



IDA Annual Compliance Report State Sales Tax Recapture

File

ST-62

(1/18)

For IDA fiscal year ending 12 31 18
(mmdyy)

Due within 90 days of the end of each fiscal year.

IDA information

Name of IDA HERKIMER COUNTY IDA		
Street address 420 E. GERMAN STREET, SUITE 101A		Telephone number (315) 866-3000
City HERKIMER	State NY	ZIP code 13350

Terms and conditions for the recapture of state sales tax exemption benefits for projects established, amended, or extended on or after March 28, 2013

1 Did the IDA provide state sales tax exemption benefits to any project established, amended, or extended during the fiscal year entered above? 1 Yes No
 If Yes, continue below.
 If No, skip to question 3.

2 When an IDA establishes a project, appoints an agent/project operator, or amends or extends a project established in a prior year, the IDA must include terms and conditions for the recapture of state sales tax exemption benefits in its resolutions and project documents. This applies to all projects established, amended, or extended on or after March 28, 2013 (see instructions).

Did the IDA use the same terms and conditions regarding the recapture of state sales tax exemption benefits in the project documents for each of its projects (as described above)? 2 Yes No
 If Yes, attach a copy of the terms and conditions used.

If No, attach a copy of each version used. Be sure to identify the projects to which each version of the terms and conditions relate.

If the IDA did not include terms and conditions for the recapture of state sales tax exemption benefits in the project documents, attach a list of these projects (see instructions).

Activities and efforts to recapture state sales tax exemption benefits for projects established, amended, or extended on or after March 28, 2013

3 Did the IDA make efforts to recapture any state sales and use tax exemption benefits from an agent, project operator, or other person or entity (see instructions)? 3 Yes No
 If Yes, continue below.
 If No, skip question 4 and complete the Certification below.

4 Did the IDA file Form ST-65, IDA Report of Recaptured Sales and Use Tax Benefits, for each recapture, and remit the funds to the Tax Department? 4 Yes No
 If Yes, you must keep a copy of Form ST-65 and supporting documentation related to the recapture activities.
 If No, attach an explanation of the IDA's recapture efforts (see instructions).

Certification

I certify that the above statements are true, complete, and correct, and that no material information has been omitted. I make these statements with the knowledge that willfully providing false or fraudulent information with this document may constitute a felony or other crime under New York State Law, punishable by a substantial fine and possible jail sentence. I also understand that the Tax Department is authorized to investigate the validity of any information entered on this document.

Print name of person signing on behalf of the IDA John J. Fiseck, Jr.	Print title of person signing on behalf of the IDA Executive Director
Signature 	Date 03-20-2019
	Telephone number (315) 866-3000

Mailing instructions

Mail/completed form and attachments to:

NYS TAX DEPARTMENT
 IDA UNIT
 W A HARRIMAN CAMPUS
 ALBANY NY 12227-0866

Instructions

Filing requirements

Every IDA must file this compliance report every year. The report must include:

- the terms and conditions for the recapture of state sales tax exemption benefits (as described in General Municipal Law (GML) section 875(3)) within all of the IDA's resolutions and project documents. This applies to:
 - projects established and agents or project operators appointed, and any financial assistance or agreement for payments in lieu of taxes provided, on or after March 28, 2013; and
 - any amendment or revision for additional funds or benefits made on or after March 28, 2013, to projects established, agents or project operators appointed, financial assistance provided, or payments in lieu of taxes provided, prior to March 28, 2013.
- information about efforts the IDA has made to recover, recapture, receive, or obtain any state sales tax exemption benefits and payments in lieu of state sales taxes from an agent/project operator, or other person or entity.

Every IDA must file Form ST-62 within 90 days of the end of each fiscal year.

The term *state sales tax* as used in this form includes both state sales tax and the state use tax.

For more information, see TSB-M-14(1.1)S, *Sales Tax Reporting and Recordkeeping Requirements for Industrial Development Agencies and Authorities*.

