inducement Resolution**”) undertaking the Project and appointing the Company as its agent for purposes of completing the Project Facility; and

**WHEREAS**, in the Application, the Company also requested that the Agency consider a payment in lieu of tax (“**PILOT**”) schedule, more fully described on Exhibit “A” attached hereto, and such schedule conforms with the Agency’s Uniform Tax Exemption Policy (“**UTEP**”) established pursuant to Section 874(4) of the Act for manufacturing facilities; and

**WHEREAS**, the Agency has given due consideration to the Application and to representations by the Company that the provision of Financial Assistance: (i) will induce the Company to develop the Project Facility in the Village of Phoenix, (ii) will not result in the removal of a commercial, industrial or manufacturing plant or facility of the Company or any other proposed occupant of the Project Facility from one area of the State of New York (the

“State”) to another area of the State or in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project Facility located in the State, except as may be permitted by the Act; (iii) undertaking the Project will create and/or preserve permanent private sector jobs in the State; and (iv) advance the health, general prosperity and economic welfare of the people of the State.

**NOW, THEREFORE,** be it resolved by the members of the County of Oswego Industrial Development Agency, as follows:

**Section 1.** It is the policy of the State to promote the health, economic welfare, recreation opportunities and prosperity of its inhabitants and to actively promote, attract, encourage and develop recreation and economically sound commerce and industry for the purpose of preventing unemployment and economic deterioration. It is among the purposes of the Agency to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of certain facilities, including commercial facilities, and thereby advance the job opportunities, health, general prosperity and economic welfare of the people of the State and to improve their recreation opportunities, prosperity and standard of living.

**Section 2.** The Agency ratifies all prior Resolutions passed in connection with this proposed Project.

**Section 3.** Based upon the representations made by the Company to the Agency, and the reasons presented by the Company in support of its request for the PILOT schedule, as set forth in the **Exhibit “A”** attached hereto, the PILOT schedule is hereby approved. The Chief Executive Officer of the Agency is hereby authorized to execute and deliver a PILOT agreement and any related documents reflecting the PILOT schedule in a form substantially similar to PILOT agreements used in similar transactions with the Agency which is acceptable to the Chief Executive Officer upon advice of counsel.

**Section 4.** No covenant, stipulation, obligation or agreement contained in this resolution or any document referred to herein shall be deemed to be the covenant, stipulation, obligation or agreement of any member, officer, agent or employee of the Agency in his or her individual capacity. Neither the members nor officers of the Agency, nor any person executing any documents referred to herein on behalf of the Agency, shall be liable thereon or be subject to any personal liability or accountability by reason of the execution or delivery thereof.

**Section 5.** A copy of this Resolution shall be placed on file in the office of the Agency where the same shall be available for public inspection during business hours.

**Section 6.** The Chief Executive Officer of the Agency is hereby authorized and directed to distribute copies of this Resolution to the Company and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution as well as all previously approved Resolutions.

**Section 7.** Counsel to the Agency and special Agency counsel are hereby authorized to work with the Company, and others to prepare, for submission to the Agency, all documents

necessary to effect the grant of Financial Assistance, including, but not limited to, a PILOT agreement.

**Section 8.** This Resolution shall take effect immediately.

The question of the adoption of the foregoing resolution was duly put to vote on a roll call, which resulted as follows:

	<u>Aye</u>	<u>Nay</u>	<u>Abstain</u>	<u>Absent</u>	<u>Recuse</u>
Nick Canale, Jr.	X				
Donald H. Kunzwiler	X				
Carolyn A. Rush	X				
H. Leonard Schick	X				
Morris Sorbello	X				
Gary T. Toth	X				

The resolution was thereupon declared duly adopted.



**STATE OF NEW YORK** )  
 ) **SS.:**  
**COUNTY OF OSWEGO** )

I, the undersigned Secretary of the County of Oswego Industrial Development Agency, Do Hereby Certify that (i) I have compared the annexed extract of the minutes of the meeting of the County of Oswego Industrial Development Agency (the “*Agency*”) held on November 11, 2015, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Agency and of the whole of such original insofar as the same relates to the subject matters referred to therein.

I Further Certify that (i) all members of the Agency had due notice of such meeting, (ii) pursuant to Section 104 of the Public Officers Law (Open Meetings Law), such meeting was open to the general public and public notice of the time and place of such meeting was duly given in accordance with such Section 104, (iii) the meeting was in all respects duly held, and (iv) there was a quorum present throughout.

In Witness Whereof, I have hereunto set my hand and affixed the seal of the Agency on November 11, 2015.

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**L. Michael Treadwell**  
**Chief Executive Officer**

**(SEAL)**

**EXHIBIT “A”**

**PILOT SCHEDULE**

R&D Design and Associates, LLC  
15 Co. Rt. 59, Town of Schroepfel

Mfg. UTEP: 20 Years

UTEP applies to any increase in assessment over the “current base” assessment of \$195,600.

<u>Years</u>	<u>Exemption on Increased Amount over \$195,600</u>
1-5	75%
6-10	60%
11-12	50%
13-14	40%
15-16	30%
17-18	20%
19-20	10%

PILOT payment would be equal to annual tax rate for \$195,600 + annual tax rate applied to the increase above the current base as per the above exemption schedule.

## FINAL APPROVING RESOLUTION

A regular meeting of the County of Oswego Industrial Development Agency was convened in public session on November 11, 2015, at 9:00 a.m., at 44 West Bridge Street, Oswego, New York.

The meeting was called to order by the Chair and, upon the roll being duly called, the following members were:

**PRESENT:** Nick Canale, Jr., Donald H. Kunzwiler, Carolyn A. Rush,  
H. Leonord Schick, Morris Sorbello and Gary T. Toth

**ABSENT:** None

**ALSO PRESENT:** Kevin C. Caraccioli, David S. Dano and L. Michael  
Treadwell

The following resolution was duly offered and seconded:

### **RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS BY THE AGENCY IN CONNECTION WITH A PROJECT UNDERTAKEN AT THE REQUEST OF THE COMPANY**

**WHEREAS**, the County of Oswego Industrial Development Agency (the “*Agency*”) is authorized and empowered by Title 1 of Article 18-A of the General Municipal Law of the State of New York (the “*State*”), as amended, together with Chapter 234 of the Laws of 1973 of the State of New York, as amended from time to time (collectively, the “*Act*”) to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial, research and recreation facilities, including industrial pollution control facilities, railroad facilities and certain horse racing facilities, for the purpose of promoting, attracting, encouraging and developing recreation and economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State, to improve their recreation opportunities, prosperity and standard of living, and to prevent unemployment and economic deterioration; and

**WHEREAS**, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to grant “financial assistance” (as defined in the Act) in connection with the acquisition, construction and equipping of one or more “projects” (as defined in the Act); and

**WHEREAS**, Scott Antonacci/R&D Design and Associates, LLC, or an entity to be formed (collectively, the “*Company*”), submitted an application to the Agency on or about October 13, 2015, as thereafter updated (the “*Application*”), a copy of which is on file at the office of the Agency, requesting that the Agency consider undertaking a project (the “*Project*”) consisting of: (A) (i) the acquisition of a leasehold interest in approximately 2.2 acres of improved real property located at 15 County Route 59, Village of Phoenix, New York, Oswego County (the “*Land*”); (ii) the renovation of an approximately 8,000 square foot building for use as a light industrial manufacturing and research and development facility (the “*Facility*”) all located on the Land; (iii) the acquisition of and installation in the Facility of various machinery, equipment and furnishings (collectively the “*Equipment*”) (the Land, Facility and Equipment are hereinafter collectively referred to as the “*Project Facility*”); (B) the granting of certain financial assistance in the form of exemptions from real property tax, mortgage recording tax and State and local sales and use tax (collectively, the “*Financial Assistance*”); (C) entering a lease transaction for the purchase of equipment to be used in the project facility in an amount not to exceed \$45,000; and (D) the lease of the Land and Facility by the Agency pursuant to a lease agreement; the acquisition by the Agency of an interest in the Equipment pursuant to a bill of sale from the Company; and the sublease of the Project Facility back to the Company pursuant to a sublease agreement; and

