

TOWN OF LOCKPORT INDUSTRIAL DEVELOPMENT AGENCY

BOARD OF DIRECTORS Meeting Minutes September 10, 2015 8:00 AM

Public Hearings

Attendees: Thomas Sy, Eric Connor, Sallie Reed, Marc Smith, Thomas Weeks, Darlene DiCarlo, David Kinyon, Daniel Seaman, Brian Seaman, Nathan Neill, Gerald Hace, Nick Moley, Ron Slaby, George Lacey, Patty DiTondo and Tom Prohaska.

Mr. Sy called the Public Hearings at Lockport Town Hall regarding the following projects to order: Gooding Co, Inc (GJH Acquisition, LLC), Moley Magnetics (JNR Magnetics, LLC) and Lacey Heavy Equipment. Daniel Seaman read the legal notice that had been published in the Lockport Union-Sun & Journal in full, providing details for all three projects.

Gooding Co. – In response to a question from Mr. Sy, Mr. Kinyon reported that no written communications had been received regarding the Application for Incentives submitted by Gooding Co. Mr. Sy then introduced Gooding Co. President Gerald Hace, who provided a brief overview of the proposed project. There being no questions from the public, Mr. Sy declared the Public Hearing on the Gooding Co. Application for Incentives closed.

Moley Magnetics – In response to a question from Mr. Sy, Mr. Kinyon reported that no written communications had been received regarding the Application for Incentives submitted by Moley Magnetics. Mr. Sy then introduced Moley Magnetics General Manager Ron Slaby, who provided a brief overview of the proposed project. There being no questions from the public, Mr. Sy declared the Public Hearing on the Moley Magnetics Application for Incentives closed.

Lacey Heavy Equipment – In response to a question from Mr. Sy, Mr. Kinyon reported that no written communications had been received regarding the Application for Incentives submitted by Lacey Heavy Equipment. Mr. Sy then introduced Patty DiTondo, accountant for Lacey Heavy Equipment, who explained the need for incentives to assist the company. There being no questions from the public, Mr. Sy declared the Public Hearing on the Lacey Heavy Equipment Application for Incentives closed.

1.0 General Business

Chairman Thomas Sy convened the regular meeting of the Town of Lockport Industrial Development Agency to order at 8:17 AM in the IDA Conference Room.

1.1 Roll Call

Present – Chairman – Thomas Sy, Vice Chairman – Eric Connor, Treasurer – Sallie Reed, Secretary – Marc Smith, Directors – Darlene DiCarlo and Thomas Weeks, and Legal Counsel – Daniel Seaman, Brian Seaman, and Nathan Neill, Administrative Director – David Kinyon, and Thomas Prohaska – Buffalo News. **Absent:** Director – Robert Runk.

1.2 Secretary's Report

On a motion by Ms. Reed seconded by Ms. DiCarlo, the Board voted to approve the Minutes from the August 13, 2015 Board of Directors Meeting.

1.3 Treasurer's Report

Ms. Reed reviewed the financial reports for the period ending August 31, 2015. Following a discussion of the financial reports, on a motion by Mr. Connor seconded by Mr. Smith, the Board voted to approve the Financial Statements as presented. On a motion by Ms. Reed seconded by Mr. Weeks, the Board voted to approve the invoices and bills as presented.

2.0 Administrative Director's Report

In addition to his written report, Mr. Kinyon informed the Board that the NYS Department of Environmental Conservation had provided written acceptance of the IDA's proposal for redesign of the detention pond on the east side of IDA Park Drive in the Lockport Industrial Park; this will facilitate the development of the remaining vacant parcels in that vicinity. Mr. Kinyon is awaiting the final results of the soil boring on the IDA-owned vacant parcels in the Industrial Park.

3.0 Old Business

There was no old business to be brought before the Board.

4.0 New Business

RESOLUTION OF THE TOWN OF LOCKPORT INDUSTRIAL DEVELOPMENT AGENCY (THE AGENCY) AUTHORIZING LACEY HEAVY EQUIPMENT, INC. OR A RELATED ENTITY (THE LESSEE) TO RENOVATE AN EXISTING APPROXIMATELY 3,200 SQUARE FOOT BUILDING LOCATED AT 6621 DYSINGER ROAD IN THE TOWN OF LOCKPORT (TAX MAP NO. 138.00-2-13.2), TO CONSTRUCT AN APPROXIMATELY 3,000 SQUARE FOOT ADDITION THERETO, TO BE USED IN CONNECTION WITH THE OPERATION OF A HEAVY EQUIPMENT MANUFACTURING AND REPAIR FACILITY, INCLUDING PARTS MANUFACTURE, REPAIR, RENTAL AND PARTS SUPPLY, AND TO ACQUIRE AND INSTALL MACHINERY AND EQUIPMENT REQUIRED IN CONNECTION THEREWITH AND AUTHORIZING THE EXECUTION AND DELIVERY OF A LEASE TO AGENCY, A LEASEBACK AGREEMENT, A MORTGAGE AND SECURITY AGREEMENT AND THE EXECUTION AND DELIVERY OF OTHER DOCUMENTS REQUIRED IN CONNECTION THEREWITH

WHEREAS, Lacey Heavy Equipment, Inc. on its own behalf or upon behalf of a related entity (Lessee) has entered into negotiations with the Town of Lockport Industrial Development Agency (the Agency) for assistance to renovate an existing approximately 3,200 square foot building located at 6621 Dysinger Road in the Town of Lockport, to construct an approximately 3,000 square foot addition thereto in connection with a operation of a heavy equipment manufacturing and repair facility, including parts manufacture, repair, rental and parts supply and to acquire and install machinery and equipment required in connection therewith, (the "Project"), and the lease of the Project from the Lessee to the Agency and leaseback of the Project from the Agency to the Lessee; and

WHEREAS, the Lessee has submitted an Eligibility Questionnaire and other materials and information to the Agency (collectively hereinafter the "Eligibility Questionnaire") to initiate the accomplishment of the above; and

