

**Inducement Resolution
JGV, LLC Facility**

RESOLUTION OF THE ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY TAKING OFFICIAL ACTION TOWARD APPOINTING JGV, LLC, THE PRINCIPALS OF JGV, LLC, AND/OR AN ENTITY FORMED OR TO BE FORMED ON BEHALF OF ANY OF THE FOREGOING AS AGENT OF THE AGENCY IN CONNECTION WITH A LEASE-LEASEBACK TRANSACTION, AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDUCEMENT AGREEMENT AND MAKING CERTAIN FINDINGS AND DETERMINATIONS WITH RESPECT TO THE PROJECT.

WHEREAS, JGV, LLC, on behalf of itself and/or the principals of JGV, 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 transaction in which the Agency will assist in acquisition and renovation of a 103,000± square foot building (the "Improvements") situated on a 9.16± acre parcel of land located at 123 Dry Road, Town of Whitestown, Oneida County, New York (the "Land") and the acquisition and installation of equipment in the Improvements (the "Equipment"), all for the purpose of publishing and distributing educational music methods and preserving employment (the Land, the Improvements and the Equipment is referred to collectively as the "Facility" and the renovation and equipping of the Improvements is referred to as the "Project"); and

WHEREAS, the Company will lease the Facility to the Agency, pursuant to Article 18-A of the General Municipal Law of the State of New York and Chapter 372 of the Laws of 1970 of the State of New York, as may be amended from time to time (collectively, the "Act") and the Agency will lease the Facility back to the Company pursuant to a Leaseback Agreement (the "Leaseback Agreement"); and

WHEREAS, the Company will further sublease the Facility to Vicks Logistics Corp. (the "Sublessee") for its operation; and

WHEREAS, the Act authorizes and empowers the Agency to promote, develop, encourage and assist projects such as the Facility and to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York; and

WHEREAS, the Agency contemplates that it will provide financial assistance to the Company in the form of exemptions from sales and use taxes on materials and/or equipment used or incorporated in the Facility and abatement of real property taxes on the Facility for a period of ten years, during which time the Company will make the following PILOT Payments:

Exemption Year 1	\$16,388.05
Exemption Year 2	\$16,715.81
Exemption Year 3	\$17,050.13
Exemption Year 4	\$17,391.13
Exemption Year 5	\$17,738.95
Exemption Year 6	\$36,187.46
Exemption Year 7	\$36,911.21
Exemption Year 8	\$37,649.43
Exemption Year 9	\$38,402.42
Exemption Year 10	\$39,170.47
Exemption Year 11 and thereafter	100% of Exempt Taxes

which is a deviation from the Agency's Uniform Tax Exemption Policy, to be more particularly described in a Final Authorizing Resolution to be adopted by the Agency prior to the closing of the transactions described herein; and

WHEREAS, the value of the proposed financial assistance is described below:

Sales and use tax exemption	\$66,000.00 (not to exceed)
Mortgage recording tax exemption	N/A
Real property tax abatement	\$633,521.00 (approximately)

WHEREAS, the Company represented that it will (a) retain 79 full time equivalent positions at the Company's facility at 5166 Commercial Drive, Yorkville, (b) retain 35 full time equivalent positions at the Facility and (c) maintain all for the duration of the Lease Term as a result of undertaking the Facility (the "Employment Obligation"), and the Financial Assistance is conditioned upon the Company maintaining the Employment Obligation for the term of the Lease (or Leaseback) Agreement and failure to do so may result in the termination or recapture of Financial Assistance; and

WHEREAS, prior to the closing of a lease-leaseback transaction and the granting of any financial assistance, the Agency must adopt a SEQR resolution; and

WHEREAS, prior to the closing of a lease-leaseback transaction, and the granting of any financial assistance, a public hearing (the "Hearing") will be held so that

all persons with views in favor of or opposed to either the financial assistance contemplated by the Agency, or the location or nature of the Facility, can be heard; and

WHEREAS, notice of the Hearing will be given prior to the closing of a lease-leaseback transaction, and the granting of any tax benefits, and such notice (together with proof of publication) will be substantially in the form annexed hereto as **Exhibit A**; and

WHEREAS, the minutes of the Hearing are or will be annexed hereto as **Exhibit B**.

NOW, THEREFORE, BE IT RESOLVED by the Oneida County Industrial Development Agency (a majority of the members thereof affirmatively concurring) that, subject to the satisfaction of the aforesaid conditions:

Section 1. (a) The acquisition, construction, renovation and equipping of the Facility and the Agency's financial assistance therefor, will promote job opportunities, health, general prosperity and the economic welfare of the inhabitants of the County and the people of the State of New York and improve their standard of living, and thereby serve the public purposes of the Act and the same is, therefore, approved.

