

STATEWIDE LOCAL DEVELOPMENT CORPORATION

at the offices of the
New York State Urban Development Corporation
d/b/a Empire State Development
633 Third Avenue
New York, New York 10017

Meeting of the Directors

Monday

November 16, 2015 – 10:00 a.m.

AGENDA

I. CORPORATE ACTION

- A. Approval of the Minutes of the June 23, 2015 Director's Meetings

II. FOR CONSIDERATION

DISCRETIONARY PROJECTS

- A. Cazenovia (Central New York Region – Madison County) – JDA Loans for the Benefit of Chapman Properties, LLC d/b/a Empire Farmstead Brewery – Authorization to Increase the Approved Amounts of Real Estate and Machinery and Equipment Loans with New York Job Development Authority Proceeds and Take Related Actions; and Determinations of No Significant Effect
- B. Rochester (Finger Lakes Region – Monroe County) – JDA Loans for the Benefit of Beets Factory, Inc. – Amendment to the Authorization to Make Loans with New York Job Development Authority Proceeds and Take Related Actions
- C. Sanborn (Western New York Region – Niagara County) – JDA Loan for the Benefit of Borderworx Logistics LLC – Authorization to Make a Loan with New York Job Development Authority Proceeds and Take Related Actions

DRAFT – SUBJECT TO REVIEW AND REVISION

STATEWIDE LOCAL DEVELOPMENT CORPORATION

Meeting of the Directors

Held at the New York City Regional Office

633 Third Avenue

New York, New York 10017

June 23, 2015

MINUTES

**In Attendance
Directors:**

Mehul Patel (Acting Chair)
Edwin Lee

Present for Statewide:

Kathleen Mize, Assistant Treasurer
Antovk Pidedjian, Assistant Secretary
Debbie Royce, Acting Secretary

Present for ESD:

Carey Gabay, First Deputy General Counsel
Jonevan Hornsby, Senior Financial Analyst
Benson Martin, Director of Compliance

The meeting of the Statewide Local Development Corporation, a local development corporation created under the New York State law, was called to order at 4:49 p.m. by Acting Chair Patel. It was noted for the record that notices to the public and news media of the time and place of the meeting had been given in compliance with the New York State Open Meetings Law.

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Acting Chair Patel noted that the public is free to comment on any matters on the Agenda.

The Acting Chair asked the Directors if any of them had a potential conflict of interest with regard to any of the items on the Agenda and if so to make that information known at this time. If any potential conflict exists, Acting Chair Patel continued, the Directors will be reminded at the appropriate time to recuse themselves from the vote on any such item. No conflicts were noted.

The Acting Chair then called for a motion to approve the Minutes of the April 8, 2015 Directors' meeting.

**APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE APRIL 8, 2015
MEETING OF THE DIRECTORS OF THE STATEWIDE LOCAL DEVELOPMENT CORPORATION**

RESOLVED, that the Minutes of the meeting of the Corporation held on April 8, 2015, as presented to this meeting, are hereby approved and all actions taken by the Directors presented at such meeting as set forth in such Minutes, are hereby in all respects ratified and approved as actions of the Corporation.

* * *

The Acting Chair called upon Mr. Hornsby to present the Modern Marketing Concepts, Inc. JDA Loan item for the Members' consideration.

Mr. Hornsby explained that the Members were being asked to approve a \$500,000 JDA loan to LDC's LLC for the benefit of Modern Marketing Concepts, Inc. ("MMC") to assist in the

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purchase of real estate and the renovation of an existing facility located in Binghamton, New York. He added that the total project cost is \$17 million.

Mr. Hornsby went on to note that LDCS, LLC is a real estate holding company established in 2006 by Daniel and Lisa Babcock to purchase and renovate real estate in Binghamton, New York for the benefit of MMC.

Mr. Hornsby explained that LDCS currently owns one 75,000 square foot property located at 29 Industrial Park Drive in Binghamton, New York and its sole tenant is MMC.

Mr. Hornsby continued and explained that upon completion of the project, MMC will relocate to the renovated facility at 265 Industrial Park Drive and pay rent to LDCS.

