

RESOLUTION OF THE ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY DETERMINING THAT ACTION TO PROVIDE FINANCIAL ASSISTANCE RELATING TO A PROJECT FOR THE BENEFIT OF WEST DACKS, LLC WILL NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT

WHEREAS, West Dacks, LLC (hereinafter referred to as the "Company") has presented an application (the "Application") to the Oneida County Industrial Development Agency (the "Agency") requesting that the Agency provide financial assistance relating to the construction of an 18,000± warehouse (the "Warehouse Facility") situated on a 1.13± acre parcel of land ("Parcel B") adjacent to an existing 14,000± square foot manufacturing facility (the "Manufacturing Facility") (the Warehouse Facility and the Manufacturing Facility, collectively, the "Improvements") situated on a 1.14± acre parcel of land ("Parcel A"), all located at 13492 State Route 12, Town of Boonville, Village of Boonville, Oneida County, New York (Parcel A and Parcel B, collectively, the "Land"), said land constituting 2.53± acres; and the acquisition and installation of equipment in the Improvements (the "Equipment"), all to be used for the distribution of household and linen supplies to the lodging industry, non-profit agencies and government agencies (the Land, the Improvements and the Equipment are referred to collectively as the "Facility" and the construction of the Warehouse Facility and equipping of the Improvements is referred to as the "Project"); and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the "SEQR Act") and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York, being 6 NYCRR Part 617, as amended (the "Regulations"), the Agency desires to determine whether the acquisition, construction and equipping of the Facility may have a "significant effect on the environment" (as said quoted term is defined in the SEQR Act and the Regulations) and therefore require the preparation of an environmental impact statement; and

WHEREAS, to aid the Agency in determining whether the acquisition, construction, and equipping of the Facility may have a significant effect upon the environment, the Company has prepared and submitted to the Agency a short environmental assessment form (the "EAF"), a copy of which was presented to and reviewed by the Agency at this meeting and copies of which are on file at the office of the Agency; and

WHEREAS, pursuant to the Regulations, the Agency has examined the EAF order to make a determination as to the potential environmental significance of the Facility; and

WHEREAS, the Village of Boonville Planning Board (the "Village Planning Board"), based upon the EAF and other representations and information furnished by the Company regarding the Facility, determined on May 18, 2015, in an uncoordinated review, that the action relating to the acquisition, construction equipping and operation of the Facility is an unlisted action, as that term is defined in the SEQR Act and will not have a "significant effect" on the environment; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:

Section 1. Based on an examination of the Application, the EAF, and the resolution of the Village Planning Board with respect to the Facility, and based further upon the Agency's knowledge of the area surrounding the Facility and such further investigation of the Facility and its environmental effects as the Agency has deemed appropriate, the Agency makes the following findings and determinations with respect to the Facility:

(A) The Facility is described in the Application, the EAF, and the Village Planning Board resolution and the supporting documentation attached thereto;

(B) The Facility constitutes an "Unlisted Action" (as defined in the Regulations);

(C) No potentially significant impacts on the environment are noted in the EAF for the Facility, and none are known to the Agency;

(D) The Facility will not result in (i) substantial adverse change in existing air quality; ground or surface water quality or quantity, traffic or noise levels; a substantial increase in solid waste production; or a substantial increase in potential for erosion, flooding, leaching or drainage problems; (ii) the removal or destruction of large quantities of vegetation or fauna; substantial interference with the movement of a resident or migratory fish or wildlife species; impacts on a significant habitat area; substantial adverse impacts on threatened or endangered species of animal or plant, or the habitat of such species; or (iii) other significant adverse impacts to natural resources;

(E) The Facility will not affect a critical environmental area as designated pursuant to 6 NYCRR 617.14(g);

(F) The Facility will not conflict with the community's current plans or goals as officially approved or adopted;

(G) The Facility will not result in the impairment of the character or quality of important historical, archeological, architectural, or aesthetic resources or of existing community or neighborhood character;

(H) The Facility will not result in a major change in the use of either the quantity or type of energy;

(I) The Facility will not result in the creation of a hazard to human health;

(J) The Facility will not result in a substantial change in the use, or intensity of use, of land including architectural, open space or recreational resources, or in its capacity to support existing uses;

(K) The Facility will not result in encouraging or attracting of a large number of people to a place or places for more than a few days, compared to the number of people who would come to such place absent the action;

(L) The Facility will not result in the creation of a material demand for other actions that would result in one or more of the above consequences;

(M) The Facility will not result in changes in two or more elements of the environment, no one of which has a significant impact on the environment, but when considered together result in a substantial adverse impact on the environment; and

(N) The Facility will not result in two or more related actions undertaken, funded or approved by an agency, none of which has or would have a significant impact on the environment, but when considered cumulatively would meet one or more of the criteria in 6 NYCRR Section 617.7(c).