Any IDA that fails to file or substantially complete this report may lose its authority to provide state sales tax exemption benefits.

Terms and conditions for the recapture of state sales tax exemption benefits

Line 2 – If the IDA:

- **used the same** standard terms and conditions for the recapture of state sales tax exemption benefits in the project documents for all projects covered by this report, attach a copy of the terms and conditions used. You are **not** required to attach the entire document. Attach only the sections describing the state sales tax recapture requirements described in GML section 875(3).
- **used different** terms and conditions for the recapture of state sales tax exemption benefits in the project documents for the projects covered by this report, attach a copy of the terms and conditions used and identify the project(s) to which they relate. Be sure to include the project name and address, and the legal name and EIN of the agent or project operator for each project identified.
- provided state sales tax exemption benefits **but did not include** terms and conditions for the recapture of those benefits, attach a list of these projects. Include the project name and address, the legal name and EIN of the agent or project operator, and the reason why terms and conditions regarding recapture were not included.

Activities and efforts to recapture state sales tax exemption benefits

The GML requires that each IDA recapture state sales tax exemption benefits that were claimed by a project operator or agent, or other person or entity, whenever the benefits were:

- not entitled or authorized to be taken,
- in excess of the amounts authorized,
- for unauthorized property or services, or
- for property or services not used according to the terms of the agreement with the IDA.

See Form ST-65, *IDA Report of Recaptured Sales and Use Tax Benefits*, for more information.

IDAs must remit recaptured state sales tax benefit amounts to the Tax Department within 30 calendar days, using Form ST-65.

Line 4: If the IDA made efforts to recapture sales tax exemption benefits during the fiscal year covered by this report and **has not filed** Form ST-65, attach an explanation.

The attachment must include:

- name and address of the project and project number;
- legal name, EIN, and address of the agent/project operator, or other person or entity;
- project beginning and end dates;
- the basis for recapture, as described above;
- date of recapture efforts;
- amounts identified as required to be recaptured; and
- amount recaptured, if different.

When identifying recapture amounts, be sure to break down the total dollar amount into the categories below:

- state tax,
- local tax,
- MCTD tax (if applicable),
- penalties, and
- interest.

If the amount recaptured was not paid in full, also include copies of correspondence exchanged between the IDA and the agent/project operator, or other entity or person regarding the recapture efforts.

Need help?

Visit our website at www.tax.ny.gov.

PROJECT COMPLETION AND RECAPTURE AGREEMENT

THIS AGREEMENT, dated as of June 1st, 2018 is made by **4905 EAST LAKE ROAD, LLC** (the "Owner"), a New York limited liability company having an address of 4905 East Lake Road, Cazenovia, New York 13035 and **JBF STAINLESS, LLC**, a New York Corporation having an address of 4905 East Lake Road, Cazenovia, New York 13035 (collectively referred to with the Owner as the "Companies") for the benefit of the **HERKIMER COUNTY INDUSTRIAL DEVELOPMENT AGENCY**, an industrial development agency and a public benefit corporation of the State of New York having its principal office at 420 E. German Street, Suite 101A, Herkimer, New York 13350 (the "Agency").

WITNESSETH:

WHEREAS, Title 1 of Article 18 A of the General Municipal Law of the State of New York (the "Act") was duly enacted into law as Chapter 1030 of the Laws of 1969 of the State of New York (the "State"); and

WHEREAS, the Act authorizes the creation of industrial development agencies for the benefit of the several counties, cities, villages and towns in the State and empowers such agencies, among other things, to acquire, construct, reconstruct, lease, improve, maintain, equip and sell land and any building or other improvement, and all real and personal properties, including, but not limited to, machinery and equipment deemed necessary in connection therewith, whether or not now in existence or under construction, which shall be suitable for manufacturing, warehousing, research, housing, commercial or industrial facilities, including industrial pollution control facilities, in order to advance job opportunities, health, general prosperity and the economic welfare of the people of the State and to improve their standard of living; and