**WHEREAS**, the Company has represented that the acquisition of the Land and the renovation of the Facility is necessary to allow for the Company’s expansion and to maintain its competitive advantage in its industry; and

**WHEREAS**, the Company has further represented that the Project Facility is not primarily used in making retail sales to customers who personally visit the Facility; and

**WHEREAS**, the Agency conducted a public hearing with respect to the Project and the proposed Financial Assistance on November 9, 2015 pursuant to Section 859-a of the Act, notice of which was published on October 28, 2015 in the Palladium Times, a newspaper of general circulation in the County of Oswego, New York and given to the chief executive officers of the affected tax jurisdictions by letter dated October 28, 2015; and

**WHEREAS**, the Agency adopted a resolution on October 15, 2015 (the “*Initial Resolution*”) entitled:

**RESOLUTION DETERMINING THAT THE ACQUISITION, RENOVATION AND EQUIPPING OF A COMMERCIAL FACILITY AT THE REQUEST OF THE COMPANY CONSTITUTES A PROJECT AND DESCRIBING THE FINANCIAL ASSISTANCE REQUESTED IN CONNECTION THEREWITH AND AUTHORIZING A PUBLIC HEARING**

which resolution is in full force and effect and has not been amended or modified; and

**WHEREAS**, pursuant to Article 8 of the Environmental Conservation Law of the State of New York, as amended, and the regulations of the Department of Environmental Conservation of the State of New York promulgated thereunder (collectively referred to hereinafter as “*SEQRA*”), the Agency has examined the EAF prepared by the Company in order to classify the Project and has determined that the Project constitutes a “Type II” action as that term is defined under SEQRA, and therefore no further review is required; and

**WHEREAS**, the Agency adopted a resolution on November 11, 2015 (the “*Inducement Resolution*”) entitled:

**RESOLUTION UNDERTAKING THE ACQUISITION, RENOVATION AND EQUIPPING OF A CERTAIN PROJECT, APPOINTING THE COMPANY AS AGENT OF THE AGENCY FOR THE PURPOSE OF THE ACQUISITION, RENOVATION AND EQUIPPING OF THE PROJECT; APPROVING FINANCIAL ASSISTANCE IN THE FORM OF EXEMPTIONS FROM REAL PROPERTY TAX, STATE AND LOCAL SALES AND USE TAX AND MORTGAGE RECORDING TAX; ENTERING A LEASE TRANSACTION FOR THE PURCHASE OF EQUIPMENT TO BE USED IN THE PROJECT FACILITY IN AN AMOUNT NOT TO EXCEED \$45,000; AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN AGREEMENT BETWEEN THE AGENCY AND THE COMPANY**

which resolution is in full force and effect and has not been amended or modified;

**WHEREAS**, the Agency adopted a resolution on November 11, 2015 (the “*PILOT Resolution*”) entitled:

**RESOLUTION APPROVING A PAYMENT IN LIEU OF TAX SCHEDULE AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS BY THE AGENCY IN CONNECTION WITH A CERTAIN PROJECT UNDERTAKEN AT THE REQUEST OF THE COMPANY**

which resolution is in full force and effect and has not been amended or modified; and

**NOW, THEREFORE**, be it resolved by the members of the County of Oswego Industrial Development Agency, as follows:

**Section 1.** It is the policy of the State to promote the health, economic welfare, recreation opportunities and prosperity of its inhabitants and to actively promote, attract, encourage and develop recreation and economically sound commerce and industry for the purpose of preventing unemployment and economic deterioration. It is among the purposes of the Agency to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of certain facilities, including commercial facilities, and thereby advance the job opportunities, health, general prosperity and economic welfare of the people of the State and to improve their recreation opportunities, prosperity and standard of living.

**Section 2.** Based upon the representations and projections made by the Company to the Agency and after considering those representations, the Agency hereby makes the following determinations:

- a) The Project constitutes a Type II action under SEQRA and therefore no further review is required.
- b) Ratifies the findings in its Initial, PILOT and Inducement Resolutions.
- c) The granting of the Financial Assistance will be an inducement to the Company to develop the Project in the Village of Phoenix, County of Oswego; and will assist the Company in its expansion and in its ability to maintain its competitive advantage.
- d) The commitment of the Agency to provide the Financial Assistance to the Company will enable the Company to acquire, renovate and equip the Project Facility.
- e) The Project Facility is not primarily used in making retail sales to customers who personally visit the Facility.
- f) The acquisition, renovation and equipping of the Project Facility will promote employment opportunities and help prevent economic deterioration in the Village of Phoenix and County of Oswego by the creation of both full and part-time jobs.
- g) The renovation, equipping and operation of the Project Facility and the attendant promotion of the local economy will advance the job opportunities, health, prosperity and economic welfare of the people of the County of Oswego and the granting of the Financial Assistance is a necessary component to the financing of the Project.
- h) The Project will not result in the removal of any commercial, industrial or manufacturing plant or facility of the Company or of any other proposed occupant of the Project Facility from one area of the State to another area of the State or in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project Facility located in the State, except as may be permitted by the Act.

**Section 3.** Subject to the conditions set forth in Section 4.02 of the Agreement (as that term is defined in the Inducement Resolution), this Resolution, the Inducement Resolution and the PILOT Resolution (collectively the “**Resolutions**”), the Agency will: (A) acquire a controlling interest in the Project Facility; (B) lease the Land and Facility from the Company pursuant to a lease agreement between the Agency and the Company (the “**Company Lease**”) and acquire an interest in the Equipment pursuant to a bill of sale from the Company (the “**Bill of Sale**”); and sublease the Project Facility to the Company, pursuant to a sublease agreement which shall be consistent with this Resolution and approved by the Chief Executive Officer or (Vice) Chairperson of the Agency upon the advice of counsel to the Agency (the “**Agency Lease**” and together with the Bill of Sale, the Lease (as defined below) and the Company Lease, the “**Lease Documents**”); (C) enter into a lease transaction for the purchase of equipment to be utilized in the Project Facility in an amount not to exceed \$45,000 (the “**Lease**”); (D) secure the Company’s borrowings with respect to the Project Facility, by joining in one or more construction or permanent mortgages on the Project Facility in favor of the Company’s lender(s), in such form and substance as shall be consistent with this resolution and approved by the Chief Executive Officer or (Vice) Chairperson of the Agency upon the advice of counsel to the Agency and pledging and assigning to such lender(s), if any, certain rights and remedies of the Agency under the sublease agreement by the execution and delivery of a pledge and assignment which shall be consistent with this resolution and approved by the Chief Executive Officer or (Vice) Chairperson of the Agency upon the advice of counsel to the Agency; and (E) execute and deliver any other documents necessary to effectuate the intent of the Resolutions and the granting of the Financial Assistance as contemplated by and consistent with this Resolution upon the advice of counsel to the Agency.

**Section 4.** The Chief Executive Officer and/or (Vice) Chairperson are each hereby authorized and directed, for and in the name and on behalf of the Agency, to execute and deliver the documents and agreements identified herein and any such additional certificates, instruments, documents or affidavits, to pay any such other fees, charges and expenses, to make such other changes, omissions, insertions, revisions, or amendments to the documents referred to herein and to do and cause to be done any such other acts and things, as they determine, on advice of counsel to the Agency, may be necessary or desirable to consummate the transactions contemplated by the Resolutions. The execution thereof by the Chief Executive Officer or (Vice) Chairperson shall constitute conclusive evidence of such approval.

