

ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

**PROJECT RESOLUTION**

North Country Dairy, LLC. Project [IDA Project # 4001-18-04]

Resolution No. 18-10-31

October 18, 2018

**AUTHORIZING FINANCIAL ASSISTANCE TO NORTH COUNTRY DAIRY, LLC. AND  
ACCEPTING FINDINGS WITH THE PROJECT PURSUANT TO SEQRA**

A meeting of St. Lawrence County Industrial Development Agency (the “SLCIDA”) was convened on October 18, 2018, at 8:30 a.m., local time, at the IDA office, Ernest J. LaBaff Industrial Building, 19 Commerce Lane, Canton, New York.

The meeting was called to order by the Chairman and, upon roll being called, the following members of the SLCIDA were:

<b>MEMBER</b>	<b>PRESENT</b>	<b>ABSENT</b>
Blevins, Lynn	X	
Hooper, Donald	X	
Hall, Mark C.	X	
LaBaff, Ernest	X	
McMahon, Andrew		X
Staples, Brian W.	X	
Morrill, Steven	X	

The following persons were ALSO PRESENT: Staff: Patrick J. Kelly, Thomas A. Plastino, Kimberly Gilbert, Richard A. Williams, and Lori Sibley; Agency Counsel: Andrew Silver, Esq.

After the meeting had been duly called to order, the Chairman announced that among the purposes of the meeting was to consider and take action on certain matters pertaining to a proposed project for the benefit of North Country Dairy, LLC.

On motion duly made by Mr. LaBaff and seconded by Mr. Blevins, the following resolution was placed before the members of the St. Lawrence County Industrial Development Agency:

- (i) ACCEPTING AN APPLICATION SUBMITTED BY NORTH COUNTRY DAIRY, LLC. WITH RESPECT TO A CERTAIN PROJECT (AS DESCRIBED BELOW); (ii) DESCRIBING THE FORMS OF FINANCIAL ASSISTANCE BEING CONTEMPLATED BY THE SLCIDA WITH RESPECT TO THE PROJECT; (iii) AUTHORIZING THE UNDERTAKING AND FINANCIAL ASSISTANCE TO THE COMPANY FOR THE PROJECT IN THE FORM OF A SALES AND USE TAX EXEMPTION FOR PURCHASES AND RENTALS RELATED TO UNDERTAKING THE PROJECT; (iv) APPOINTING THE COMPANY AS SLCIDA’S AGENT FOR PURPOSES OF UNDERTAKING THE PROJECT (v) AUTHORIZING THE EXECUTION AND DELIVERY OF AN AGENT AGREEMENT AND OTHER DOCUMENTS RELATED TO THE FINANCIAL ASSISTANCE; (vi) ACCEPTING AND ADOPTING FINDINGS WITH RESPECT TO THE PROJECT PURSUANT TO SEQRA**

*North Country Dairy, LLC. Project [#4001-18-04]*  
Resolution No. 18-10-31  
October 18, 2018

**WHEREAS**, the ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (the "SLCIDA") is authorized and empowered by Title 1 of Article 18-A of the General Municipal Law of the State of New York (the "State") as amended, and Chapter 358 of the Laws of 1971 of the State, as amended (collectively, the "Act") to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial, research, and recreation facilities, including industrial pollution control facilities, railroad facilities and certain horse racing facilities, for the purpose of promoting, attracting, encouraging and developing recreation and economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State, to improve their recreation opportunities, prosperity and standard of living, and to prevent unemployment and economic deterioration; and

