

INDUCEMENT AGREEMENT AND PROJECT AGREEMENT

THIS INDUCEMENT AGREEMENT AND PROJECT AGREEMENT RELATING TO THE **ALDER CREEK BEVERAGES, LLC FACILITY** (the "AGREEMENT") is between the **ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY**, a public benefit corporation of the State of New York, with offices at 584 Phoenix Drive, Rome, New York 13441 (the "Agency"), and **ALDER CREEK BEVERAGES, LLC**, a limited liability company duly organized, validly existing and in good standing under the laws of the State of New York, with an address of Box 212, One Nirvana Plaza, Forestport, New York 13338 (the "Company").

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

1.01. The Agency is authorized and empowered by the provisions of Article 18-A of the General Municipal Law of the State of New York as amended, and Chapter 372 of the Laws of 1970 of the State of New York, as may be amended from time to time (collectively, the "Act") to undertake "Projects" (as defined in the Act) and to lease or sell the same upon such terms and conditions as the Agency may deem advisable.

1.02. The purposes of the Act are (i) to promote industry and develop trade by inducing manufacturing, industrial, warehousing, research, civic, recreation and commercial enterprises to locate or remain in the State and (ii) to encourage and assist in the providing of industrial pollution control facilities and (iii) to promote the economic welfare and prosperity of the inhabitants of the State. The Act vests the Agency with all powers necessary to enable it to accomplish such purposes.

1.03. (a) The Company has submitted to the Agency an Application for Financial Assistance dated May 6, 2016, which Application may be amended from time to time prior to closing of the sale-leaseback or lease-leaseback transaction described below (the "Application") requesting that the Agency assist in the acquisition and renovation of a 240,000± square foot building (the "Improvements") situated on a 1,679± acre parcel of land located at One Nirvana Plaza, 12044 State Route 12, Town of Boonville, Oneida County, New York, together with all water rights associated therewith (collectively, the "Land"); and the acquisition and installation of equipment in the Improvements (the "Equipment"), all to be used for the manufacture of bottled spring water for distribution to retail sales outlets (the Land, the Improvements and the Equipment are referred to collectively as the "Facility" and the acquisition, renovation and equipping of the Facility is referred to as the "Project"). The Company will lease the Facility to the Agency and the Agency will lease the Facility back to the Company pursuant to a Leaseback Agreement (the "Leaseback Agreement").

1.04. The Company hereby represents to the Agency that the Project (a) will not result in the removal of an industrial or manufacturing plant from one area of the State to another area of the State or an abandonment of one or more plants of the Company located in the State; (b) is reasonably necessary to discourage the Company from

removing such other plant or facility to a location outside the State, or (c) is reasonably necessary to preserve the competitive position of the Company in its industry. The renovation and equipping of the Facility has not/did not commence(d) as of May 20, 2016.

1.05. The Agency has determined that the acquisition, renovation and equipping of the Facility, as described in the Company's Application will promote and further the purposes of the Act.

1.06. On May 20, 2016, the Agency adopted a resolution (the "Resolution" or the "Inducement Resolution") agreeing to undertake the Project in order to assist the Company and to effectuate the purposes of the Act and, subject to the happening of all acts, conditions and things required precedent to such undertaking and the satisfactory completion of such additional acts and reviews as the Agency may deem appropriate, to undertake a sale-leaseback or lease-leaseback transaction in connection with the Project.

1.07. In the Resolution, the Agency appointed the Company and its agents and other designees, as its agent for the purposes of acquiring, renovating and equipping the Facility, and such appointment includes the following activities as they relate to the acquisition, renovation and equipping of the Facility, whether or not the materials, services or supplies described below are incorporated into or become an integral part of the Facility: (i) all purchases, leases, rentals and other uses of tools, machinery and equipment in connection with acquiring, renovating and equipping the Facility, (ii) all purchases, rentals, uses or consumption of supplies, materials and services of every kind and description used in connection with acquiring, renovating and equipping the Facility, and (iii) all purchases, leases, rentals and uses of equipment, machinery, and other tangible personal property (including installation costs with respect thereto), installed or placed in, upon or under the Facility, including all repairs and replacements of such property. Such agency appointment includes the power to make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions, as the stated agent for the Agency, and in general to do all things which may be requisite or proper for completing the Facility, all with the same powers and with the same validity as the Agency could do if acting on its own behalf.

1.08. In the Resolution, the Agency contemplates that it will provide financial assistance to the Company in the form of 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, which is consistent with 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 (collectively, the "Financial Assistance").

(b) Based upon representations made by the Company in the Application, the value of the Financial Assistance is described as follows:

| | |
|----------------------------------|-----------------------------|
| Sales and use tax exemption | \$77,000.00 (not to exceed) |
| Mortgage recording tax exemption | N/A |
| Real property tax abatement | \$1,216,860 (approximately) |

1.09. It is understood and agreed by the parties that the purpose of the Agency's provision of Financial Assistance with respect to the Project is to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of the Project facility to advance job opportunities, health, general prosperity and economic welfare of the people of Oneida County and to otherwise accomplish the public purpose of the Act.

1.10. Attached as Exhibit A to this Agreement is a copy of the PILOT Agreement that reflects the Financial Assistance currently contemplated by the Agency in the Resolution. The Company acknowledges that the Agency (a) reserves all rights to amend the PILOT Agreement to reflect the terms of the Financial Assistance as it authorizes in the final authorizing resolution and (b) is under no obligation to enter into the PILOT Agreement unless all conditions described in Section 4.02 hereof are met to the satisfaction of the Agency.