**Section 5.** No covenant, stipulation, obligation or agreement contained in this Resolution or any document referred to above shall be deemed to be the covenant, stipulation, obligation or agreement of any member, officer, agent or employee of the Agency in his or her individual capacity. Neither the members nor officers of the Agency, nor any person executing any documents referred to above on behalf of the Agency, shall be liable thereon or be subject to any personal liability or accountability by reason of the execution or delivery thereof.

**Section 6.** A copy of this Resolution, together with the attachments hereto, shall be placed on file in the office of the Agency where the same shall be available for public inspection during business hours.

**Section 7.** The Chief Executive Officer of the Agency is hereby authorized and

directed to distribute copies of this Resolution to the Company and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution.

**Section 8.** Counsel to the Agency and special Agency counsel are hereby authorized to work with the Company, and others to prepare, for submission to the Agency, all documents necessary to effect the grant of Financial Assistance and to consummate the transactions contemplated by this Resolution.

**Section 9.** This Resolution shall take effect immediately.

The question of the adoption of the foregoing resolution was duly put to vote on a roll call, which resulted as follows:

	<u>Aye</u>	<u>Nay</u>	<u>Abstain</u>	<u>Absent</u>	<u>Recuse</u>
Nick Canale, Jr.	X				
Donald H. Kunzwiler	X				
Carolyn A. Rush	X				
H. Leonard Schick	X				
Morris Sorbello	X				
Gary T. Toth	X				

The resolution was thereupon declared duly adopted.



**STATE OF NEW YORK** )  
 ) **SS.:**  
**COUNTY OF OSWEGO** )

I, the undersigned Chief Executive Officer of the County of Oswego Industrial Development Agency, Do Hereby Certify that (i) I have compared the annexed extract of the minutes of the meeting of the County of Oswego Industrial Development Agency (the “*Agency*”) held on November 11, 2015, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Agency and of the whole of such original insofar as the same relates to the subject matters referred to therein.

I Further Certify that (i) all members of the Agency had due notice of such meeting, (ii) pursuant to Section 104 of the Public Officers Law (Open Meetings Law), such meeting was open to the general public and public notice of the time and place of such meeting was duly given in accordance with such Section 104, (iii) the meeting was in all respects duly held, and (iv) there was a quorum present throughout.

In Witness Whereof, I have hereunto set my hand and affixed the seal of the Agency on November 11, 2015.

---

**L. Michael Treadwell**  
**Chief Executive Officer**

**(SEAL)**

# County of Oswego Industrial Development Agency



*Universal Metal Works -  
Davis-Standard*



*Sunoco*



*Fulton Animal Hospital*



*Holiday Inn Express*



*Designer Hardwood Flooring  
CNY*



*The Gardens by Morningstar*



**Annual Report**  
*FY 8/1/14-7/31/15*

## Enabling Legislation

In accordance with New York State General Municipal Law article 18-A, the County of Oswego Industrial Development Agency was formed on April 25, 1973. Section 911-b constitutes the enabling legislation for the County of Oswego Industrial Development Agency.

## Section 911-b: County of Oswego Industrial Development Agency

For the benefit of the County of Oswego and the inhabitants thereof, an industrial development agency, to be known as the COUNTY OF OSWEGO INDUSTRIAL DEVELOPMENT AGENCY, is hereby established for the accomplishment of any or all of the purposes specified in title one of article eighteen-A of the General Municipal Law. It shall constitute a body corporate and politic, and be perpetual in duration. It shall have the powers and duties now or hereafter conferred by title one of article eighteen-A of the General Municipal Law upon industrial development agencies and provided that the exercise of the powers by such agency with respect to the acquisition of real property whether by purchase, condemnation or otherwise, shall be limited to the corporate limits of the county of Oswego, and such agency shall take into consideration the local zoning and planning regulations as well as the regional and local comprehensive land use plans. It shall be organized in a manner prescribed by and be subject to the provisions of title one of article eighteen-A of the General Municipal Law. Its members shall be appointed by the governing body of the county of Oswego. The agency, its members and officers and its operations and activities shall in all respects be governed by the provisions of title one of article eighteen-A of the General Municipal Law.

### Board of Directors

Carolyn A. Rush  
*Chair*

Gary T. Toth  
*Vice Chair*

H. Leonard Schick  
*Secretary/Treasurer*

Nicholas M. Canale

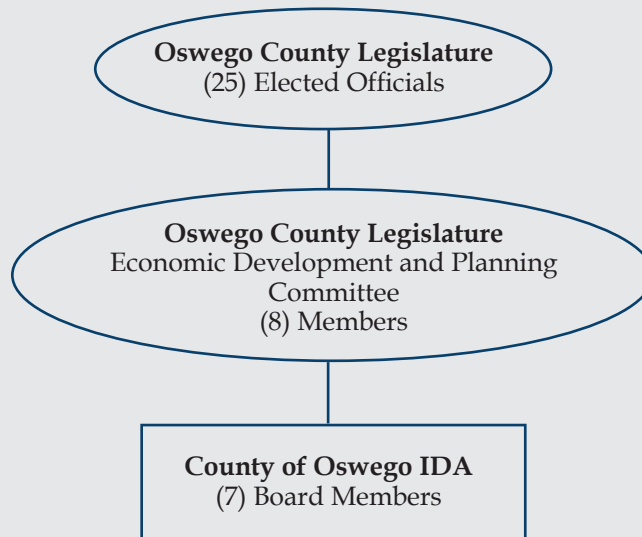
Jonathan Daniels\*\*

Donald H. Kunzwiler

Morris Sorbello

L. Michael Treadwell, CEcD\*  
*Chief Executive Officer*

David S. Dano\*  
*Chief Financial Officer*



\* Contracted administrative agreement with Operation Oswego County, Inc. for professional services.

\*\*Vacancy as a result of resignation dated 8/6/13.

## Mission Statement

The County of Oswego Industrial Development Agency’s mission is to establish and implement sound economic development strategies in order to enhance the economic vitality of Oswego County’s businesses, industries, communities, and citizens, leading to an overall better quality of life. Key to the Agency’s mission is the creation and retention of job opportunities, diversification and strengthening of Oswego County’s economic base, and developing the local economy in a planned, organized, and environmentally compatible manner.

## Goals

- To create new employment opportunities through the attraction of or the creation of new businesses;
- To create new employment opportunities through the expansion of existing businesses;
- To retain existing employment opportunities;
- To enhance and encourage capital investment by new and expanding businesses;
- To increase the County's tax base;
- To help stabilize and diversify the County's local economy;
- To help facilitate the development of essential services or businesses generally lacking in the County;
- To recognize the importance of the overall multiplier economic impacts of projects;
- To target financial assistance to key industrial clusters critical to the County's economy, including manufacturing, healthcare, education, tourism, energy, and agribusiness;
- To leverage the greatest level of private and non-IDA financial assistance as possible;
- To coordinate efforts to help improve the competitive position of businesses and spur initiatives that help to improve the overall business climate;
- To work cooperatively with local governments, economic development partners, and school districts to further economic development progress;
- To advance Oswego County's economy through regional cooperation and collaboration;
- To enhance media and educational outreach initiatives; and
- To improve the quality of life in Oswego County.