**WHEREAS**, NORTH COUNTRY DAIRY, LLC. (the "Company") has submitted an application (the "Application") to the SLCIDA requesting the SLCIDA's assistance with a certain project (the "Project") located at 22,24,25 CR 52 & 3 Rail Street in the Town of Lawrence, St. Lawrence County, New York, such real property being more particularly described as Tax Map ID No 36.003-3-38 together with the existing approximately 121,477 square foot building thereon (herein, the "Facility") in the form of exemption from sales and use tax on purchases and rentals of goods and services related to the acquisition of and installation therein, thereon or thereabout of certain machinery, equipment and related tangible personal property including specialized processing, filling and packaging equipment as well as sanitation systems and water filtration systems (the "Equipment") and improvements to the existing structure, (collectively, the "Improvements") as more thoroughly described within the Application; and

**WHEREAS**, the project will assist in the retention of 73 jobs and the creation of 17 jobs at the Project location; and

**WHEREAS**, there has been enacted into law Article 8 of the New York Environmental Conservation Law, Chapter 612 of the 1975 Laws of the State of New York, as amended (the "Environmental Act"), which provides for the review of certain "actions" undertaken by State and local agencies for purposes of regulating such activities in order for proper consideration be given to the prevention of environmental damage; and

**WHEREAS**, provision of economic assistance to industrial projects by the SLCIDA is an "action" as that term is defined in the Environmental Act, which must be evaluated by the SLCIDA to determine its environmental effect, and in accordance with the Environmental Act, the SLCIDA conducted an environmental review of the project, a draft of which is attached hereto as **Exhibit A**; and

**WHEREAS**, it is contemplated that the SLCIDA will (i) accept the Company's application for financial assistance in the form of a Sales and Use Tax Exemption; (ii) negotiate and execute an agent agreement (the "Agent Agreement") pursuant to which the SLCIDA will designate the Company as its agent for the purpose of undertaking the Project; (iii) authorize the execution and delivery of any and

all documents related to the Project's Sales and Use Tax Exemption; (iv) accept and adopt findings pursuant to SEQRA; and (v) authorize the financial assistance requested by the Company,

**NOW, THEREFORE, BE IT RESOLVED** by the members of the St. Lawrence County Industrial Development Agency as follows:

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

(A) By virtue of the Act, the SLCIDA 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 SLCIDA has the authority to take the actions contemplated herein under the Act; and

(C) The action to be taken by the SLCIDA will induce the Company to develop the Project, thereby creating employment opportunities and critical infrastructure improvements in St. Lawrence County, New York, and otherwise furthering the purposes of the SLCIDA as set forth in the Act; and

(D) The Project will not result in the removal of a civic, commercial, industrial, or manufacturing plant of the Company or any other proposed occupant of the Project from one area of the State of New York (the "State") to another area of the State or result in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project located within the State; and the SLCIDA hereby finds that, based on the Company's application, to the extent occupants are relocating from one plant or facility to another, the Project is reasonably necessary to discourage the Project occupants from removing such other plant or facility to a location outside the State and/or is reasonably necessary to preserve the competitive position of the Project occupants in their respective industries.

Section 2. (A) The SLCIDA hereby authorizes the execution and delivery of an Agency Compliance Agreement substantially in the form attached hereto as **Exhibit B**, along with the issuance of all related documents to the Company, as agent of the SLCIDA in furtherance of the Project.

(B) Subject to the Company's execution and delivery of the Agency Compliance Agreement and the delivery to the SLCIDA of a binder, certificate or other evidence of liability insurance policy for the Project satisfactory to the SLCIDA, the SLCIDA hereby authorizes the Company to proceed with the undertaking of the Project and hereby appoints the Company, and their respective agents and other designees, as the true and lawful agent of the SLCIDA: (i) to acquire, construct and equip the Project; (ii) to make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions, as the stated agent for the SLCIDA with the authority to delegate such agency, in whole or in part, to agents, subagents, contractors, and subcontractors of such agents and subagents and to such other parties as the Company chooses; and (iii) in general, to do all things which may be requisite or proper for completing the Project, all with the same powers and the same validity that the SLCIDA could do if acting in its own behalf.