He added that LDCS will then rent out 29 Industrial Park Drive to a new tenant.

Following the full presentation, the Acting Chair called for questions or comments. Hearing none, and upon motion duly made and seconded, the following resolution was unanimously adopted:

STATEWIDE LOCAL DEVELOPMENT CORPORATION — Binghamton (Southern Tier – Broome County) – LDCS, LLC (Modern Marketing Concepts, Inc.) – New York Job Development Authority Special Purpose Fund Direct Loan Project – Real Estate Loan – Authorization to Make Loans and to Take Related Action

RESOLVED, that the Chief Executive Officer of the Corporation or his designee(s) be, and each of

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them hereby is, authorized to accept a Special Purpose Fund Loan to Statewide Local Development Corporation from the New York Job Development Authority ("JDA") for the benefit of LDCS, LLC (Modern Marketing Concepts, Inc.) for an amount not to exceed \$5,000,000 or 40% of the total project cost, whichever is less, to be funded from the proceeds of New York State Guaranteed Special Purpose Fund bonds or notes, for the purposes and substantially on the terms and conditions set forth in the materials presented at this meeting, with such changes as the Chief Executive Officer of the Corporation or his designee(s) may deem appropriate; and be it further

RESOLVED, that the Chief Executive Officer of the Corporation or his designee(s) be, subsequent to the making of the Loans, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the Loans as he or she may deem appropriate in the administration of the Loans; and be it further

RESOLVED, that the Chief Executive Officer of the Corporation, or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions; and be it further

RESOLVED, that the provision of financial assistance by the Corporation is expressly contingent upon: (1) the approval of the Public Authorities Control Board, as applicable, and (2) the receipt of all other necessary approvals.

* * *

There being no further business, the meeting was adjourned at 4:58 p.m.

Respectfully submitted,

Debbie Royce
Acting Secretary

Empire State Development

STATEWIDE LOCAL DEVELOPMENT CORPORATION

DATE: November 16, 2015

TO: The Members

FROM: Howard Zemsky

SUBJECT: Cazenovia (Central New York Region, Madison County) – JDA Loans for the Benefit of Chapman Properties, LLC dba Empire Farmstead Brewery - Authorization to Increase the Approved Amounts of Real Estate and Machinery & Equipment Loans with New York Job Development Authority Proceeds and Take Related Actions Determination of No Significant Effect on the Environment

Summary

In October of 2014, the JDA Board approved a \$2.196MM Real Estate loan and a \$1.398MM M&E loan for the benefit of Empire Farmstead Brewery (see original loan memo attached). The project broke ground in the first half of 2015, and in October the owner came back to JDA to request the authorization of an additional \$450K in JDA Funds to take out 60% of an additional \$750K needed to complete the project (see new Budget below).

JDA Budget					
Uses			Sources		
Building Construction	\$4,065,000	60%	JDA Loan	\$4,044,300	60%
Brewery Equipment	2,675,500	40%	Oneida Bank Loan	2,022,150	30%
			Equity	674,050	10%
Total JDA Project Cost	\$6,740,500		Total JDA Project Financing	\$6,740,500	
Pre-Construction Soft Costs	1,195,499		Grant Funding (Bridge Loan)	1,530,000	
Inventories and Working Capital	943,263		Additional Equity	573,762	
Land Acquisition	265,000		Madison County IDA Loan	300,000	
Total Project Costs	\$9,144,262		Total Project Sources	\$9,144,262	

The additional funds are needed to cover additional construction work including a full sprinkler system to comply with the local fire code, additional natural gas piping infrastructure costs, and additional brewing equipment. The additional expenditures are not expected to have an effect on cash flow going forward, except for the increased debt service payments.