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## Objectives

- The issuance of Private Activity Bonds (tax-exempt or taxable bonds) to finance eligible manufacturing and commercial projects. The issuance of Civic Facility Revenue Bonds (tax-exempt or taxable bonds) to finance eligible not-for-profit 501(c)(3) organizations' projects (subject to authorizing NYS legislation).
- To help support and work cooperatively with the Oswego County Civic Facilities Corporation to help finance eligible not-for-profit 501(c)(3) organizations' projects with Civic Facility Revenue Bonds.
- The issuance of tax-exempt bonds for pollution control facilities.
- The issuance of tax-exempt bonds for other projects that are eligible for financing in compliance with Federal and NYS legislation.
- Providing to eligible and qualified businesses exemptions from real property taxes, sales and use taxes, and mortgage recording taxes consistent with the County of Oswego IDA's Uniform Tax Exemption Policy and in compliance with NYS legislation.
- Providing financial assistance to micro-enterprise businesses utilizing the County of Oswego IDA's Micro-Enterprise Economic Development Fund.

**Objectives, cont.**

- Partnering with IDAs and EDOs in CNY to support the CNY REDC’s efforts to retain consulting services to assist with the URI application process (\$25,000 commitment).
- Providing financial assistance to eligible and qualified businesses utilizing the County of Oswego IDA’s PILOT Economic Development Fund and HUD Economic Development Fund.
- Utilizing the County of Oswego IDA’s General Economic Development Fund to enhance economic development initiatives and strategies.
- Providing financial assistance to eligible and qualified businesses utilizing the USDA Intermediary Relending Program (IRP).
- Serving as a conduit, as appropriate, to apply for and secure Federal and State government grants and/or loans for economic development projects.
- Providing interim financing for eligible and qualified businesses that will be receiving permanent financing through the SBA 504 loan program in cooperation with Operation Oswego County, Inc.
- Assisting in acquiring, constructing, and renovating necessary and appropriate real estate, working in cooperation with Operation Oswego County, Inc., to enhance and further economic development, including industrial park properties, incubator facilities, speculative buildings, and sites, etc.
- Collecting and distributing PILOT payments to taxing authorities in accordance with the General Municipal Law of the State of New York.
- Complying with the State Environmental Quality Review Act (SEQRA) on all projects assisted by the County of Oswego IDA.
- Working in partnership with government, education, labor, business and economic development agencies to maximize development potential and sustainability of the economy in Oswego County.
- To be in compliance with all reporting and policy requirements specified by the NYS GML, NYS Office of the State Comptroller, NYS ABO and the NYS PAL.

**Meetings Held**

8/11/14      2/26/15  
 9/9/14        3/24/15  
 9/17/14      4/16/15  
 10/8/14      5/8/15  
 11/12/14     6/4/15  
 12/5/14      6/22/15  
 12/22/14     7/14/15  
 1/14/15      7/31/15  
 2/12/15

**Public Hearings Held**

8/12/14      Branch Development Oswego, LLC  
 (Holiday Inn Express)  
 1/13/15      Hardwood Transformations, Inc. and  
 Designer Hardwood Flooring CNY, Inc.  
 2/24/15      Universal Metal Works, LLC  
 5/7/15        SolarCity Corporation (Scriba)  
 5/7/15        SolarCity Corporation (Volney)  
 5/27/15      Port City Logistics, Inc.  
 6/19/15      Sunoco, Inc.

## Compliance & Reporting/Other Activities

- The ESDC Notification of Initial Allocation for the issuance of Private Activity Bonds for 2015 was \$4,038,429.
- IDA annual employment survey completed.
- Member of the Council of Development Finance Agencies.
- Returned \$276 to HUD as required for earned interest in 2014.
- Annual Financial Report and Audit Report filed with the NYS Office of the State Comptroller, County of Oswego and ESDC for FY ended 7/31/14.
- Maintained IDA website to comply with the Public Authorities Accountability Act (PAAA) ([www.oswegocountyida.org](http://www.oswegocountyida.org)).
- Continued an administrative agreement for professional services with Operation Oswego County, Inc. through 2016.
- UTEP deviation notifications were filed with the taxing authorities for the following 5 projects:
  - Branch Development Oswego, LLC (Holiday Inn Express);
  - SolarCity Corporation (Scriba);
  - SolarCity Corporation (Volney);
  - Designer Harwood Flooring CNY, Inc.; and
  - Hardwood Transformations, Inc.
- Appointment of Project Operator or Agent (ST-60) filed with the NYS Department of Taxation and Finance for the following 19 projects:
  - Parsons-McKenna Construction Co. (Holiday Inn Express);
  - Sunoco, Inc.;
  - Branch Development Oswego LLC (Holiday Inn Express);
  - Modular Comfort Systems (Novelis Corporation - Hawk);
  - Universal Metal Works;
  - Whelan & Curry Construction Services, Inc. (Universal Metal Works);
  - Industrial Contracting, Inc. (Novelis Corporation - Hawk);
  - Burns Bros. Contractors Inc. (Novelis Corporation - Hawk);
  - Griffin Insulation Co., Inc. (Novelis Corporation - Hawk);
  - Murane Building Contractors, Inc. (Novelis Corporation - Hawk);
  - M&A Holdings of CNY, LLC (The Gardens by Morningstar);
  - SAM North America, LLC;
  - Lewis Painting (Novelis Corporation - Scrap);
  - JOH Commercial Flooring, Inc. (Novelis Corporation - Hawk);
  - Northeast Masonry, Inc. (Novelis Corporation - Hawk);
  - W.D. Malone Trucking & Excavating (Novelis Corporation - Scrap);
  - Rombough Electric, Inc. (Novelis Corporation - Scrap);
  - J&A Mechanical Contractors, Inc. (Novelis Corporation - Scrap); and
  - Bon-Ton Glass Company (Novelis Corporation - Scrap).

### *Compliance & Reporting/Other Activities, cont.*

- Filed RP-412-a applications to all taxing authorities in accordance with Real Property Tax Law and General Municipal Law, Section 874, for the following 8 projects:
  - MDDO LLC (Eagle Beverage Co.);
  - Novelis Corporation (Hawk);
  - Novelis Corporation (Scrap);
  - Huhtamaki;
  - Universal Properties of NY, LLC (Universal Metal Works);
  - Hardwood Transformations, Inc.;
  - Designer Hardwood Flooring CNY, Inc.; and
  - M&A Holding of CNY, LLC (The Gardens by Morningstar).
- Officers included Carolyn A. Rush (chair), Gary T. Toth (vice chair), and H. Leonard Schick (secretary/treasurer).
- L. Michael Treadwell served as CEO and David S. Dano served as CFO.
- Reviewed monthly loan delinquent reports.
- Continued to follow NYSEDC Best Practice Recommendations.
- Four IDA Directors, Counsel and the CEO have participated in PAAA Training sponsored by the NYSEDC or other State approved training.
- In compliance with the Public Authorities Law, filed Budget Reports for FY ending 7/31/14, 7/31/15 and 7/31/16 with the NYS ABO and County.
- Complied with the filing of the Annual Certification of Code of Ethics and Annual Financial Disclosure Statement to the County of Oswego Board of Ethics.
- Goals of the Agency were reviewed, no changes.
- Entered into an Affiliation Agreement for Start-Up NY with SUNY Oswego for the Designer Harwood Flooring CNY, Inc. project.
- Continued to use the Discretionary Funds Policy.
- CEO continued to be authorized to be the primary Authorizer Designation for PARIS.
- Reviewed and continued to use the Procurement Policy in compliance with GML.
- Reviewed the Disposition of Property Guidelines, no changes made, CEO appointed to serve as the Contracting Officer, filed with the NYS OSC.
- Annual Report for FY ended 7/31/14 was prepared and posted on the Agency's website.
- The Investment Policy was in compliance with the collateral requirements for FY ended 7/31/14.
- Annual review of the Conflict of Interest Policy was conducted, no changes recommended. Conflict of Interest Annual Statements completed.
- Temporary deferments on loan/lease payments were granted for the following 3 projects: Mahalaxmi Motels; Lower Falls Development; and Puddle Jumpers.