Section 2. The Agency hereby determines that the Facility will not have a significant impact on the environment and the Agency will not require the preparation of an environmental impact statement with respect to the Facility. As a result, the Agency has prepared a negative declaration with respect to the Facility.

Section 3. The Executive Director of the Agency is hereby directed to file in the Agency's records a negative declaration with respect to the Facility (said negative declaration to be substantially in the form and substantially to the effect of the negative declaration attached hereto).

Section 4. This resolution shall take effect immediately.

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STATE OF NEW YORK            )  
  : SS.:  
COUNTY OF ONEIDA         )

I, the undersigned Secretary of the Oneida County Industrial Development Agency, DO HEREBY CERTIFY THAT:

I have compared the foregoing copy of a resolution of the Oneida County Industrial Development Agency (the "Agency") with the original thereof on file in the office of the Agency, and the same is a true and correct copy of such resolution and of the proceedings of the Agency in connection with such matter.

Such resolution was passed at a meeting of the Board of Directors of the Agency duly convened in public session on August 21, 2015 at 8 a.m. local time, at 584 Phoenix Drive, Rome, New York at which the following members were:

Present:                         Ferris Betrus  
  Michael Fitzgerald  
  David Grow  
  Eugene Quadraro  
  Stephen Zogby

Also Present:                    Shawna Papale  
  Steve DiMeo  
  Maureen Carney  
  Jennifer Waters  
  Mark Levitt, Esq.  
  Dan Guzewich  
  Luke Lewis

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

Voting Aye

Voting Nay

Ferris Betrus  
Michael Fitzgerald  
David Grow  
Eugene Quadraro  
Stephen Zogby

and, therefore, the resolution was declared duly adopted.

I FURTHER CERTIFY that (i) all directors of the Agency had due notice of said meeting, (ii) pursuant to Sections 103a and 104 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public and public notice of the time and place of said meeting was duly given in accordance with such Sections 103a and 104, (iii) the meeting in all respects was duly held, and (iv) there was a quorum present throughout.

IN WITNESS WHEREOF, I have hereunto set my hand as of the 4th day of December 2015.

  
Secretary

**Final Authorizing Resolution  
Lodging Kit Company, Inc. Facility**

**Transcript Document No. 10(b)**

Date: August 21, 2015

At a meeting of the Oneida County Industrial Development Agency (the "Agency") held at 584 Phoenix Drive, Rome, New York 13441 on the 21st day of August 2015, the following members of the Agency were:

Present: Ferris Betrus  
Michael Fitzgerald  
David Grow  
Eugene Quadraro  
Stephen Zogby

Also Present: Shawna Papale  
Steve DiMeo  
Maureen Carney  
Jennifer Waters  
Mark Levitt, Esq.  
Dan Guzewich  
Luke Lewis

After the meeting had been duly called to order, the Chairman announced that among the purposes of the meeting was to consider and take action on certain matters pertaining to proposed financial assistance to West Dacks, LLC and Lodging Kit Company, Inc.

The following resolution was duly moved, seconded, discussed and adopted with the following members voting:

Ferris Betrus voting aye;  
Michael Fitzgerald voting aye;  
David Grow voting aye;  
Eugene Quadraro voting aye;  
Steven Zogby voting aye.

RESOLUTION AUTHORIZING THE AGENCY TO EXECUTE THE LEASE AGREEMENT, THE LEASEBACK AGREEMENT, THE PAYMENT-IN-LIEU-OF-TAX AGREEMENT, THE ENVIRONMENTAL COMPLIANCE AND INDEMNIFICATION AGREEMENT, THE LOAN DOCUMENTS AND RELATED DOCUMENTS WITH RESPECT TO THE WEST DACKS, LLC/LODGING KIT COMPANY, INC. FACILITY LOCATED IN THE TOWN AND VILLAGE OF BOONVILLE, ONEIDA COUNTY.