WHEREAS, the Act further authorizes each such industrial development agency to lease any or all of its facilities at such rentals and on such other terms and conditions as it deems advisable, to issue its bonds for the purpose of carrying out any of its corporate purposes and, as security for the payment of the principal and redemption price of, and interest on, any such bonds so issued and any agreements made in connection therewith, to mortgage any or all of its facilities and to pledge the revenues and receipts from the leasing of its facilities; and

WHEREAS, the Companies have requested that the Agency (the "Agency") undertake a project (the "Project") consisting of the following: (A) acquisition, construction, leasing and equipping of a manufacturing facility (collectively, the "Facility"); (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the General Municipal Law) with respect to the foregoing, including potential exemptions from sales taxes and exemptions from mortgage recording taxes (collectively, the "Financial Assistance"); and (C) the lease of the Facility to Agency and leaseback of the Facility to the Owner or such other person as may be designated by the Companies and agreed upon the Agency; and

WHEREAS, in order to provide such Financial Assistance to the Companies under the Act, the Agency requires, among other things, that the Owner and the Agency enter into certain

lease/leaseback transactions and other associated agreements dated of even date herewith (collectively, the "Transaction Documents"), and

WHEREAS, based upon representations made by the Companies in its Application for Financial Assistance, the Agency determined that the Project will promote employment opportunities and prevent economic deterioration in Herkimer County by filling the demand for manufacturing/commercial facilities and for attracting a quality workforce to the region; and

WHEREAS, the Agency has appointed the Companies and its agents and designees as its agent for the purposes of acquiring the Land and construction and equipping the Facility; and

WHEREAS, pursuant to a Lease Agreement dated of even date herewith between the Owner as Lessor and the Agency as Lessee (the "Lease Agreement"), the Company has agreed to lease the Facility to the Agency for a ten-year period (10) commencing June 1, 2018 and ending May 31, 2028 (the "Lease Term"); and

WHEREAS, pursuant to the Amended and Restated Leaseback Agreement dated as of June 1, 2018 (the "Leaseback Agreement"), the Agency is leasing the Facility back to the Owner for the Lease Term; and

WHEREAS, the Agency wishes to condition the Financial Assistance upon the Companies completing the Facility as described.

NOW THEREFORE, for good and valuable consideration and in consideration of the Owner entering into the Lease and Leaseback Agreement, the Companies hereby covenants and agrees as follows:

1. Representations and Covenants. The Companies makes the following representations and covenants as the basis for the undertakings on its part herein contained:
 - (a) It has power to enter into and to execute and deliver this Agreement.
 - (b) Neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby nor the fulfillment of or compliance with the provisions of this Agreement will conflict with or result in a breach of any of the terms, conditions or provisions of any corporate restriction or any agreement or instrument to which the Companies is a party or by which it is bound, or will constitute a default under any of the foregoing, or result in the creation or imposition of any lien of any nature upon any of the property of the Companies under the terms of any such instrument or agreement.
 - (c) The providing of the Facility by the Agency and the leasing thereof by the Agency to the Companies will not result in the removal of a plant facility or another commercial activity of the Companies from one area of the State to another area of the State nor result in the abandonment of one or more plants or facilities of the Companies located within the State.

- (d) The operation of the Facility will conform with all applicable zoning, planning, building and environmental laws and regulations of governmental authorities having jurisdiction over the Facility, and the Companies shall defend, indemnify and hold the Agency harmless from any liability or expenses resulting from any failure by the Companies to comply with the provisions of this subsection (d).
- (e) There is no litigation pending or, to the knowledge of the Companies, threatened, in any court, either state or federal, to which the Companies is a party, and in which an adverse result would in any way diminish or adversely impact on the ability of the Companies to fulfill its obligations under this Agreement.