Article 2. Undertakings on the Part of the Agency. Based upon the statements, representations and undertakings of the Company regarding the Facility and subject to the conditions set forth herein, the Agency hereby confirms and acknowledges:

2.01. Upon satisfactory completion of the conditions precedent set forth herein and in the Resolution and the satisfactory completion of such additional acts and reviews as the Agency may deem appropriate, the Agency will (A) adopt, or cause to be adopted, such proceedings and authorize the execution of such documents as may be necessary or advisable for (i) a sale-leaseback or lease-leaseback transaction, (ii) the acquisition, renovation and equipping of the Facility, and (iii) the leasing of the Facility to the Company pursuant to the Lease (or Leaseback) Agreement, all as shall be authorized by law and be mutually satisfactory to the Agency and the Company and (B) shall enter into a sale-leaseback or lease-leaseback transaction pursuant to the terms of the Act, as then in force, for the purpose of financing certain costs of the Facility.

2.02. The Lease (or Leaseback) Agreement shall be for an approximately ten (10) year term and shall obligate the Company to make aggregate basic payments in the amount of \$500.00 as and when the same shall become due and payable. The Company shall be entitled to acquire from the Agency title to (or terminate the Agency's leasehold interest in) the Facility for an aggregate amount of \$1.00, plus such additional amounts as shall be prescribed in the Lease (or Leaseback) Agreement. Specifically, the Lease (or Leaseback) Agreement shall contain a provision that will allow the Company to terminate the Lease (or Leaseback) Agreement at any time upon written notice to the Agency and upon payment by the Company of all applicable fees, penalties and recapture of benefits, if applicable. The Lease (or Leaseback) Agreement

shall contain all provisions required by law and such other provisions as shall be mutually acceptable to the Agency and the Company.

2.03. That all services, costs and expenses of whatever nature incurred in connection with the renovation, equipping, installation, replacement, rebuilding, restoration, repair, maintenance and operation of the Facility have been and will continue to be undertaken by the Company as agent for the Agency, regardless of whether such services, costs and expenses were undertaken and/or paid in its own name or in the name of the Agency, and the Agency shall furnish to the Company an appropriate letter on Agency letterhead evidencing the authority of the Company to act as agent of the Agency.

2.04. That, in connection with any lease by the Agency to the Company that is, in turn, subleased or leased by the Company, it is the intent of all parties to the transactions that any sublease or lease is undertaken by the Company as agent for the Agency.

2.05. That, at the request of the Company, and subject to the agreement between the Agency and the Company, any future transfers of fee or leasehold interest of any portion of real property upon which the Facility is located and not owned by the Agency, are hereby authorized, such transfers to be from the Company to the Agency, and there shall be no need for any further official action on behalf of the Agency other than the execution of the appropriate documents evidencing such transfer.

2.06. The Agency will take or cause to be taken such other acts and adopt such further proceedings as may be required to implement the aforesaid undertakings or as it may deem appropriate in pursuance thereof.

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

3.01. The Company hereby accepts the appointment made by the Agency in the Resolution to be the true and lawful agent of the Agency to (i) renovate, equip, repair and maintain the Facility and (ii) make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions, as the stated agent of the Agency, and in general to do all things which may be requisite or proper for completing the Facility, all with the same powers and the same validity as the Agency could do if acting on its own behalf, including the authority to delegate such Agency appointment, as described in the Resolution.

3.02. In the Application, the Company represented that it will retain the existing forty-four (44) full time equivalent positions at the Facility, create an additional ten (10) full time equivalent positions at the Facility by the commencement of the third lease

year, and maintain all for the duration of the Lease Term as a result of undertaking the Facility (the "Employment Obligation"). The Company acknowledges that 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.

3.03. The Company will, to the extent deemed by it to be necessary or desirable, enter into a contract or contracts for the acquisition, renovation and equipping of the Facility (including any necessary contracts for the acquisition of real property necessary or useful in said Facility).

3.04. Contemporaneously with the closing of the sale-leaseback or lease-leaseback transaction the Company will enter into the Lease (or Leaseback) Agreement with the Agency containing, among other things, the terms and conditions described in Section 2.02 hereof.

3.05. (a) The Company shall not permit to stand, and will, at its own expense, take all steps reasonably necessary to remove (or bond the same if acceptable to the Agency and its counsel), any mechanics' or other liens against the Facility for labor or materials furnished in connection with the acquisition, renovation and equipping of the Facility. The Company shall forever defend, indemnify and hold the Agency, its members, officers, employees, and agents, and anyone for whose acts or omissions the Agency or any of them may be liable, harmless from and against all costs, losses, expenses, claims, damages and liabilities of whatever kind or nature arising, directly or indirectly, out of or based on labor, services, materials and supplies, including equipment, ordered or used in connection with the acquisition, construction, renovation and equipping of the Facility or arising out of any contract or other arrangement therefor (and including any expenses incurred by the Agency in defending any claims, suits or actions which may arise as a result of any of the foregoing), whether such claims or liabilities arise as a result of the Company acting as agent for the Agency pursuant to this AGREEMENT or otherwise.

(b) The Company shall forever defend, indemnify and hold harmless the Agency, its members, officers, employees and agents, and anyone for whose acts or omissions the Agency or any of them may be liable, from and against all claims, causes of action, liabilities and expenses (including without limitation attorneys' fees) howsoever arising for loss or damage to property or any injury to or death of any person (including, without limitation, death of or injury to any employee of the Company or any sublessee) that may occur subsequent to the date hereof by any cause whatsoever in relation to the Facility including the failure to comply with the provisions of Article 3.05 hereof, or arising, directly or indirectly, out of the ownership, renovation, equipping, acquisition, operation, maintenance, repair or financing of the Facility, and including, without limitation, any expenses incurred by the Agency in defending any claims, suits or actions which may arise as a result of the foregoing.

(c) The defense and indemnities provided for in this Article 3 shall apply whether or not the claim, liability, cause of action or expense is caused or alleged to be caused, in whole or in part, by the activities, acts, fault or negligence of the Agency, its members, officers, employees and agents, anyone under the direction and control of any of them, or anyone for whose acts or omissions the Agency or any of them may be liable, and whether or not based upon the breach of a statutory duty or obligation or any theory or rule of comparative or apportioned liability, subject only to any specific prohibition relating to the scope of indemnities imposed by law. Without limiting the generality of the foregoing, the foregoing indemnifications shall apply to and encompass any action (or alleged failure to act) of the Agency pursuant to the SEQR Act.