WHEREAS, the Eligibility Questionnaire sets forth certain information with respect to the Lessee, including the following: the Lessee desires Agency financing to construct the Project for heavy machinery manufacturing, repair, leasing and parts supply with resultant increase in employment in the Town of Lockport; the Lessee will retain seven full-time and five part-time employees and add an additional three to five full-time and one to three part-time employees after the Project is fully completed; that but for the availability of financing and/or other assistance by the Agency, the Lessee would not locate the project within the Town of Lockport, there will be no substantial adverse disruption of existing employment at facilities of a similar nature in the Town of Lockport, the Lessee will be relocating from its present facility located at 6359 Riddle Road in the Town of Royalton, which facility is too small to meet the future needs of the Lessee and lacks room for expansion and which relocation is necessary for the Lessee to expand and to remain competitive in its industry; the Project will provide substantial increased employment and substantial capital investment; if Agency financing or other assistance is disapproved, the Lessee would likely not proceed with the Project; and that, therefore, Agency financing or other assistance is necessary to encourage the Lessee to proceed with the Project in the Town of Lockport; and

WHEREAS, the Agency has held a public hearing on the Project pursuant to Section 859-A of the General Municipal Law; and

WHEREAS, the Agency desires to further encourage the Lessee with respect to the construction of the Project, if by so doing it is able to induce the Lessee, to proceed with the Project in the Town of Lockport; and

WHEREAS, the Agency has determined that the Project be limited to the parcel located at 6621 Dysinger Road, Town of Lockport, New York (Tax Map No. 138.00-2-13.2); and

WHEREAS, to finance the project the Agency intends to execute and deliver a mortgage to allow for the Project as aforesaid,

NOW, THEREFORE BE IT RESOLVED BY THE TOWN OF LOCKPORT INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:

Section 1. The Agency hereby determines that the acquisition, construction and installation of the Project and the financing or other assistance thereof by the Agency pursuant to the New York State Industrial Development Agency Act will promote and is authorized by and will be in furtherance of the policy of the State as set forth in said Act. The Agency further hereby determines, on the basis of the Eligibility Questionnaire and supplemental information furnished by the Lessee as follows: (a) it would not have assisted the Project except to induce the location of the Project in the area to be served by the Project as there is a demonstrable need for the Project and the services it offers; (b) but for the availability of Agency assistance for the Project in such area, the Project would not be economically feasible; (c) the Project will involve moving from its present facility in the Town of Royalton, which facility is no longer of sufficient size to meet the needs of the Lessee and lacks room for expansion and which relocation is necessary to allow the Lessee to remain competitive in its industry; (d) there will be no substantial adverse disruption of existing employment or facilities of a similar nature to the Project in such area; and (e) the Project will provide substantial employment and substantial capital investment. The Agency further determines, on the basis of the Lessee's Eligibility Questionnaire that (f) the Project as represented is reasonably necessary to provide the purposes of the Act, and (g) the Project is an integral part of the Lessee's plan to proceed with the Project in the Town of Lockport.

Section 2. The Agency hereby authorizes the Lessee to proceed with the Project as herein authorized with a cost estimated at \$825,000, which Project will be financed through mortgage financing or through a lease only transaction, said mortgage financing in the principal amount not to exceed \$825,000.00 and from the Agency and the Lessee or its successor to a bank to be designated, its agents or assigns, (the "Lender") UCC-1 Financing Statements to the Lender and a Lease Agreement between the Agency and the Lessee each in substantially the same form approved by the Agency for prior transactions or in form approved by the Chairman, Treasurer, Administrative Director, Secretary, Assistant Secretary and any member or officer of the Agency are hereby authorized to execute, acknowledge and deliver each such Instrument and the Chairman, Treasurer, Administrative Director, Secretary,

Assistant Secretary and any member or officer of the Agency are hereby authorized to affix the seal of the Agency on each such instrument, as applicable, and attest the same. All other provisions of the Resolution relating to the mortgage financing and the Lease to Agency and the Leaseback Agreement, shall apply to such Instruments.

All covenants, stipulations, obligations and agreements of the Agency contained in this resolution and contained in the mortgage financing, UCC-1 Financing Statements and the Lease to Agency and the Leaseback Agreement shall be deemed to be the covenants, stipulations, obligations and agreements of the Agency to the full extent authorized or permitted by law, and such covenants, stipulations, obligations and agreements shall be binding upon the Agency and its successors from time to time and upon any board or body to which any powers or duties affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law. Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the Agency or the members thereof by the provisions of this Resolution, mortgage financing, the UCC-1 Financing Statements and the Lease Agreement, as the case maybe, shall be exercised or performed by the Agency or by such members, officers, board or body as may be required by law to exercise such powers and to perform such duties.

No covenants, stipulation, obligation or agreement herein contained or contained in mortgage financing, the UCC-1 Financing Statements and the Lease Agreement or any other agreement or instrument executed and delivered by the Agency in furtherance of this resolution shall be deemed to be a covenant, stipulation, obligation or agreement of any member, officer, agency or employee of the Agency in his individual capacity and neither the members of the Agency or any officer executing the mortgage financing, the UCC-1 Financing Statements and the Lease Agreement shall be liable personally thereon or be subject to any personal liability or accountability by reason of the execution and delivery thereof.

The Chairman, Treasurer, Administrative Director, Secretary, Assistant Secretary and any member or officer of the Agency are hereby designated the authorized representatives of the Agency and each of them is hereby authorized and directed to execute and deliver any and all agreements, papers, instruments, opinions, certificates, affidavits and other documents and to do and cause to be done any and all acts and things necessary or

proper for carrying out this Resolution, the execution and delivery of the mortgage financing, the UCC-1 Financing Statements and the Lease Agreement.

Section 3. The provisions of the new Section 875 of the General Municipal Law which became effective on March 28, 2013 shall apply to this Project. In the event it is determined that an agent, project operator or other person or entity obtained state sales and use exemptions benefits for which they were not entitled or which were in excess of the amount authorized or which are for property or services not authorized or taken in cases where such Lessee, its agents, project operators or other person or entity failed to comply with a material term or condition to use property or services in the manner required by Agreements entered into between the Agency and the applicant with respect to the Project, the agent, project operator or other person or entity shall comply with all the provisions of Section 875 and pay back to the Agency the amount of the state sales and use tax exemptions benefits that they obtained but were not entitled to.