2. Project and Investment Obligations. The financial assistance granted by the Agency is conditioned upon the Applicant constructing its Project as represented in its Application within two years of the date of this Agreement (the "Project Obligation"). If, after two years or upon completion of the Project, the Project is not completed in accordance with the Project Obligation, it may subject the Applicant to recapture of Financial Assistance. After acceptance by the Agency of the Companies Final Project Report (more particularly described below) confirming compliance with the Project Obligation, the Companies shall have no further obligation with respect to the Project Obligation and shall not be liable for any of the payments described below. The Companies further acknowledge that the Financial Assistance was granted based upon the representation that JBF Stainless, LLC would retain 43 full time jobs and create 10 full time jobs over 4 years (the "Employment Obligation").
3. Final Project Review. The Companies will be required to submit to the Agency a certificate attesting to completion of the Project Obligation, together with copies of all Certificates of Occupancy (the "Final Project Report") within ten days of receiving a Certificate of Occupancy for all units, or at least ten days before the end of the Lease Term, whichever is soonest. The Agency reserves the right to inspect the Facility, with reasonable notice to the Companies. Upon receipt of the Final Project Report, the Agency will evaluate the Project again using the same criteria considered at the time of the initial project application.
4. Remedies. If the Employment Obligation is not met on or before the fourth (4th) anniversary of the date of this Agreement, the Agency may notify the Companies in writing of its intention to recapture Financial Assistance and the Companies will have thirty (30) days to respond to the letter citing the reason or reasons JBF failed to achieve its Project Obligation, including any request to appear before the Agency. If the Agency then determines that JBF's reasons for failing to achieve the Project Obligation are not acceptable to the Agency, the Agency, at its sole discretion, may:
 - a. Take no action if it is determined that the reason or reasons for failing to achieve the Project Obligation are temporary or, in the sole opinion of the Agency, it is in the best interest of economic development of Herkimer County; or

- b. Reduce the benefits granted to the Companies in an amount proportionate to the percentage for the Project Obligation that was achieved (i.e., if the Companies meets 75% of its projections, 25% of benefits are recaptured); or
 - c. Such other remedies as permitted under the Agencies Tax Exempt Policy which is incorporated herein by reference.
5. The Agency retains all rights to impose, delay or waive penalties and the right to deviate from these recapture provisions. Notwithstanding this right, the Agency is obligated to recapture New York State sales tax benefits where:
- a) The Project is not entitled to receive those benefits; or
 - b) The exemptions exceed the amount authorized, or are claimed for unauthorized property or services; or
 - c) The Companies fails to use property or services in the manner required by the Leaseback Agreement.
6. Notices. All notices, certificates and other communications hereunder shall be in writing and shall be sufficiently given and shall be deemed given when delivered and, if delivered by mail, shall be sent by certified mail, postage prepaid, addressed as follows:

To the Agency: Herkimer County Industrial Development Agency
 420 E. German Street – Suite 101A
 Herkimer, New York 13350
 Attention: Vincent J. Bono, Chairman

With a Copy to: Felt Evans, LLP
 4-6 North Park Road
 Clinton, New York 13323
 Attention: Anthony G. Hallak, Esq.

To the Companies: 4905 East Lake Road, LLC
 4905 East Lake Road
 Cazenovia, New York 13035
 Attn: John B. Feldmeier, President

 JBF Stainless, LLC
 148 Industrial Park Drive
 Frankfort, New York 13340
 Attn: John B. Feldmeier, President

With a Copy to: Curtin Law Firm
 42 Albany Street
 Cazenovia, New York 13035
 Attn: Paul J. Curtin, Jr., Esq.