(C) The exemption from sales and use tax on purchases and rentals of goods and services related to the undertaking of the Project conveyed to the Company by the SLCIDA shall expire on December 31, 2019, unless extended pursuant to the terms of the Agent Agreement; and

(D) The value of New York State and local sales and use tax exemption provided to the Company under this project is estimated to be \$7,600; and

Section 3. The SLCIDA has reviewed the SEQR assessment and its findings for the Project and hereby confirms and determines that the Project will not result in any significant adverse environmental impacts.

Section 4. The officers, employees and agents of the SLCIDA are hereby authorized and directed for and in the name and on behalf of the SLCIDA to do all acts and things required and to execute and deliver all such certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolutions and to cause compliance by the SLCIDA with all of the terms, covenants and provisions of the documents executed for and on behalf of the SLCIDA.

Section 5. These Resolutions shall take effect immediately.

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

**PROJECT RESOLUTION**

North Country Dairy, LLC. Project [IDA Project # 4001-18-04]

Resolution No. IDA-18-10-xx

October 18, 2018

Member	Aye	Nay	Abstain	Absent
Staples, Brian W.	X			
LaBaff, Ernest	X			
Blevins, Lynn	X			
Hall, Mark C.	X			
McMahon, Andrew				X
Hooper, Donald	X			
Morrill, Steven	X			

The resolution was thereupon declared duly adopted.

**617.20**  
**Appendix B**  
**Short Environmental Assessment Form**

**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.

<b>Part 1 - Project and Sponsor Information</b>			
Name of Action or Project: North Country Dairy, LLC. Expansion into a unique commercially acceptable Greek style yogurt			
Project Location (describe, and attach a location map): 22,24,25 CR 52 & 3 Rail Street, North Lawrence, NY 12967 (Town of Lawrence)			
Brief Description of Proposed Action: The project includes new equipment and interior construction to produce a unique commercially acceptable Greek style yogurt requiring a significant investment in specialized processing, filling and packaging equipment such as fermentation tanks, silos, cooling presses, fruit skids, sanitization systems and water filtration systems.			
Name of Applicant or Sponsor: North Country Dairy, LLC.		Telephone: E-Mail:	
Address: 25 Anderson Road			
City/PO: Buffalo		State: NY	Zip Code: 14225
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 <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:			YES <input type="checkbox"/>
3.a. Total acreage of the site of the proposed action?		276.7 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?		276.7 acres	
4. Check all land uses that occur on, adjoining and near the proposed action. <input type="checkbox"/> Urban <input checked="" type="checkbox"/> Rural (non-agriculture) <input checked="" type="checkbox"/> Industrial <input checked="" type="checkbox"/> Commercial <input checked="" type="checkbox"/> Residential (suburban) <input type="checkbox"/> Forest <input type="checkbox"/> Agriculture <input checked="" 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	YES
_____	<input checked="" type="checkbox"/>	<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	YES
_____	<input checked="" type="checkbox"/>	<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	YES
_____	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>I AFFIRM THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND ACCURATE TO THE BEST OF MY KNOWLEDGE</b>		
Applicant/sp: _____	Date: <u>10/17/2018</u>	
Signature: _____	Finance Mgr. _____	

**Part 2 - Impact Assessment. The Lead Agency is responsible for the completion of Part 2.** 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"/>

	No, or small impact may occur	Moderate to large impact may occur
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"/>

**Part 3 - Determination of significance. The Lead Agency is responsible for the completion of Part 3.** 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.

This project involves repairs, reconstruction and/or modernization to exiting site and facility features. This will involve little change the site and building. Although this project is different in nature than the previous manufacture, the Town recognizes it will again be a manufacturing facility and does not view it as a change of use.

<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 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.
St. Lawrence County IDA	
_____	_____
Name of Lead Agency	Date
Patrick Kelly	Chief Executive Officer
Print or Type Name of Responsible Officer in Lead Agency	Title of Responsible Officer
_____	_____
Signature of Responsible Officer in Lead Agency	Signature of Preparer (if different from Responsible Officer)

**PRINT**



ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
(ST. LAWRENCE COUNTY, NEW YORK)

and

NORTH COUNTRY DAIRY, LLC.