The new proposed JDA terms, with the additional amounts included, would be:

JDA Loan Terms (Real Estate)	
Borrower:	Chapman Properties, LLC dba Empire Farmstead Brewery
Economic Region:	Central New York (Cazenovia)
Loan Amount Requested:	\$2,439,000
Rate:	4.31% (fixed)
Term:	20 years
Distressed Area:	No
Initial Payment:	\$15,181.30

JDA Loan Terms (Machinery & Equipment)	
Borrower:	Chapman Properties, LLC dba Empire Farmstead Brewery
Economic Region:	Central New York (Cazenovia)
Loan Amount Requested:	\$1,605,300
Rate:	4.31% (fixed)
Term:	20 years
Distressed Area:	No
Initial Payment:	\$9,992.02

As part of the request, JDA staff did an analysis of how the additional amount would affect cash flow and debt service coverage. The projected EBITDA has been modified to include the benefits that the Company will incur from being awarded START-UP NEW YORK benefits:

Projected Debt Service Coverage Ratio			
	2016	2017	2018
EBITDA ⁽¹⁾	\$1,101,257	\$1,156,320	\$1,214,136
Annual Debt Service			
JDA Loans	\$302,080	\$302,080	\$302,080
Oneida Bank Loans	228,760	228,760	228,760
Madison County IDA Loan	66,706	66,706	66,706
Total Debt Service	\$597,546	\$597,546	\$597,546
DSCR	1.84	1.94	2.03
Minimum DSCR	1.20	1.20	1.20
EBITDA at Minimum DSCR	\$717,055	\$717,055	\$717,055
Decrease Allowed	\$384,202	\$439,265	\$497,081
Percentage (%)	34.9%	38.0%	40.9%

(1) 2016 through 2018, projected. Projections provided by Empire.

The loan-to-value ratio remains at 90%, largely because the official appraisal of the property, which the owner originally had estimated would be valued at \$3.5MM upon completion, has been valued at \$4.5MM. The brewery equipment listed below has been discounted.

Loan-to-Value	
Loans	
JDA Loans	\$4,044,300
Oneida Bank Loan	\$2,022,150
Total Loans	\$6,066,450
Collateral Value	
Real Estate	\$4,500,000
Brewery Equipment	\$2,273,750
Total Value	\$6,773,750
Loan-to-Value:	90%

JDA staff also examined interim financials for the parent company, which operates the brewpub in downtown Syracuse and also sells beer on-tap at various bars throughout the State. The parent is on pace to equal or surpass last year's revenue numbers (currently on pace for \$3.6MM in total sales) and net income numbers (currently on pace for \$242K).

Recommendation

JDA staff recommends approval of this request for an increased approved amount of JDA Real Estate and JDA Machinery & Equipment loans to the Company of \$2,439,000 and \$1,605,300, respectively.

Even with the increased debt, the projected DSCR and loan-to-value are well within JDA guidelines. The Company has made evident progress thus far at the site, investing over \$3.6MM thus far, and if JDA does not allow for increased financing the participating bank may not extend its portion of the additional funds necessary to complete the Project.

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Central New York (Cazenovia - Madison County) – Empire Farmstead Brewery, Inc. –
New York Job Development Authority Special Purpose Fund Direct Loan Project –
Real Estate Loan and Machinery and Equipment Loan -- Authorization to Make
Loans and to Take Related Action