7. Binding Effect: This agreement shall inure to the benefit of and shall be binding upon the Agency and the Companies and their respective successors and permitted assigns.
8. Severability: In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.
9. Amendments, Changes and Modifications. This Agreement may not be amended, changed, modified, altered or terminated without the concurring written consent of the parties hereto.
10. 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.
11. Applicable Law. This Agreement shall be governed exclusively by the applicable laws of the State of New York.
12. Survival of Obligation. This Agreement shall survive the performance of the obligations of the Companies to make payments required by Section 2.6 of the Leaseback Agreement and all indemnities shall survive any termination or expiration of the Leaseback Agreement as to matters occurring during the period of the Company's occupancy of the Facility.
13. Section Headings Not Controlling. The headings of the several sections in this Agreement have been prepared for convenience of reference only and shall not control, affect the meaning or be taken as an interpretation of any provision of this Agreement.
14. Merger of the Agency.
 - (a) Nothing contained in this Agreement shall prevent the consolidation of the Agency with, or merger of the Agency into, or assignment by the Agency of its rights and interests hereunder to, any other body corporate and political and public instrumentality of the State of New York or political subdivision thereof which has the legal authority to perform the obligations of the Agency hereunder, provided that upon any such consolidation, merger or assignment, the due and punctual performance and observance of all the agreements and conditions of this Agreement to be kept and performed by the Agency shall be expressly assumed in writing by the public instrumentality or political subdivision resulting from such consolidation or surviving such merger or to which the Agency's rights and interests hereunder shall be assigned.
 - (b) As of the date if any such consolidation, merger or assignment, the Agency shall give notice thereof in reasonable detail to the Companies. The Agency shall promptly furnish to the Company's such additional information with respect to any such consolidation, merger or assignment as the Companies reasonably may request.

15. No Assignment. This agreement may not be assigned by the Companies except with the written consent of the Agency, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, no consent from the Agency shall be required if an assignment of this Agreement is made by the Companies to the Company's parent, any direct or indirect subsidiary or affiliate of the Companies, or a successor to the Companies by way of merger, consolidation, corporate reorganization, or the purchase of all or substantially all of the Company's assets.
16. Agreement to Pay Attorney's Fees and Expenses. In the event the Companies should default under any of the provisions of this Agreement and the Agency should employ attorneys or incur other expenses for the collection of amounts payable hereunder or the enforcement of performance or observance of any obligations or agreements on the part of the Companies herein contained, the Companies shall, on demand therefor, pay to the Agency the reasonable fees of such attorneys and such other expenses so incurred.
17. No Additional Waiver Implied By One Waiver. In the event any agreement contained herein should be breached by any party and thereafter waived by any other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.
18. Inducement Agreement. The Transaction Documents represent the entire agreements of the Agency and the Companies and supersede the terms of the Inducement Agreement executed as of April 18, 2018, between the same parties.
19. Successors and Assigns. The rights and obligations of the Companies hereunder shall be binding upon and inure to the benefit of its respective successors and assigns.

[signature page follows]

IN WITNESS WHEREOF, the Companies has executed and delivered this Agreement as of the day and year first above written.

HERKIMER COUNTY INDUSTRIAL DEVELOPMENT AGENCY

By: Vincent J. Bono
Vincent J. Bono, Chairman

4905 EAST LAKE ROAD, LLC

By: John B. Feldmeier
John B. Feldmeier, President

JBF STAINLESS, LLC

By: John B. Feldmeier
John B. Feldmeier, President

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

On this 4th day of June, 2018, before me, a notary public in and for said State, did personally appear **Vincent J. Bono**, to me personally known or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Anthony G. Hallak
Notary Public
ANTHONY G. HALLAK
Notary Public - State of New York
#4234403
Qualified in Oneida County
Commission Expires May 23, 2022

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

On this 4th day of June, 2018, before me, a notary public in and for said State, did personally appear **John B. Feldmeier**, to me personally known or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Anthony G. Hallak
Notary Public
ANTHONY G. HALLAK
Notary Public - State of New York
#4234403
Qualified in Oneida County
Commission Expires May 23, 2022