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AGENCY COMPLIANCE AGREEMENT  
for conveyance of sales and use tax exemption benefit.

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**TERM OF CONVEYENCE OF AGENT STATUS:  
10/18/2018 – 12/31/2019**

(ST. LAWRENCE COUNTY, NEW YORK)  
(NORTH COUNTRY DAIRY, LLC.)  
(NORTH COUNTRY DAIRY, EXPANSION INTO A UNIQUE GREEK STYLE YOGURT)  
(PROJECT #4001-18-04)

**BENEFIT LIMITED TO  
\$7,600**

<b>AGENCY COMPLIANCE AGREEMENT</b>
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THIS AGENCY COMPLIANCE AGREEMENT (the "Agreement") is by and between the **ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY**, public benefit corporation of the State of New York, having its principal office at 19 Commerce Lane, Suite 1, Canton, St. Lawrence County, New York 13617 (the "SLCIDA"), and **NORTH COUNTRY DAIRY, LLC.** a business corporation duly organized and validly existing under the laws of the State of New York, having offices at 25 Anderson Road, Buffalo, NY 14225 (the "Company").

WITNESSETH:

WHEREAS, the SLCIDA was created by Chapter 132 of the Laws of 1973 of the State of New York, as amended, pursuant to Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended (collectively, the "Act");

WHEREAS, the COMPANY has submitted an application (the "APPLICATION") to the SLCIDA requesting the SLCIDA's assistance with a certain project in the form of Sales and Use Tax Exemptions:

SLCIDA Project Number:	4001-18-04
Project Address:	22,24,25 CR 52 & 3 Rail Street North Lawrence, New York 12967 Town of Lawrence, St. Lawrence County
Estimated value of goods and services to be exempt from New York State and local sales and use tax:	\$95,000
Estimated value of New York State and local sales and use tax exemption provided (8%):	<b>LIMITED TO      \$7,600</b>

WHEREAS, pursuant to SLCIDA by Resolution #IDA-18-10-\_\_, duly adopted by the SLCIDA on October , 2018, the SLCIDA authorized the COMPANY to act as its agent for the purposes of undertaking a certain project, more fully described herein, subject to the COMPANY entering into this Agency Compliance Agreement:

<p>Project -</p> <ol style="list-style-type: none"> <li>1. Construction and renovations within the 121,477 SF building to accommodate new equipment for a Greek yogurt operation.</li> <li>2. Space within the existing building will be renovated to accommodate manufacturing, warehousing and office needs. (the "Improvements");</li> <li>3. Acquisition in and around the Land and Improvements and of certain items of equipment and other tangible personal property and equipment (the "Equipment", and collectively, with the Land and the Improvements, the "Facility"); and</li> <li>4. Lease of the Facility to the Company pursuant to a straight-lease transaction as defined within the Act.</li> </ol>
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WHEREAS, said appointment includes the following as it relates to any proposed acquisition, construction, renovation, equipping and completion of any buildings, whether or not any materials or supplies described below are incorporated into or become an integral part of such Facility: (i) all purchases, leases, rentals and other uses of tools, machinery and equipment in connection with acquisition, construction, renovation and equipping of the Facility, and (ii) all purchases, rentals, uses or consumption of supplies, materials and services of every kind and description used in connection with acquisition, construction, renovation and equipping of 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 such Facility, entering into contracts and doing all things requisite and proper for completing the Facility;

WHEREAS, the Company has agreed with the SLCIDA, on behalf of the SLCIDA and as the SLCIDA's agent, to limit its activities as agent for the SLCIDA under the authority of the appointing resolution to acts reasonably related to the construction and equipping of the Facility in accordance with the Plans and Specifications set forth in the APPLICATION;