(b) It is desirable and in the public interest for the Agency to enter into a lease-leaseback transaction, for the purpose of providing financial assistance for the acquisition, construction, renovation and equipping of the Facility, as reflected in the Company's application to the Agency and as amended from time to time prior to the closing of the lease-leaseback transaction, all subject to the satisfaction of the conditions of financial assistance described herein.

Section 2. The form and substance of a proposed inducement agreement (in substantially the form presented to this meeting) by and between the Agency and the Company setting forth the undertakings of the Agency and the Company with respect to the closing of the lease-leaseback transaction, and the development of the Facility (the "Agreement") are hereby approved. The Chairman of the Agency is hereby authorized, on behalf of the Agency, to execute and deliver the Agreement, with such changes in terms and form as the

Chairman shall approve. The execution thereof by the Chairman shall constitute conclusive evidence of such approval.

- Section 3. (a) The Company is herewith and hereby appointed the agent of Agency to construct, renovate and equip the Facility. The Company is hereby empowered to delegate its status as agent of the Agency to agents, subagents, contractors, subcontractors, materialmen, suppliers, vendors and such other parties as the Company may choose in order to construct, renovate and equip the Facility. The terms and conditions for the appointment of the Company as agent of the Agency for the purposes described in this resolution are set forth in the form of the attached letter addressed to the Company, marked as **Exhibit C** to this resolution. The form of such letter is incorporated herein by reference and is approved and adopted by the Agency, and the Chairman or Executive Director of the Agency or any other duly authorized official of the Agency are authorized to execute and deliver such letter to the Company. The Agency hereby appoints the agents, subagents, contractors, subcontractors, materialmen, vendors and suppliers of the Company as agents of the Agency solely for purposes of making sales or leases of goods, services, and supplies to the Facility, and any such transaction between any agent, subagent, contractor, subcontractor, materialmen, vendor or supplier, and the Company, as agent of the Agency shall be deemed to be on behalf of the Agency and for the benefit of the Facility. The Company shall indemnify the Agency with respect to any transaction of any kind between and among the agents, subagents, contractors, subcontractors, materialmen, vendors and/or suppliers and the Company, as agent of the Agency.
- (b) Based upon representations made by the Company in the Application, the value of the sales tax to be abated relating to the construction and equipping of the Facility currently authorized by the Agency shall not exceed \$66,000.

Section 4. Subject to the conditions set forth in Section 4.02 of the Agreement and the conditions described above, the Agency shall assist the Company in its acquisition, construction, renovation and equipping of the Facility and will provide Financial Assistance with respect thereto.

Section 5. The law firm of Bond, Schoeneck & King, PLLC is appointed Transaction Counsel in connection with the lease-leaseback transaction.

Section 6. Counsel to the Agency and Transaction Counsel are hereby authorized to work with counsel to the Company and others to prepare, for submission to the Agency, all documents necessary to effect the lease-leaseback transaction.

Section 7. The Chairman of the Agency is hereby authorized and directed (i) to distribute copies of this resolution to the Company and (ii) to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this resolution.

Section 8. 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 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 that 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 Agency duly convened in public session on November 17, 2017 at eight a.m., local time, at Rome, New York which the following members were:

Members Present: F. Betrus, M. Fitzgerald, D. Grow, E. Quadraro, M. F. Messenger, S. Zogby

EDGE Staff Present: S. Papale; J. Waters; M. Kaucher; A. Gerardo; C. Mercurio

Others Present: Laura Ruberto, Bond, Schoeneck & King; Mark Levitt, Levitt & Gordon; City of Rome Mayor J. Izzo; Dwight Vicks and Frank Driscoll, Vicks Lithograph ; Nick Matt, Matt Brewing Co; Bill Maxim, NE Regional Council of Carpenters.

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

- D. Grow
- M. F. Messenger
- E. Quadraro
- S. Zogby
- F. Betrus

M. Fitzgerald abstained and did not participate in the discussion

and, therefore, the resolution was declared duly adopted.

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

IN WITNESS WHEREOF, I have hereunto set my hand this 27th day of February 2018.



Shawna Papale, Secretary

EXHIBIT A
NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that a public hearing pursuant to Article 18-A of the New York State General Municipal Law, will be held by the Oneida County Industrial Development Agency (the "Agency") on the ___ day of December 2017 at 9:00 a.m., local time, at Whitestown Community Center, 1 Championship Drive, Whitesboro, Oneida County, New York in connection with the following matters:

JGV, LLC, on behalf of itself, the principals of JGV, LLC, or an entity to be formed on behalf of any of the foregoing (collectively, the "Company") has applied to the Agency to enter into a transaction in which the Agency will assist in acquisition and renovation of a 103,000± square foot building (the "Improvements") situated on a 9.16± acre parcel of land located at 123 Dry Road, Town of Whitestown, Oneida County, New York (the "Land") and the acquisition and installation of equipment in the Improvements (the "Equipment"), all for the purpose of publishing and distributing educational music methods and preserving employment (the Land, the Improvements and the Equipment is referred to collectively as the "Facility" and the renovation and equipping of the Improvements is referred to as the "Project"). The Facility will be initially operated and/or managed by the Company.