Section 4. The Agency will undertake, as soon as it is furnished with sufficient information as to the particular amount, interest rate, maturities, redemption and other terms to permit mortgage financing, to use its best efforts to proceed, subject to agreement among the Agency, the Lessee and mortgage financing, as to terms in all agreements to be entered in to with respect to the Project, mortgage financing to finance the Project in an amount not to exceed \$825,000.00, if mortgage financing is utilized, or in the alternative undertake as soon as particular terms and conditions of a Lease to Agency and Leaseback Agreement are determined enter into a lease only transaction.

Section 5. The Chairman, Administrative Director, Treasurer of the Agency and other appropriate officials or Board Members of the Agency and its agents and employees are hereby authorized and directed to take whatever steps may be necessary to cooperate with the Lessee to assist in acquisition and construction of the Project.

Section 6. The Lessee is authorized to renovate the existing building on Dysinger Road and construct the addition thereto together with necessary appurtenances, as needed and to acquire and install machinery and equipment required in connection therewith and to advance such funds as may be necessary to accomplish such purposes, subject to reimbursement

for all qualifying expenditures out of the proceeds of the mortgage financing. The Agency is hereby authorized to enter into such agreements with the Lessee as the Chairman, or Administrative Director may deem necessary in order to accomplish the above.

Section 7. The Lessee is authorized to make purchases of goods and services relating to the Project that would otherwise be subject to New York State and local sales and use tax in an estimated amount up to \$593,600, which may result in a New York State and local sales and use tax exemption benefits ("sales and use tax exemption benefits") not to exceed \$47,488. The Agency may consider any requests by the Lessee for increases in the amount of sales and use tax benefits authorized by the Agency upon being provided with appropriate documentation detailing the additional purchases of property or services necessary for the completion of the Project.

Section 8. Any such action heretofore taken by the Lessee in construction of the Project is hereby ratified, confirmed and approved.

Section 9. Any expenses incurred by the Agency with respect to the Project and the financing thereof shall be reimbursed out of the proceeds of the mortgage financing, or in the event such proceeds are insufficient after payment of other costs of the Project or if mortgage financing does not take place due to inability to consummate the transaction herein contemplated (other than by fault of the Agency), shall be paid by the Lessee. By acceptance hereof, the Lessee agrees to pay such expenses and further agrees to indemnify the Agency, its members, directors, officers, employees and agents and hold the Agency and such persons harmless against claims for losses, damage or injury or any expenses or damages incurred as a result of action taken by or on behalf of the Agency in good faith with respect to the Project and the financing thereof.

Section 10. This resolution is subject to Agency approval of payment in lieu of taxes agreement for municipal services. Should the Lessee or any of its subtenants vacate the premises prior to the expiration of the arrangement for payment in lieu of taxes, the Lessee shall use its best efforts to obtain new subtenants, so that no application will be necessary for reduction in assessed value, it being the intent of the Agency that payments in lieu of taxes will be maintained at the level called for by its standard policy at all times while it holds title to the Project. The PILOT shall be for a period of 15

years with payments in lieu of taxes in accordance with an initial payment of 20% of the amount of Taxes the first and second years, 30% the third and fourth years, 40% the fifth through ninth years and 50% the tenth through fifteenth year.

Section 11. The provisions of this resolution shall continue to be effective until one year from the date hereof whereupon this resolution shall continue to be effective (except with respect to matters contained in Section 7 hereof) if prior to the expiration of such period (a) the Agency shall by subsequent resolution extend the effective date of this resolution or (b) the Agency shall adopt a resolution authorizing the mortgage, to finance the costs of the Project as herein authorized or enters into a lease only transaction or (c) the Lessee shall continue to take affirmative steps to secure financing for the Project.

Section 12. This resolution is also subject to (a) the construction of space suitable for the purpose authorized herein (b) approval by the Agency of the Sublease including any information that the Agency deems necessary to verify compliance with the New York State Industrial Development Agency Act and (c) provision in any Sublease for use of the Project only for those purposes specified above or otherwise permitted by the New York State Industrial Development Agency Act and approved by the Agency.

Section 13. The execution and delivery of a Lease to Agency and a Leaseback Agreement between the Agency and the Lessee, being substantially in the form approved by the Chairman, Administrative Director, Assistant Secretary or any member of the Board of Directors is hereby authorized. The appropriate officers of the Agency are hereby authorized to execute, seal, acknowledge and deliver such agreement and any and all papers, instruments, opinions, certificates, affidavits and other documents and to do and cause to be done any and all acts and things necessary or proper for carrying out this resolution. The execution and delivery of each such instrument shall be conclusive evidence of due authorization and approval.

Section 14. The Agency hereby determines, based upon information furnished to the Agency by the Lessee and such other information as the Agency has deemed necessary to make this determination, that the Project does not require the preparation of an environmental impact statement under the State Environmental Quality Review Act, being Article 8 of the New York State Environmental Conservation law, as the contemplated

actions will not have a significant adverse effect on the environment.

Section 15. The mortgage financing to be issued shall not be exempt from Federal Income Taxation. Therefore, this resolution is not subject to compliance with the provisions of Section 103 of the Internal Revenue Code of 1954 as amended (the "Code") or to an appropriate allocation under the State law pursuant to the Deficit Reduction Act of 1984.

Section 16. The Agency has made and makes no representation or warranty whatsoever, either express or implied, with respect to the merchantability, condition, environmental status, fitness, design, operation or workmanship of any part of the Project, its fitness for any particular purpose, the quality or capacity of the materials in the Project, or the suitability of the Project for the Lessee's purposes or needs or the extent to which proceeds derived from mortgage financing, will be sufficient to pay the cost of the construction, renovation and installation of the Project. The Lessee is satisfied that the Project is suitable and fir for lessee's purposes. The Agency shall not be liable in any manner whatsoever to anyone for any loss, damage or expense of any kind or nature caused, directly or indirectly, by the Project property or the use or maintenance thereof or the failure of operation thereof, or the repair, service or adjustment thereof, or by any delay or failure to provide any such maintenance, repairs, service or adjustment, or by any interruption of service or loss of use thereof or for any loss of business howsoever caused and the Lessee hereby indemnifies and holds the Agency harmless from any such loss, damage or expense.