PROJECT COMPLETION AND RECAPTURE AGREEMENT

THIS PROJECT COMPLETION AND RECAPTURE AGREEMENT (the "Project Completion and Recapture Agreement" or "Agreement"), dated as of August 1, 2017 is made by and between **HERKIMER COUNTY INDUSTRIAL DEVELOPMENT AGENCY** (the "Agency"), an industrial development agency and a public benefit corporation of the State of New York having its principal office at 420 E. German Street, Herkimer, New York 13350 (the "Agency") and the **TRACTOR SUPPLY COMPANY**, a Delaware corporation, or its assignee, with offices at 5401 Virginia Way, Brentwood, Tennessee 37027 (the "Company").

WITNESSETH:

WHEREAS, Title 1 of Article 18 A of the General Municipal Law of the State of New York (the "Act") was duly enacted into law as Chapter 1030 of the Laws of 1969 of the State of New York (the "State"); and

WHEREAS, the Act authorizes the creation of industrial development agencies for the benefit of the several counties, cities, villages and towns in the State and empowers such agencies, among other things, to acquire, construct, reconstruct, lease, improve, maintain, equip and sell land and any building or other improvement, and all real and personal properties, including, but not limited to, machinery and equipment deemed necessary in connection therewith, whether or not now in existence or under construction, which shall be suitable for manufacturing, warehousing, research, housing, commercial or industrial facilities, including industrial pollution control facilities, in order to advance job opportunities, health, general prosperity and the economic welfare of the people of the State and to improve their standard of living; and

WHEREAS, the Act further authorizes each such industrial development agency to lease any or all of its facilities at such rentals and on such other terms and conditions as it deems advisable, to issue its bonds for the purpose of carrying out any of its corporate purposes and, as security for the payment of the principal and redemption price of, and interest on, any such bonds so issued and any agreements made in connection therewith, to mortgage any or all of its facilities and to pledge the revenues and receipts from the leasing of its facilities; and

WHEREAS, the Company has requested that the Agency undertake a project (the "Project") consisting of the following: (A) (1) the acquisition of an interest in an approximately 142 acre parcel of land located in the Route 5S Business Park in the Town of Frankfort, New York and more particularly described in Exhibit A attached hereto and made a part hereof (the "Land"), (2) the construction on, under and over the Land of an approximately 930,500 square foot warehouse and distribution center, with potential expansion at the Company's option up to 1,230,000 square feet, and related facilities and improvements, including without limitation, offices, a water tank, electric transformers and parking for vehicles and truck trailers (collectively, the "Improvements") and (3) the acquisition and installation of machinery, equipment and other personal property (the "Equipment") in, on, around, over and under the Improvements and the Land (the Land, the Improvements and the Equipment being collectively referred to as the "Facility"); (B) the granting

- (a) It has power to enter into and to execute and deliver this Project Completion and Recapture Agreement.
- (b) Neither the execution and delivery of this Project Completion and Recapture Agreement, the consummation of the transactions contemplated hereby nor the fulfillment of or compliance with the provisions of this Project Completion and Recapture Agreement will conflict with or result in a breach of any of the terms, conditions or provisions of any corporate restriction or any agreement or instrument to which the Company is a party or by which it is bound, or will constitute a default under any of the foregoing, or result in the creation or imposition of any lien of any nature upon any of the property of the Company under the terms of any such instrument or agreement.
- (c) The providing of the Facility by the Agency and the leasing thereof by the Agency to the Company will not result in the removal of a plant facility or another commercial activity of the Company from one area of the State to another area of the State nor result in the abandonment of one or more plants or facilities of the Company located within the State.
- (d) From and after the Closing Date, the operation of the Facility will conform in all material respects with applicable zoning, planning, building and environmental laws and regulations of governmental authorities having jurisdiction over the Facility, and the Company shall defend, indemnify and hold the Agency harmless from any liability or expenses resulting from any failure by the Company to comply with the provisions of this subsection (d), arising after the Closing Date.
- (e) There is no litigation pending or, to the knowledge of the Company, threatened, in any court, either state or federal, to which the Company is a party, and in which an adverse result would in any way diminish or adversely impact on the ability of the Company to fulfill its obligations under this Agreement.
- (f) The Financial Assistance (as defined in this Agreement) provided by the Agency is part of a larger package of incentives provided by the Agency and other governmental agencies and there is a likelihood that the Company would not have undertaken the Project without the entire package of incentives being provided to it.