The Agency will lease the Facility to the Company pursuant to a Leaseback Agreement. At the end of the lease term, the Agency will terminate its leasehold interest in the Facility. The Agency contemplates that it will provide financial assistance to the Company in the form of exemptions from sales and use taxes on materials and/or equipment used or incorporated in renovating the Improvements and abatement of real property taxes for a period of ten (10) years, during which time the Company will make fixed PILOT Payments, which financial assistance is a deviation from the Agency's Uniform Tax Exemption Policy, to be more particularly described in a Final Authorizing Resolution to be adopted by the Agency prior to the closing of the transactions described herein.

A representative of the Agency will at the above-stated time and place hear and accept written comments from all persons with views in favor of or opposed to either the proposed financial assistance to the Company or the location or nature of the Facility. A copy of the Application for Financial Assistance filed by the Company with the Agency, including an analysis of the costs and benefits of the proposed Project, is available for public inspection at the offices of the Agency, 584 Phoenix Drive, Rome, New York.

ONEIDA COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

Dated: _____, 2017

By: /s/ Shawna M. Papale, Executive Director

EXHIBIT B

MINUTES OF PUBLIC HEARING

Oneida County Industrial Development Agency
2017 Real Estate Lease
JGV, LLC Facility

1. Shawna Papale, Executive Director and Secretary of the Oneida County Industrial Development Agency (the "Agency"), called the hearing to order.
2. The Executive Director then appointed Jennifer Waters, Assistant Secretary of the Issuer, to record the minutes of the hearing.
3. The Executive Director then described the proposed project and related financial assistance as follows:

JGV, LLC, on behalf of itself, the principals of JGV, LLC, or an entity to be formed on behalf of any of the foregoing (collectively, the "Company") has applied to the Agency to enter into a transaction in which the Agency will assist in acquisition and renovation of a 103,000± square foot building (the "Improvements") situated on a 9.16± acre parcel of land located at 123 Dry Road, Town of Whitestown, Oneida County, New York (the "Land") and the acquisition and installation of equipment in the Improvements (the "Equipment"), all for the purpose of publishing and distributing educational music methods and preserving employment (the Land, the Improvements and the Equipment is referred to collectively as the "Facility" and the renovation and equipping of the Improvements is referred to as the "Project"). The Facility will be initially operated and/or managed by the Company.

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A representative of the Agency will at the above-stated time and place hear and accept written comments from all persons with views in favor of or opposed to either the proposed financial assistance to the Company or the location or nature of the Facility. A copy of the Application for Financial Assistance filed by the Company with the Agency, including an analysis of the costs and benefits of the proposed Project, is available for public inspection at the offices of the Agency, 584 Phoenix Drive, Rome, New York.

4. The Executive Director then opened up the hearing for comments from the floor for or against the proposed financial assistance and the location and nature of the Facility. Attached is a listing of the persons heard and a summary of their views.
5. The Executive Director then asked if there were any further comments, and, there being none, the hearing was closed at ____ a.m.

Jennifer Waters, Assistant Secretary

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 the minutes of a public hearing held by the Oneida County Industrial Development Agency (the "Issuer") on _____, 2017 at _____ a.m. local time, at Town of Whitestown Community Center, One Championship Way, Whitesboro, New York with the original thereof on file in the office of the Issuer, and that the same is a true and correct copy of the minutes in connection with such matter.

I FURTHER CERTIFY that (i) pursuant to Title 1 of Article 18-A of the New York General Municipal Law, said hearing was open to the general public, and public notice of the time and place of said hearing was duly given in accordance with such Title 1 of Article 18-A, (ii) the hearing in all respects was duly held, and (iii) members of the public had an opportunity to be heard.

IN WITNESS WHEREOF, I have hereunto set my hand as of _____, 2017.

Secretary

EXHIBIT C

(To be copied onto IDA letterhead and delivered
to the Company, when appropriate.)