Section 17. This resolution is subject to compliance with all local building and zoning requirements.

Section 18. This resolution shall take effect immediately.

Dated: September 10, 2015

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

ERIC W. CONNOR

AYE

DARLENE S. DICARLO

AYE

SALLIE P. REED	<u>AYE</u>
ROBERT M. RUNK	<u>ABSENT</u>
MARC R. SMITH	<u>AYE</u>
THOMAS A. SY	<u>AYE</u>
R. THOMAS WEEKS	<u>AYE</u>

The Resolution was thereupon declared duly adopted.

RESOLUTION OF THE TOWN OF LOCKPORT INDUSTRIAL DEVELOPMENT AGENCY (THE AGENCY) AUTHORIZING GJH ACQUISITION, LLC (THE LESSEE) TO CONSTRUCT a 10,000 +/- SQUARE FOOT ADDITION TO ITS EXISTING BUILDING AT 5568 DAVISON ROAD, LOCKPORT, NEW YORK TO BE USED FOR EXPANDING AN EXISTING PRINTING BUSINESS AT THAT ADDRESS OPERATED BY GOODING INC., A RELATED BUSINESS TENANT, AND TO PURCHASE NECESSARY MACHINERY AND EQUIPMENT IN CONNECTION WITH THE SAME.

WHEREAS, GJH Acquisition, LLC (the Lessee) has entered into negotiations with the Town of Lockport Industrial Development Agency (the Agency) for assistance to construct a 10,000 +/- square foot addition to its existing building at 5568 Davison Road, Lockport, New York and to utilize said building addition for expansion of a printing business at that address contracted by Gooding, Inc., a related business tenant, by a lease transaction with financing, and for acquisition of equipment and machinery in connection therewith (the Project) with real property tax abatement, mortgage tax abatement and sales tax abatement; and

WHEREAS, the Lessee has submitted an Eligibility Questionnaire and other materials and information to the Agency (collectively hereinafter the "Eligibility Questionnaire") to initiate the accomplishment of the above; and

WHEREAS, the Eligibility Questionnaire sets forth certain information with respect to the Lessee, including the following: the Lessee desires Agency financing to purchase and construct the Project for printing and related purposes with resultant increase in employment in the Town of Lockport; the Lessee will employ approximately 6 to 10 additional full-time employees after the Project is fully completed and retain its existing work force of approximately 38 full time employees; that but for the availability of financing and/or other assistance by the Agency, the Lessee and any Sub-Lessee would not locate the

Project and expand its business within the Town of Lockport, there will be no substantial adverse disruption of existing employment at facilities of a similar nature in the Town of Lockport, and the Project will provide substantial increased employment and substantial capital investment; if Agency financing or other assistance is disapproved, the Lessee and the Sub-Lessee would likely not proceed with the Project; and that, therefore, Agency financing or other assistance is necessary to encourage the Lessee and the Sub-Lessee to proceed with the Project in the Town of Lockport; and

WHEREAS, the Agency has held a Public Hearing on the Project pursuant to Section 859-A of the General Municipal Law; and

WHEREAS, the Agency desires to encourage the Lessee with respect to the acquisition and construction of the Project, if by so doing it is able to induce the Lessee, to proceed with the Project in the Town of Lockport; and

WHEREAS, the Agency has determined that the Project be limited to the parcel located at 5568 Davison Road, Town of Lockport, New York; and

WHEREAS, to finance the Project the Agency intends to execute and deliver a mortgage to allow for the construction as aforesaid;

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN OF LOCKPORT INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:

Section 1. The Agency hereby determines that the acquisition, construction and installation of the Project and the financing or other assistance thereof by the Agency pursuant to the New York State Industrial Development Agency Act will promote and is authorized by and will be in furtherance of the policy of the State as set forth in said Act. The Agency further hereby determines, on the basis of the Eligibility Questionnaire and supplemental information furnished by the Lessee as follows: (a) it would not have assisted the Project except to induce the location of the Project in the area to be served by the Project as there is a demonstrable need for the Project and the services it offers; (b) but for the availability of Agency assistance for the Project in such area, the Project would not be economically feasible; (c) there will be no substantial adverse disruption of existing employment or

facilities of a similar nature to the Project in such area; and (d) the Project will provide substantial employment and substantial capital investment. The Agency further determines, on the basis of the Lessee's Eligibility Questionnaire that (e) the Project as represented is reasonably necessary to provide the purposes of the Act, and (f) the Project is an integral part of the Lessee's plan to proceed with the Project in the Town of Lockport.

Section 2. The Agency hereby authorizes the Lessee to proceed with the Project as herein authorized, which Project will be financed through mortgage financing, in the principal amount not to exceed \$700,000.00 and from the Agency and the Lessees or their successors to a bank to be designated, its agents or assigns, (the "Lender") UCC-1 Financing Statements to the Lender and a Lease Agreement between the Agency and the Lessee each in substantially the same form approved by the Agency for prior transactions or in form approved by the Chairman, Treasurer, Administrative Director, Secretary, Assistant Secretary, and any member or officer of the Agency are hereby authorized to execute, acknowledge and deliver each such Instrument and the Chairman, Treasurer, Administrative Director, Secretary and any member or officer of the Agency are hereby authorized to affix the seal of the Agency on each such instrument, as applicable, and attest the same, or in the alternative through a lease transaction. All other provisions of the Resolution relating to the mortgage financing and the Lease Agreement, shall apply to such Instruments.

All covenants, stipulations, obligations and agreements of the Agency contained in this resolution and contained in the mortgage financing, UCC-1 Financing Statements and the Lease Agreement shall be deemed to be the covenants, stipulations, obligations and agreements of the Agency to the full extent authorized or permitted by law, and such covenants, stipulations, obligations and agreements shall be binding upon the Agency and its successors from time to time and upon any board or body to which any powers or duties affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law. Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the Agency or the members thereof by the provisions of this Resolution, the mortgage financing, the UCC-1 Financing Statements and the Lease Agreement, as the case maybe, shall be exercised or performed by the Agency or by such members, officers, board or body as may be

required by law to exercise such powers and to perform such duties.