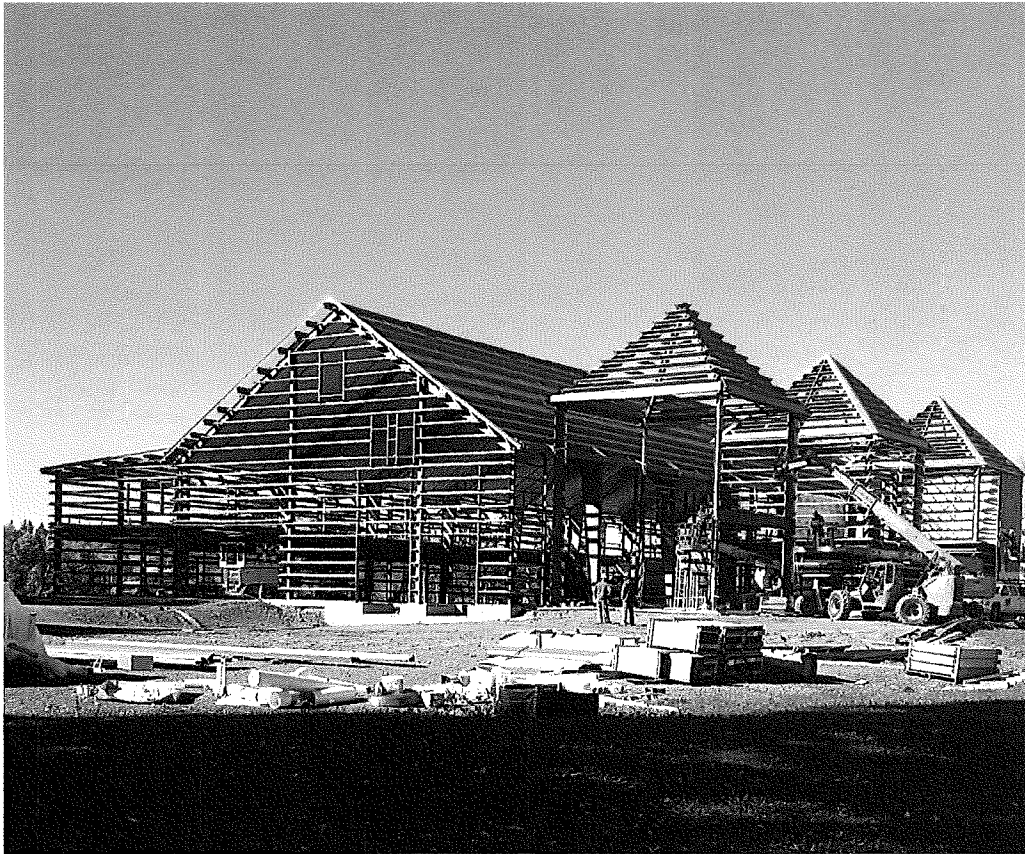
RESOLVED, that the Chief Executive Officer of the Authority or his designee(s) be, and each of them hereby is, authorized to make a Special Purpose Fund Machinery & Equipment Loan and a Special Purpose Fund Construction Loan to Statewide Local Development Corporation for the benefit of Empire Farmstead Brewery, Inc. for an amount not to exceed \$2,439,000 or 60% of the total construction project cost, whichever is less, and \$1,605,300 for machinery and equipment or 60% of the total machinery and equipment project cost, whichever is less, to be funded from the proceeds of New York State Guaranteed Special Purpose Fund bonds or notes, for the purposes and substantially on the terms and conditions set forth in the materials presented at this meeting, with such changes as the Chief Executive Officer of the Authority or his designee(s) may deem appropriate; and be it further

RESOLVED, that the Chief Executive Officer of the Authority or his designee(s) be, subsequent to the making of the Loans, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the Loans as he or she may deem appropriate in the administration of the Loans; and be it further

RESOLVED, that the Chief Executive Officer of the Authority, or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Authority to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions; and be it further

RESOLVED, that the provision of financial assistance by the Authority is expressly contingent upon: (1) the approval of the Public Authorities Control Board, as applicable, and (2) the receipt of all other necessary approvals.

RESOLVED, that based on the materials submitted to the JDA with respect to the Empire Farmstead Brewery, Inc., the JDA hereby determines that the proposed action will not have a significant effect on the environment.



Progress on the Empire Farmstead Brewery – October 2015

Empire State Development

STATEWIDE LOCAL DEVELOPMENT CORPORATION

Date: November 16, 2015

TO: The Members

FROM: Howard Zemsky

Subject: Rochester (Finger Lakes Region – Monroe County) – JDA Loans for the Benefit of Beets Factory, Inc. – Amendment to the Authorization to Make Loans with New York Job Development Authority Proceeds and Take Related Actions

Summary

In March of 2015, the JDA Board approved a \$5.34MM M&E loan to Beets Factory, Inc. (see original loan report attached). The loan was approved based upon guarantees provided on a pro-rata basis, relative to the percentage of each company's respective ownership of Beets Factory, Inc. which is now 50% G's Group Holding, Ltd. and 50% LiDestri Foods, Inc. Additionally, G's Group Holding, Ltd., as a UK-based company, was required to obtain a letter of credit from the Royal Bank of Scotland, or a bank of equal standing, for 50% of the JDA Loan amount.

