

**Inducement Resolution
Running Supply, Inc. Facility**

RESOLUTION OF THE ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY TAKING OFFICIAL ACTION TOWARD APPOINTING RUNNING SUPPLY, INC., THE PRINCIPALS OF RUNNING SUPPLY, INC., 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, Running Supply, Inc., on behalf of itself and/or the principals of Running Supply, Inc., 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 the acquisition and renovation of a 290,000± square foot facility (the "Improvements") located on a 15± acre parcel of land at 5865 Success Drive, City of Rome, Oneida County, New York (the "Land") and the acquisition and installation of equipment in the Improvements (the "Equipment"), all to be used for the warehousing of general merchandise and distribution to retail operations in the Northeast (the Land, the Improvements and the Equipment are referred to collectively as the "Facility" and the renovation and equipping of the Facility 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 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 mortgage recording taxes, exemption 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 (10) years during which time the Company will pay a fixed annual PILOT Payment of \$85,000, which represents 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 financial assistance contemplated by the Agency is conditioned upon the Company maintaining for ten years no less than forty-five (45) full-time positions at its facilities located within Oneida County; 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; and

WHEREAS, the Agency has given due consideration to the application of the Company and to representations by the Company that the proposed lease-leaseback transaction, is either an inducement to the Company to maintain and expand the Facility in the County or is necessary to maintain the competitive position of the Company in its industry.

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

Section 1. (a) The acquisition, 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, 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.

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

Section 4. (a) The Company is herewith and hereby appointed the agent of Agency to acquire, 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 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 authorized by the Agency relating to the renovation and equipping of the Facility shall not exceed \$27,500.00.

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 January 15, 2016 at eight a.m., local time, at Rome, New York which the following members were:

Members Present: Ferris Betrus (via WebX)
Natalie Brown
Michael Fitzgerald
David Grow
Mary Faith Messenger
Eugene Quadraro (via WebX)
Steven Zogby

Staff Present: Maureen Carney
Shawna Papale
Jennifer Waters

Others Present: Mark Levitt, Esq.
Caroline Levitt, Esq.
Linda E. Romano, Esq.
Mayor Jacqueline Izzo
Dan Guzewich
Bill Maxim
Lance Buckingham
Dan Herrmann
Fred Burrows

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
Natalie Brown
Michael Fitzgerald
David Grow
Mary Faith Messenger
Eugene Quadraro
Steven Zogby

None

and, therefore, the resolution was declared duly adopted.

The Agreement and the Application are in substantially the form presented to and approved at such 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 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 this 15th day of April 2016.



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 _____ 2016 at 9:00 a.m., local time, at the offices of the Agency located at 584 Phoenix Drive, Rome, New York 13340 in connection with the following matters:

Running Supply, Inc., on behalf of itself 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 the acquisition and renovation of a 290,000± square foot facility (the "Improvements") located on a 15± acre parcel of land at 5865 Success Drive, City of Rome, Oneida County, New York (the "Land") and the acquisition and installation of equipment in the Improvements (the "Equipment"), all to be used for the warehousing of general merchandise and distribution to retail operations in the Northeast (the Land, the Improvements and the Equipment are referred to collectively as the "Facility" and the renovation and equipping of the Facility 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, exemptions from mortgage recording taxes, and abatement of real property taxes for a period of ten (10) years during which time the Company will pay a fixed annual PILOT Payment, which financial assistance represents 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: _____, 2016

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

EXHIBIT B

MINUTES OF PUBLIC HEARING

Oneida County Industrial Development Agency
2016 Real Estate Lease
Running Supply, Inc. Facility

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

Running Supply, Inc., on behalf of itself 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 the acquisition and renovation of a 290,000± square foot facility (the "Improvements") located on a 15± acre parcel of land at 5865 Success Drive, City of Rome, Oneida County, New York (the "Land") and the acquisition and installation of equipment in the Improvements (the "Equipment"), all to be used for the warehousing of general merchandise and distribution to retail operations in the Northeast (the Land, the Improvements and the Equipment are referred to collectively as the "Facility" and the renovation and equipping of the Facility 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, exemptions from mortgage recording taxes, and abatement of real property taxes for a period of ten (10) years during which time the Company will pay a fixed annual PILOT Payment, which financial assistance represents 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.

4. The Chairman 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 Chairman then asked if there were any further comments, and, there being none, the hearing was closed at ____ a.m.