(d) The Company shall provide and carry workers' compensation and disability insurance as required by law and comprehensive liability insurance with such coverages (including, without limitation, owner's protective for the benefit of the Agency and contractual coverage covering the indemnities herein provided for), with such limits and with such companies as may be approved by the Agency. Upon the request of the Agency, the Company shall provide certificates of insurance in form satisfactory to the Agency evidencing such insurance.

3.06. With the exception of the authorizations required to be adopted by the Agency for the Agency to enter into the sale-leaseback or lease-leaseback transaction, the Company agrees that, as agent for the Agency or otherwise, it will comply with all the requirements of all federal, state and local laws, rules and regulations of whatever kind and howsoever denominated applicable to the Agency and/or the Company with respect to the Facility, the acquisition, renovation and equipping thereof, the operation and maintenance of the Facility and the financing thereof. Every provision required by law to be inserted herein shall be deemed to be set forth herein as if set forth in full; and upon the request of either party, this AGREEMENT shall be amended to specifically set forth any such provision or provisions. The Company certifies, under penalty of perjury, that it is in substantial compliance with all local, state and federal tax, worker protection and environmental laws, rules and regulations.

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

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

3.09. The Company shall file with the New York State Department of Taxation and Finance an annual statement of the value of all sales and use tax exemptions claimed in connection with the Facility, in compliance with Section 874(8) of the New York State General Municipal Law. The Company shall provide the Agency with a copy of such annual statement at the time of filing with the State Department of Taxation and Finance. Based upon representations made by the Company in the Application, the value of the sales tax to be abated relating to the Project is estimated at \$70,000.00. The Company acknowledges that the financial assistance currently authorized by the Agency is limited to \$77,000.00 and the Agency is required by law to recapture the New York State portion of sales tax of any exemptions claimed by the Company that exceed this amount.

3.10. If the Facility is leased to another party by the Agency and subleased to the Company, then in such event, the Company guarantees all of the covenants, undertakings and indemnities of such other party as set forth in this Article 3.

3.11. The Company shall provide annually, to the Agency, a certified statement and documentation: (i) enumerating the full time equivalent jobs retained and the full time equivalent jobs created as a result of the Financial Assistance, by category, including full time equivalent independent contractors or employees of independent contractors that work at the Project location, and (ii) indicating that the salary and fringe benefit averages or ranges for categories of jobs retained and jobs created that was provided in the application for Financial Assistance is still accurate and if it is not still accurate, providing a revised list of salary and fringe benefit averages or ranges for categories of jobs retained and jobs created. Exhibit B contains the form of annual certification as well as additional Project assessment information that the Agency requires, on an annual basis, to be submitted to the Agency by the Company.

3.12. In accordance with Section 875(3) of the General Municipal Law, the policies of the Agency, and the Resolution, the Company covenants and agrees that it may be subject to recapture of any and all Financial Assistance if it is determined by the Agency that:

(a) the Company or its subagents, if any, authorized to make purchases for the benefit of the Project is not entitled to the sales and use tax exemption benefits; or

(b) the sales and use tax exemption benefits are in excess of the amounts authorized by the Agency to be taken by the Company or its subagents, if any; or

(c) the sales and use tax exemption benefits are for property or services not authorized by the Agency as part of the Project; or

(d) the Company has made a material false or misleading statement, or omitted any information which, if included, would have rendered any information in the

application or supporting documentation false or misleading in any material respect, on its application for Financial Assistance; or

(e) the Company fails to meet and maintain the Employment Obligation; or

(f) the Company failed to submit to the Agency its annual report so that the Agency can confirm that the Project is achieving the Employment Obligation and other objectives of the Project.

If the Agency determines to recapture any Financial Assistance, the Company agrees and covenants that it will (i) cooperate with the Agency in its efforts to recover or recapture any or all Financial Assistance obtained by the Company and (ii) promptly pay over any or all such amounts to the Agency that the Agency demands in connection therewith. Upon receipt of such amounts, the Agency shall then redistribute such amounts to the appropriate affected tax jurisdiction(s), unless agreed to otherwise by any tax jurisdiction(s). The Company further understands and agrees 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 the New York State and local sales and use tax due from the Company, together with any relevant penalties and interest due on such amounts.

Article 4. General Provisions.

4.01. This AGREEMENT sets forth the terms and conditions under which Financial Assistance shall be provided to the Company; no Financial Assistance shall be provided to the Company prior to the effective date of this Agreement. This AGREEMENT shall remain in effect until the Lease (or Leaseback) Agreement becomes effective. It is the intent of the Agency and the Company that this AGREEMENT be superseded in its entirety by the Lease (or Leaseback) Agreement, except for the indemnities and guarantee of indemnities contained herein, which shall survive.

4.02. It is understood and agreed by the Agency and the Company that entering into the sale-leaseback or lease-leaseback transaction and the execution of the Lease (or Leaseback) Agreement and related documents are subject to (i) obtaining all necessary governmental approvals, (ii) approval of the directors of the Company, (iii) approval of the members of the Agency, (iv) satisfactory completion of the environmental review of the Facility by the Agency in compliance with the State Environmental Quality Review Act, (v) agreement by the Agency and the Company upon mutually acceptable terms and conditions for the Lease (or Leaseback) Agreement and other documentation usual and customary to transactions of this nature, (vi) the condition that there are no changes in New York State Law which prohibit or limit the Agency from fulfilling its obligation and commitment as herein set forth to enter into the sale-leaseback or lease-leaseback transaction and (vii) payment by the Company of the Agency's transaction fee and the fees and disbursements of

bond counsel or transaction counsel. The Agency's transaction fee is calculated based upon the size of the project; based upon the projections in the Company's Application, the transaction fee for this project is estimated at \$36,619.00, which will be payable in full at closing.