No covenants, stipulation, obligation or agreement herein contained or contained in the mortgage financing, the UCC-1 Financing Statements and the Lease Agreement or any other agreement or instrument executed and delivered by the Agency in furtherance of this resolution shall be deemed to be a covenant, stipulation, obligation or agreement of any member, officer, agency or employee of the Agency in his individual capacity and neither the members of the Agency or any officer executing the mortgage financing, the UCC-1 Financing Statements and the Lease Agreement shall be liable personally thereon or be subject to any personal liability or accountability by reason of the execution and delivery thereof.

The Chairman, Treasurer, Administrative Director, Secretary, Assistant Secretary, and any member or officer of the Agency are hereby designated the authorized representatives of the Agency and each of them is hereby authorized and directed to execute and deliver any and all agreements, papers, instruments, opinions, certificates, affidavits and other documents and to do and cause to be done any and all acts and things necessary or proper for carrying out this Resolution, the execution and delivery of the mortgage financing, the UCC-1 Financing Statements and the Lease Agreement.

Section 3. The provisions of the new Section 875 of the General Municipal Law which became effective on March 28, 2013 shall apply to this Project. In the event it is determined that an agent, project operator or other person or entity obtained state sales and use exemptions benefits for which they were not entitled or which were in excess of the amount authorized or which are for property or services not authorized or taken in cases where such Lessee, its agents, project operators or other person or entity failed to comply with a material term or condition to use property or services in the manner required by Agreements entered into between the Agency and the applicant with respect to the Project, the agent, project operator or other person or entity shall comply with all the provisions of Section 875 and pay back to the Agency the amount of the state sales and use tax exemptions benefits that they obtained but were not entitled to.

Section 4. The Agency will undertake, as soon as it is furnished with sufficient information as to the particular amount, interest rate, maturities, redemption and other terms of

mortgage financing, to use its best efforts to proceed, subject to agreement among the Agency, the Lessee and as to terms in all agreements to be entered in to with respect to the Project, with the mortgage financing, to finance the Project in an amount not to exceed \$700,000.00 or, in the alternative, undertake as soon as particular terms and conditions of a Lease Agreement are determined to enter into a lease only transaction.

Section 5. The Chairman, Administrative Director, Treasurer, Secretary or Assistant Secretary, of the Agency and other appropriate officials or Board Members of the Agency and its agents and employees are hereby authorized and directed to take whatever steps may be necessary to cooperate with the Lessee to assist in the acquisition and construction of the Project.

Section 6. The Lessee is authorized to construct a 10,000 square foot addition to its existing building, and to utilize said premises for a printing business, and install machinery and equipment required in connection therewith; and to advance such funds as may be necessary to accomplish such purposes, subject to reimbursement for all qualifying expenditures out of mortgage financing. The Agency is hereby authorized to enter into such agreements with the Lessee as the Chairman, or Administrative Director or other officer of the agency may deem necessary in order to accomplish the above.

Section 7. The Lessee is authorized to make purchases of goods and services relating to the Project that would otherwise be subject to New York State and local sales and use tax in an estimated amount up to \$700,000.00, which may result in a New York State and local sales and use tax exemption benefits ("sales and use tax exemption benefits") not to exceed \$56,000.00. The Agency may consider any requests by the Lessee for increases in the amount of sales and use tax benefits authorized by the Agency upon being provided with appropriate documentation detailing the additional purchases of property or services necessary for the completion of the Project.

Section 8. Any such action heretofore taken by the Lessee in construction of the Project is hereby ratified, confirmed and approved.

Section 9. Any expenses incurred by the Agency with respect to the Project and the financing thereof shall be reimbursed out of the proceeds of the mortgage, or in the event such proceeds are insufficient after payment of other costs of

the Project or a mortgage is not obtained by the Agency due to inability to consummate the transaction herein contemplated (other than by fault of the Agency), shall be paid by the Lessee. By acceptance hereof, the Lessee agrees to pay such expenses and further agrees to indemnify the Agency, its members, directors, officers, employees and agents and hold the Agency and such persons harmless against claims for losses, damage or injury or any expenses or damages incurred as a result of action taken by or on behalf of the Agency in good faith with respect to the Project and the financing thereof.

Section 10. This resolution is subject to Agency approval of payment in lieu of taxes agreement for municipal services. Should the Lessee or any of its subtenants vacate the premises prior to the expiration of the arrangement for payment in lieu of taxes, the Lessee shall use its best efforts to obtain new subtenants, so that no application will be necessary for reduction in assessed value, it being the intent of the Agency that payments in lieu of taxes will be maintained at the level called for by its standard policy at all times while it holds title to the Project. The PILOT shall be for a period of 15 years with payments in lieu of taxes in accordance with an initial payment of 20% of the amount of Taxes the first and second years, 30% the third and fourth years, 40% the fifth through ninth years and 50% the tenth through fifteenth year.

Section 11. The provisions of this resolution shall continue to be effective until one year from the date hereof whereupon this resolution shall cease to be effective (except with respect to matters contained in Section 8 hereof) unless prior to the expiration of such period (a) the Agency shall by subsequent resolution extend the effective date of this resolution or (b) the Agency shall enter into a lease only transaction or (c) the Lessee shall continue to take affirmative steps to secure financing for the Project.

Section 12. This resolution is also subject to (a) the construction of space suitable for the purpose authorized herein (b) approval by the Agency of the Sublease including any information that the Agency deems necessary to verify compliance with the New York State Industrial Development Agency Act and (c) provision in any Sublease for use of the Project only for those purposes specified above or otherwise permitted by the New York State Industrial Development Agency Act and approved by the Agency.

Section 13. The execution and delivery of a Lease or a Lease and Leaseback between the Agency and the Lessee, and a mortgage in an amount not to exceed \$700,000.00, being substantially in the form approved by the Agency for prior transactions or in form approved by the Chairman, Administrative Director or any member of the Board of Directors or the Agency attorney is hereby authorized. The appropriate officers of the Agency are hereby authorized to execute, seal, acknowledge and deliver such agreement and any and all papers, instruments, opinions, certificates, affidavits and other documents and to do and cause to be done any and all acts and things necessary or proper for carrying out this resolution. The execution and delivery of each such instrument shall be conclusive evidence of due authorization and approval.