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended and Chapter 372 of the Laws of 1970 of the State of New York (collectively, the "Act"), the Agency was created with the authority and power among other things, to assist with the acquisition of certain industrial development projects as authorized by the Act; and

WHEREAS, West Dacks, LLC, on behalf of itself and/or the principals of West Dacks, LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the "Company") has applied to the Oneida County Industrial Development Agency (the "Agency") to enter into a lease-leaseback transaction in which the Agency will assist in the construction of an 18,000± warehouse (the "Warehouse Facility") situated on a 1.13± acre parcel of land ("Parcel B") adjacent to an existing 14,000± square foot manufacturing facility (the "Manufacturing Facility") (the Warehouse Facility and the Manufacturing Facility, collectively, the "Improvements") situated on a 1.14± acre parcel of land ("Parcel A"), all located at 13492 State Route 12, Town of Boonville, Village of Boonville, Oneida County, New York (Parcel A and Parcel B, collectively, the "Land"), said land constituting 2.53± acres; and the acquisition and installation of equipment in the Improvements (the "Equipment"), all to be used for the distribution of household and linen supplies to the lodging industry, non-profit agencies and government agencies (the Land, the Improvements and the Equipment are referred to collectively as the "Facility" and the construction of the Warehouse Facility and equipping of the Improvements is referred to as the "Project"); and

WHEREAS, in order to induce the Company to develop the Facility, the Agency is willing to accept a leasehold interest in the Land, Improvements and Equipment constituting the Facility and lease said Land, Improvements and Equipment back to the Company pursuant to the terms and conditions contained in a Leaseback Agreement (the "Leaseback Agreement") between the Agency and the Company; and

WHEREAS, the Company shall sublease the Facility to Lodging Kit Company, Inc. (the "Sublessee") for its operation pursuant to a Sublease Agreement (the "Sublease Agreement"); and

WHEREAS, the Company has requested that the Agency (the "Agency") provide financial assistance to the Company and the Sublessee, consisting of abatement of real property tax, exemptions from mortgage recording tax and exemptions from sales tax, which is a deviation from the Agency's Uniform Tax Exemption Policy (the "Financial Assistance"); and

WHEREAS, the Financial Assistance is conditioned upon the Company and/or the Sublessee creating no less than three (3) full-time equivalent positions by the end of the third year of the Lease Term, retaining the existing twenty-two (22) FTEs and maintaining all for the full Lease Term as a result of undertaking the Facility, which is more particularly described in

the Jobs Creation and Recapture Agreement by the Company and the Sublessee for the benefit of the Agency (the "Jobs Creation Agreement"); and

WHEREAS, the Agency has agreed to acquire a leasehold interest in and grant the Financial Assistance with respect to the Facility in order to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York; and

WHEREAS, the Company intends to finance a portion of the costs of the Facility by way of a loan from First Niagara Bank, N.A. (the "Bank") to the Company; and

WHEREAS, the Agency by resolution duly adopted on June 19, 2015 (the "Inducement Resolution") decided to proceed under the provisions of the Act to lease the Facility and directed that a public hearing be held and enter into the Leaseback Agreement; and

WHEREAS, the Company has agreed to indemnify the Agency against certain losses, claims, expenses, damages and liabilities which may arise in connection with the Project and the Agency's leasehold interest in the Facility.

NOW, THEREFORE, BE IT RESOLVED by the Oneida County Industrial Development Agency (a majority of the members thereof affirmatively concurring) as follows:

Section 1. The Agency hereby finds and determines:

(a) By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act; and

(b) The Facility constitutes a "project", as such term is defined in the Act; and

(c) The acquisition, construction, renovation and equipping of the Facility, the leasing of the Facility to the Company and the Agency's Financial Assistance with respect thereto, will promote and maintain the job opportunities, health, general prosperity and economic welfare of the citizens of Oneida County and the State of New York and improve their standard of living and thereby serve the public purposes of the Act; and

(d) The acquisition, construction, renovation, equipping and financing of the Facility and the Agency's Financial Assistance with respect thereto is reasonably necessary to induce the Company to maintain and expand its business operations in the State of New York; and

(e) Based upon representations of the Company and Company's Counsel, the Facility conforms with the local zoning laws and planning regulations of Oneida County and all regional and local land use plans for the area in which the Facility is located; and

(f) The SEQR resolution adopted by the Agency on today's date remains in full force and effect; and

(g) It is desirable and in the public interest for the Agency to undertake the Project and to deviate from its Policy by providing the Financial Assistance; and



(h) The Lease Agreement, in form satisfactory to the Chairman and Agency Counsel, will be an effective instrument where the Company conveys to the Agency its leasehold interest in the Facility;

(i) The Leaseback Agreement, in form satisfactory to the Chairman and Agency Counsel, will be an effective instrument whereby the Agency leases the Facility back to the Company; and

(j) The Payment-in-Lieu-of-Tax Agreement (the "PILOT Agreement"), between the Company and the Agency, in form satisfactory to the Chairman and Agency Counsel, will be an effective instrument whereby the Agency and the Company set forth the terms and conditions of their Agreement regarding the Company's payments in lieu of real property taxes; and

(l) The Environmental Compliance and Indemnification Agreement (the "Environmental Compliance and Indemnification Agreement") by and among the Company, the Sublessee, the Agency and the Bank, in form satisfactory to the Chairman and Agency Counsel, will be an effective instrument whereby the Company and the Sublessee agree to comply with all Environmental Laws (as defined therein) applicable to the Facility and will indemnify and hold harmless the Agency and the Bank for all liability under all such Environmental Laws; and

(m) The Jobs Creation Agreement, in form satisfactory to the Chairman and Agency Counsel, will be an effective instrument whereby the Company and the Sublessee acknowledge the terms and conditions upon which the Financial Assistance may be recaptured by the Agency; and

(n) All loan related documents, in forms satisfactory to the Chairman and Agency Counsel, will be effective instruments whereby the Agency grants the Bank a mortgage and security interest in its interest in the Facility.