*Compliance & Reporting/Other Activities, cont.*

- Grossman St. Amour CPAs, PLLC conducted the audit for FY ended 7/31/14.
- PARIS reporting for FY ended 7/31/14 was successfully completed.
- The Agency's approval to participate in the USDA Business & Industry Guarantee Programs as a "Non-Traditional Lender" was continued to be evaluated for projects.
- At the request of the Agency, the Oswego County Legislature has created a development corporation under 1411 of the NYS Not-for-Profit Law for the sole purpose of issuing Civic Facility Bonds for eligible 501 (c)(3) organizations. The Oswego County Civic Facilities Corporation was not active during the FY.
- Annual Board of Directors Evaluation was completed in accordance to the NYS ABO Policy Guidance for 2015.
- The Agency continued to operate the USDA Intermediary Relending Program for working capital and equipment. A three year extension request and a scope of work change through 2017 was approved.
- In compliance with Section 2824-a and Section 2800 of the PAL, the Agency's Mission Statement and Performance Measurements that were submitted to the NYS ABO remained unchanged.
- Annual performance review of the CEO and CFO was conducted.
- Continued the designation of the Secretary of State as an Agent for Service of a Notice of Claim pursuant to GML.
- A CFA application in Round 4 for ESDC funding to conduct a feasibility study to develop a small business incubator in the City of Oswego was approved (\$30,000). The study by Vantage Point and the C&S Companies was 90% completed.
- Code of Ethics Policy was reviewed and no changes made.
- A CFA application in Round 5 for ESDC funding to assist in the development of the 43,000 SF former Price Chopper into a mixed-use incubator in the City of Oswego was submitted for funding consideration in the amount of \$1 million.
- Pursuant to Section 103 and Sections 142 and 144 of the Internal Revenue Code, a Tax-Exempt Bond Post-Issuance Compliance Policy was unchanged.
- Adopted FOIL Policy was continued.
- Corrective Action Plan filed for the NYS OSC Audit Report of Examination 2014M-356.



## Project Assistance

Project	Location	Type	Projected Jobs		Financial Assistance		Total Project Cost \$	Status
			New	Ret.	Type	Amount \$		
Counseling & Healing Arts	Fulton City	Service/Healthcare	2	—	PILOT EDF	53,200	227,750	Funded
Designer Hardwood Flooring CNY	Oswego City	Manufacturing	17	—	PILOT EDF	250,000	738,000	Funded
					S/L	142,460		Leased
					IRP EDF	100,000		Funded
Felix Schoeller North America	Richland	Manufacturing	36	—	PILOT EDF	200,000	3,200,000	Funded
Fulton Animal Hospital	Fulton City	Service	1	3	PILOT EDF	74,880	509,200	Funded
M&A Holdings of CNY (The Gardens by Morningstar)	Oswego City	Service/Healthcare	38	—	HUD EDF	300,000	4,892,000	Funded
					S/L	2,117,440		Leased
Sweet Inspirations	Fulton City	Service	25	—	IRP EDF	99,500	616,000	Funded
Huhtamaki	Fulton City	Manufacturing	25	—	S/L	633,435	3,489,300	Leased
Design Concepts and Enterprises, LLC	Hastings	Manufacturing	40	—	S/L	118,260	849,500	Delayed
Fred Raynor Ford (Not included in Totals)	Granby	Retail/Service	(10)	(27)	PILOT EDF	(300,000)	(3,075,000)	Canceled
					S/L	(420,414)		Canceled
V-Squared Management, LLC (Kallet Theater)	Richland	Service/Recreation	4	—	PILOT EDF	390,250	1,500,000	Funded
Debbie's Hash & Mash Café	Volney	Service	6	—	MEP EDF	25,000	134,000	Approved
Sunoco, Inc.	Volney	Manufacturing	18	—	S/L	5,566,000	35,500,000	Approved
Port City Logistics	Oswego City	Warehousing	3	—	S/L	251,200	1,480,000	Approved
SolarCity Corporation	Scriba	Energy	2	—	S/L	110,298	2,051,717	Approved
SolarCity Corporation	Volney	Energy	3	—	S/L	284,612	4,107,628	Approved
Universal Metal Works	Fulton City	Manufacturing	9	—	IRP EDF	100,000	2,392,500	Approved
					Gen. EDF	200,000*		Funded
					S/L	595,560		Leased
Kleis Equipment	Constantia	Service/Retail	2	—	IRP EDF	66,000	132,000	Approved
Hardwood Transformation, Inc.	Oswego City	Manufacturing	11	11	S/L	328,440	473,226	Leased
Branch Development Oswego, Inc. (Holiday Inn Express)	Oswego City	Service/Tourism	15	—	PILOT EDF	250,000	8,600,000	Approved
					IRP EDF	100,000		Approved
					S/L	3,141,500		Approved
COIDA Incubator	Oswego City	Service	50	—	PILOT EDF	1,500,000	6,000,000	Approved (Bldg.)
					PILOT EDF	500,000		Approved (Tenants)
Operation Oswego County SBA 504	Countywide	Financing	N/A	N/A	Gen. EDF	150,000	375,000	Approved
					<b>Total</b>	<b>307</b>	<b>41</b>	

\*Advanced Manufacturing Initiative through OOC, Inc.

## Financing Programs

### Loans/Leases Paid in Full

Project	Location	Type	Original Fin. Date	Fin. Type	Amount \$
Barnett Forest Products	Scriba	Agriculture	12/08	PILOT EDF	90,000
Bosco & Geers Food Market	Oswego City	Retail	11/07	HUD EDF	67,146
Crofoot's Car Care	Granby	Service	6/11	MEP EDF	16,000
Hannibal Village Market	Hannibal	Retail	4/07	PILOT EDF	160,000
Mitchell's Printing & Mailing	Oswego City	Manufacturing	3/09	PILOT EDF	133,800
OH Properties	Parish	Service/Healthcare	6/95	PILOT EDF	190,000
OOC/Lee Memorial Hospital	Fulton City	Service/Healthcare	3/08	PILOT EDF	25,000
Sticks Sportsbar Grill & Motel	New Haven	Service	5/10	MEP EDF	25,000

### Bad Debt Loans/Leases

Project	Location	Type	Original Fin. Date	Fin. Type	Amount \$	Bad Debt \$
Great Lakes Veneer	Oswego City	Mfg.	6/09	PILOT EDF	431,347	309,952
McGillicuddy's Enterprise	Mexico	Service/Recreation	2/09	MEP EDF	25,000	9,704

### Bad Debt Loans/Leases Recovery

Project	Location	Type	Original Fin. Date	Fin. Type	Bad Debt Write Off \$	Recovery \$
Rural Bolt Company	Hastings	Wholesale	4/02	PILOT EDF	16,565	4,193

## Definitions for Types of Financial Assistance

- **MEP EDF**-- Micro Enterprise Program Economic Development Fund
- **PILOT EDF**-- Payment in Lieu of Taxes Economic Development Fund
- **General EDF**-- General Economic Development Fund
- **IRP EDF**-- Intermediary Relending Program Economic Development Fund
- **S/L**-- Straight Lease Transaction
- **HUD EDF**-- Housing and Urban Development Economic Development Fund
- **CFRB**-- Civic Facility Revenue Bonds
- **PAB**-- Private Activity Bonds
- **TB**-- Taxable Bonds

### Distribution of PILOT Payments - FY Ended 7/31/15

	<u>Amount</u>	<u>%</u>
School Districts	\$5,216,317	65.2
City/Town/Village	\$ 756,099	9.5
County	\$1,834,715	22.9
County IDA*	<u>\$ 188,617</u>	<u>2.4</u>
<u>Total:</u>	<u>\$7,995,748</u>	<u>100.0</u>

\*County's prorata share was split 90/10 with IDA to recapitalize the IDA's PILOT EDF in 2015.