In October of 2015, the principals involved in the project requested that 100% full corporate guarantees by G's Group Holding, Ltd. and LiDestri Foods, Inc. replace the pro-rata guarantees and the letter of credit requirement as originally approved.

Recommendation

JDA staff recommends that the request be approved and that the loan go forward with the full joint and several corporate guarantees of G's Group Holding, Ltd. and LiDestri Foods, Inc. replacing the former requirement of the letter of credit and the pro-rata guarantees.

Due to the financial strength of both parent companies, staff is confident that their full guarantees provide equal or greater security for JDA than what was originally approved in March 2015.

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Rochester (Finger Lakes Region – Monroe County) – JDA Loans for the Benefit of Beets Factory, Inc. – New York Job Development Authority Special Purpose Fund Direct Loan Project – Machinery and Equipment Loan -- Authorization to Make Loans and to Take Related Action

RESOLVED, that the Chief Executive Officer of the Authority or his designee(s) be, and each of them hereby is, authorized to make a Special Purpose Fund Machinery and Equipment Loan to Statewide Local Development Corporation for the benefit of Beets Factory, Inc. for an amount not to exceed \$5,340,000 or 60% of the total machinery and equipment project cost, whichever is less, to be funded from the proceeds of New York State Guaranteed Special Purpose Fund bonds or notes, for the purposes and substantially on the terms and conditions set forth in the materials presented at this meeting, with such changes as the Chief Executive Officer of the Authority or his designee(s) may deem appropriate; and be it further

RESOLVED, that the full joint and several corporate guarantees of G's Group Holding, Ltd. and LiDestri Foods, Inc. will replace the formerly approved requirement of the letter of credit and the pro-rata guarantees of both companies as security for the Machinery and Equipment Loan

RESOLVED, that the Chief Executive Officer of the Authority or his designee(s) be, subsequent to the making of the Loans, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the Loans as he or she may deem appropriate in the administration of the Loans; and be it further

RESOLVED, that the Chief Executive Officer of the Authority, or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Authority to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions; and be it further

RESOLVED, that the provision of financial assistance by the Authority is expressly contingent upon: (1) the approval of the Public Authorities Control Board, as applicable, and (2) the receipt of all other necessary approvals.

Empire State Development

STATEWIDE LOCAL DEVELOPMENT CORPORATION

Date: November 16, 2015

TO: The Members

FROM: Howard Zemsky

Subject: Sanborn (Western NY Region – Niagara County) – JDA Loan for the Benefit of Borderworx Logistics LLC - Authorization to Make a Loan with New York Job Development Authority Proceeds and Take Related Actions

JDA Loan Terms (Real Estate)	
Borrower:	Borderworx Logistics LLC (the "Company")
Economic Region:	Western New York
Loan Amount Requested:	\$1,000,000
Rate:	4.31% (fixed)
Term:	20 years
Classification:	IA+
Distressed Area:	No
Initial Payment:	\$6,224.39

JDA Project Budget (Real Estate)					
Uses			Sources		
Building Construction	\$2,691,000	89%	First Niagara Bank Loan	\$1,275,000	42%
Soft Costs/ Other Fees	187,500	6%	JDA Loan	1,000,000	33%
Land Acquisition	155,000	5%	Equity	758,500	25%
Total JDA Project Cost	\$ 3,033,500		Total JDA Project Sources	\$ 3,033,500	

Security: The JDA Loan shall be secured by a second lien on the property located at Inducon Corporate Drive West, Sanborn, NY 14132.

Guarantors: Repayment of the JDA Loan shall be guaranteed by Borderworx Logistics, Inc., WNY Gateway Center LLC, Borderworx Logistics LLC, and the personal guarantees of Dean L. Wood and Brenda Wood.

Job Information (at project site):

Existing: 10 full-time

New Jobs Projected: 75 full-time by three years after loan disbursement

JDA Loan Amount per job: \$11,764

Project Summary:

Borrower: Borderworx Logistics LLC (the US subsidiary of Borderworx Logistics, Inc.)
369 Lang Blvd
Grand Island, NY 14072

Contact: Dean L. Wood, CEO/ President
Phone: 905-877-6036

Ownership: Dean L. Wood and his wife Brenda Wood each own 50% of Borderworx Logistics, Inc. and Borderworx Logistics LLC.