Section 2. In consequence of the foregoing, the Agency hereby determines to: (i) acquire a leasehold interest in the Facility, (ii) execute, deliver and perform the Lease Agreement; (iii) lease the Facility back to the Company pursuant to the Leaseback Agreement, (iv) execute, deliver and perform the Leaseback Agreement, (v) execute, deliver and perform the PILOT Agreement, (vi) execute, deliver and perform the the Environmental Compliance and Indemnification Agreement; (vii) grant to the Bank a mortgage and security interest in the Facility; (viii) execute, deliver and perform all loan documents, subject to review and approval by Agency counsel; and (ix) deviate from its Policy and provide the Financial Assistance to the Company in support of the Project as conditioned by the Jobs Creation Agreement.

Section 3. The Agency is hereby authorized to acquire a leasehold interest in the real property described in Exhibit A to the Lease Agreement and the personal property described in Exhibit B to the Lease Agreement and to do all things necessary or appropriate for the accomplishment thereof, and all acts heretofore taken by the Agency with respect to such acquisition are hereby approved, ratified and confirmed.

Section 4. The form and substance of the Lease Agreement, the Leaseback Agreement, the Environmental Compliance and Indemnification Agreement, the PILOT Agreement and the Jobs Creation Agreement (each in substantially the forms presented to the Agency and which, prior to the execution and delivery thereof, may be redated) are hereby

approved. The form and substance of all loan documents are hereby approved, subject to the review and approval by Agency Counsel.

Section 5.

(a) The Chairman, Vice Chairman, Secretary or any member of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver the Lease Agreement, the Leaseback Agreement, the PILOT Agreement, the Environmental Compliance and Indemnification Agreement and all loan related documents, all in substantially the forms thereof presented to this meeting or in the forms to be approved by Agency Counsel, with such changes, variations, omissions and insertions as the Chairman, Vice Chairman, Secretary or any member of the Agency shall approve, and such other related documents as may be, in the judgment of the Chairman and Agency Counsel, necessary or appropriate to effect the transactions contemplated by this resolution (hereinafter collectively called the "Closing Documents"). The execution thereof by the Chairman, Vice Chairman, or any member of the Agency shall constitute conclusive evidence of such approval.

(b) The Chairman, Vice Chairman, Secretary or member of the Agency are further hereby authorized, on behalf of the Agency, to designate any additional Authorized Representatives of the Agency (as defined in and pursuant to the Leaseback Agreement).

Section 6. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required or provided for by the provisions of the Closing Documents, and to execute and deliver all such additional certificates, instruments and documents, pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Closing Documents binding upon the Agency.

Section 7. This resolution shall take effect immediately.

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

I, the undersigned Secretary of the Oneida County Industrial Development Agency (the "Agency"), DO HEREBY CERTIFY:

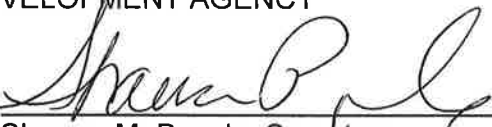
That I have compared the annexed extract of the minutes of the meeting of the Agency, including the resolutions contained therein, held on the 21st day of August 2015 with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Agency and of such resolutions set forth therein and of the whole of said original insofar as the same related to the subject matters therein referred to.

That the Lease Agreement, the Leaseback Agreement, the PILOT Agreement, the Environmental Compliance and Indemnification Agreement, the Jobs Creation Agreement and the loan documents contained in this transcript of proceedings are each in substantially the form presented to the Agency and/or approved by said meeting.

I FURTHER CERTIFY that (i) all members of the Agency had due notice of said meeting, (ii) pursuant to Sections 103a and 104 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public and public notice of the time and place of said meeting was duly given in accordance with such Sections, (iii) the meeting in all respects was duly held, and (iv) there was a quorum present throughout.

IN WITNESS WHEREOF, I have hereunto set my hand as of this 4th day of December 2015.

ONEIDA COUNTY INDUSTRIAL  
DEVELOPMENT AGENCY

By:   
Shawna M. Papale, Secretary