4.03. The Company agrees that it will reimburse the Agency for all reasonable and necessary direct out-of-pocket expenses that the Agency may incur as a consequence of executing this AGREEMENT or performing its obligations hereunder. Examples of such expenses include, but are not limited to, photocopies, phone and fax charges, postage and other shipping charges incurred in connection with closing the lease-leaseback transaction or complying with any requests after closing relating to the lease-leaseback transaction, including but not limited to requests under the Freedom of Information Act, requests relating to the Project.

4.04. If for any reason the sale-leaseback or lease-leaseback transaction does not close on or before twelve (12) months from the execution hereof, the provisions of this AGREEMENT (other than the provisions of Articles 3.05, 3.06, 3.07 and 3.08 above, which shall survive) shall, unless extended by agreement of the Agency and the Company (whether before or after such original expiration date), terminate and be of no further force or effect, and following such termination neither party shall have any rights against the other party except:

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

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

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

[signature page follows]

IN WITNESS WHEREOF, the parties hereto have entered into this AGREEMENT to be effective as of May 20, 2016.

ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

By: David C. Grow
David C. Grow
Chairman

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

Wade M. Abraham, being first duly sworn, deposes and says:

1. That I am the Manager of ALDER CREEK BEVERAGES, LLC and that I am duly authorized on behalf of the Company to bind the Company and to execute this Agreement.
2. That the Company confirms and acknowledges that the owner, occupant, or operator receiving Financial Assistance for the Project is in substantial compliance with all applicable local, state and federal tax, worker protection and environmental laws, rules and regulations.

Wade M. Abraham
(Signature of Officer)

Subscribed and affirmed to me under penalties of perjury this 7th day of February, 2017.

Laura S. Ruberto
(Notary Public)

LAURA S. RUBERTO
Notary Public, State of New York
Appointed in Oneida County
Reg. No. 0-RU5031396
Commission Expires August 1, 2018

EXHIBIT A
PILOT AGREEMENT

ALDER CREEK BEVERAGES, LLC

and

ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

PAYMENT-IN-LIEU-OF-TAX AGREEMENT

Oneida County Industrial Development Agency
2017 Real Estate Lease
(Alder Creek Beverages, LLC Facility)

Oneida County, Town of Boonville, Adirondack Central School District

Tax Account Nos.: 34.000-1-36.1
49.000-1-5
49.000-1-15
49.000-1-17
66.000-1-2.1

PAYMENT-IN-LIEU-OF-TAX AGREEMENT

THIS PAYMENT-IN-LIEU-OF-TAX AGREEMENT, dated as of February 1, 2017, is by and between **ALDER CREEK BEVERAGES, LLC**, a limited liability company duly organized, validly existing and in good standing under the laws of the State of New York, with an address of Box 212, One Nirvana Plaza, Forestport, New York 13338 (the "Company") and **ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY**, an industrial development agency and a public benefit corporation of the State of New York having its principal office at 584 Phoenix Drive, Rome, New York 13441 (the "Agency").

W I T N E S S E T H:

WHEREAS, the Agency is authorized and empowered by the provisions of Title 1 of Article 18-A of the General Municipal Law, Chapter 99 of the Consolidated Laws of New York, as amended, (the "Enabling Act"), and Chapter 372 of the Laws of 1970 of the State of New York, as amended, constituting Section 901 of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the "Act") to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of, among others, industrial facilities for the purpose of promoting, attracting and developing economically sound commerce and industry in order to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, the Company desires to acquire and renovate a 240,000± square foot building (the "Improvements") situated on a 1,679± acre parcel of land located at One Nirvana Plaza, 12044 State Route 12, Town of Boonville, Oneida County, New York, together with all water rights associated therewith (collectively, the "Land"); and acquire and install equipment in the Improvements (the "Equipment"), all to be used for the manufacture of bottled spring water for distribution to retail sales outlets (the Land, the Improvements and the Equipment are referred to collectively as the "Facility" and the acquisition, renovation and equipping of the Facility is referred to as the "Project"); and

WHEREAS, Adirondack Bank (the "Bank") financed certain costs of the Facility by making a loan to the Company, secured by a Mortgage and Security Agreement dated December 30, 2015 between the Company and the Bank (the "Mortgage"); and

WHEREAS, in lieu of the Agency and the Company granting a first-priority mortgage to the Agency to secure PILOT Payments to be made by the Company under the Payment-In-Lieu-of-Tax Agreement dated as of February 1, 2017 (the "PILOT Agreement"), the Agency, the Company and the Bank are entering into a PILOT Payment Escrow Account Agreement dated as of February 1, 2017 (the "PILOT Escrow Agreement"); and

WHEREAS, in order to induce the Company to develop the Facility, the Agency is willing to accept a leasehold interest in the Facility pursuant to a Lease Agreement dated of even date herewith and lease the Facility back to the Company pursuant to the terms and conditions contained in a Leaseback Agreement dated of even date herewith; and

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

WHEREAS, the Facility is exempt from real property taxes, general property taxes, general school district taxes, general assessments, service charges or other governmental charges of a similar nature levied and/or assessed upon the Facility or the interest therein of the Company or the occupancy thereof by the Company commencing March 1, 2017, the taxable status date, (the "Exempt Taxes"), because the Agency has a leasehold interest in the Facility and the Facility is used for a purpose within the meaning of the applicable Constitutional and statutory provisions, including the Enabling Act, provided, however, such exemption does not extend to special assessments or ad valorem levies; and

WHEREAS, the Company understands that it, as lessee of the Facility leased by the Agency, will, in fact, have Exempt Taxes to pay under the provisions of this Agreement in the form of PILOT Payments (defined below) from the first date of the Exemption Term (as that date is determined by the parties and described herein) through the term of the Leaseback Agreement (the "Exemption Term"); and

WHEREAS, each year of the Exemption Term is more particularly set forth on Schedule B attached hereto (each year being referred to as an "Exemption Year"); and

WHEREAS, the Agency and the Company deem it necessary and proper to enter into an agreement making provision for payments-in-lieu-of-taxes and such assessments by the Company to the Town of Boonville, or any existing incorporated village or any village which may be incorporated after the date hereof, within which the Facility is or may be, wholly or partially located, Oneida County, the Adirondack Central

School District and appropriate special districts (hereinafter each a "Taxing Authority" and collectively the "Taxing Authorities") in which any part of the Facility is or is to be located; and

WHEREAS, all defined terms herein as indicated by the capitalization of the first letter thereof and not otherwise defined herein shall have the meanings ascribed to such terms as set forth in the Leaseback Agreement.