2. Project Obligation. (a) The financial assistance granted by the Agency is conditioned, in part, upon the Company's substantially completing the first phase of the Facility (i.e., an approximately 930,000 square foot distribution center) substantially as represented in its Application (the "Project Obligation") within approximately three years of the date of this Project Completion and Recapture Agreement. If the Company does not meet the Project Obligation by June 30th, 2020, the Company may be subject to recapture of the Financial Assistance as provided in Section 4 below. After receipt by the Agency of the Company Final Project Report (more particularly described below) confirming substantial compliance with the Project Obligation, the Company shall have no further obligation with respect to the

(2) Reduce the Financial Assistance granted to the Company in an amount proportionate to the percentage for the Project Obligation that was achieved (i.e., if the Company meets 75% of its projections, 25% of benefits are recaptured); or

(3) Take such other remedies as permitted under the Agency's Tax Exempt Policy (as in effect on the date hereof) which is incorporated herein by reference.

(b) If the Initial Employment Obligation or the Employment Obligation is not met on or before June 30th, 2020 or June 20, 2024, respectively, the Agency may notify the Company in writing of its intention to recapture the items of Financial Assistance specified on Exhibit C attached hereto and made a part hereof and the Company will have thirty (30) days to respond to the letter citing the reason or reasons the Company failed to achieve the Initial Employment Obligation or the Employment Obligation, as the case may be, including any request to appear before the Agency. If the Agency then determines that the Company's reasons for failing to achieve the Initial Employment Obligation or the Employment Obligation, as the case may be, are not acceptable to the Agency, the Agency, at its sole discretion, may:

(1) Take no action if it is determined that the reason or reasons for failing to achieve the Initial Employment Obligation or the Employment Obligation, as the case may be, are temporary or, in the sole opinion of the Agency, it is in the best interest of economic development of Herkimer County to take no action; or

(2) Reduce the items of Financial Assistance granted to the Company in accordance with Exhibit C attached hereto;

(3) Take such other remedies as permitted under the Agency's Tax Exempt Policy (as in effect on the date hereof) which is incorporated herein by reference; or

(4) Without limiting the generality of Section 4(b)(3) hereof, if the Initial Employment Obligation is not met, the Agency may defer recapturing the items of Financial Assistance specified on Exhibit C attached hereto until June 30, 2024 and, if the Employment Obligation is not met by June 30, 2024, recapture the items of Financial Assistance specified on Exhibit C attached hereto retroactively from June 30, 2020.

(c) Upon the receipt by the Agency of any amount of Financial Assistance pursuant to this Section 4, the Agency shall redistribute such amount within thirty (30) days of such receipt to the taxing entity that would have received such amount but for the granting by the Agency of the Financial Assistance.

5. The Agency retains all rights to impose, delay or waive penalties and the right to deviate from these recapture provisions.