## Statement of Revenues and Expenditures and Changes in Net Position - FY Ended 7/31/15

<b>Revenues</b>	
Charges for Services	\$ 74,680
Interest income	237,168
Payments in lieu of taxes	190,322
Other revenues	125,046
Gain on RE Sale	160,998
<b>Total revenues</b>	<b>788,214</b>
<b>Expenditures</b>	
Administration	266,169
Professional Fees	106,329
Grants and Development	373,577
Other expenses	115,421
<b>Total expenditures</b>	<b>861,496</b>
Change in net position	( 73,282)
Net position – beginning of year	19,558,068
<b>Net position – end of year</b>	<b>\$ 19,484,786</b>

Note: Audit Report is available at [www.oswegocountyida.org](http://www.oswegocountyida.org).

## Statement of Net Position - FY Ended 7/31/15

### Assets

Cash	\$ 8,232,348
Loans receivable	10,990,930
Accounts Receivable	172,924
Project Assets, net	1,208,470
<b>Total Assets</b>	<b>\$ 20,604,672</b>

### Liabilities

Accounts Payable	\$ 10,398
Loan Payable	409,488
Mortgage Payable	700,000
<b>Total Liabilities</b>	<b>\$ 1,119,886</b>

### Net Position

Restricted Cash	\$ 5,357,703
Restricted Loans Receivable	9,804,208
Unrestricted	4,322,875
<b>Total Net Position</b>	<b>\$ 19,484,786</b>

Note: Audit Report is available at [www.oswegocountyida.org](http://www.oswegocountyida.org).

## Schedule of Bonds/Notes - FY Ended 7/31/15

Details are provided in the Audit Report which is available at [www.oswegocountyida.org](http://www.oswegocountyida.org).

## Internal Control Structure and Procedure - FY Ended 7/31/15

Details are provided in the Audit Report which is available at [www.oswegocountyida.org](http://www.oswegocountyida.org).

## Compensation Schedule - FY Ended 7/31/15

Not applicable; IDA had no employees.

## Real Property Owned - FY Ended 7/31/15

Property	Address	Tax Map ID	Size (Acres)
Lake Ontario Industrial Park	249A Mitchell St., Oswego	110.68-01-01	56.64
Peck Road Site	Peck Road, Town of Richland	071.00-02-28.01	14.25
Columbia Mills	St. Rt. 48, Town of Minetto	183.02-02-04.02	89.4
Huhtamaki Site	411-419 First St., Fulton	253.24-01-02	1.66
Hardwood Transformations	120 St. Paul St., Oswego	128.27-01-05	6.95

## Real Property Disposed of During FY Ended 7/31/15

Property	Address	Tax Map ID	Size (Acres)
DG Strategic II, LLC (Dollar General)	8 Columbia Ave., Minetto	184.05-03-01.01	1.34

## Code of Ethics

See Code of Ethics Policy listed on website at [www.oswegocountyida.org](http://www.oswegocountyida.org).

## Approval and Certification for FY Ended 7/31/15

The Annual Report of the County of Oswego IDA was approved by the Board of the Agency on November 11, 2015.

The information contained in the Annual Report for the County of Oswego IDA for FY ended 7/31/15 represents an accurate, complete and fair presentation of the Agency's activities and financial position. In compliance with the PAAA, this report will be provided to the Chair of the Oswego County Legislature, to the NYS Authority Budget Office, and be posted on the Agency's website [www.oswegocountyida.org](http://www.oswegocountyida.org).

Certified by:

  
 \_\_\_\_\_ 11/11/15  
 Carolyn A. Rush, Chair

  
 \_\_\_\_\_ 11/11/15  
 H. Leonard Schick, Secretary/Treasurer

  
 \_\_\_\_\_ 11/11/15  
 L. Michael Treadwell, CEO

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USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W.  
Washington, D.C. 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD).

## APPROVING RESOLUTION

A regular meeting of the County of Oswego Industrial Development Agency (the “*Agency*”) was convened in public session on November 11, 2015 at 9:00 a.m., at 44 West Bridge Street, Oswego, New York.

The meeting was called to order by the Chair and, upon the roll being duly called, the following members were:

Present: Nick Canale, Jr., Donald H. Kunzwiler, Carolyn A. Rush, H. Leonard Schick, Morris Sorbello and Gary T. Toth

Absent: None

Also Present: Kevin C. Caraccioli, David S. Dano and L. Michael Treadwell

The following resolution was duly offered and seconded:

### **RESOLUTION APPROVING AN EXTENSION OF THE COMPANY’S APPOINTMENT AS AGENT OF THE AGENCY UNTIL MARCH 31, 2016 AND THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS IN CONNECTION THEREWITH**

**WHEREAS**, the County of Oswego Industrial Development Agency (the “*Agency*”) is authorized and empowered by Title 1 of Article 18-A of the General Municipal Law of the State of New York (the “*State*”), as amended, together with Chapter 234 of the Laws of 1973 of the State of New York, as amended from time to time (collectively, the “*Act*”) to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial, research and recreation facilities, including industrial pollution control facilities, railroad facilities and certain horse racing facilities, for the purpose of promoting, attracting, encouraging and developing recreation and economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State, to improve their recreation opportunities, prosperity and standard of living, and to prevent unemployment and economic deterioration; and

**WHEREAS**, Sunoco, Inc., a Pennsylvania corporation (the “*Company*”), submitted an application to the Agency on or about June 1, 2015 (the “*Application*”), a copy of which is on file at the office of the Agency, requesting that the Agency consider undertaking a project (the “*Project*”) consisting of: (A) (i) the acquisition or continuation of a leasehold interest in approximately 91-119 acres of improved real property located at 376 Owen Road in the Town of

Volney, New York, Oswego County (the “**Land**”); (ii) construction and equipping of an approximate 1,260 square foot scale house for use in conjunction with the production of ethanol; the renovation, reconstruction, repair, equipping and improvements of approximately: (a) 10,500 square feet on the first floor and 24,000 square feet on the second floor of building 4 on the Land to be used in connection with the production of malt barley; (b) 49,000 square feet of building 5 on the Land to be used in connection with the production of malt barley and other uses; (c) 41,000 square feet in building 14 on the Land to be used for biorefining; (d) 33,500 square feet in building 25 on the Land for expansion of tank additions; and (e) 7,200 square feet in building 28 on the Land for future expansion (collectively the “**Facility**”), (B) the acquisition and installation of machinery and equipment located in the Facility to be used in the production of ethanol (collectively the “**Equipment**”) (the Land, Facility and Equipment are hereinafter collectively referred to as the “**Project Facility**”); (C) the granting of certain financial assistance in the form of exemption from sales and use taxation, mortgage recording tax, if any, and real property tax (collectively, the “**Financial Assistance**”); and (D) the lease of the Project Facility by the Agency pursuant to a lease agreement and the lease of the Project Facility back to the Company pursuant to a sublease agreement; and

**WHEREAS**, on June 22, 2015, the Agency adopted resolutions which, among other things, authorized the Agency to undertake the Project and appoint the Company as its agent for purposes of acquiring, constructing, reconstructing, renovating and equipping the Project Facility (collectively, the “**Approving Resolutions**”) subject to the terms thereof and the execution of an agency agreement in substantially the same form attached to the Approving Resolutions (the “**Agency Agreement**”); and

**WHEREAS**, the amount of State and local sales and use tax exemption benefits comprising the approved Financial Assistance shall not exceed **\$2,840,000**; and

**WHEREAS**, in accordance with the Approving Resolutions, but prior to the Company being able to close on the lease transaction with the Agency, the Agency temporarily appointed the Company as its agent for purposes of undertaking certain work with respect to the Project Facility (the “**Temporary Appointment**”);