Nature of Business: The Company specializes in logistics, with warehousing and trucking operations that move goods across the US/Canadian border.

This report concerns a proposed New York Job Development Authority ("JDA") loan for the amount of \$1,000,000 (the "JDA Loan"). The JDA Loan will be used to take out a portion of a Real Estate loan to be provided by a participating bank for the acquisition and construction of a facility located in Sanborn, New York. The total cost of the Real Estate Project is \$3,033,500 (the "Project Cost").

Project location: Inducon Corporate Drive West, Sanborn, NY 14132

Project Completion: Third Quarter 2016

1) PROJECT OVERVIEW AND RECOMMENDATION**Background**

Started in 2003, Borderworx Logistics Inc. (the parent to Borderworx Logistics LLC, which is the US subsidiary) was founded in Ontario, Canada by Dean Wood. From his extensive industry experience working with Canada's largest transportation and customs corporations, Mr. Wood established a number of solutions for the logistics industry that have helped many companies grow their market share. To date, Borderworx has managed more than US \$3B in goods across the border and more than 100,000 customs clearances.

Borderworx has offices in Canada and in the United States, with a keen focus on the northern border. Headquartered in Georgetown, Ontario and with an office in Grand Island, New York, the Company is able to service both the Canadian and US markets.

Setting up and managing its warehousing and trucking with highly trained, professional staff have placed Borderworx in the low risk status with Canada and US customs. Unique to Borderworx is the embedded staff that works directly on-site at client locations to customize real-time logistics solutions. They measure the pulse of business activity and can react to the ever changing business demands in stride with Borderworx' client management team.

As one of Canada's fastest growing logistics companies, Borderworx is embarking on new ways to enhance its competitiveness. A new, state-of-the-art distribution center to be built on 31 acres in Sanborn, New York is part of that growth strategy.

In February 2015, Borderworx Logistics LLC was approved for an ESD Excelsior Tax Credit incentive worth up to \$590K.

Market Analysis

Borderworx' target market is those manufacturers in Canada and the US that ship cross border to their customers, and that source products from the relating country. Borderworx facilitates the customs brokerage and transportation to and from suppliers and shippers across the Canada/US border. The Company's facility acts as a distribution center, cross dock facility, and light manufacturing facility to assist these customers in improving their competitiveness in the respective market.

The Company's clients include medium to large companies from Canada and the US. They include, but are not limited to, Harris Corporation (10% of sales), Imagine Communications (18% of sales), Beta Calco (11% of sales), Cape Contract Furniture (8% of sales), CTG Brands (5% of sales), Lorpen North America, BioAdvantex, Hatch Transformer, Cyber Marketing, and Perfect Shakers. The Company continues to diversify its list of customers.

The Company does not limit its focus on one particular industry; however, the Company's strength is in the lighting, health and fitness, and technology markets. Borderworx reaches clients through a dedicated sales channel as well as referrals from existing clients.

Borderworx competes with third party logistics companies and customs brokers, the largest being Samson Distribution in Buffalo, New York which accounts for approximately 23% of the market. Other competitors include A.R. Deringer in Buffalo, New York with approximately 20% of the market, Livingston International in Toronto, Canada (15% market share) and Russell A Farrow in Toronto, Canada and Detroit, Michigan (15% market share).

Project Description

By 2008 Borderworx Logistics Inc. (Canada) had expanded and incorporated its US operations as Borderworx Logistics, LLC in New York. The US subsidiary currently operates out of a 15,000 square foot leased warehouse and office facility in Grand Island, New York.

From the early beginnings, the Company has grown in revenues to nearly \$5.5MM in sales in 2015, and Borderworx is positioned for substantial growth in the next few years. Along with the revenue, Borderworx has added both management and staff positions and boasts a combined part time and full time staff of 25 people. Ten of those employees are at the Grand Island

location. With the advent of the new expansion, that number is expected to at least double in the next 24 months.