NOW, THEREFORE, to provide for certain payments to the Taxing Authorities, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. The Company shall pay to each Taxing Authority:

(a) all taxes that are due with respect to the Facility prior to the Exemption Term, no later than the last day during which such payments may be made without penalty; and

(b) all special assessments and ad valorem taxes coming due and payable during the term of the Lease Agreement and the Leaseback Agreement for which the Facility is not exempt, no later than the last day during which such payments may be made without penalty.

2. (a) The Company shall pay to each Taxing Authority as set forth on Schedule A attached hereto and made a part hereof an amount in lieu of the Exempt Taxes (the "PILOT Payments") during each Exemption Year as follows:

(i) one-third of such taxes from the first through and including the fifth Exemption Year; and

(ii) two-thirds of such taxes from the sixth through and including the tenth Exemption Year; and

(iii) one hundred percent of such taxes after the tenth Exemption Year.

Anything herein to the contrary, notwithstanding, this Agreement shall terminate on the date on which the Leaseback Agreement shall terminate and the Agency shall terminate its leasehold interest in the Facility pursuant to the Lease Agreement. The benefits under this Agreement are subject to the terms and conditions of a certain Job Creation and Recapture Agreement dated as of February 1, 2017.

(b) Anything herein to the contrary, notwithstanding, upon the failure of the Company in making any payment when due hereunder and upon failure to cure such default within thirty (30) days of receipt of notice as herein provided, shall constitute an Event of Default under Section 7.1(a)(vi) of the Leaseback Agreement, and the Agency may take any one or all remedial steps afforded it in Section 7.2 of the Leaseback Agreement; provided, however, nothing herein contained shall be deemed to limit any other rights and remedies the Agency may have hereunder or under any other Transaction Document.

(c) The Bank has agreed to establish an account for the escrow of PILOT Payments to be made hereunder (the "Escrow Agreement"). Any references herein relating to the obligation of the Company to make PILOT Payments shall be construed to mean the Company or the Bank, as prescribed by the Escrow Agreement, so long as the Escrow Agreement is in effect. Notwithstanding anything contained in the PILOT Escrow Agreement to the contrary, the Company shall remain primarily responsible for the faithful performance of this Agreement.

3. The Company will make PILOT Payments to each Taxing Authority hereunder for each Exemption Year by making the required payment to such Taxing Authority no later than the last day during which such Exempt Taxes could otherwise be made without penalty as if the Agency did not have a leasehold or other interest in the Facility.

4. The PILOT Payments to be made by the Company pursuant to this Agreement are intended to be in lieu of all Exempt Taxes that would have to be paid on the Facility leased to the Company by the Leaseback Agreement if the Agency did not have a leasehold or other interest in the Facility.

5. If by reason of a change in the Constitution or laws of the State of New York, or an interpretation of the Constitution or the laws of the State of New York by the Court of Appeals (or such lower court from which the time to appeal has expired) of the State of New York, or for any other reason, the Company is required to pay any tax which the payments specified herein are intended to be in lieu of, the Company may deduct the aggregate of any such payments made by it from the amount herein agreed to be paid in lieu of such taxes and need only pay the difference. Furthermore, inasmuch as the PILOT Payments herein agreed to be made by the Company are intended to be in lieu of all Exempt Taxes, it is agreed that said payments shall not, as to any Exemption Year, be in an amount greater than would be payable for such year for such Exempt Taxes, in the aggregate, by a private corporation on account of its ownership of the Facility.

6. This Agreement shall be binding upon the successors and assigns of the parties.

7. It is the intent of the parties that the Company will have all the rights and remedies of a taxpayer with respect to any real property or other tax, service charge, special benefit, ad valorem levy, assessment or special assessment or service charge because of which, or in lieu of which, the Company is obligated to make a payment hereunder, as if and to the same extent as if the Agency did not have a leasehold or other interest in the Facility. It is the further intent of the parties that the Company will have all of the rights and remedies of a taxpayer as if and to the same extent as if the Agency did not have a leasehold or other interest in the Facility with respect to any proposed assessment or change in assessment concerning the property, or any portion thereof, whether through an assessor, board of assessment review, court of law, or otherwise and likewise will be entitled to protest before and be heard by such assessor, board of assessment review, court of law or otherwise and will be entitled to take any and all appropriate appeals or initiate any proceedings to review the validity or amount of any assessment or the validity or amount of any taxes that would have been payable but for the provisions hereof. In the event, however, that a court of competent jurisdiction shall enter an order or judgment determining or declaring that, by reason of the Agency's interest in the Facility, the Company does not have the right to bring a proceeding to review such assessment under the Real Property Tax Law or any other law, then the Company shall have the right to contest such assessment in the name and as the agent of the Agency, and the Agency agrees to cooperate with the Company in all respects in any such proceeding at the sole cost and expense of the Company. Notwithstanding anything herein to the contrary, for so long as this Agreement is in effect, the Company hereby unconditionally and irrevocably waives its right, if any, to apply for and/or receive the benefit of any other real property tax exemption with respect to the Facility, including, without limitation, any real property tax exemption that may be available under Section 485-b and Section 485-e of the Real Property Tax Law.

8. All amounts payable by the Company hereunder will be paid to the respective Taxing Authority and will be payable in such lawful money of the United States of America as at the time of payment is legal tender for the payment of public and private debts, including a check payable in such money.