NOW, THEREFORE, the parties hereto hereby agree as follows:

ARTICLE I: REPRESENTATIONS AND COVENANTS OF THE COMPANY and SLCIDA
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Section 1.1 Representations and Covenants of Company. Company makes the following representations and covenants as the basis for the undertakings on its part herein contained:

(a) The Company is a business corporation duly authorized to do business in the State of New York, is in good standing under the laws of the State of New York, and has full legal right, power and authority to execute, deliver and perform this Agreement. This Agreement has been duly authorized, executed and delivered by Company.

(b) To the best of Company's knowledge, neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby nor the fulfillment of or compliance with the provisions hereof will conflict with or result in a breach of or constitute a default under any of the terms, conditions or provisions of any law or ordinance of the State or any political subdivision thereof, Company's organizational documents, as amended, or any restriction or any agreement or instrument to which Company is a party or by which it is bound.

(c) Any and all leasehold improvements undertaken by Company with respect to the Facility and the design, construction, equipping and operation of the Facility will conform with all applicable zoning, planning, building and environmental laws, ordinances, rules and regulations of governmental authorities having jurisdiction over the Facility. The Company shall defend, indemnify and hold the SLCIDA harmless from any liability or expenses, including reasonable attorneys' fees, resulting from any failure by Company to comply with the provisions of this subsection.

(d) This Agreement constitutes a legal, valid and binding obligation of Company enforceable against Company in accordance with its terms.

(e) The SLCIDA hereby appoints and the Company hereby agrees to act on behalf of the SLCIDA, as its Agent, under the terms of this Agreement, to construct and equip the Facility in accordance with the Plans and Specifications.

ARTICLE II: SPECIAL COVENANTS
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Section 2.1 No Warranty of Condition or Suitability by SLCIDA. The SLCIDA makes no warranty, either express or implied, as to the condition, design, operation, merchantability or fitness of, or title to, the Facility or that it is or will be suitable for Company's purposes or needs.

Section 2.2 Hold Harmless Provisions.

(a) Company agrees that the SLCIDA, its directors, members, officers, agents (except agents of the Company) and employees shall not be liable for, and agrees to defend, indemnify, release and hold the SLCIDA, its directors, members, officers, agents (except agents of the Company) and employees harmless from and against, any and all (i) liability for loss or damage to Property or injury to or death of any and all Persons that may be occasioned by, directly or indirectly, any cause

whatsoever pertaining to the Facility or arising by reason of or in connection with the occupation or the use thereof or the presence of any Person or Property on, in or about the Facility or the Land, and (ii) liability arising from or expense incurred in connection with the SLCIDA's acquisition, construction, renovation, equipping and owning and leasing of the Facility, including, without limiting the generality of the foregoing, all claims arising from the breach by Company of any of its covenants contained herein, the exercise by Company of the authority conferred upon them pursuant to this Agreement and all causes of action and attorneys' fees (whether by reason of third party claims or by reason of the enforcement of any provision of this Agreement (including without limitation this Section) or any of the other documents delivered by the SLCIDA), and any other expenses incurred in defending any claims, suits or actions which may arise as a result of any of the foregoing, provided that any such losses, damages, liabilities or expenses of the SLCIDA are not incurred and do not result from the gross negligence or intentional or willful wrongdoing of the SLCIDA or any of its directors, members, agents (except the Company and Company) or employees. The foregoing indemnities shall apply notwithstanding the fault or negligence in part of the SLCIDA, or any of its members, directors, officers, agents or employees, and irrespective of the breach of a statutory obligation or the application of any rule of comparative or apportioned liability. The foregoing indemnities are limited only to the extent of any prohibitions imposed by law, and upon the application of any such prohibition by the final judgment or decision of a competent court of law, the remaining provisions of these indemnities shall remain in full force and effect.