Section 14. The Agency hereby determines, based upon information furnished to the Agency by the Lessee and such other information as the Agency has deemed necessary to make this determination, that the Project does not require the preparation of an environmental impact statement under the State Environmental Quality Review Act, being Article 8 of the New York State Environmental Conservation law, as the contemplated actions will not have a significant effect on the environment.

Section 15. The mortgage financing to be issued shall not be exempt from Federal Income Taxation. Therefore, this resolution is not subject to compliance with the provisions of Section 103 of the Internal Revenue Code of 1954 as amended (the "Code") or to an appropriate allocation under the State law pursuant to the Deficit Reduction Act of 1984.

Section 16. The Agency has made and makes no representation or warranty whatsoever, either express or implied, with respect to the merchantability, condition, environmental status, fitness, design, operation or workmanship of any part of the Project, its fitness for any particular purpose, the quality or capacity of the materials in the Project, or the suitability of the Project for the Lessee's purposes or needs or the extent to which proceeds derived from the sale of the bonds will be sufficient to pay the cost of the acquisition, construction, renovation and installation of the Project. The Lessee is satisfied that the Project is suitable and fit for Lessee's purposes. The Agency shall not be liable in any manner whatsoever to anyone for any loss, damage or expense of any kind or nature caused, directly or indirectly, by the Project property or the use or maintenance thereof or the failure of operation thereof, or the repair, service or

adjustment thereof, or by any delay or failure to provide any such maintenance, repairs, service or adjustment, or by any interruption of service or loss of use thereof or for any loss of business howsoever caused and the Lessee hereby indemnifies and holds the Agency harmless from any such loss, damage or expense.

Section 17. This resolution is subject to compliance with all local building and zoning requirements.

Section 18. This resolution shall take effect immediately.

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

ERIC W. CONNOR	<u>AYE</u>
DARLENE S. DICARLO	<u>AYE</u>
SALLIE P. REED	<u>AYE</u>
ROBERT M. RUNK	<u>ABSENT</u>
MARC R. SMITH	<u>AYE</u>
THOMAS A. SY	<u>AYE</u>
R. THOMAS WEEKS	<u>AYE</u>

The Resolution was thereupon declared duly adopted.

RESOLUTION OF THE TOWN OF LOCKPORT INDUSTRIAL DEVELOPMENT AGENCY (THE AGENCY) AUTHORIZING MOLEY MAGNETICS, INC. AND JNR MAGNETICS, LLC, OR A RELATED ENTITY (THE LESSEE) TO CONSTRUCT AN APPROXIMATELY 15,000 SQUARE FOOT BUILDING LOCATED ON PREMISES ADJACENT TO 4922 IDA PARK DRIVE, TO BE PURCHASED IN THE TOWN OF LOCKPORT (PART OF TAX MAP NO. 108.00-1-55), TO BE USED AS A MANUFACTURING, WAREHOUSING, DISTRIBUTION AND MANAGEMENT, AND REPAIR CENTER, AND TO ACQUIRE AND INSTALL MACHINERY AND EQUIPMENT REQUIRED IN CONNECTION THEREWITH AND AUTHORIZING THE EXECUTION AND DELIVERY OF A LEASE TO AGENCY, A LEASEBACK AGREEMENT, A MORTGAGE AND SECURITY AGREEMENT AND THE EXECUTION AND DELIVERY OF OTHER DOCUMENTS REQUIRED IN CONNECTION THEREWITH

WHEREAS, Moley Magnetics, Inc. and JNR Magnetics, LLC, related entities (Lessee) has entered into negotiations with the

Town of Lockport Industrial Development Agency (the Agency) for assistance to construct an approximately 15,000 square foot building and acquiring land therefore on a premises adjacent to its existing facility at 4922 IDA Park Drive in the Town of Lockport, to be used as a manufacturing, warehousing, distribution and management, and repair center and to acquire and install machinery and equipment required in connection therewith, (the "Project"), and the lease of the Project from the Lessee to the Agency and leaseback of the Project from the Agency to the Lessee; and

WHEREAS, the Lessee has submitted an Eligibility Questionnaire and other materials and information to the Agency (collectively hereinafter the "Eligibility Questionnaire") to initiate the accomplishment of the above; and

WHEREAS, the Eligibility Questionnaire sets forth certain information with respect to the Lessee, including the following: the Lessee desires Agency financing to construct the Project for manufacturing, warehousing, distribution and management, and repair center with resultant increase in employment in the Town of Lockport; the Lessee will retain twenty one full-time and two part-time employees and add an additional thirty full-time and four part-time employees after the Project is fully completed; that but for the availability of financing and/or other assistance by the Agency, the Lessee would not locate the project within the Town of Lockport, there will be no substantial adverse disruption of existing employment at facilities of a similar nature in the Town of Lockport; the Project will provide substantial increased employment and substantial capital investment; if Agency financing or other assistance is disapproved, the Lessee would likely not proceed with the Project; and that, therefore, Agency financing or other assistance is necessary to encourage the Lessee to proceed with the Project in the Town of Lockport; and

WHEREAS, the Agency has held a public hearing on the Project pursuant to Section 859-A of the General Municipal Law; and

WHEREAS, the Agency desires to further encourage the Lessee with respect to the construction of the Project, if by so doing it is able to induce the Lessee, to proceed with the Project in the Town of Lockport; and

WHEREAS, the Agency has determined that the Project be limited to the parcel located at and upon premises to be

acquired adjacent to its existing facility at 4922 IDA Park Drive; and

WHEREAS, to finance the project the Agency intends to execute and deliver a mortgage to allow for the Project as aforesaid,

NOW, THEREFORE BE IT RESOLVED BY THE TOWN OF LOCKPORT INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:

Section 1. The Agency hereby determines that the acquisition, construction and installation of the Project and the financing or other assistance thereof by the Agency pursuant to the New York State Industrial Development Agency Act will promote and is authorized by and will be in furtherance of the policy of the State as set forth in said Act. The Agency further hereby determines, on the basis of the Eligibility Questionnaire and supplemental information furnished by the Lessee as follows: (a) it would not have assisted the Project except to induce the location of the Project in the area to be served by the Project as there is a demonstrable need for the Project and the services it offers; (b) but for the availability of Agency assistance for the Project in such area, the Project would not be economically feasible; (c) there will be no substantial adverse disruption of existing employment or facilities of a similar nature to the Project in such area; and (d) the Project will provide substantial employment and substantial capital investment. The Agency further determines, on the basis of the Lessee's Eligibility Questionnaire that (e) the Project as represented is reasonably necessary to provide the purposes of the Act, and (f) the Project is an integral part of the Lessee's plan to proceed with the Project in the Town of Lockport.