**WHEREAS**, on June 22, 2015, the Agency and Company entered into a Temporary Sales Tax Appointment Agreement (the “**Temporary Agreement**”) and the Agency issued a Temporary Sales Tax Appointment Letter to the Company on June 22, 2015 (the “**Letter**”) and a Form ST-60 – IDA Appointment of Project Operator or Agency for Sales Tax Purposes was filed with the New York State Department of Taxation and Finance. The Temporary Agreement originally expired on September 30, 2015. Thereafter in or about September, 2015, the Company requested, and on September 17, 2015 the Agency granted, and extension of the Temporary Appointment and Temporary Agreement through December 31, 2015; and

**WHEREAS**, the Company has requested the Agency grant a further extension of the Temporary Appointment and Temporary Agreement from September 30, 2015 to March 31, 2016; and

**WHEREAS**, the Temporary Appointment is in furtherance of the Financial Assistance that was previously approved for the Project, which underwent an environmental review by the Agency pursuant to the State Environmental Quality Review Act (“*SEQRA*”), and the present sales tax appointment extension request is insubstantial and does not require reconsideration or further review by the Agency under SEQRA.

**NOW, THEREFORE**, be it resolved by the members of the County of Oswego Industrial Development Agency, as follows:

(1) Based upon the representations made by the Company to the Agency, the Agency hereby makes the following findings and determinations:

(a) The Agency authorizes an extension of the Temporary Appointment of the Company and the Temporary Agreement through and including March 31, 2016. By operation of this Resolution, subject to the conditions set forth herein, the Temporary Agreement is extended through and including March 31, 2016 but all other terms and conditions of the Temporary Agreement remain unchanged and in full force and effect.

(2) The Agency is authorized to execute all documents necessary to effectuate the extension of the Temporary Agreement and the sales tax appointment agent status of the Company and/or its Additional Agents (as that term is defined in the Agency’s Appointment Resolution) (the “*Extension*”) including but not limited to issuance of a new Sales Tax Appointment Extension Letter and an amendment or extension of the appropriate “IDA Appointment of Project Operator or Agent for Sales Tax Purposes” (Form ST-60) for each of the entities; and the Chief Executive Officer of the Agency is each hereby authorized, on behalf of the Agency, to execute and deliver the documents upon the advice of counsel to the Agency. The execution thereof by the Chief Executive Officer constitutes conclusive evidence of such approval.

(3) As a further condition of the Extension, the Company will confirm that the Environmental Compliance and Indemnification Agreement executed and delivered in conjunction with the Temporary Agreement remains in full force and effect and will continue to do so for so long as the Extension is in effect and in accordance with its terms; and submit to the Agency any applicable information, including but not limited to proof of insurance naming the Agency as an additional insured pursuant to the Agency’s requirements, requested by the Agency with respect to the Extension; and shall further submit the appropriate applicable administrative, if any, and legal fees incurred by the Agency in exchange for the Agency’s grant of the sales tax appointment extension.

(4) The Company shall execute and deliver any and all documents required by the Agency in connection with the Extension and to carry out the intent of this Resolution; and

(5) The Company shall provide or cause its Additional Agents, as defined in the Inducement Resolution, to provide, and the Agency shall maintain, records of the amount of State and local sales and use tax exemption benefits provided to the Project and the Company shall, and cause each Additional Agent, to make such records available to the Agency and the



State Commissioner of Taxation and Finance (the “*Commissioner*”) upon request. The Agency shall, within thirty (30) days of providing any State sales and use tax exemption benefits, report to the Commissioner the amount of such benefits for the Project, identifying the Project, along with any such other information and specificity as the Commissioner may prescribe. As a condition precedent to the Company or Project’s receipt of, or benefit from, any State or local sales and use tax exemptions, the Company must acknowledge and agree to make, or cause its Additional Agents to make, all records and information regarding State and local sales and use tax exemption benefits realized by the Project available to the Agency or its designee upon request.

(6) No covenant, stipulation, obligation or agreement contained in this resolution or any document referred to herein shall be deemed to be the covenant, stipulation, obligation or agreement of any member, officer, agent or employee of the Agency in his or her individual capacity. Neither the members nor officers of the Agency, nor any person executing any documents referred to above on behalf of the Agency, shall be liable thereon or be subject to any personal liability or accountability by reason of the execution or delivery thereof.

(7) A copy of this Resolution, together with the attachments hereto, shall be placed on file in the office of the Agency where the same shall be available for public inspection during business hours.

(8) The Chief Executive Officer of the Agency is hereby authorized and directed to distribute copies of this Resolution to the Company and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution.

(9) This Resolution shall take effect immediately.

The question of the adoption of the foregoing resolution was duly put to vote on a roll call, which resulted as follows:

	<u>Aye</u>	<u>Nay</u>	<u>Abstain</u>	<u>Absent</u>	<u>Recuse</u>
Nick Canale, Jr.	X				
Donald H. Kunzwiler	X				
Carolyn A. Rush	X				
H. Leonard Schick	X				
Morris Sorbello	X				
Gary T. Toth	X				

The resolution was thereupon declared duly adopted.

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

I, the undersigned Chief Executive Officer of the County of Oswego Industrial Development Agency, Do Hereby Certify that (i) I have compared the annexed extract of the minutes of the meeting of the County of Oswego Industrial Development Agency (the “*Agency*”) held on November 11, 2015, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Agency and of the whole of such original insofar as the same relates to the subject matters referred to therein.

**I Further Certify** that (i) all members of the Agency had due notice of such meeting, (ii) pursuant to Section 104 of the Public Officers Law (Open Meetings Law), such meeting was open to the general public and public notice of the time and place of such meeting was duly given in accordance with such Section 104, (iii) the meeting was in all respects duly held, and (iv) there was a quorum present throughout.

**In Witness Whereof**, I have hereunto set my hand and affixed the seal of the Agency on November 11, 2015.

---

L. Michael Treadwell  
Chief Executive Officer

(SEAL)

## APPROVING RESOLUTION

A regular meeting of the County of Oswego Industrial Development Agency (the “*Agency*”) was convened in public session on November 11, 2015 at 9:00 a.m., at 44 West Bridge Street, Oswego, New York.

The meeting was called to order by the Chair and, upon the roll being duly called, the following members were:

Present: Nick Canale, Jr., Donald H. Kunzwiler, Carolyn A. Rush, H. Leonard Schick, Morris Sorbello and Gary T. Toth

Absent: None

Also Present: Kevin C. Caraccioli, David S. Dano and L. Michael Treadwell

The following resolution was duly offered and seconded:

### RESOLUTION APPROVING AN EXTENSION OF THE COMPANY’S APPOINTMENT AS AGENT OF THE AGENCY UNTIL FEBRUARY 28, 2016 AND THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS IN CONNECTION THEREWITH

**WHEREAS**, the County of Oswego Industrial Development Agency (the “*Agency*”) is authorized and empowered by Title 1 of Article 18-A of the General Municipal Law of the State of New York (the “*State*”), as amended, together with Chapter 234 of the Laws of 1973 of the State of New York, as amended from time to time (collectively, the “*Act*”) to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial, research and recreation facilities, including industrial pollution control facilities, railroad facilities and certain horse racing facilities, for the purpose of promoting, attracting, encouraging and developing recreation and economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State, to improve their recreation opportunities, prosperity and standard of living, and to prevent unemployment and economic deterioration; and