Borderworx' current New York facility is at capacity, which has necessitated the requirement for new expansion. In addition to the warehousing and distribution needs, Borderworx will expand into light manufacturing and assembly in the new facility. Most of the future growth will be realized at this new location in Niagara County.

Borderworx has identified and started to plan for the construction of a 50,000 square foot facility on 31 acres of vacant land in an industrial park in Sanborn, NY. The facility will eventually become the corporate headquarters of the entire company. The total cost of the real estate project is \$3,033,500. First Niagara Bank has already committed to providing the construction financing and \$1.275MM in permanent financing for the facility. The borrower is providing \$758,500 in equity, and is looking to JDA to provide the final \$1MM in permanent financing to complete the project.

The Company has partnered with NYPA to help design the new, state of the art construction that will take advantage of building materials that will reflect a commitment to the environment. These include LED lighting, windows for natural light for offices and work areas allowing for a better working environment, electric lift trucks with non-rubber tires for cleaner and dustless operations, packaging equipment that will reduce waste consumption, energy efficient heating and cooling that reduces the load of electricity needed to operate the building, and no idling policies to ensure trucks and drivers act environmentally responsible.

This facility will also be the first Foreign Trade Zone facility in Niagara County. With the recall of the favorable duty rates in China and other countries, US importers are faced with increased duty on their inventory. A Foreign Trade Zone will allow those goods to enter the facility under a duty free system. The duty will only be assessed on those goods shipped and which are sold; reducing the financial carrying charges currently affecting the importer.

The security and restrictions planned at the new location will allow the facility to be designated a C-TPAT (Customs-Trade Partnership against Terrorism) facility. This designation will provide added value and trust to those who ship through, or store their goods in our facility. This is the highest level of customs security that is offered to ensure the integrity of the supply chain.

Conclusions

- Based on the IA+ rating, the Company currently generates sufficient cash flow from operations to service all the projected project debt, and staff believes that the Company is fiscally strong.
- Borderworx' new facility will be the first Foreign Trade Zone facility in Niagara County and could potentially spur additional growth and investment from other related companies in the future in that area.

- With the approval of the project, JDA would facilitate the maintenance of 10 manufacturing jobs in an area with limited job growth potential, as well as 75 new jobs over a three year period.

2) COVENANTS AND CONDITIONS

The JDA Loan is predicated upon the following financial conditions:

- The Company must obtain firm commitments satisfactory to JDA from responsible financial sources for the total project cost exclusive of any loan requested from JDA.
- The Company must maintain a minimum debt service coverage ratio of 1.20 throughout the term of the loans.
- The Company must meet all other standard JDA requirements as follows:
 - a. Completion of the Real Estate Project to the satisfaction of JDA, as evidenced by a certificate of occupancy and such other certification (including environmental approvals) required for the Facility to be used for the purposes intended.
 - b. Execution and delivery of the Note, the Security Agreement, the Mortgage and Loan and Use Agreement (furnished by JDA), and related documents by the Company, all satisfactory to JDA.
 - c. Procurement by the Company of funds which shall be used at or prior to the closing to pay the Real Estate Project Cost, exclusive of the proceeds of the Loan.
 - d. Receipt by JDA of policies of insurance, including flood insurance if required, in amount, form and substance and issued by companies satisfactory to JDA.
 - e. Receipt by JDA of an itemized statement of Real Estate Project Cost, satisfactory to JDA.
 - f. Receipt by JDA of financing documents of other lender(s) satisfactory to JDA.
 - g. Satisfaction of such other conditions as JDA, with advice of counsel, deems necessary or advisable to effectuate the Loan, secure the interest of JDA and insure compliance with the JDA Statute and applicable provisions of the Internal Revenue Code.
 - h. Execution of documents to permit monthly electronic debit of the Company's checking account to repay the Loan.
 - i. Compliance with ADDITIONAL REQUIREMENTS stipulated in all Schedules, Exhibits and Riders, attached hereto and made a part hereof.
 - j. Compliance with any other terms and conditions deemed to be necessary and appropriate in the opinion of the General Counsel of JDA.
 - k. The Company or the Company's owners will contribute at least 10% in equity to the Real Estate Project. Equity is defined as any non-

debt source of capital and should be auditable through the Company's financial statements or accounts, if so requested by JDA.