9. (a) If any term or provision hereof should be for any reason held or adjudged to be invalid, illegal or unenforceable by any court of competent jurisdiction, such term or provision will be deemed separate and independent and the remainder hereof will remain in full force and effect and will not be invalidated, impaired or otherwise affected by such holding or adjudication.

(b) This Agreement may not be effectively amended, changed, modified, altered or terminated except by an instrument in writing executed by the parties hereto.

(c) All notices, certificates or other communications hereunder shall be in writing and shall be sufficiently given and shall be deemed given when mailed by United States registered or certified mail, postage prepaid, return receipt requested, to the Agency or the Company, as the case may be, addressed as follows:

To the Agency: Oneida County Industrial Development Agency
584 Phoenix Drive
Rome, New York 13441-4105
Attn.: Chairman

With a Copy To: Bond, Schoeneck & King, PLLC
501 Main Street
Rome, New York 13501
Attn.: Linda E. Romano, Esq.

To the Company: Alder Creek Beverages, LLC
Box 212
One Nirvana Plaza
Forestport, New York 13338
Attn.: Wade Abraham, Manager

With a Copy To: The Matt Law Firm, PLLC
1701 Genesee Street
Utica, New York 13501
Attn.: F.X. Matt III, Esq.

To the Bank: Adirondack Bank
185 Genesee Street
Utica, New York 13501
Attn.: Commercial Lending Department

With a Copy To: Kowalczyk & Deery, LLP
185 Genesee Street, 12th Floor
Utica, York 13501
Attn.: Andrew S. Kowalczyk III, Esq.

provided, that the Agency or the Company may, by notice given hereunder to the other, designate any further or different addresses to which subsequent notices, certificates or other communications to them shall be sent.

(e) This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

[Signature page follows]

IN WITNESS WHEREOF, the parties have executed this **PILOT Agreement** as of the date first above written.

ALDER CREEK BEVERAGES, LLC

By: _____
Wade M. Abraham
Manager

ONEIDA COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By:  _____
David C. Grow
Chairman

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

On the 7th day of February 2017 before me, the undersigned a notary public in and for said state, personally appeared **Wade M. Abraham**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

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

On the 7th day of February 2017 before me, the undersigned a notary public in and for said state, personally appeared **David C. Grow**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

LAURA S. RUBERTO
Notary Public, State of New York
Appointed in Oneida County
Reg. No. 01RU5031396
Commission Expires August 1, 2018

SCHEDULE A

COUNTY OF ONEIDA
Receiver of Taxes
800 Park Avenue
Rome, New York 13501

TOWN OF BOONVILLE
13149 State Route 12
Boonville, NY 13309
Attn.: Receiver of Taxes

ADIRONDACK CENTRAL SCHOOL DISTRICT
110 Ford Street
Boonville, NY 13309
Attn.: Receiver of Taxes

SCHEDULE B

EXEMPTION YEARS

| Exemption Year (Assessment Roll Year) | County/Town Taxes | School Taxes |
|--|--------------------------|-------------------------|
| Year One (03/01/2017) | 01/01/2018 – 12/31/2018 | 07/01/2017 – 06/30/2018 |
| Year Two (03/01/2018) | 01/01/2019 – 12/31/2019 | 07/01/2018 – 06/30/2019 |
| Year Three (03/01/2019) | 01/01/2020 – 12/31/2020 | 07/01/2019 – 06/30/2020 |
| Year Four (03/01/2020) | 01/01/2021 – 12/31/2021 | 07/01/2020 – 06/30/2021 |
| Year Five (03/01/2021) | 01/01/2022 – 12/31/2022 | 07/01/2021 – 06/30/2022 |
| Year Six (03/01/2022) | 01/01/2023 – 12/31/2023 | 07/01/2022 – 06/30/2023 |
| Year Seven (03/01/2023) | 01/01/2024 – 12/31/2024 | 07/01/2023 – 06/30/2024 |
| Year Eight (03/01/2024) | 01/01/2025 – 12/31/2025 | 07/01/2024 – 06/30/2025 |
| Year Nine (03/01/2025) | 01/01/2026 – 12/31/2026 | 07/01/2025 – 06/30/2026 |
| Year Ten (03/01/2026) | 01/01/2027 – 12/31/2027 | 07/01/2026 – 06/30/2027 |

EXHIBIT B
FORM OF ANNUAL REPORT TO AGENCY

Project Code: 0 Fund Type: 0 Project Name:

Schedule of Supplemental Information (Bonds/Notes or Straight Lease)

Project Owner and Address:
 Contact Name
 Company
 Address

Total Project/Lease Amount: \$
 Bonded Project Amount: \$
 Non-profit?

Straight Lease End Date:
 Bond/Note Amount: \$
 New tax revenues if no exemptions granted:

Please check box if applicable:
 Not all data is reported. Letter of explanation attached.

2016 Tax Exemptions – Amounts that would have been payable, AS TAXES, without IDA exemptions.

| Sales Tax (ST) | Real Property Tax (RPT) | Mortgage Recording Tax (MR) | Total Tax Exemptions (Sum of ST, RPT and MRT) | Total Exemptions Net of RPTL Sec 485-b Exemptions |
|----------------|--------------------------------------|-----------------------------|---|---|
| State: \$ | County: \$ | \$ | \$ | \$ |
| Local: \$ | Local (sum of city/town/village): \$ | | | |
| | School: \$ | | | |
| | | | | |
| | | | | |

2016 Payments in Lieu of Taxes (PILOTS) Paid. DO NOT INCLUDE SPECIAL DISTRICT ASSESSMENT PAYMENTS (ie, sewer, water, lighting, etc. districts)

| County | Local (sum of city/town/village) | School District | Total PILOTS Paid | Code |
|--------|----------------------------------|-----------------|-------------------|------|
| \$ | \$ | | \$ | 0 |

Straight Lease: Identify method of financial assistance utilized by project, other than tax exemptions claimed by project. Identify by amount and type:

FORM CONTINUED ON NEXT PAGE

Project Code: 0 Fund Type: 0 Project Name:

Schedule of Supplemental Information Continues (Bonds/Notes or Straight Lease)

Full-Time Equivalent (FTE) Jobs Created and Retained

| # FTE Employees at Project Location Prior to IDA Status | Original Estimate of Jobs to be Created | Original Estimate of Jobs to be Retained | # Current FTE Employees | # FTE Jobs Created During Fiscal Year | # FTE Jobs Retained During Fiscal Year | # FTE Construction Jobs Created during Fiscal Year |
|---|---|--|-------------------------|---------------------------------------|--|--|
| | | | | | | |

FOR PROJECTS CLOSED AFTER JULY 2016 ONLY. If the salary and fringe benefit averages or ranges for categories of jobs retained and jobs created, that was provided in the original project application is still accurate, please check this box: If the information is no longer accurate, complete chart below.