(b) Notwithstanding any other provisions of this Agreement, the obligations of Company pursuant to this Section shall remain in full force and effect after the termination of this Agreement until the expiration of the period stated in the applicable statute of limitations during which a claim, cause of action or prosecution relating to the matters herein described may be brought, and the payment in full or the satisfaction of such claim, cause of action or prosecution relating to the matters herein described and the payment of all expenses and charges incurred by the SLCIDA, or its members, directors, officers, agents and employees, relating to the enforcement of the provisions herein specified.

(c) In the event of any claim against the SLCIDA or its members, directors, officers, agents or employees by any employee or contractor of Company or anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, the obligations of Company hereunder shall not be limited in any way by any limitation on the amount or type of damages, compensation, disability benefits or other employee benefit acts.

Section 2.3 Right to Inspect Facility. The SLCIDA and its duly authorized agents shall have the right at all reasonable times to inspect the Facility.

Section 2.4 Qualification in State. Company, throughout the term of this Agreement, shall continue to be duly authorized to do business in the State.

Section 2.5 Appointment of Project Operator and Agents.

(a) Company, effective of the date hereof and until the SLCIDA consents in writing to a termination of this Agreement, shall accept authority to purchase on behalf of SLCIDA all materials to be incorporated into and made an integral part of the Facility, and the following activities as they relate to any construction, erection and completion of any building(s), whether or not any materials, equipment or supplies described below are incorporated into or become an integral part of such buildings: (1) all purchases, leases, rentals and other uses of tools, machinery and equipment in connection with construction and equipping, (2) all purchases, rentals, uses of consumption of supplies, materials, utilities and services of every kind and description used in connection with construction and equipping, and (3) all purchases, leases, rentals and uses of equipment, machinery and other tangible

personal property (including installation costs), installed or placed in upon or under such building or facility, including all repairs and replacements of such property.

(b) The authority accepted by the Company on behalf of the SLCIDA as outlined in Section 2.5(a) is deemed also to be accepted by any other project operator or agent that the Company may duly appoint.

Section 2.6 Agreement to File Appointment of Project Operator Information (the ST-60). The effectiveness of an agency appointment by the SLCIDA is expressly conditioned upon the timely execution by the SLCIDA of New York State Department of Taxation and Finance “IDA Appointment of Project Operator or Agency for Sales Tax Purposes” (Form ST-60) for the SLCIDA’s Agent (the Company) and for each Agent as the Company chooses who provides materials, equipment, supplies or services (the “Authorized Agent(s)”). The ST-60 shall serve to evidence that the SLCIDA has appointed an Agent (the form of which to be completed by Company) and deliver said form to the SLCIDA. Company agrees that it will ensure that the Form ST-60 will be presented to the SLCIDA within twenty-one (21) days, to enable the SLCIDA to fully execute and deliver Form ST-60 to the State Department of Taxation and Finance within thirty (30) days of appointment. The ST-60 is not and cannot be used as an exemption document.

The Company acknowledges that the executed Form ST-60 is not and cannot serve as a sales or use tax exemption certificate or document. No copy of the executed Form ST-60 shall be tendered to any person required to collect sales tax as a basis to make such purchases exempt from tax. No such person required to collect sales or use taxes may accept the executed Form St-60 in lieu of collecting any tax required to be collected.

The Company acknowledges that the Civil and Criminal penalties for misuse by the Company of a copy of Form ST-60 as an exemption certificate or document or for failure to pay or collect tax shall be as provided in the Tax Law. In addition, the use by an Authorized Agent of such Form ST-60 as an exemption certificate or document shall be deemed to be, under Articles 28 and 37 of the Tax Law, the issuance of a false or fraudulent exemption certificate or document with the intent to evade tax.