_____, 2017

Dwight Vicks, President
JGV, LLC
5166 Commercial Drive
Yorkville, New York 13495

RE: *Oneida County Industrial Development Agency
2018 Lease-Leaseback Transaction (JGV, LLC Facility)*

Dear Mr. Vicks:

Pursuant to a resolution duly adopted on November 17, 2017, Oneida County Industrial Development Agency (the "Agency") appointed JGV, LLC, and/or an entity formed or to be formed on its behalf (collectively, the "Company") its agent in connection with a transaction in which the Agency will assist in acquisition and renovation of a 103,000± square foot building (the "Improvements") situated on a 9.16± acre parcel of land located at 123 Dry Road, Town of Whitestown, Oneida County, New York (the "Land") and the acquisition and installation of equipment in the Improvements (the "Equipment"), all for the purpose of publishing and distributing educational music methods and preserving employment (the Land, the Improvements and the Equipment is referred to collectively as the "Facility" and the renovation and equipping of the Improvements is referred to as the "Project"). The Facility will be initially operated and/or managed by the Company.

This appointment includes authority to purchase on behalf of the Agency all materials to be incorporated into and made an integral part of the Facility, and the following activities as they relate to any construction, renovation, equipping and completion of any buildings, whether or not any materials, equipment or supplies described below are incorporated into or become an integral part of such buildings: (i) all purchases, leases, rentals and other uses of tools, machinery and equipment in connection with construction, renovation and equipping (ii) all purchases, rentals, uses or consumption of supplies, materials and services of every kind and description used in connection with construction, renovation and equipping and (iii) all purchases, leases, rentals and uses of equipment, machinery, and other tangible personal property (including installation costs), installed or placed in, upon or under such building, including all repairs and replacements of such property.

The agency appointment includes the power to delegate such agency appointment, in whole or in part, to agents, subagents, contractors, subcontractors, materialmen, suppliers and vendors of the Company and to such other parties as the Company chooses so long as they are engaged, directly or indirectly, in the activities hereinbefore described.

In exercising this agency appointment, you and each of your properly appointed agents and subagents must claim the sales tax exemption for all purchases by giving your vendors New York State Form ST-123. The supplier or vendor should identify the Facility on each bill or invoice as the "**JGV, LLC Facility**" and indicate thereon that the Company, its agents, subagents, contractors and subcontractors acted as agent for the Agency in making the purchase.

You and each of your agents, subagents, contractors and/or subcontractors claiming a sales tax exemption in connection with the Facility must also execute a copy of the Contract in Lieu of Exemption Certificate attached hereto, and must complete a New York State Department of Taxation and Finance Form ST-60. Original copies of each Contract in Lieu of Exemption Certificate and completed Form ST-60 must be delivered to the Agency within five (5) days of the appointment of each of your agents, subagents, contractors or subcontractors. Any agent, subagent, contractor or subcontractors of the Company which delivers completed Form ST-60 to the Agency will be deemed to be the agent, subagent, contractor or subcontractor of the Agency for purposes of renovating and equipping the Facility, and shall only then be authorized to use Form ST-123 as described above. Failure to comply with these requirements may result in loss of sales tax exemptions for the Facility.

It is important to note that contractors and subcontractors who have not been appointed subagent cannot use the sales tax exemption for equipment rental, tools, supplies and other items that do not become part of the finished project. Contractors and subcontractors must be appointed as agent or sub-agent of the Agency to use the Agency sales tax exemption for these purchases. Contractors and subcontractors who have not been appointed a subagent must claim the sales tax exemption for construction materials by giving their vendors a completed "Contractor Exempt Purchase Certificate" (Form ST-120.1) checking box (a).

The aforesaid appointment of the Company as agent of the Agency to construct, renovate and equip the Facility shall expire at the earlier of (a) the completion of such activities and improvements, or (b) November 17, 2018, provided, however, such appointment may be extended at the discretion of the Agency, upon the written request of the Company if such activities and improvements are not completed by such time, and further provided that the Agency shall not unreasonably withhold its consent to the extension of such appointment.

Based upon representations made by the Company, the value of the sales tax to be abated relating to the construction and equipping of the Facility currently authorized

by the Agency is limited to \$66,000.00, and any exemptions claimed by the Company that exceed this amount will be subject to recapture.

You should be aware that the New York State General Municipal Law requires you to file an Annual Statement (Form ST-340) with the New York State Department of Taxation and Finance regarding the value of sales tax exemptions you, your agents, consultants or subcontractors have claimed pursuant to the authority we have conferred on you with respect to the Project. The penalty for failure to file such statement is the removal of your authority to act as an agent.

If, for some reason, this transaction never closes, you will be liable for payment of the sales tax, if applicable and you are not otherwise exempt, on all materials purchased.

Please sign and return a copy of this letter for our files.

Very truly yours,

ONEIDA COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: _____
Name Shawna M. Papale
Title: Executive Director

ACCEPTED & AGREED:

JGV, LLC

By: _____
Name:
Title: