

RESOLUTION

(Finger Lakes Equipment Rental LLC Project)

A regular meeting of the Seneca County Industrial Development Agency was convened on October 4, 2018.

The following resolution was duly offered and seconded, to wit:

Resolution No. 2018-15

RESOLUTION OF THE SENECA COUNTY INDUSTRIAL DEVELOPMENT AGENCY (THE "AGENCY") (i) ACCEPTING THE APPLICATION OF FINGER LAKES EQUIPMENT RENTAL, LLC (THE "COMPANY") WITH RESPECT TO A CERTAIN PROJECT (AS MORE FULLY DESCRIBED BELOW), (ii) DESCRIBING THE FORMS OF FINANCIAL ASSISTANCE BEING CONTEMPLATED WITH RESPECT TO THE PROJECT, (iii) DECLARING THE AGENCY AS LEAD AGENCY FOR PURPOSES OF REVIEW OF THE PROJECT UNDER THE STATE ENVIRONMENTAL QUALITY REVIEW ACT, AND MAKING CERTAIN FINDINGS RELATED THERETO; (iv) AUTHORIZING THE NEGOTIATION, EXECUTION AND DELIVERY BY THE AGENCY OF A LEASE AGREEMENT, LEASEBACK AGREEMENT, PAYMENT IN LIEU OF TAX AGREEMENT, AGENT AGREEMENT AND RELATED DOCUMENTS; (v) AUTHORIZING THE AGENCY TO PROVIDE FINANCIAL ASSISTANCE TO THE COMPANY IN THE FORM OF (a) A SALES AND USE TAX EXEMPTION FOR PURCHASES AND RENTALS RELATED TO THE UNDERTAKING OF THE PROJECT, (b) A PARTIAL REAL PROPERTY TAX ABATEMENT UNDER A PAYMENT IN LIEU OF TAX AGREEMENT, AND (c) A MORTGAGE RECORDING TAX EXEMPTION FOR FINANCING RELATED TO THE PROJECT; AND (iv) AUTHORIZING THE AGENCY TO EXECUTE A MORTGAGE AND RELATED DOCUMENTS.

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 63 of the Laws of 1972 of the State of New York, as amended (hereinafter collectively called the "Act"), the **SENECA COUNTY INDUSTRIAL DEVELOPMENT AGENCY** (hereinafter called "Agency") was created with the authority and power to own, lease and sell property for the purpose of, among other things, acquiring, constructing and equipping civic, industrial, manufacturing and commercial facilities as authorized by the Act; and

WHEREAS, **FINGER LAKES EQUIPMENT RENTAL LLC**, a limited liability company, for itself or on behalf of an entity to be formed by it or on its behalf (the "Company") has submitted an application (the "Application"), a copy of which is on file with the Agency, requesting the Agency's assistance with respect to a certain project (the "Project") consisting of: (i) the acquisition by the Agency of a leasehold interest in a parcel of real property within the Town of Waterloo located at 1127 Waterloo Geneva Road (the "Land"), (ii) the construction on the Land of a 6,015 square

foot storage and office building (collectively, the “Improvements”), and (iii) the acquisition and installation by the Company in the Improvements of certain items of equipment and other tangible personal property (the “Equipment” and, collectively with the Land, the Improvements, the “Facility”); and

WHEREAS, it is contemplated that the Agency will (i) negotiate and enter into an agent agreement, pursuant to which the Agency will appoint the Company as its agent for the purpose of undertaking the Project (the “Agent Agreement”), (ii) negotiate and enter into a lease agreement (the “Lease Agreement”), leaseback agreement (the “Leaseback Agreement”), and an agreement providing for a partial real property tax abatement (the “PILOT Agreement”), (iii) take a leasehold interest in the Land, the Improvements and personal property constituting the Facility (once the Agent Agreement, Lease Agreement, Leaseback Agreement, and PILOT Agreement have been negotiated), and (iv) provide Financial Assistance to the Company in the form of (a) a sales and use tax exemption for purchases and rentals related to the acquisition, construction and equipping of the Facility, (b) a partial real property tax abatement structured within the PILOT Agreement, and (c) a mortgage recording tax exemption for financing related to the Project (collectively, the “Financial Assistance”); and

WHEREAS, it has been determined by the Agency based upon the Application that the total value of the Financial Assistance to the Company shall be less than One Hundred Thousand Dollars (\$100,000); and

WHEREAS, pursuant to the New York State Environmental Quality Review Act, Article 8 of the Environmental Conservation Law and the regulations adopted pursuant thereto at 6 N.Y.C.R.R. Part 617, as amended (collectively referred to as “SEQRA”), the Agency must satisfy the applicable requirements set forth in SEQRA, as necessary, prior to making a final determination whether to undertake the Project; and

WHEREAS, the Agency has prepared a cost-benefit analysis with respect to the Project and the contemplated Financial Assistance and has reviewed the results of said cost-benefit analysis; and