Section 2.7. IDA Agent or Operator Exempt Purchase Certificate (the ST-123). The Company and its Authorized Agents (i.e. only those for whom forms ST-60 have been filed) shall utilize Form ST-123 “IDA Agent or Project Operator Exempt Purchase Certificate” to make purchases for the project exempt from state and local sales taxes as an agent of the SLCIDA. The Company and its Authorized Agents, by accepting this authority, understand and agree that misuse of the Form ST-123 may subject them to serious civil and criminal sanctions in addition to the payment of any tax and interest due. Contractors or subcontractors that are not agents of the SLCIDA shall utilize form ST-120.1, *Contractors Exempt Purchase Certificate*, when making project-related purchases that are exempt from sales tax under sections 111(a)(15) and 1115(a)(16) of the Tax Law.

Section 2.8 Agreement to File Annual Statements and Provide Information (including ST-340). On an annual basis beginning in the first year in which the financial assistance is conferred by the SLCIDA to the Company, through and until the end of the calendar year following the date of the termination of the project, 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 Sections 874(8) and (9) of the New York State General Municipal Law (Form ST-340). Company shall deliver a copy of such annual statement to the SLCIDA at the time of filing with the Department of Taxation and Finance. Company further agrees to deliver and certify or cause to be delivered and certified whenever requested by the SLCIDA such information concerning Company, its finances, its operations, its employment and its affairs necessary to enable the SLCIDA to make any report required by law, governmental regulation or any of the SLCIDA documents. Such information

shall be delivered within thirty (30) days following written request from the SLCIDA.

Section 2.9 Agreement to Convey Project Status. Should the project require modification, either by extending the project beyond its original completion date, or by increasing or decreasing the amount of sales and use tax exemption benefits authorized for the project, the Company must provide the circumstances to the SLCIDA in writing within twenty-one (21) days of the change.

Section 2.10 Books of Record and Account; Financial Statements and Documents Retention.

(a) The Company, at all times, agrees to maintain proper accounts, records and books in which full and correct entries shall be made, in accordance with generally accepted accounting principles, of all transactions and events relating to the business and affairs of Company and any and all records relating to the sales and use tax exemptions claimed in connection with the Facility in compliance with this Agreement.

(b) The Company must retain for at least six (6) years from the date of expiration of its Contract copies of (i) this Agreement and (ii) all contracts, agreements, invoices, bill or purchases entered into or made by such Agent using Form ST-123 and to make all such records available to the SLCIDA upon reasonable notice. This provision shall survive the expiration or termination of this Agreement.

Section 2.11 Recovery Provisions. In compliance with General Municipal Law §875(3), the policies of the SLCIDA and the Resolution, the Company covenants and agrees that the SLCIDA shall recover, recapture, receive or otherwise obtain from the Company and to any other parties as the Company may designate, or other person or entity State Sales and Use Exemption benefits taken or purported to be taken by any such person to which the person is not entitled or which are in excess of the amounts authorized or which are for property or services not authorized or taken in cases where such agent or project operator, or other person or entity failed to comply with a material term or condition to use property or services in the manner required by the Company through this Agreement. The Company shall cooperate with the SLCIDA in its efforts to recover, recapture, receive or otherwise obtain such State Sales and Use Exemption benefits, and the Company shall promptly pay over any such amounts to the SLCIDA that SLCIDA demands in connection herewith. Failure to pay over such amounts to the SLCIDA shall be grounds for the New York State Commissioner of Taxation and Finance to assess and determine State Sales and Use taxes due as a result of this violation, together with any relevant penalties and interest due on such amounts. This provision shall survive the expiration or termination of this Agreement.

Section 2.12 Identification of Equipment. If any equipment is to or may become the Property of the SLCIDA pursuant to the provisions of this Agreement then such equipment shall be properly identified by Company by such appropriate records, including computerized records, as may be approved by the SLCIDA. All Equipment and other Property of whatever nature affixed or attached to the Land or used or to be used by Company in connection with the Facility shall be deemed presumptively to be owned by the SLCIDA, rather than Company, unless the same were utilized for purposes of construction of the Facility or were installed by Company and title thereto was retained by Company in a manner provided subsequent to any Lease Agreement and such Equipment and other Property were properly identified by such appropriate records as were approved by the SLCIDA.