- l. Subordination of any loans to the Company from those certain officers and members of the Company stipulated herein in a manner satisfactory to JDA.
- m. The Company shall not enter into any agreement by which the terms of payment of any principal or interest under any other bank loan are waived, modified, deferred, delayed, increased or reduced in rate or amount, without the prior written consent of JDA.
- n. Collateralization of the Loan with insurance of the life of Dean L. Wood in an amount sufficient to pay the outstanding principal balance of the JDA Loans at any time.
- o. All certifications and permits for the operating purposes of the Facility to be in full force and effect prior to closing the Loan.
- p. Subordination of any leases which may affect the Facility to the Mortgage.

3) ADDITIONAL MORTGAGE AND LIEN DETAILS

Promissory notes in the principal amount of the Real Estate Loan, with interest thereon (the "Note"), shall be secured by a mortgage to JDA (the "Mortgage") on the premises located at Inducon Corporate Drive West, Sanborn, NY 14132.

The Mortgage may be junior to the liens of the principal bank, but not to any modifications, extensions or renewals thereof. The Bank Mortgage shall not be collateral security for any other loans.

4) ENVIRONMENTAL REVIEW

The Niagara County Industrial Development Agency, as lead agency, has completed an environmental review of the proposed project, pursuant to the requirements of the State Environmental Quality Review Act ("SEQRA") and the implementing regulations of the New York State Department of Environmental Conservation. This review found the project to be an Unlisted Action, which would not have a significant effect on the environment. The lead agency issued a Negative Declaration on May 13, 2015. Staff reviewed the Negative Declaration and supporting materials and concurs. It is recommended that the Authority members make a Determination of No Significant Effect on the Environment.

Due to the JDA's mortgage position, a Phase I Environmental Site Assessment will be required prior to loan closing.

5) NON-DISCRIMINATION AND CONTRACTOR & SUPPLIER DIVERSITY

JDA Non-discrimination & Contractor and Supplier Diversity policy will apply to the Project. The Recipient shall be required to solicit and utilize New York State certified Minority-owned and Women-owned Business Enterprises (MWBEs) for any contractual opportunities generated in connection with this Project and to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall MWBE Participation Goal of 30% (\$300,000). The overall MWBE participation goals shall consist of a Minority Business Enterprise (MBE) Participation goal of 15% (\$150,000) and a Women Business Enterprise (WBE) Participation goal of 15% (\$150,000) related to the total value of ESD's funding. A further explanation of the MWBE requirements is attached hereto.

6) ADDITIONAL SUBMISSIONS TO MEMBERS

Resolution
New York State Map
JDA Loan Underwriting Classification System
Photos/Diagrams
Financial Analysis (Confidential)

November 16, 2015

Sanborn (Western NY Region – Niagara County) – JDA Loan for the Benefit of
Borderworx Logistics LLC - Authorization to Make Loans with New York Job
Development Authority Proceeds and Take Related Actions

RESOLVED, that the Chief Executive Officer of the Authority or his designee(s) be, and each of them hereby is, authorized to make a Special Purpose Fund Real Estate Loan to Statewide Local Development Corporation for the benefit of Borderworx Logistics LLC for an amount not to exceed \$1,000,000 or 33% of the total real estate project cost, whichever is less, to be funded from the proceeds of New York State Guaranteed Special Purpose Fund bonds or notes, for the purposes and substantially on the terms and conditions set forth in the materials presented at this meeting, with such changes as the Chief Executive Officer of the Authority or his designee(s) may deem appropriate; and be it further

RESOLVED, that the Chief Executive Officer of the Authority or his designee(s) be, subsequent to the making of the Loans, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the Loans as he or she may deem appropriate in the administration of the Loans; and be it further

RESOLVED, that the Chief Executive Officer of the Authority, or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Authority to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions; and be it further

RESOLVED, that the provision of financial assistance by the Authority is expressly contingent upon: (1) the approval of the Public Authorities Control Board, as applicable, and (2) the receipt of all other necessary approvals.

Borderworx Logistics LLC
Sanborn NY – Western New York Region