WHEREAS, in reviewing the Application, the Agency has considered (i) the nature of the Project, (ii) the economic condition of the area and the multiplying effect the Project will have on the area; (iii) the extent to which the Project will create permanent, private sector jobs; (iv) the estimated value of tax exemptions contemplated to be provided; (v) the economic impact of the Project and proposed tax exemptions on affected taxing jurisdictions; (vi) the impact of the Project on existing and proposed businesses and economic development projects in the vicinity of the Project; (vii) the amount of private sector investment likely to be generated by the Project; (viii) the extent to which the Project will require the provision of additional services; (ix) the extent to which the Project will provide additional sources of revenue for the municipalities and school district in which the Project is located; and (ix) the benefit of the Project not otherwise available to the area in which the Project is located; and

WHEREAS, the Agency has conducted a review of the Project pursuant to SEQRA; and

WHEREAS, the PILOT Agreement as contemplated provides for a schedule of payments to be made by the Company to the Agency based upon a declining percentage of exemption of the value of the Facility; and

WHEREAS, the Agency desires to formally approve the exemption schedule to be incorporated into PILOT Agreement, which schedule is attached hereto as Exhibit A (the "PILOT Agreement Exemption Schedule"); and

WHEREAS, the Agency desires to adopt a resolution (i) accepting the Application; (ii) naming the Agency as lead agency for purposes of SEQRA review, and making certain findings related thereto; (iii) authorizing the Financial Assistance to the Company in an amount not to exceed \$100,000, (iv) authorizing the execution and delivery of the Lease Agreement, the Leaseback Agreement, the Agent Agreement, the PILOT Agreement and all documents related thereto (collectively, the "Transaction Documents"), and (iv) authorizing the execution and delivery of one or more mortgages and related documents related to the financing of the Project.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE SENECA COUNT INDUSTRIAL AGENCY AS FOLLOWS:

Section 1. The Company has presented an Application in a form acceptable to the Agency. Based upon the representations made by the Company to the Agency in the Company's Application and other materials provided by the Company to the Agency, the Agency hereby finds and determines that:

(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 Agency has the authority to take the actions contemplated herein under the Act; and

(c) The action to be taken by the Agency will induce the development of the Project, thereby facilitating the Company's development of the Project, thereby increasing employment opportunities in Seneca County, New York, and otherwise furthering the purposes of the Agency as set forth in the Act; and

(d) The Project will not result in the removal of a civic, commercial, industrial, or manufacturing plant of the Company or any other proposed occupant of the Project from one area of the State of New York (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 located within the State; and the Agency hereby finds that, based on the Company's application, to the extent occupants are relocating from one plant or facility to another, the

Project is reasonably necessary to discourage the Project occupants from removing such other plant or facility to a location outside the State and/or is reasonably necessary to preserve the competitive position of the Project occupants in their respective industries.

Section 2. The Agency further finds and determines that:

(a) The Agency's involvement in the Project will require SEQRA review.

(b) The Agency declares itself as lead agency for purposes of SEQRA review.

(c) The Agency has reviewed the Environmental Assessment Form submitted by the Company, and determines that the Project will not result in any significant adverse environmental impacts.

Section 3. The Agency further finds and determines that:

(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 Project will promote employment opportunities and prevent economic deterioration in Seneca County, and otherwise further the purposes of the Agency, and that by entering into the PILOT Agreement and otherwise providing financial assistance for the Project the Agency will be increasing employment opportunities in Seneca County and otherwise furthering the purposes of the Act; and

(c) The Facility constitutes an industrial and commercial facility as contemplated by the Act, and a "project" as such term is defined in the Act; and

(d) The leasing of the Facility from and the subleasing back of the Facility to the Company will promote and maintain job opportunities, health, general prosperity and economic welfare of the citizens of the County of Seneca and State of New York and improve their standard of living and thereby serve the public purposes of the Act; and

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

(f) Based upon the representations and warranties of the Company, the Facility and the operations conducted thereon will not cause or result in the violation of the health, labor or other laws of the United States of America, the State of New York or the County of Seneca; and

(g) It is desirable and in the public interest for the Agency to acquire an interest in

the Facility; and

(h) The Lease Agreement will be an effective instrument whereby the Company leases the Facility to the Agency; and

(j) The Leaseback Agreement will be an effective instrument whereby the Agency subleases the Facility back to the Company; and

(i) The PILOT Agreement will be an effective instrument whereby the Agency and the Company set forth the terms and conditions of their agreement regarding the Company's payment of payments in lieu of real property taxes; and

(j) The Agent Agreement will be an effective instrument whereby the Agency and the Company set forth the terms and conditions of their agreement regarding the Agency's appointment of the Company as its agent for the Project.

Section 4. In consequence of the foregoing, the Agency hereby determines to:

(a) acquire a leasehold interest in the facility pursuant to the Lease Agreement,

(b) sublease the Facility back to the Company pursuant to the Leaseback Agreement,

(c) authorize the undertaking of the Project and appoint the Company as its agent for purposes of acquiring, constructing and/or equipping the Facility, subject to the Company entering into the Agent Agreement, and

(d) provide the Financial Assistance for the Project in the form of (i) a sales and use tax exemption for purchases and rentals related to the undertaking of the Project, subject to the terms and conditions of the Agent Agreement, the total value of the exemption not to exceed \$33,840, (ii) a partial real property tax abatement, subject to the terms and conditions of the PILOT Agreement, and (iii) a mortgage recording tax exemption for financing related to the Project, provided that the total value of the Financial Assistance shall not exceed \$100,000.