**WHEREAS**, Branch Development Oswego, LLC, a New York limited liability company, or an entity to be formed (the “*Company*”), submitted an application to the Agency on or about August 16, 2011, as thereafter updated (the “*Application*”), a copy of which is on file at the office of the Agency, requesting that the Agency consider undertaking a project (the “*Project*”) consisting of: (A) (i) the acquisition of a leasehold interest in approximately 2.73

acres of real property located at 134 and 140 East Thirteenth Street in the City of Oswego, New York, Oswego County (the “**Land**”); (ii) the construction of an approximately 50,000 square foot building for use as an approximate 81 room Holiday Inn Express and Suites, located on the Land (collectively the “**Facility**”); and (iii) the acquisition of and installation in the Facility of various machinery, equipment and furnishings (collectively the “**Equipment**”) (the Land, Facility and Equipment are hereinafter collectively referred to as the “**Project Facility**”); (B) granting certain financial assistance in the form of exemptions from real property tax, mortgage recording tax, sales and use taxation as well as one or more loans from the Agency’s Economic Development Fund in an aggregate principal amount not to exceed \$350,000 (the “**Financial Assistance**”); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, construction and equipping of the Project Facility; and (D) the lease of the Project Facility by the Agency pursuant to a lease agreement and the sublease of the Project Facility back to the Company pursuant to a sublease agreement; and

**WHEREAS**, on September 9, 2014, the Agency adopted resolutions which, among other things, authorized the Agency to undertake the Project and appoint the Company as its agent for purposes of acquiring, constructing, reconstructing, renovating and equipping the Project Facility (the “**Approving Resolutions**”) subject to the terms thereof and the execution of an agency agreement in substantially the same form attached to the Approving Resolutions (the “**Agency Agreement**”); and

**WHEREAS**, the amount of State and local sales and use tax exemption benefits comprising the approved Financial Assistance shall not exceed \$**520,320**; and

**WHEREAS**, in accordance with the Approving Resolutions, but prior to the Company being able to close on the lease transaction with the Agency, the Agency temporarily appointed the Company as its agent for purposes of undertaking certain work with respect to the Project Facility (the “**Temporary Appointment**”);

**WHEREAS**, on June 1, 2015, the Agency and Company entered into a Temporary Sales Tax Appointment Agreement (the “**Temporary Agreement**”) and the Agency issued a Temporary Sales Tax Appointment Letter to the Company on June 1, 2015 (the “**Letter**”) and a Form ST-60 – IDA Appointment of Project Operator or Agency for Sales Tax Purposes was filed with the New York State Department of Taxation and Finance. The Temporary Agreement originally expired on August 30, 2015. Thereafter in or about August 15, 2015, the Company requested, and the Agency granted, an extension of the Temporary Appointment and Temporary Agreement through November 30, 2015; and

**WHEREAS**, the Company has requested the Agency grant a further extension of the Temporary Appointment and Temporary Agreement from November 30, 2015 to February 28, 2016; and

**WHEREAS**, the Temporary Appointment is in furtherance of the Financial Assistance that was previously approved for the Project, which underwent an environmental review by the Agency pursuant to the State Environmental Quality Review Act (“**SEQRA**”), and the present

sales tax appointment extension request is insubstantial and does not require reconsideration or further review by the Agency under SEQRA.

**NOW, THEREFORE,** be it resolved by the members of the County of Oswego Industrial Development Agency, as follows:

(1) Based upon the representations made by the Company to the Agency, the Agency hereby makes the following findings and determinations:

(a) The Agency authorizes an extension of the Temporary Appointment of the Company and the Temporary Agreement through and including February 28, 2016. By operation of this Resolution, subject to the conditions set forth herein, the Temporary Agreement is extended through and including February 28, 2016 but all other terms and conditions of the Temporary Agreement remain unchanged and in full force and effect.

(2) The Agency is authorized to execute all documents necessary to effectuate the extension of the Temporary Agreement and the sales tax appointment agent status of the Company and/or its Additional Agents (as that term is defined in the Agency's Appointment Resolution) (the "**Extension**") including but not limited to issuance of a new Sales Tax Appointment Extension Letter and an amendment or extension of the appropriate "IDA Appointment of Project Operator or Agent for Sales Tax Purposes" (Form ST-60) for each of the entities; and the Chief Executive Officer of the Agency is each hereby authorized, on behalf of the Agency, to execute and deliver the documents upon the advice of counsel to the Agency. The execution thereof by the Chief Executive Officer constitutes conclusive evidence of such approval.

(3) As a further condition of the Extension, the Company will confirm that the Environmental Compliance and Indemnification Agreement executed and delivered in conjunction with the Temporary Agreement remains in full force and effect and will continue to do so for so long as the Extension is in effect and in accordance with its terms; and submit to the Agency any applicable information, including but not limited to proof of insurance naming the Agency as an additional insured pursuant to the Agency's requirements, requested by the Agency with respect to the Extension; and shall further submit the appropriate applicable administrative, if any, and legal fees incurred by the Agency in exchange for the Agency's grant of the sales tax appointment extension.

(4) The Company shall execute and deliver any and all documents required by the Agency in connection with the Extension and to carry out the intent of this Resolution; and

(5) The Company shall provide or cause its Additional Agents, as defined in the Inducement Resolution, to provide, and the Agency shall maintain, records of the amount of State and local sales and use tax exemption benefits provided to the Project and the Company shall, and cause each Additional Agent, to make such records available to the Agency and the State Commissioner of Taxation and Finance (the "**Commissioner**") upon request. The Agency shall, within thirty (30) days of providing any State sales and use tax exemption benefits, report to the Commissioner the amount of such benefits for the Project, identifying the Project, along

with any such other information and specificity as the Commissioner may prescribe. As a condition precedent to the Company or Project's receipt of, or benefit from, any State or local sales and use tax exemptions, the Company must acknowledge and agree to make, or cause its Additional Agents to make, all records and information regarding State and local sales and use tax exemption benefits realized by the Project available to the Agency or its designee upon request.

(6) No covenant, stipulation, obligation or agreement contained in this resolution or any document referred to herein shall be deemed to be the covenant, stipulation, obligation or agreement of any member, officer, agent or employee of the Agency in his or her individual capacity. Neither the members nor officers of the Agency, nor any person executing any documents referred to above on behalf of the Agency, shall be liable thereon or be subject to any personal liability or accountability by reason of the execution or delivery thereof.

(7) A copy of this Resolution, together with the attachments hereto, shall be placed on file in the office of the Agency where the same shall be available for public inspection during business hours.

(8) The Chief Executive Officer of the Agency is hereby authorized and directed to distribute copies of this Resolution to the Company and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution.

(9) This Resolution shall take effect immediately.

The question of the adoption of the foregoing resolution was duly put to vote on a roll call, which resulted as follows:

	<u>Aye</u>	<u>Nay</u>	<u>Abstain</u>	<u>Absent</u>	<u>Recuse</u>
Nick Canale, Jr.	X				
Donald H. Kunzwiler	X				
Carolyn A. Rush	X				
H. Leonard Schick	X				
Morris Sorbello	X				
Gary T. Toth	X				

The resolution was thereupon declared duly adopted.

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

I, the undersigned Chief Executive Officer of the County of Oswego Industrial Development Agency, Do Hereby Certify that (i) I have compared the annexed extract of the minutes of the meeting of the County of Oswego Industrial Development Agency (the “*Agency*”) held on November 11, 2015, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Agency and of the whole of such original insofar as the same relates to the subject matters referred to therein.

**I Further Certify** that (i) all members of the Agency had due notice of such meeting, (ii) pursuant to Section 104 of the Public Officers Law (Open Meetings Law), such meeting was open to the general public and public notice of the time and place of such meeting was duly given in accordance with such Section 104, (iii) the meeting was in all respects duly held, and (iv) there was a quorum present throughout.

**In Witness Whereof**, I have hereunto set my hand and affixed the seal of the Agency on November 11, 2015.

---

L. Michael Treadwell  
Chief Executive Officer

(SEAL)