Section 2. The Agency hereby authorizes the Lessee to proceed with the Project as herein authorized with a cost estimated at \$1,125,000.00, which Project will be financed through mortgage financing or through a lease only transaction, said mortgage financing in the principal amount not to exceed \$1,125,000.00 and from the Agency and the Lessee or its successor to a bank to be designated, its agents or assigns, (the "Lender") UCC-1 Financing Statements to the Lender and a Lease Agreement between the Agency and the Lessee each in substantially the same form approved by the Agency for prior transactions or in form approved by the Chairman, Treasurer, Administrative Director, Secretary, Assistant Secretary and any member or officer of the Agency are hereby authorized to

execute, acknowledge and deliver each such Instrument and the Chairman, Treasurer, Administrative Director, Secretary, Assistant Secretary and any member or officer of the Agency are hereby authorized to affix the seal of the Agency on each such instrument, as applicable, and attest the same. All other provisions of the Resolution relating to the mortgage financing and the Lease to Agency and the Leaseback Agreement, shall apply to such Instruments.

All covenants, stipulations, obligations and agreements of the Agency contained in this resolution and contained in the mortgage financing, UCC-1 Financing Statements and the Lease to Agency and the Leaseback Agreement shall be deemed to be the covenants, stipulations, obligations and agreements of the Agency to the full extent authorized or permitted by law, and such covenants, stipulations, obligations and agreements shall be binding upon the Agency and its successors from time to time and upon any board or body to which any powers or duties affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law. Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the Agency or the members thereof by the provisions of this Resolution, mortgage financing, the UCC-1 Financing Statements and the Lease Agreement, as the case maybe, shall be exercised or performed by the Agency or by such members, officers, board or body as may be required by law to exercise such powers and to perform such duties.

No covenants, stipulation, obligation or agreement herein contained or contained in mortgage financing, the UCC-1 Financing Statements and the Lease Agreement or any other agreement or instrument executed and delivered by the Agency in furtherance of this resolution shall be deemed to be a covenant, stipulation, obligation or agreement of any member, officer, agency or employee of the Agency in his individual capacity and neither the members of the Agency or any officer executing the mortgage financing, the UCC-1 Financing Statements and the Lease Agreement shall be liable personally thereon or be subject to any personal liability or accountability by reason of the execution and delivery thereof.

The Chairman, Treasurer, Administrative Director, Secretary, Assistant Secretary and any member or officer of the Agency are hereby designated the authorized representatives of the Agency and each of them is hereby authorized and directed to execute and deliver any and all agreements, papers, instruments,

opinions, certificates, affidavits and other documents and to do and cause to be done any and all acts and things necessary or proper for carrying out this Resolution, the execution and delivery of the mortgage financing, the UCC-1 Financing Statements and the Lease Agreement.

Section 3. The provisions of the new Section 875 of the General Municipal Law which became effective on March 28, 2013 shall apply to this Project. In the event it is determined that an agent, project operator or other person or entity obtained state sales and use exemptions benefits for which they were not entitled or which were in excess of the amount authorized or which are for property or services not authorized or taken in cases where such Lessee, its agents, project operators or other person or entity failed to comply with a material term or condition to use property or services in the manner required by Agreements entered into between the Agency and the applicant with respect to the Project, the agent, project operator or other person or entity shall comply with all the provisions of Section 875 and pay back to the Agency the amount of the state sales and use tax exemptions benefits that they obtained but were not entitled to.

Section 4. The Agency will undertake, as soon as it is furnished with sufficient information as to the particular amount, interest rate, maturities, redemption and other terms to permit mortgage financing, to use its best efforts to proceed, subject to agreement among the Agency, the Lessee and mortgage financing, as to terms in all agreements to be entered in to with respect to the Project, mortgage financing to finance the Project in an amount not to exceed \$1,125,000.00, if mortgage financing is utilized, or in the alternative undertake as soon as particular terms and conditions of a Lease to Agency and Leaseback Agreement are determined enter into a lease only transaction.

Section 5. The Chairman, Administrative Director, Treasurer of the Agency and other appropriate officials or Board Members of the Agency and its agents and employees are hereby authorized and directed to take whatever steps may be necessary to cooperate with the Lessee to assist in acquisition and construction of the Project.

Section 6. The Lessee is authorized to acquire land and construct a building on premises adjacent to 4922 IDA Park Drive and construct the addition thereto together with necessary appurtenances, as needed and to acquire and install machinery

and equipment required in connection therewith and to advance such funds as may be necessary to accomplish such purposes, subject to reimbursement for all qualifying expenditures out of the proceeds of the mortgage financing. The Agency is hereby authorized to enter into such agreements with the Lessee as the Chairman, or Administrative Director may deem necessary in order to accomplish the above.

Section 7. The Lessee is authorized to make purchases of goods and services relating to the Project that would otherwise be subject to New York State and local sales and use tax in an estimated amount up to \$1,000,000.00, which may result in a New York State and local sales and use tax exemption benefits ("sales and use tax exemption benefits") not to exceed \$80,000.00. The Agency may consider any requests by the Lessee for increases in the amount of sales and use tax benefits authorized by the Agency upon being provided with appropriate documentation detailing the additional purchases of property or services necessary for the completion of the Project.

Section 8. Any such action heretofore taken by the Lessee in construction of the Project is hereby ratified, confirmed and approved.

Section 9. Any expenses incurred by the Agency with respect to the Project and the financing thereof shall be reimbursed out of the proceeds of the mortgage financing, or in the event such proceeds are insufficient after payment of other costs of the Project or if mortgage financing does not take place due to inability to consummate the transaction herein contemplated (other than by fault of the Agency), shall be paid by the Lessee. By acceptance hereof, the Lessee agrees to pay such expenses and further agrees to indemnify the Agency, its members, directors, officers, employees and agents and hold the Agency and such persons harmless against claims for losses, damage or injury or any expenses or damages incurred as a result of action taken by or on behalf of the Agency in good faith with respect to the Project and the financing thereof.