12. Survival of Obligation. This Agreement shall survive the performance of the obligations of the Company to make payments required by Section 2.6 of the Leaseback Agreement and all indemnities shall survive any termination or expiration of the Leaseback Agreement as to matters occurring during the period of the Company's occupancy of the Facility.
13. Section Headings Not Controlling. The headings of the several sections in this Agreement have been prepared for convenience of reference only and shall not control, affect the meaning or be taken as an interpretation of any provision of this Agreement.
14. Merger of the Agency.
 - (a) Nothing contained in this Agreement shall prevent the consolidation of the Agency with, or merger of the Agency into, or assignment by the Agency of its rights and interests hereunder to, any other body corporate and political and public instrumentality of the State of New York or political subdivision thereof which has the legal authority to perform the obligations of the Agency hereunder, provided that upon any such consolidation, merger or assignment, the due and punctual performance and observance of all the agreements and conditions of this Agreement to be kept and performed by the Agency shall be expressly assumed in writing by the public instrumentality or political subdivision resulting from such consolidation or surviving such merger or to which the Agency's rights and interests hereunder shall be assigned.
 - (b) As of the date if any such consolidation, merger or assignment, the Agency shall give notice thereof in reasonable detail to the Company. The Agency shall promptly furnish to the Company's such additional information with respect to any such consolidation, merger or assignment as the Company reasonably may request.
15. No Assignment. This agreement may not be assigned by the Company except with the written consent of the Agency, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, no consent from the Agency shall be required if an assignment of this Agreement is made by the Company to the Company's parent, any direct or indirect subsidiary or affiliate of the Company, or a successor to the Company by way of merger, consolidation, corporate reorganization, or the purchase of all or substantially all of the Company's assets.
16. Agreement to Pay Attorney's Fees and Expenses. In the event the Company should default under any of the provisions of this Project Completion and Recapture Agreement and the Agency should employ attorneys or incur other expenses for the collection of amounts payable hereunder or the enforcement of performance or observance of any obligations or agreements on the part of the Company herein contained, the Company shall, on demand therefor, pay to the Agency the reasonable fees of such attorneys and such other expenses so incurred.

IN WITNESS WHEREOF, the Company and the Agency have executed and delivered this Project Completion and Recapture Agreement as of the day and year first above written.

**HERKIMER COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

By: Vincent J. Bono
Vincent J. Bono, Chairman

TRACTOR SUPPLY COMPANY

By: _____
Clay Teter, Senior Vice President - Real Estate
and Construction

SPECIAL PROJECT CERTIFICATION

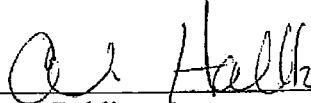
As required under Section 859-a (6) of the Act, the Company hereby certifies, under penalty of perjury, that the Company is in substantial compliance with all local, state and federal tax, worker protection and environmental laws, rules and regulations.

TRACTOR SUPPLY COMPANY

By: _____
Clay Teter, Senior Vice President - Real Estate
and Construction

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

On this 1st day of August, 2017, before me, a notary public in and for said State, did personally appear Vincent J. Bono, to me personally known or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.



Notary Public

ANTHONY G. HALLAK
Notary Public, State of New York
No.: 4234403
Qualified in Oneida County
Commission Expires May 23, 2018

STATE OF TENNESSEE)
COUNTY OF) ss.:

On this ___ day of _____, 2017, before me, a notary public in and for said State, did personally appear **Clay Teter**, to me personally known or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

[Not Applicable, see page 10]

EXHIBIT B

ANNUAL STATUS REPORT

COMPANY NAME: _____

ADDRESS: _____

TYPE OF BUSINESS: _____

CONTACT PERSON: _____

TELEPHONE NUMBER: _____

CREATED JOBS

	Professional	Skilled	Semi-Skilled	Un-Skilled	Total
Full Time					
Part Time					

Officer's Certification

I, the Undersigned, duly elected and appointed _____ (*Title*) of Tractor Supply Company., a business corporation (the "Company") do hereby certify, pursuant to the requirements of a Project Completion and Recapture Agreement dated as of August 1, 2017 by and between the Company and Herkimer County Industrial Development Agency, the following:

(A) That all information provided on this form is complete, true and accurate, and

(B) That the salary and fringe benefit averages or ranges for categories of jobs created described in the Company's Application are still complete, true and accurate in all material respects.

(*Officer's Signature*)