Salary and Fringe Benefits for Jobs to be Retained and Created:

| Category of Jobs to be Retained and Created | # CURRENT FTE Per Category | Average Annual Salary or Range of Salary | Average Annual Fringe Benefits or Range of Fringe Benefits |
|---|----------------------------|--|--|
| Management | | | |
| Administrative | | | |
| Production | | | |
| Independent Contractor | | | |
| Other | | | |

*Contact Name (if different from page 1): _____
 *Contact Address (if different from page 1): _____
 *Contact Telephone: _____
 *Contact Fax: _____
 *Contact Email: _____
 *Person Completing Form: _____ * Required

I certify that to the best of my knowledge and belief all of the information on this form is correct. I also understand that failure to report completely and accurately may result in enforcement of provisions of my agreement, including but not limited to avoidance of the agreement and potential claw back of benefits.
 Signed: _____ (authorized company representative)
 Date: _____

PROJECT CODE: 0

Bonds and Notes Related to Project*

(*If you do not have a Bond, please skip this section)

| Type of Debt: | Bond(s) <input checked="" type="checkbox"/> Note(s) <input type="checkbox"/> | Bond(s) <input checked="" type="checkbox"/> Note(s) <input type="checkbox"/> | Bond(s) <input checked="" type="checkbox"/> Note(s) <input type="checkbox"/> | Bond(s) <input checked="" type="checkbox"/> Note(s) <input type="checkbox"/> | Total |
|---------------------------------------|--|--|--|--|---|
| Date of Issue: | | | | | |
| Interest Rate: | | | | | |
| • At issuance | | | | | |
| • If variable, applicable range | | | | | |
| Outstanding Beginning of Fiscal Year: | | | | | |
| Issued During Fiscal Year: | | | | | |
| Paid During Fiscal Year: | | | | | |
| Outstanding End of Fiscal Year: | | | | | |
| Final Maturity Date: | | | | | Final maturity date of last outstanding bond: |

Project Code: 0 Fund Type: 0 Project Name:

Questions for Housing Projects ONLY

(1) Describe the housing project constructed or renovated in detail (type of housing, number of units, etc.):

If construction or renovation is incomplete, when is the issuance of a Certificate of Occupancy anticipated? If available, please attach copy of Certificate of Occupancy.

(2) Describe how you changed the pre-Project use of the facility or property being utilized, for the Project.

(3) Did the project have any impact on the existing infrastructure or upgrades to the current infrastructure (water, sewer, electrical, gas, etc.)? If yes please provide detail and who you are working with at the applicable organization(s).

(4) If your project is a multi-use facility please provide details of the project, project square footage breakdown of non-housing to housing usage: detail the job creation and retention associated with the non-housing component.

(5) Does the project provide a community benefit? If yes, provide detail substantiating (reference the IDA policy).

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

WHEREAS, Alder Creek Beverages, LLC (hereinafter referred to as the "Company") has presented an application (the "Application") to the Oneida County Industrial Development Agency (the "Agency") requesting that the Agency provide financial assistance relating to the acquisition and renovation of a 240,000± square foot building (the "Improvements") situated on a 1,679± acre parcel of land located at One Nirvana Plaza, 12044 State Route 12, Town of Boonville, Oneida County, New York (the "Land"); and the acquisition and installation of equipment in the Improvements (the "Equipment"), all to be used for the manufacture of bottled spring water for distribution to retail sales outlets (the Land, the Improvements and the Equipment are referred to collectively as the "Facility" and the acquisition, 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, renovation 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, renovation, 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.

[Remainder of page left blank intentionally]

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 July 15, 2016 at 8 a.m. local time, at 584 Phoenix Drive, Rome,
New York at which the following members were:

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

EDGE Staff Present: S. Papale, M. Carney, J. Waters, A. Gerardo, H. LaSalle, S. Dimeo

Others Present: Mayor J. Izzo, L. Ruberto, D. Guzewich, C. Levitt, M. Levitt, L Romano,
B. Healy

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
Steve 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 7th day of February 2017.


Shawna Papale, Secretary

Short Environmental Assessment Form

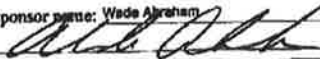
Part 1 - Project Information

Instructions for Completing

Part 1 - Project Information. The applicant or project sponsor is responsible for the completion of Part 1. Responses become part of the application for approval or funding, are subject to public review, and may be subject to further verification. Complete Part 1 based on information currently available. If additional research or investigation would be needed to fully respond to any item, please answer as thoroughly as possible based on current information.