Shawna Papale, 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 _____, 2016 at _____ a.m. local time, at the Agency's offices, 584 Phoenix Drive, Rome, 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 _____, 2016.

Secretary

EXHIBIT C

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

_____, 2016

Dan Herrmann, Chief Operating Officer
Running Supply, Inc.
901 N. Highway 59
Marshall MN 56258

RE: *Oneida County Industrial Development Agency
2016 Lease-Leaseback Transaction (Running Supply, Inc. Facility)*

Dear Mr. Herrmann:

Pursuant to a resolution duly adopted on January 15, 2016, Oneida County Industrial Development Agency (the "Agency") appointed Running Supply, Inc., 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 the acquisition and renovation of a 290,000± square foot facility (the "Improvements") located on a 15± acre parcel of land at 5865 Success Drive, City of Rome, Oneida County, New York (the "Land") and the acquisition and installation of equipment in the Improvements (the "Equipment"), all to be used for the warehousing of general merchandise and distribution to retail operations in the Northeast (the Land, the Improvements and the Equipment are referred to collectively as the "Facility" and the renovation and equipping of the Facility 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 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 renovating and equipping (ii) all purchases, rentals, uses or consumption of supplies, materials and services of every kind and description used in connection with renovating 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 "**Running Supply, Inc. 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 renovate and equip the Facility shall expire at the earlier of (a) the completion of such activities and improvements, or (b) January 15, 2017, 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 in the Application, the value of the sales tax to be abated relating to the renovation and equipping of the Facility is

currently estimated at \$25,000.00 but shall not exceed \$27,500.00. The Company acknowledges that the financial assistance authorized by the Agency is limited to \$27,500.00, and any exemptions claimed by the Company that exceed this amount may 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 this 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:

RUNNING SUPPLY, INC.

By: _____
Name:
Title:

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

WHEREAS, Running Supply, Inc. (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 acquisition and renovation of a 290,000± square foot facility (the "Improvements") located on a 15± acre parcel of land at 5865 Success Drive, City of Rome, Oneida County, New York (the "Land") and the acquisition and installation of equipment in the Improvements (the "Equipment"), all to be used for the warehousing of general merchandise and distribution to retail operations in the Northeast (the Land, the Improvements and the Equipment are referred to collectively as the "Facility" and the renovation and equipping of the Facility 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.

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 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 as described in the Application and the EAF;
- (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 January 15, 2016 at 8 a.m. local time, at 584 Phoenix Drive,
Rome, New York at which the following members were:

Members Present: Ferris Betrus (via WebX)
 Natalie Brown
 Michael Fitzgerald
 David Grow
 Mary Faith Messenger
 Eugene Quadraro (via WebX)
 Steven Zogby

Staff Present: Maureen Carney
 Shawna Papale
 Jennifer Waters

Others Present: Mark Levitt, Esq.
 Caroline Levitt, Esq.
 Linda E. Romano, Esq.
 Mayor Jacqueline Izzo
 Dan Guzewich
 Bill Maxim
 Lance Buckingham
 Dan Herrmann
 Fred Burrows

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
Natalie Brown
Michael Fitzgerald
David Grow
Mary Faith Messenger
Eugene Quadraro
Steven Zogby

None

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 15th day of April 2016.


Secretary

**State of New York
County of Oneida } ss:**

I, Jessica Butera, being sworn, says she is, and during the time hereinafter mentioned, was the Advertising Representative of the DAILY SENTINEL, a newspaper published in the County of Oneida, aforesaid; and that annexed printed Notice was inserted and published in said Newspaper/commencing

on the 9th day of February, 20 16

to wit: February 9th

February 9th, 20 16

Jessica Butera

Sworn to before me this 9th day of February, 20 16

Chris H. Siriano

Notary Public

CHRIS H. SIRIANO
Notary Public, State of New York
No. 01SI6196843
Qualified in Oneida County
My Commission Expires Nov. 17, 20 16

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 19th day of February 2016 at 9:00 a.m., local time, at the offices of the Agency located at 584 Phoenix Drive, Rome, New York 13340 in connection with the following matters:

Running Supply, Inc., on behalf of itself 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 the acquisition and renovation of a 290,000± square foot facility (the "Improvements") located on a 15± acre parcel of land at 5865 Success Drive, City of Rome, Oneida County, New York (the "Land") and the acquisition and installation of equipment in the Improvements (the "Equipment"), all to be used for the warehousing of general merchandise and distribution to retail operations in the Northeast (the Land, the Improvements and the Equipment are referred to collectively as the "Facility" and the renovation and equipping of the Facility 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, exemptions from mortgage recording taxes, and abatement of real property taxes for a period of ten (10) years during which time the Company will pay a fixed annual PILOT Payment, which financial assistance represents 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: February 4, 2016

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

MINUTES OF PUBLIC HEARING

Oneida County Industrial Development Agency 2016 Real Estate Lease Running Supply, Inc. Facility

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

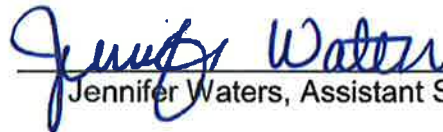
Running Supply, Inc., on behalf of itself or an entity to be formed on behalf of any of the foregoing (collectively, the "Company") has applied to the Agency to enter into a transaction in which the Agency will assist in the acquisition and renovation of a 290,000± square foot facility (the "Improvements") located on a 15± acre parcel of land at 5865 Success Drive, City of Rome, Oneida County, New York (the "Land") and the acquisition and installation of equipment in the Improvements (the "Equipment"), all to be used for the warehousing of general merchandise and distribution to retail operations in the Northeast (the Land, the Improvements and the Equipment are referred to collectively as the "Facility" and the renovation and equipping of the Facility 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, exemptions from mortgage recording taxes, and abatement of real property taxes for a period of ten (10) years during which time the Company will pay a fixed annual PILOT Payment, which financial assistance represents 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.

4. The Chairman 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 Chairman then asked if there were any further comments, and, there being none, the hearing was closed at 9:30 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 February 19, 2016 at 9:00 a.m. local time, at the Agency's offices, 584 Phoenix Drive, Rome, 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 April 15, 2016.


Secretary

Anthony J. Picente Jr.
County Executive

Shawna M. Papale
Secretary/
Executive Director

Jennifer Waters
Assistant Secretary

ONEIDA COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

OCIDA



584 Phoenix Drive
Rome, New York 13441-4105
(315) 338-0393, fax (315) 338-5694

David C. Grow
Chairman

Natalie Brown
Vice Chairman

Ferris Betrus Jr.
Michael Fitzgerald
Mary Faith Messenger
Eugene Quadraro
Stephen Zogby

April 15, 2016

Dan Herrmann, Chief Operating Officer
Running Supply, Inc.
901 N. Highway 59
Marshall MN 56258

RE: *Oneida County Industrial Development Agency
2016 Lease-Leaseback Transaction (Running Supply, Inc. Facility)*

Dear Mr. Herrmann:

Pursuant to a resolution duly adopted on January 15, 2016, Oneida County Industrial Development Agency (the "Agency") appointed Running Supply, Inc., 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 the acquisition and renovation of a 290,000± square foot facility (the "Improvements") located on a 15± acre parcel of land at 5865 Success Drive, City of Rome, Oneida County, New York (the "Land") and the acquisition and installation of equipment in the Improvements (the "Equipment"), all to be used for the warehousing of general merchandise and distribution to retail operations in the Northeast (the Land, the Improvements and the Equipment are referred to collectively as the "Facility" and the renovation and equipping of the Facility 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 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 renovating and equipping (ii) all purchases, rentals, uses or consumption of supplies, materials and services of every kind and description used in connection with renovating 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 "**Running Supply, Inc. 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. The Agency will file each Form ST-60 with New York State. 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 renovate and equip the Facility shall expire at the earlier of (a) the completion of such activities and improvements, or (b) January 15, 2017, 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.

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 this Project. The penalty for failure to file such statement is the removal of your authority to act as an agent.

Based upon representations made by the Company in the Application, the value of the sales tax to be abated relating to the renovation and equipping of the Facility is currently estimated at \$25,000.00 but shall not exceed \$27,500.00. The Company acknowledges that the value of the sales tax exemption currently authorized by the Agency is limited to \$27,500.00, and the Agency is required to recapture the New York State portion of sales tax for any sales tax exemptions claimed by the Company that exceed this amount.

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:

RUNNING SUPPLY, INC.