Section 5. The Agency hereby approves the PILOT Agreement Exemption Schedule, and determines to provide a real property tax exemption and related in lieu of payment schedule pursuant to the terms of the PILOT Agreement and the PILOT Agreement Exemption Schedule.

Section 6. The foregoing resolutions notwithstanding, the Agency's appointment of the Company as its agent for purposes of undertaking the Project is subject to and conditioned upon the Company's agreement, in accordance with Section 875(3) of the New York General Municipal Law, that, if the Company receives New York State and local sales and use tax exemption benefits ("sales and use tax exemption benefits") from the Agency, and it is determined that: (i) the Company is not entitled to the sales and use tax exemption benefits; (ii) the sales and use tax exemption benefits are in excess of the amounts authorized by the Agency

to be taken by the Company; (iii) the sales and use tax exemption benefits are for property or services not authorized by the Agency as part of the Project; or (iv) the sales and use tax exemption benefits are taken in cases where the Company fails to comply with a material term or condition to use property or services in the manner approved by the Agency in connection with the Project, then the Company will (A) cooperate with the Agency in its efforts to recover or recapture any sales and use tax exemption benefits, and (B) promptly pay over any such amounts to the Agency that the Agency demands in connection therewith, and that in the event that the Company fails to pay over such amounts to the Agency, the New York State Tax Commissioner may assess and determine New York State and local sales and use taxes due from the Company, together with any relevant penalties and interest due on such amounts.

Section 7. The Chairman, Vice Chairman and/or the Executive Director of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver the Transaction Documents in substantially the forms presented to this meeting, and all documents related thereto, with such additions, changes, variations, omissions and insertions as the Chairman, Vice Chairman and/or Executive Director, shall approve, which agreements may provide for the forfeiture and/or recapture of financial assistance where projected employment goals and/or other material conditions have not been met. The execution thereof by the Chairman, Vice Chairman and/or Executive Director of the Agency shall constitute conclusive evidence of such approval.

Section 8. The Chairman, Vice Chairman and/or Executive Director of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver any mortgage, assignment of leases and rents, security agreement, UCC-1 Financing Statements and all documents reasonably contemplated by these resolutions and required by any lender or financial institution identified by the Company providing financing for the Project, all with such changes, variations, omissions and insertions as the Chairman, Vice Chairman and/or Executive Director of the Agency shall approve, the execution thereof by the Chairman, Vice Chairman and/or Executive Director of the Agency to constitute conclusive evidence of such approval, provided in all events recourse against the Agency is limited to the Agency's interest in the Project.

Section 9. 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 to execute and deliver all such certificates, instruments and documents, to 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 resolutions and to cause compliance by the Agency with all of the terms, covenants and provisions of the documents executed for and on behalf of the Agency.

Section 10. These Resolutions shall take effect immediately.

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

	<i>Yea</i>	<i>Nay</i>	<i>Abstain</i>	<i>Absent</i>
Steven Brusso	[x]	[]	[]	[]
G. Thomas Macinski	[x]	[]	[]	[]
Erica Paolicelli	[x]	[]	[]	[]
Stephen Wadhams	[x]	[]	[]	[]
Thomas L. Kime	[]	[]	[]	[x]
Donald Trout	[x]	[]	[]	[]
Valerie J. Bassett	[x]	[]	[]	[]
Jeffrey Shipley	[]	[]	[]	[x]
Menzo Case	[x]	[]	[]	[]

The Resolutions were thereupon duly adopted.

EXHIBIT A

PILOT AGREEMENT EXEMPTION SCHEDULE

Year No.	Percentage Exemption on Value of Project
1	100%
2	100%
3	100%
4	100%
5	100%
6	100%
7	100%
8	80%
9	60%
10	40%
11	20%
12	0%

SECRETARY'S CERTIFICATION
(Finger Lakes Equipment Rental LLC Project)

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

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

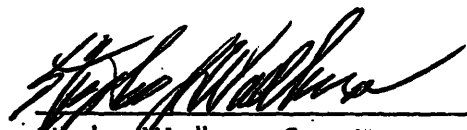
That I have compared the annexed extract of minutes of the meeting of the Seneca County Industrial Development Agency (the "Agency"), including the resolution contained therein, held on October 4, 2018, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Agency and of such resolution set forth therein and of the whole of said original insofar as the same related to the subject matters therein referred to.

I FURTHER CERTIFY, that all members of said Agency had due notice of said meeting, that the meeting was in all respects duly held and that, pursuant to Article 7 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public, and that public notice of the time and place of said meeting was duly given in accordance with such Article 7.

I FURTHER CERTIFY, that there was a quorum of the members of the Agency present throughout said meeting.

I FURTHER CERTIFY, that as of the date hereof, the attached resolution is in full force and effect and has not been amended, repealed or modified.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Agency this 4th day of October 2018.



Stephen Wadhams, Secretary