

RESOLUTION OF THE ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY APPROVING THE SALE AND ASSIGNMENT OF THE MCDONOUGH HARDWOODS, LTD. FACILITY LOCATED AT 6395 AND 6426 SKINNER ROAD IN THE TOWN OF VERNON, NEW YORK AND APPROVING THE FORM, SUBSTANCE AND EXECUTION OF RELATED DOCUMENTS

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

WHEREAS, McDonough Hardwoods, Ltd. (the "Company") is the owner in fee simple of certain land (the "Land") situate at 6395 and 6426 Skinner Road, Vernon, New York; and

WHEREAS, the Land is improved by certain Improvements (as that term is defined in the Leaseback Agreement referenced below) and has installed therein or affixed thereto certain Equipment (as that term is defined in the Leaseback Agreement referenced below) (the Land, the Improvements, and the Equipment are hereinafter collectively referred to as the "Facility"); and

WHEREAS, the Company, as lessor, leases the Facility to Oneida County Industrial Development Agency (the "Agency"), as lessee, pursuant to a Lease Agreement dated as of February 1, 2012 (the "Lease Agreement"), a memorandum of which Lease Agreement was recorded in the Oneida County Clerk's Office on February 28, 2012 as Instrument No. R2012-000289; and

WHEREAS, the Agency, as lessor, leases the Facility back to the Company, as lessee, pursuant to a Leaseback Agreement dated as of February 1, 2012 (the "Leaseback Agreement"), a memorandum of which Leaseback Agreement was recorded in the Oneida County Clerk's Office on February 28, 2012 as Instrument No. R2012-000290; and

WHEREAS, the Facility is the subject of a Payment-in-Lieu-of-Tax Agreement by and between the Agency and the Company dated as of February 1, 2012 (the "PILOT Agreement"); and

WHEREAS, the Facility is also the subject of an Environmental Compliance and Indemnification Agreement by and among the Agency and the Company dated as of February 1, 2012 (the "Environmental Compliance Agreement"); and

WHEREAS, the Facility is also the subject of a Job Creation and Recapture Agreement by the Company for the benefit of the Agency dated as of February 1, 2012 (the "Job Creation Agreement"); and

WHEREAS, the Company desires to assign to Gutchess Vernon, Inc. ("Gutchess Vernon") all of the Company's right, title, and interest in, to and under the Lease Agreement, the Leaseback Agreement, the PILOT Agreement, the Environmental Compliance Agreement, the Job Creation Agreement (collectively referred to as the "Assigned Instruments"), provided, however, that (a) the Agency releases the Company from any and all duties, liabilities or obligations arising under or relating

to said Assigned Instruments which are attributable to the period from and after the Effective Date (collectively, the "Effective Date and Post-Effective Date Liabilities"), (b) the Agency does not release the Company from any duties, liabilities or obligations arising under or relating to said Assigned Instruments which are attributable to the period before the Effective Date (the "Pre-Effective Date Liabilities"), and (c) Gutches Vernon assumes, undertakes and agrees to perform all of the Company's duties, liabilities and obligations arising under or relating to said Assigned Instruments which are attributable to the period from and after the date of transfer (the "Effective Date"); and

WHEREAS, the Company has requested the Agency consent to the sale of the Facility to Gutches Vernon, the assignment of the Assigned Instruments and acknowledge the conditions above by entering into an Assignment, Assumption and Release Agreement (the "Assignment") by and among the Company, Gutches Vernon and the Agency; and

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

Section 1. The Agency hereby finds and determines:

- (a) By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act; and
- (b) The Facility constitutes a "project", as such term is defined in the Act; and
- (c) The execution and delivery of the Assignment will promote and maintain the job opportunities, health, general prosperity and economic welfare of the citizens of Oneida County and the State of New York and improve their standard of living and thereby serve the public purposes of the Act; and
- (d) The execution and delivery of the Assignment is reasonably necessary to induce Gutches Vernon to retain employment at the Facility and to maintain its business operations in the State of New York; and
- (e) It is desirable and in the public interest for the Agency to execute and deliver the Assignment; and
- (f) The Assignment is an effective instrument whereby the Company sells, transfers and assigns to Gutches Vernon and Gutches Vernon assumes from the Company all of its rights, obligations and responsibilities under the Assigned Instruments and the Agency consents to the sale of the Facility and the assignment of the Assigned Instruments, under the terms and conditions described in the Assignment.

Section 2. In consequence of the foregoing, the Agency hereby determines to execute, deliver and perform the Assignment and to grant further financial assistance in that connection as the Agency deems appropriate. Additionally, the Agency hereby waives and releases the Company from any claim, liability, damages, claims, costs and expenses under the Assigned Instruments.

Section 3. The form and substance of the Assignment, in substantially the forms presented to the Agency and which, prior to the execution and delivery thereof, may be redated, is hereby approved.

Section 4.

(a) The Chairman, Vice Chairman, Executive Director, Secretary or any member of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver the Assignment in substantially the form thereof presented to this meeting with such changes, variations, omissions and insertions as the Chairman, Vice Chairman, Executive Director, Secretary, or any member of the Agency shall approve, and such other related documents as may be, in the judgment of the Chairman and Agency Counsel, necessary or appropriate to effect the transactions contemplated by this resolution (hereinafter collectively called the "Transaction Documents"). The execution thereof by the Chairman, Vice Chairman, Executive Director, Secretary or any member of the Agency shall constitute conclusive evidence of such approval.

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

Section 5. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required or provided for by the provisions of the Assignment, and to execute and deliver all such additional certificates, instruments and documents, pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Assignment binding upon the Agency.

Section 6. 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:

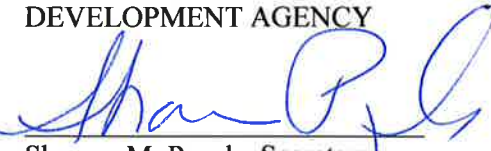
That I have compared the annexed extract of the minutes of the meeting of the Oneida County Industrial Development Agency (the "Agency"), including the resolutions contained therein, held on the 20th day of April 2018, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Agency and of such resolutions set forth therein and of the whole of said original insofar as the same related to the subject matters therein referred to.

That the Assignment contained in this transcript of proceedings are each in substantially the form presented to the Agency and/or approved by said meeting.

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

IN WITNESS WHEREOF, I have hereunto set my hand as of this 20th day of April 2018.

ONEIDA COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: 
Shawna M. Papale, Secretary