By: _____
Name:
Title:

Anthony J. Picente Jr.
County Executive

Shawna Papale
Secretary/Treasurer
Executive Director

Jennifer Waters
Assistant Secretary

ONEIDA COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

OCIDA



584 Phoenix Drive, Rome, New York 13441
(315) 338-0393, fax (315) 338-5694
info@mvedge.org; www.mvedge.org

David C. Grow, Chairman
Natalie Brown, Vice Chairman

Ferris Betrus Jr.
Michael Fitzgerald
Mary Faith Messenger
Eugene Quadraro
Steven Zogby

February 5, 2016

Mr. Anthony J. Picente, Jr.
Oneida County Executive
Oneida County Office Building
800 Park Avenue
Utica, New York 13501

Re: *Running Supply, Inc. Facility*

Dear Sir:

On February 19, 2016 at 9 o'clock a.m., local time, at 584 Phoenix Drive, Rome, New York, the Oneida County Industrial Development Agency (the "Agency") will conduct a public hearing regarding this project for Running Supply, Inc. Attached is a copy of the Notice of Public Hearing describing the project and the financial assistance contemplated by the Agency. The Notice has been submitted to the *Daily Sentinel*, Rome, New York for publication.

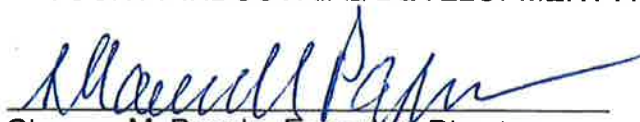
You are welcome to attend such hearing at which time you will have an opportunity, both orally and in writing, to present your views with respect to the project. We are providing this notice to you, pursuant to Chapters 356 and 357 of the Laws of 1993, as the chief executive officer of an affected tax jurisdiction within which the project is located.

Should you desire to discuss this matter or if you have any questions concerning this notice please feel free to contact Shawna Papale at the Agency at telephone number 338-0393.

Very truly yours,

ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

By:


Shawna M. Papale, Executive Director

Anthony J. Picente Jr.
County Executive

Shawna Papale
Secretary/Treasurer
Executive Director

Jennifer Waters
Assistant Secretary

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Natalie Brown, Vice Chairman

Ferris Betrus Jr.
Michael Fitzgerald
Mary Faith Messenger
Eugene Quadraro
Steven Zogby

February 5, 2016

Jackie Izzo, Mayor
City of Rome
198 North Washington Street
Rome, New York 13440

Re: *Running Supply, Inc. Facility*

Dear Madam:

On February 19, 2016 at 9 o'clock a.m., local time, at 584 Phoenix Drive, Rome, New York, the Oneida County Industrial Development Agency (the "Agency") will conduct a public hearing regarding this project for Running Supply, Inc. Attached is a copy of the Notice of Public Hearing describing the project and the financial assistance contemplated by the Agency. The Notice has been submitted to the *Daily Sentinel*, Rome, New York for publication.

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Very truly yours,

ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

By:


Shawna M. Papale, Executive Director

Anthony J. Picente Jr.
County Executive

Shawna Papale
Secretary/Treasurer
Executive Director

Jennifer Waters
Assistant Secretary

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Natalie Brown, Vice Chairman

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Michael Fitzgerald
Mary Faith Messenger
Eugene Quadraro
Steven Zogby

February 5, 2016

Louis Daniello, President
Board of Education
Rome City School District
409 Bell Road
Rome, New York 13440

Re: *Running Supply, Inc. Facility*

Dear Sir:

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Should you desire to discuss this matter or if you have any questions concerning this notice please feel free to contact Shawna Papale at the Agency at telephone number 338-0393.

Very truly yours,

ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

By:


Shawna M. Papale, Executive Director

c: Jeffrey Simons, Superintendent of Schools

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 19th day of February 2016 at 9:00 a.m., local time, at the offices of the Agency located at 584 Phoenix Drive, Rome, New York 13340 in connection with the following matters:

Running Supply, Inc., on behalf of itself 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 the acquisition and renovation of a 290,000± square foot facility (the "Improvements") located on a 15± acre parcel of land at 5865 Success Drive, City of Rome, Oneida County, New York (the "Land") and the acquisition and installation of equipment in the Improvements (the "Equipment"), all to be used for the warehousing of general merchandise and distribution to retail operations in the Northeast (the Land, the Improvements and the Equipment are referred to collectively as the "Facility" and the renovation and equipping of the Facility 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.

ONEIDA COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

Dated: February 4, 2016

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