Section 2.13 Depreciation Deductions and Investment Tax Credit. The parties agree that, as between them, Company shall be entitled to all depreciation deductions with respect to any depreciable property comprising a part of the Facility and to any investment credit with respect to any part of the Facility.

Section 2.14 Aggregate Sales and Use Tax Exemption. Company agrees that the purchase of goods and services relating to the Project and subject to New York State and local sales and use taxes are

estimated in an amount up to **\$95,000**, and therefore, the value of New York State and local sales and use tax exemption authorized and approved by the SLCIDA, subject to the terms thereof, cannot under any circumstances exceed **\$7,600**. Benefits taken or purported to be taken by the Company or its Authorized Agents which are in excess of this amount shall be subject to the recovery provisions outlined in Section 2.11 herein.

Section 2.15 Expiration. The Agent Status created by this Agreement is limited to the Facility and will expire on **December 31, 2019**. Company may apply in writing to extend this agency authority by showing good cause. Benefits taken or purported to be taken by the Company or its Authorized Agents after this date shall be subject to the recovery provisions outlined in Section 2.11 herein.

Section 2.16 Disclosure. Pursuant to GML §875(7) this Agreement and related project documents shall be made available on the Internet and copies of same shall also be provided, without charge to any person who asks for it in writing or in person. Any information exempted from disclosure under Article 6 of the Public Officers Law, will be deleted.

Section 2.17 Execution of Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 2.18 Notices. All notices, certificates and other communications hereunder shall be in writing and shall be either delivered personally or sent by certified mail, postage prepaid, return receipt requested, addressed as follows or to such other address as any party may specify in writing to the other:

To the SLCIDA:

St. Lawrence County  
Industrial Development Agency  
19 Commerce Lane, Suite 1  
Canton, New York 13617  
Attn: Patrick J. Kelly, Chief Executive Officer

With a copy to:

Silver and Collins, Attorneys at Law  
44 Court Street  
Canton, New York 13617  
Attn: Andrew Silver, Esq.

To the Company:

North Country Dairy, LLC.  
25 Anderson Road  
Buffalo, New York 14225  
attn. Jerome Gefert

IN WITNESS WHEREOF, the SLCIDA and Company have each caused this Agency Compliance Agreement to be executed in their respective names by affixing his signature thereto, or by duly authorized officers, all as of the date first above written.

For SLCIDA:

For COMPANY:

By: \_\_\_\_\_  
Name: Patrick J. Kelly  
Title: Chief Executive Officer

By: \_\_\_\_\_  
Name Larry Webster  
Title: Chief Executive Officer

STATE OF NEW YORK )  
 ) ss.:  
COUNTY OF ST. LAWRENCE )

On the \_\_\_\_ day of **October, 2018** before me, personally appeared **Patrick Kelly**, Chief Executive Officer of the St. Lawrence County Industrial Development Agency, personally known to me or proved to me on the basis of satisfactory evidence to be the Company 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 Company, or the person upon behalf of which the Company acted, executed the instrument.

\_\_\_\_\_  
Notary Public, State of New York

STATE OF NEW YORK )  
 ) ss.:  
COUNTY OF ST. LAWRENCE )

On the \_\_\_\_ day of **October, 2018**, before me, personally appeared **Larry Webster**, Chief Executive Officer of North Country Dairy, LLC, personally known to me or proved to me on the basis of satisfactory evidence to be the Company whose name is subscribed to the within instrument and acknowledged to me that s/he executed the same in his/her capacity, and that by his/her signature on the instrument, the Company, or the person upon behalf of which the Company acted, executed the instrument.

\_\_\_\_\_  
Notary Public, State of New York