Section 10. This resolution is subject to Agency approval of payment in lieu of taxes agreement for municipal services. Should the Lessee or any of its subtenants vacate the premises prior to the expiration of the arrangement for payment in lieu of taxes, the Lessee shall use its best efforts to obtain new subtenants, so that no application will be necessary for reduction in assessed value, it being the intent of the Agency that payments in lieu of taxes will be maintained at the level

called for by its standard policy at all times while it holds title to the Project. The PILOT shall be for a period of 15 years with payments in lieu of taxes in accordance with an initial payment of 20% of the amount of Taxes the first and second years, 30% the third and fourth years, 40% the fifth through ninth years and 50% the tenth through fifteenth year.

Section 11. The provisions of this resolution shall continue to be effective until one year from the date hereof whereupon this resolution shall continue to be effective (except with respect to matters contained in Section 7 hereof) if prior to the expiration of such period (a) the Agency shall by subsequent resolution extend the effective date of this resolution or (b) the Agency shall adopt a resolution authorizing the mortgage, to finance the costs of the Project as herein authorized or enters into a lease only transaction or (c) the Lessee shall continue to take affirmative steps to secure financing for the Project.

Section 12. This resolution is also subject to (a) the construction of space suitable for the purpose authorized herein (b) approval by the Agency of the Sublease including any information that the Agency deems necessary to verify compliance with the New York State Industrial Development Agency Act and (c) provision in any Sublease for use of the Project only for those purposes specified above or otherwise permitted by the New York State Industrial Development Agency Act and approved by the Agency.

Section 13. The execution and delivery of a Lease to Agency and a Leaseback Agreement between the Agency and the Lessee, being substantially in the form approved by the Chairman, Administrative Director, Assistant Secretary or any member of the Board of Directors is hereby authorized. The appropriate officers of the Agency are hereby authorized to execute, seal, acknowledge and deliver such agreement and any and all papers, instruments, opinions, certificates, affidavits and other documents and to do and cause to be done any and all acts and things necessary or proper for carrying out this resolution. The execution and delivery of each such instrument shall be conclusive evidence of due authorization and approval.

Section 14. The Agency hereby determines, based upon information furnished to the Agency by the Lessee and such other information as the Agency has deemed necessary to make this determination, that the Project does not require the preparation of an environmental impact statement under the State

Environmental Quality Review Act, being Article 8 of the New York State Environmental Conservation law, as the contemplated actions will not have a significant adverse effect on the environment.

Section 15. The mortgage financing to be issued shall not be exempt from Federal Income Taxation. Therefore, this resolution is not subject to compliance with the provisions of Section 103 of the Internal Revenue Code of 1954 as amended (the "Code") or to an appropriate allocation under the State law pursuant to the Deficit Reduction Act of 1984.

Section 16. The Agency has made and makes no representation or warranty whatsoever, either express or implied, with respect to the merchantability, condition, environmental status, fitness, design, operation or workmanship of any part of the Project, its fitness for any particular purpose, the quality or capacity of the materials in the Project, or the suitability of the Project for the Lessee's purposes or needs or the extent to which proceeds derived from mortgage financing, will be sufficient to pay the cost of the construction, renovation and installation of the Project. The Lessee is satisfied that the Project is suitable and fit for lessee's purposes. The Agency shall not be liable in any manner whatsoever to anyone for any loss, damage or expense of any kind or nature caused, directly or indirectly, by the Project property or the use or maintenance thereof or the failure of operation thereof, or the repair, service or adjustment thereof, or by any delay or failure to provide any such maintenance, repairs, service or adjustment, or by any interruption of service or loss of use thereof or for any loss of business howsoever caused and the Lessee hereby indemnifies and holds the Agency harmless from any such loss, damage or expense.

Section 17. This resolution is subject to compliance with all local building and zoning requirements.

Section 18. This resolution shall take effect immediately.

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

ERIC W. CONNOR

AYE

DARLENE S. DICARLO

AYE

SALLIE P. REED	<u>AYE</u>
ROBERT M. RUNK	<u>ABSENT</u>
MARC R. SMITH	<u>AYE</u>
THOMAS A. SY	<u>AYE</u>
R. THOMAS WEEKS	<u>AYE</u>

The Resolution was thereupon declared duly adopted.

State of New York

ss:

County of Niagara

I, the undersigned Chairman of the Town of Lockport Industrial Development Agency, DO HEREBY CERTIFY that (i) I have compared the annexed extract of the minutes of the meeting of the Town of Lockport Industrial Development Agency (the "Issuer") held on September 8, 2016, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Issuer and of the whole of such original insofar as the same relates to the subject matters referred to therein.

I, FURTHER CERTIFY that (i) all members of the Issuer had due notice of such meeting, (ii) pursuant to Section 99 of the Public Officers Law (Open Meetings Law), such meeting was open to the general public and public notice of the time and place of such meeting was duly given in accordance with such Section 99, (iii) the meeting was in all respects duly held, and (iv) there was a quorum present throughout.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Issuer this _____ day of _____, 2016.

THOMAS A. SY, Chairman

On a motion by Mr. Weeks, seconded by Mr. Smith, the Board voted to enter Executive Session for the purpose of consultation with attorney. On a motion by Mr. Smith seconded by Mr. Weeks, the Board voted to leave Executive Session.

Mr. Sy announced that a press release announcing the retirement of David Kinyon as Administrative Director of the Town of Lockport Industrial Development Agency and as Economic Development Coordinator for the Town of Lockport was being distributed. Mr. Sy

stated that a joint IDA/Town Search Committee consisting of Town Council Members Patricia Dufour and Thomas Keough along with himself and Robert Runk will advertise for and interview prospective applicants for the joint Town/IDA position.

5.0 Adjournment

On a motion by Mr. Smith seconded by Ms. DiCarlo, the Board voted to adjourn at 8:40 AM.

Respectfully submitted,
Marc R. Smith, Secretary