Complete all items in Part 1. You may also provide any additional information which you believe will be needed by or useful to the lead agency; attach additional pages as necessary to supplement any item.

| Part 1 - Project and Sponsor Information | | | |
|--|--|-------------------------------------|-------------------------------------|
| Name of Action or Project: Alder Creek Beverages, LLC | | | |
| Project Location (describe, and attach a location map): 12044 State Route 12, Boonville, New York | | | |
| Brief Description of Proposed Action: See Attached Project Description | | | |
| Name of Applicant or Sponsor: Alder Creek Beverages, LLC | | Telephone: 315-942-4900 | |
| | | E-Mail: | |
| Address: Box 212, One Nirvana Plaza | | | |
| City/PO: Forestport | | State: New York | Zip Code: 13338 |
| 1. Does the proposed action only involve the legislative adoption of a plan, local law, ordinance, administrative rule, or regulation? If Yes, attach a narrative description of the intent of the proposed action and the environmental resources that may be affected in the municipality and proceed to Part 2. If no, continue to question 2. | | NO | YES |
| | | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 2. Does the proposed action require a permit, approval or funding from any other governmental Agency? If Yes, list agency(s) name and permit or approval: See attached Project Description | | NO | YES |
| | | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 3.a. Total acreage of the site of the proposed action? | | 1679 acres | |
| b. Total acreage to be physically disturbed? | | 0 acres | |
| c. Total acreage (project site and any contiguous properties) owned or controlled by the applicant or project sponsor? | | 1679 acres | |
| 4. Check all land uses that occur on, adjoining and near the proposed action. | | | |
| <input type="checkbox"/> Urban <input type="checkbox"/> Rural (non-agriculture) <input type="checkbox"/> Industrial <input checked="" type="checkbox"/> Commercial <input type="checkbox"/> Residential (suburban) | | | |
| <input type="checkbox"/> Forest <input checked="" type="checkbox"/> Agriculture <input type="checkbox"/> Aquatic <input type="checkbox"/> Other (specify): _____ | | | |
| <input type="checkbox"/> Parkland | | | |

| | | |
|--|---|---|
| 18. Does the proposed action include construction or other activities that result in the impoundment of water or other liquids (e.g. retention pond, waste lagoon, dam)? If Yes, explain purpose and size: _____ _____ | NO <input checked="" type="checkbox"/> | YES <input type="checkbox"/> |
| 19. Has the site of the proposed action or an adjoining property been the location of an active or closed solid waste management facility? If Yes, describe: _____ _____ | NO <input checked="" type="checkbox"/> | YES <input type="checkbox"/> |
| 20. Has the site of the proposed action or an adjoining property been the subject of remediation (ongoing or completed) for hazardous waste? If Yes, describe: _____ _____ | NO <input checked="" type="checkbox"/> | YES <input type="checkbox"/> |
| I AFFIRM THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND ACCURATE TO THE BEST OF MY KNOWLEDGE | | |
| Applicant/sponsor name: Wade Abraham Signature:  | Date: 5/6/16 | |

PRINT FORM

Project:

Date:

**Short Environmental Assessment Form
Part 2 - Impact Assessment**

Part 2 is to be completed by the Lead Agency.

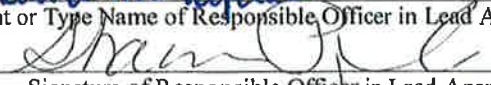
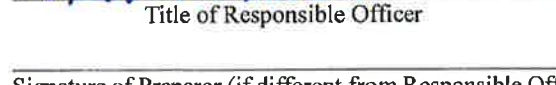
Answer all of the following questions in Part 2 using the information contained in Part 1 and other materials submitted by the project sponsor or otherwise available to the reviewer. When answering the questions the reviewer should be guided by the concept "Have my responses been reasonable considering the scale and context of the proposed action?"

| | No, or small impact may occur | Moderate to large impact may occur |
|--|-------------------------------------|------------------------------------|
| 1. Will the proposed action create a material conflict with an adopted land use plan or zoning regulations? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 2. Will the proposed action result in a change in the use or intensity of use of land? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 3. Will the proposed action impair the character or quality of the existing community? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 4. Will the proposed action have an impact on the environmental characteristics that caused the establishment of a Critical Environmental Area (CEA)? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 5. Will the proposed action result in an adverse change in the existing level of traffic or affect existing infrastructure for mass transit, biking or walkway? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 6. Will the proposed action cause an increase in the use of energy and it fails to incorporate reasonably available energy conservation or renewable energy opportunities? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 7. Will the proposed action impact existing: | | |
| a. public / private water supplies? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| b. public / private wastewater treatment utilities? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 8. Will the proposed action impair the character or quality of important historic, archaeological, architectural or aesthetic resources? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 9. Will the proposed action result in an adverse change to natural resources (e.g., wetlands, waterbodies, groundwater, air quality, flora and fauna)? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 10. Will the proposed action result in an increase in the potential for erosion, flooding or drainage problems? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 11. Will the proposed action create a hazard to environmental resources or human health? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

| | |
|----------|--|
| Project: | |
| Date: | |

Short Environmental Assessment Form Part 3 Determination of Significance

For every question in Part 2 that was answered "moderate to large impact may occur", or if there is a need to explain why a particular element of the proposed action may or will not result in a significant adverse environmental impact, please complete Part 3. Part 3 should, in sufficient detail, identify the impact, including any measures or design elements that have been included by the project sponsor to avoid or reduce impacts. Part 3 should also explain how the lead agency determined that the impact may or will not be significant. Each potential impact should be assessed considering its setting, probability of occurring, duration, irreversibility, geographic scope and magnitude. Also consider the potential for short-term, long-term and cumulative impacts.

| | |
|---|--|
| <input type="checkbox"/> Check this box if you have determined, based on the information and analysis above, and any supporting documentation, that the proposed action may result in one or more potentially large or significant adverse impacts and an environmental impact statement is required. | |
| <input checked="" type="checkbox"/> Check this box if you have determined, based on the information and analysis above, and any supporting documentation, that the proposed action will not result in any significant adverse environmental impacts. | |
| <u>Oncida County Industrial Development Agency</u> <small>Name of Lead Agency</small> | <u>July 15, 2016</u> <small>Date</small> |
| <u>Shauna M. Tapale</u> <small>Print or Type Name of Responsible Officer in Lead Agency</small> | <u>Executive Director</u> <small>Title of Responsible Officer</small> |
|  <small>Signature of Responsible Officer in Lead Agency</small> |  <small>Signature of Preparer (if different from Responsible Officer)</small> |